

March 20, 2018

North Carolina Division of Health Services Regulation
Healthcare Planning and Certificate of Need Section
2704 Mail Service Center
Raleigh, NC 27699-2704

Attention: SHCC Long Term Care and Behavioral Health Subcommittee

Dear Committee Members:

We are writing in opposition to the pending petition to the State Health Coordinating Council to amend the existing home health policy and exempt continuing care retirement communities from any need determination in order to obtain a home health Certificate of Need. We believe this petition is unfounded, problematic, and would raise a host of patient care and regulatory compliance problems.

The petition that has been submitted is based on assumptions that we believe have no merit. In addition, the petition fails to present any data to demonstrate that patients who reside in continuing care retirement communities have access to care, quality of care or provider choice issues. The petition simply cites dated statistics that show the growth of home-based care and elderly populations. However, these trends are already adequately captured by the existing needs methodology for home health services in the State Medical Facilities Plan.

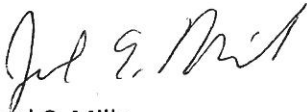
We recognize that all existing home health agencies have to compete with other home health agencies for a Certificate of Need based upon the existing methodology. If the petition was approved, we believe that other providers would likely seek similar exemptions. This would deteriorate Certificate of Need protection for home health which in our experience has proven costly in other states, including Texas and Florida. The results in those states are increased health care costs and taxpayer bills. The Certificate of Need process for home health already ensures that North Carolina has a sufficient number of providers and does this in a fiscally sound manner.

As a large home health organization providing services from many branches and regions, we understand that a certain level of scale and size is needed given the complexity of home health operations. Given the small percentage of a continuing care retirement community's population that would be eligible for home health at any given time, they would not come close to the 325-patient threshold needed for a new agency. With such a small number of patients, it would be impractical for a continuing care retirement community to meet the state and federal requirements necessary to provide quality care. We have noted that there is no data to support the number of continuing care retirement community residents that would be eligible for home health services in the existing petition.

We urge the committee to not approve this petition given its magnitude and damaging effects. We believe that it is important to keep the integrity of the CON rules so that it remains an effective, viable tool for ensuring the smart growth of services for patients and communities. The pending petition limits competition while also producing a very damaging carve out from the current need determination process.

Thank you for your attention to this critical matter.

Sincerely,



Joel C. Mills
CEO