

Members of the committee, my name is Tom Akins and I serve as President and CEO of LeadingAge North Carolina, a statewide, nonprofit association of nonprofit aging services providers. LeadingAge North Carolina has 69 members, with the vast majority of those being continuing care retirement communities. Our member communities are governed by local boards of directors and employ more than 15,000 staff who serve nearly 21,000 North Carolinians.

CCRCs in our state are licensed by the North Carolina Department of Insurance and regulated as an insurance product, with the nation's most stringent and responsible disclosure statements (filed on an annual basis) and financial reserve requirements. Over the years, this has made residents of CCRCs in North Carolina confident in the financial, clinical, and service aspects of the communities they have chosen to live in. As a reminder, North Carolina General Statute defines continuing care as "the furnishing to an individual...of lodging together with nursing services, medical services, or other health related services, under a contract approved by the Department of Insurance...for the life of the individual or for a period longer than one year." As you are aware, CCRCs provide a continuum of care, with residents able to access independent living, assisted living, and skilled nursing all on one campus.

The petition we are submitting today involves a proposed change in policy which would include an exemption to the State Medical Facilities Plan Need Projection for Home Health Agencies (Chapter 12) for CCRCs that wish to license and implement a Medicare Certified Home Health Agency, and to service exclusively

the individuals with whom the CCRC has a continuing care contract and not the general population.

To be precise, the petition requests the addition of language specific to qualified CCRCs that would allow them from the outset of a new community or the addition to an existing community, to add a licensed Medicare Certified Home Health Agency, without regard to the need determination show in Chapter 12. To qualify for such exemption, applications for certificates of need shall show that the proposed Medicare Certified Home Health Agency will only be licensed for the following levels of care: independent living accommodations, licensed adult care home beds, and licensed nursing care beds. In addition, the proposed language in our petition indicates that licensed CCRCs would provide services to meet the needs of people ONLY with whom the facility has continuing care contracts (as defined in existing North Carolina General Statute) and would not be certified for participation in the Medicaid program.

Our petition includes a careful consideration of the State Medical Facilities Plan's Basic Principles of Safety & Quality, Access, and Value. In a moment, Lee Syria, CEO and President of the nonprofit United Church Homes and Services in Newton, North Carolina, will speak to these principles. Before she does, I would like to ask the committee to keep in mind two important items as you consider our petition. First, similar exemptions for CCRCs already exist in the State Medical Facilities Plan regarding adult care homes and skilled nursing facilities. It is our belief that if home health services had been as prevalent when those exemptions were placed in the State Medical Facilities Plan as they are now, an exception for home health

would already be in the plan. Second, to truly fulfill the duty of a CCRC, LeadingAge North Carolina and its member communities believe that the provision of Medicare-certified home health is a vitally important component within the post-acute continuum. CCRCs have been historically successful in the operations of other care-related components within the campus (chiefly assisted living and skilled nursing for which Plan exemptions already exist), even when faced with limited volumes. This petition would allow CCRCs the option of applying for a Medicare-certified home health license and, ONLY if the State found their application compliant with all of its requirements, provide Medicare-certified home health services ONLY to the individuals with whom they have continuing care contracts, as defined by current North Carolina statute. And then, ONLY if the resident chose them.

At the end of the day, we think our petition upholds all of the guiding principles reflected in the State Medical Facilities Plan and maintains the integrity of our state's Certificate of Need regulations. To complete our presentation, I'd like to introduce Lee Syria, CEO and President of nonprofit United Church Homes and Services in Newton.