

NORTH CAROLINA STATE HEALTH COORDINATING COUNCIL

**PETITION FOR ADJUSTED NEED DETERMINATION IN ROWAN COUNTY
FOR ONE HOSPICE HOME CARE OFFICE**

Petitioner Novant Health Hospice hereby submits this petition for modification to the need determination of an additional hospice home care office in Rowan County within the *2020 State Medical Facilities Plan*.

Petitioner:

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Statement of the Requested Adjustment:

Novant Health Hospice requests that the *2020 State Medical Facilities Plan* identify a need determination for zero (0) additional hospice home care offices in Rowan County (as reflected in Table 13H).

Background:

Table 13H in the *Proposed 2020 State Medical Facilities Plan* identifies a need determination for one (1) additional hospice home care office in Rowan County. This need determination is based on Rowan County hospice patient deaths data from 2019 Annual Data Supplements to Licensure Applications.

Using the standard methodology in Chapter 13 results in the following Table 13B:

Column A	Column B	Column C	Column D	Column E	Column F	Column G	Column H	Column I	Column J	Column K	Column L	Column M	Column N
County	2013-2017 Death Rate/1000 Population	2021 Population (excluding military)	Projected 2021 Deaths	2018 Reported Number of Hospice Patient Deaths	2021 Number of Hospice Deaths Served at Two Year Trailing Average Growth Rate	2021 Number of Hospice Deaths Served Limited to 60%	Projected 2021 Number of Hospice Deaths Served	Median Projected 2021 Hospice Deaths	Place-holders for New Hospice Office	Projected Number of Additional Patients in Need Surplus (Deficit)	Licensed Hospice Offices in County	Licensed Home Care Offices in County per 100,000	Additional Hospice Office Need
Source or Formula =>	Deaths - N.C. Vital Statistics	N.C. Office of State Budget and Management	Col. B x (Col. C/1,000)	2019 License Data Supplements	Col. E x 3 Years Growth at 2.2% annually	Col. D x 60%	Lower Number of Deaths between Col. F and Col. G	Col. D x Projected Statewide Median Percent Deaths Served (45.3%)		Col. H + Col. J - Col. I	2019 License Renewal Applications	Col. L / (Col. C / 100,000)	If Col. M <=3 and Col. K <= -90
Rowan	11.7	145,248	1,699	557	597	1,020	597	756	0	--159	4	2.8	1

