August 10, 2017

Christopher Ullrich, M.D., Chairman
North Carolina State Health Coordinating Council and Long-Term Behavioral Health Sub-Committee
C/O Healthcare Planning Section
Division of Health Service Regulation
Raleigh, NC 27603

RE: Novant Health Comment Regarding Continuum Care Petition Requesting Adjusted Need Determination for an Additional Hospice Home Care Office in Mecklenburg County

Novant Health is a not-for-profit integrated system of medical centers, physicians, as well as numerous outpatient surgery centers, medical plazas, rehabilitation programs, diagnostic imaging center, hospice, palliative, and community health outreach programs. Novant Health's over 25,000 team members and physician partners care for patients and communities in North Carolina, Virginia, South Carolina and Georgia.

Novant Health exists to improve the health of communities, one person at a time. Along with our staff, physician partners, and volunteers, we are united by a promise to deliver the most remarkable patient experience, in every dimension, every time. Responding to the health needs of our communities, especially to the most vulnerable among us, is central to the mission of Novant Health and other not-for-profit health care organizations. We strongly believe in our role as a good corporate citizen, which involves working with community agencies and organizations to make our communities better places to live and work. Novant Health employees and physician partners strive every day to bring our mission, vision and values to life. We demonstrate this commitment to our patients in many different ways, including maintaining an active community health outreach program, demonstrating superior outcomes for many health conditions as indicated by our state and national quality scores, and creating innovative programs (many are recognized nationally) that address important health issues.

Novant Health is focused and strategic in our approach to improving the health of the communities we live and work in. We are continuously creating programs dedicated to improving the health of our patients, neighbors and our communities' most vulnerable citizens. To identify these pressing needs, we work with various community partners to conduct community health needs assessments. This partnership enables us to systematically identify significant needs that are not adequately met due to financial, geographic or cultural barriers.

Novant Health Hospice has served the community for over 30 years, providing physical, emotional and spiritual care to patients and emotional and spiritual support to their loved ones. Providing care for a loved one who is sick and can no longer look after themselves can be one of the biggest challenges a family has to face. These conditions can arise from old age, severe

illness or crippling injuries, but regardless of the cause, we believe that no family should have to face these challenges alone. Novant Health Hospice care specialists provide compassionate, quality end-of-life care for terminally ill patients and their loved ones. We know how overwhelming these times may be, so our goal is to provide the highest level of support and specialized medical care that will improve the quality of life for the patient and their loved ones during their final months or days. We offer an individualized treatment plan to comfortably manage pain and symptoms that is comprised of a team of doctors, nurses, social workers, chaplains, grief counselors, and volunteers. Most often, hospice services are provided on an outpatient basis, either in a patient's home or at a long-term care facility. Sometimes, however, inpatient hospice care may be required. Our facilities in Charlotte, Matthews and Salisbury offer short-stay, transitional units that focus on stabilizing symptoms and providing comfort and support in a homelike environment.

While studies show that patients who receive hospice care live longer and have better quality of life than patients who did not have hospice service, the average and median length of stays continue to decline across the nation. In 2015, Novant Health's Hospice program experienced an average length of stay of 36 days and a median length of stay of 7 days. In order to increase access to hospice care, we sought to improve our ability to appropriately and consistently identify patients earlier who are medically appropriate and would benefit from hospice services, allowing us to provide the highest level of comfort, compassionate care and quality of life for patients and loved ones. In addition, we established a system-wide Hospice Quality Partner Network to foster system integration, standardization and excellence in quality of hospice care. The network included organization owned as well as community-based hospice agencies. As a result of the education and collaboration, we saw the number of referrals to hospice care system wide increase 37% from baseline.

To improve outcomes further, we implemented education for hospitalists, case management, and care coordination teams as part of an organizational approach to reduce readmissions and ensure right care at the right time. The education included specific screening criteria, conversations regarding prognosis, understanding goals of care and hospice care as a treatment option. Feedback from team members resulted in ongoing resource development to enhance conversations with patients and their loved ones and an integrated hospice screening tool within the electronic medical record. Consequently we saw a 20% increase in patients referred to the Novant Health Hospice Quality Partners Network and Novant Health Hospice's average length of stay increase from 36 days to 41 days and median length of stay increase from 7 days to 11 days. We are currently working to roll the Hospice Quality Partners into the organization's Post-Acute Network encompassing skilled nursing care and home health care and data collection related to appropriate hospice referrals from those environments is underway.

