



March 22, 2018

Valarie Jarvis, Chair
Long-Term and Behavioral Health Committee
State Health Coordinating Council
North Carolina Division of Health Service Regulation
Healthcare Planning and Certificate of Need Section
2704 Mail Service Center
Raleigh, NC 27699-2704

Dear Ms. Jarvis,

I am writing in response to the petition filed by LeadingAge North Carolina, which requests a new policy in the State Medical Facilities Plan that would allow Continuing Care Retirement Communities ("CCRCs") to apply for a CON for a Medicare-certified home health agency without regard to the need determination in the State Medical Facilities Plan. AssistedCare Home Health is a Medicare-certified home health agency with offices in Leland, North Carolina (Brunswick County) and Snow Hill, North Carolina (Greene County). As a long-standing home health provider in North Carolina, we are concerned about the negative consequences of approving this petition.

First, the North Carolina State Health Coordinating Council, through the State Medical Facilities Plan, has done well to ensure that there are adequate numbers of home health agencies located throughout the state. The SMFP has provisions to ensure that every county in North Carolina has access to home health services, with multiple agencies available to serve patients. Some counties literally have dozens of agencies already serving residents. Establishing a policy whereby any number of CCRCs could add more agencies to communities that are already well-served is not consistent with the intent of the CON law.

Second, the unnecessary duplication of home health agencies resulting from this petition could jeopardize the value provided by existing agencies in North Carolina. North Carolina has the lowest Medicare home health expenditures in the region and does so while maintaining excellent quality measures. These accomplishments are due in large part to the SHCC's planning methodology for home health in North Carolina. Abandoning this planning methodology for a large category of providers could lead to higher costs for North Carolinians, as has happened in other states (e.g., Florida). Moreover, if the CCRC-based agencies are truly intended to only serve their resident populations, then it is unlikely that they would have a sufficient base to maintain quality standards and to provide specialized care required by so many home health patients today.

Third, there is no compelling reason to approve this petition. The petition does not present any data showing that CCRC residents across the state have access or quality issues with existing home health services. As stated above, home health agencies are readily available throughout North Carolina.

Fourth, there is no compelling reason to allow CCRCs to circumvent the SHCC and SMFP planning process. The petition implies that adding home health services without a need determination is the same as the provisions that allow for the development of nursing facility and adult care home beds. However, the petition fails to state that nursing facility and adult care home beds are a fundamental, required service of a CCRC; home health care is not. Again, home health services are readily available to CCRC residents.

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Finally, nothing precludes a CCRC from applying for a home health agency need determination if it believes that it has a sufficient patient population to achieve the 325-patient threshold required by the SMFP and CON regulations and can otherwise ensure quality and value that are competitive with existing home health providers.

We appreciate your consideration of our comments on this petition. We do not believe the petition is consistent with the intent of the CON law or the policies of the SMFP. We respectfully request that the petition be denied.

Sincerely,



Russell D. Herring
CEO