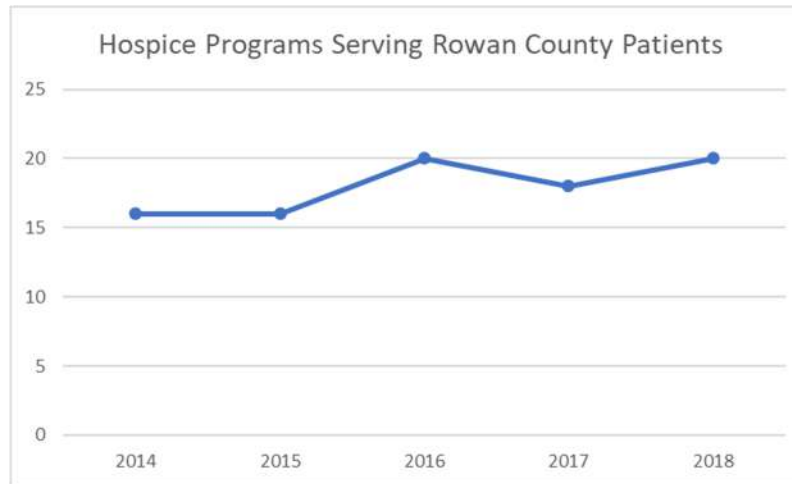
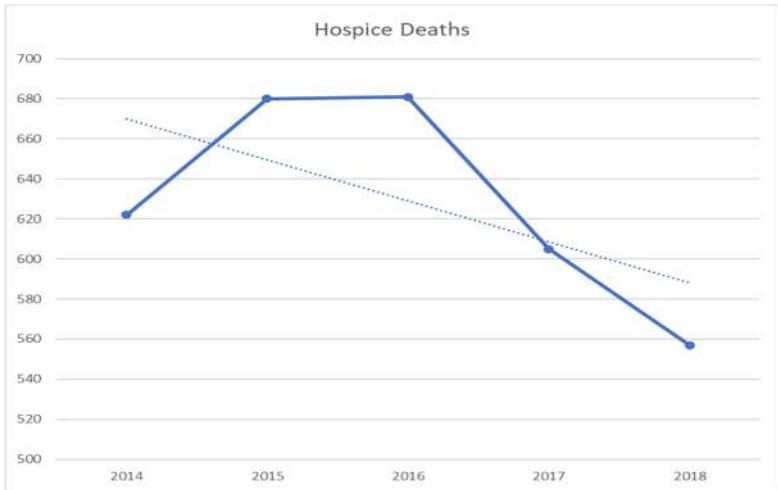
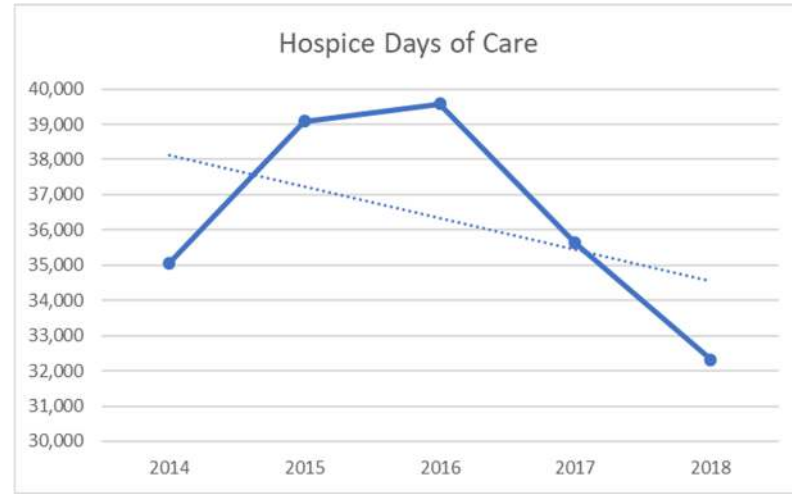
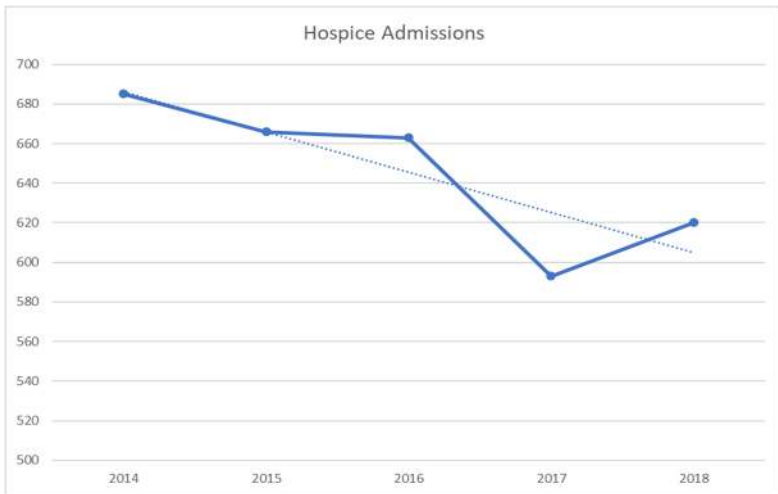
Reasons for the Proposed Adjustment:

Novant Health Hospice believes that it is unnecessary to maintain the need determination for one (1) additional hospice home care office in Rowan County for the following reasons:

- Since 2014, hospice admissions have been declining in Rowan County.
- Since 2015, hospice days of care have been declining in Rowan County.
- Since 2016, hospice deaths have been declining in Rowan County.
- Twenty (20) hospice programs provided care to Rowan County patients in 2018, an increase of four (4) hospice providers since 2014.
- 73% of hospice admissions and hospice deaths, as well as 60% of hospice days of care are served by one hospice program, Trellis

Supportive Care Rowan.