Centered in Mecklenburg County, the country's fifth largest urban area with over seven million people living within a 100-mile radius, Novant Health is working to identify and evaluate the health related needs of our communities so that we can continue to provide remarkable care to every patient, every time. Novant Health recognizes that every person is different and shaped

by unique life experiences, enabling us to better understand our team members and the communities we serve. Our organization is steeped in an understanding that embraces diversity and inclusion starting with our CEO, Carl Armato who states, "Diversity and Inclusion must be integrated into all of our strategies and community partnerships, just as we do with compassionate care. They must be reflected in the way we create a welcoming culture, and how we leverage the strengths of all team members, hire, and contract with vendors and address patients. Diversity and inclusion must be fully embedded in how we do our work every day." One of the five Novant Health core values, diversity and inclusion, permeates our organization and drives its mission and vision. Its influence is felt in the very fiber of who we are and why we exist. This value is realized by our Chief Diversity and Inclusion Officer, Tonya Blackmon, whose primary objective is to "hardwire diversity and inclusion so that Novant Health continues to prepare for the future of healthcare." Novant Health is also involved in several system–wide councils and committees focused on implementing diversity, inclusion and equity in clinical operations such as our Health Equity Council. By providing candid and open forums for the exchange of ideas, experiences and perspective, we can better serve African-Americans as well as other underserved populations.

Externally, Novant Health invests in community partnerships to address underserved and high risk communities. Novant Health, along with Carolinas Healthcare System, is working to address healthcare disparity in Mecklenburg County through the One Health Alliance. By joining together, these two healthcare systems are addressing the most at risk populations in Mecklenburg County, one of them being African-Americans. Already, the alliance has seen significant reduction of hospital readmissions for African-Americans with pneumonia. In January 2017, Novant Health targeted interventions around the discharge process, support for patients once home and quick access to healthcare with follow-up visits. After only five months of this initiative, we have data to support that disparity no longer exists! We have since employed the same process to identify and eliminate disparities for diabetes as well. And knowing that diabetes is among the most serious health problems facing African Americans, we have formed a team to begin addressing disparities.

Novant Health recently was awarded Build Health Challenge Funds to supports partnerships taking bold, upstream, integrated, local and data-driven approaches to community health to the high risk populations. Partnering with North Carolina Parks and Recreation, Novant Health will provide a clinical presence in 6 regional centers to offer health screenings, wellness coaching, and dietitian consultations. In addition, Novant Health partners with the Ministerial Alliance for African-American churches in Mecklenburg County, specifically targeting high risk areas, community shelters and the homeless by training congregational health promoters to teach on wellness, educate regarding the importance of advance care planning and hospice, and connect people to community resources who would not otherwise receive care.

As a result, Novant Health opposes the petition for an adjustment to the Proposed 2018 SMFP to include a need determination for an additional hospice home care office in Mecklenburg County. Moreover, a similar petition was made in 2014 for a Home Health provider to set up a Hispanic focused Home Health Agency/Office in Wake County. See Attachment A.That petition

was denied thus setting a precedent for an exclusively focused population provider in the state. We do not believe an office solely targeted at one population will serve the best interests of Mecklenburg County's residents. As part of our commitment to this community, we will continue to create partnerships and programs to ensure that all patient populations have access to the high quality healthcare that Novant Health provides.

Sincerely,

Kim Darden, Director Corporate Hospice Services
Novant Health, Inc.

CC: Barbara Freedy, Director, CON, Novant Health, Inc
blfreedy@novanthealth.org

File: NovantComments_kpd_9Aug2017.docx

ATTACHMENT A

Long-Term Behavioral Health Committee
Agency Report
Adjusted Need Petition for
Medicare-certified Home Health Need Determinations
Proposed 2015 State Medical Facilities Plan

Petitioner:
Myriad Homecare Agency, LLC
1008D Big Oak Court, Suite 102
Knightdale, North Carolina 27454

Contact:
Mr. Monty Midgette
(919)673-6910
myriadhomecare@gmail.com

Request:
Myriad Homecare Agency (MHA), LLC requests an adjusted need determination for one Medicare-certified home health agency or office in Wake County to address the special needs of the Hispanic-Latino population in the 2015 State Medical Facilities Plan (SMFP).

Background Information:
The home health need methodology projects future need based on trends in historical data, including the "Average Annual Rate of Change in Number of Home Health Patients" over the previous three years and the "Average Annual Rate of Change in Use Rates per 1000 Population" over the previous three years. The average annual rate of change is compiled based on Council of Governments (COG) regions.

Patient origin data used in the SMFP is compiled from Home Health Agency Annual Data Supplements to Licensure Applications as submitted to the Division of Health Service Regulation. The data supplements request data for a twelve month period using a start date of July, August, September or October. The methodology aggregates patient origin data by the following four age groups: under age 18, 18-64, 65-74 and over 75.

The methodology utilized in development of the State Medical Facilities Plan does not project future need based on the number of home health agencies in any given county or on the capacity of existing agencies. Rather, it projects need based on the number of patients served during the reporting years indicated in the Plan.

A basic assumption of the current methodology is that a new agency or office is needed if the projected unmet need in a single county is 325 patients or more. Therefore, the "threshold" for a need determination is a projected unmet need of 325 patients in a given service area.

Another basic assumption states that when the need for additional agencies or offices is determined by the standard methodology, the three annual SMFPs following certification of the agencies or offices based on that need should count the greater of 325 patients for each new agency or office or the actual number of patients served by the new agency office as part of the total people serviced. If a new agency office served fewer than 325 clients, and adjustment "placeholder" equal to the difference between the reported number or home health patients and 325 is used.

In essence, the "threshold" and the "placeholder" are linked and they are intended to represent the minimum size (in number of patients) for a financially viable home health agency.

It should be noted that any person may submit a certificate of need (CON) application for a need determination in the Plan. Therefore, should there be a need determination in the 2015 Plan, the CON review could be competitive and there is no guarantee that the petitioner would be the approved applicant.

Analysis/Implications:

The Agency supports the home health standard methodology. In the last ten years (2005-2014) there have been only eight need determinations by the standard methodology, six of which were in Mecklenburg and Wake counties, large counties that experienced significantly high growth in the past decade.

Table 1: Medicare-certified Home Health Services
Number of Need Determinations Produced by the Standard Methodology, 2005-2014 SMFP

	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012
Number of Need Determinations	1	0	1	0	0	1	0	2	1	0

2005-2014 State Medical Facility Plans

Wake County residents are well served by home health providers. Based on information reported on Home Health 2014 Annual Data Supplement to the License Renewal Applications, 28 agencies reported serving a total of 15,043 patients residing in Wake County. The highest volume provider agencies are located in Wake, Durham, Orange, and Johnston counties (Durham-4; Orange-1; Johnston-1; Wake-13).

The standard methodology would have generated a need determination for a home health agency or office if the needs of patients in the county were not being met.

MHA requests an adjusted need determination for a Medicare-certified home health agency or office in Wake County to address the special needs of the Hispanic-Latino population in the 2015 SMFP. MHA currently operates a home care business in Wake County that provides a

variety of services to include skilled nursing and personal care for adult, pediatric and geriatric patients.

The petitioner states they are looking to address the healthcare needs of "...a large and growing population of Hispanic-Latinos that are below the poverty level with limited healthcare access" in Wake County.

While the petitioner provides various types of data regarding demographics, the uninsured, poverty and unemployment in Wake County, no specific data is provided to demonstrate the size of the county's Hispanic-Latino population that needs these services or to demonstrate that the population is not being served by existing licensed Medicare-certified home health providers.

The Centers for Medicare & Medicaid Services (CMS) produces annual cost reports by facility type that contain state and county level demographics, cost utilization and quality data. According to the CMS 2013 Cost Report for Home Health facilities, 83,586 Medicare beneficiaries were living in Wake County as shown below in Table 2.

Table 2: CMS 2013 Cost Report for Home Health

	Count of Beneficiaries	Percent Non-Hispanic White	Percent African American	Percent Hispanic	Percent Other Unknown	Percent Eligible for Medicaid	Number PAC‡: Home Health Users
Wake	83,586	77.50	17.30	1.71	3.48	13.99	7,183
North Carolina	1,260,910	77.62	18.88	1.14	2.35	22.07	103,446

Centers for Medicare & Medicaid Services, CMS.gov; Data Year 2012

‡ Post Acute Care

Based on 1.71 percent Hispanic population, the total number of Hispanic Medicare Beneficiaries living in Wake County in 2013 was 1,429 as reflected in Table 3.

Table 3: Extrapolated Number of Hispanic Beneficiaries, Wake County

Count of Beneficiaries	Percent Hispanic	Hispanic Beneficiaries
83,586	1.71	1,429

Centers for Medicare & Medicaid Services, CMS.gov; Data Year 2012

Table 4 shows the number of Post-Acute Care (PAC) home health users that were Hispanic Medicare Beneficiaries living in Wake County in 2013 was 123.

Table 4: Extrapolted Number of Hispanic Home Health Users, Wake County		
Number PAC[1]: Home Health Users	Percent Hispanic	Hispanic Beneficiaries
7,183	1.71	123

Centers for Medicare & Medicaid Services, CMS.gov; Data Year 2012

[1] Post Acute Care

The CMS 2013 Cost Report for Home Health facilities provides information that 83,586 Wake County residents were Medicare beneficiaries in 2013 and of those residents 7,183 were Post-Acute home health users and only 123 of those were Hispanic. However, what cannot be determined is whether or not there are Hispanic-Latino residents in Wake County who need home health services and are not receiving them. The 123 Hispanic Post-Acute home health users residing in Wake County in 2013 is less than what is needed if the projected unmet need in a single county is 325 patients or more by way of the current standard methodology.

Based on data available to the agency, there cannot be determined to be sufficient need among the Hispanic-Latino population (325 patient threshold) to support one additional Medicare-certified home health agency or office in Wake County.

Agency Recommendation:

The agency supports the standard methodology for Medicare-certified home health agencies or offices as presented in the Proposed 2015 SMFP. Based on the information and comments submitted by the August 15, 2013 deadline, and in consideration of factors discussed above, the agency recommends denial of this petition.