Rowan County	2014	2015	2016	2017	2018	5-Year CAGR
Hospice Admissions	685	666	663	593	620	-2.5%
Hospice Days of Care	35,059	39,080	39,576	35,625	32,321	-2.0%
Hospice Deaths	622	680	681	605	557	-2.7%
Hospice Programs Serving Rowan County Patients	16	16	20	18	20	



For these historical reasons, Novant Health Hospice believes that any methodology that projects a 35.7% increase $[(756-557) / 557]$ in hospice deaths is unreasonable and unsupported based on Rowan County's experience. In Column F of the standard methodology, it is projected that 597 hospice deaths in Rowan County will be served in 2021. In Column I, utilizing a statewide median percentage of hospice deaths, it is projected that 756 hospice deaths in Rowan County will be served in 2021. The 2018 statewide median percentage of 42.7% increased by 3.9% from 2017 $[(42.7 - 41.1) / 41.1]$, while the number of hospice deaths in Rowan County decreased by 7.9% $[(557-605) / 605]$ during the same period. It is only due to the application of the statewide median percentage that a need determination is generated in Rowan County. This statewide median percentage does not reflect the actual experience in Rowan County.

Additionally, in FY2018 Novant Health and Trellis Supportive Care dissolved a joint venture, Rowan Hospice & Palliative Care, LLC. During this period of dissolution, the number of admissions decreased to make it easier to transfer the remaining hospice admissions into existing hospice programs in Rowan County. After the dissolution, Trellis Supportive Care continued to operate in Rowan County under the Rowan Hospice & Palliative Care, LLC license, HOS2425, as Trellis Supportive Care Rowan and Novant Health continued to operate in Rowan County under the hospice license of Glenn A. Kiser Hospice House, HOS4599, as Novant Health Hospice.

It is reasonable to request that the need determination for one (1) hospice home care office in Rowan County be removed until the utilization data impacted by the dissolution of Rowan Hospice & Palliative Care, LLC can be factored into the standard methodology.

Adverse effect on providers and consumers without adjustment:

The proposed hospice home care office need determination will have an adverse effect on both providers and consumers if it is not adjusted. First, existing hospice providers have capacity. In Table 13B, it is reported that four (4) licensed hospice offices operate in Rowan County. Table 13A shows that twenty (20) licensed hospice home care offices serve Rowan County residents. The Agency utilizes a "placeholder" of 90 hospice patient deaths for need determinations not filled before the publication of the

following year's *State Medical Facilities Plan*. Trellis Supportive Care Rowan reports serving 402 hospice patient deaths in 2018 and as Table 13A shows, no other hospice provider served more than 42 hospice patient deaths in 2018. This would indicate that at a minimum the remaining three (3) licensed hospice offices in Rowan County at a minimum can accommodate an additional 173 hospice deaths [$3 \times 90 = 270$; $270 - 42 - 31 - 24 = 173$], including Novant Health Hospice, which only served 24 hospice deaths in 2018. Second, the development of an unnecessary hospice program may impact the costs associated with providing hospice care in Rowan County by duplicating healthcare services and diluting the volume of patients served by existing Rowan County hospice programs. Based on the data presently available, there is no reason think that Rowan County residents in need of hospice services will have difficulty accessing the services from the twenty (20) hospice home care offices now serving Rowan County.

Alternatives considered:

Because of Rowan County's historical hospice patient data and capacity in existing Rowan County hospice programs, the only logical alternative is to avoid creating an unnecessary need determination for one (1) additional hospice home care offices in Rowan County in the *2020 State Medical Facilities Plan*. This alternative resulted in the submission of this petition for an adjusted need determination in Rowan County.

Evidence that the proposed adjustment would not result in unnecessary duplication of health services in the area:

Adjusting the need determination for one (1) additional hospice home care office in Rowan County will definitely not result in duplication of health services in the area, but rather would avoid the unnecessary duplication of health services, as existing providers have capacity.

Evidence that the requested adjustment is consistent with the Basic Principles of Safety and Quality, Access and Value:

The proposed adjustment is consistent with these basic principles in that safety and quality, access and value, all of which are associated with the existing provision of hospice home care services in Rowan County, will not be impacted. Based on the existing hospice programs in Rowan County, adjusting the need determination will eliminate the possible duplication of services, which would eliminate the expenses associated with developing and staffing an additional hospice program in the service area.

Requested Adjustment:

Novant Health Hospice requests that the *2020 State Medical Facilities Plan* indicate a need determination for zero (0) additional hospice home care offices in Rowan County (to be reflected in Table 13H).