

Overview of Public Comments Delivered by Well Care CEO Zac Long in Support of its submitted *Petition for Adjustment to Eliminate the 2023 SMFP Home Health Agency Need Determinations and Call for Further Study of the Data & Methodology*
(7-27-2022)

- Introduce Zac and Well Care
 - o Family owned and operated home based care provider based in NC
 - o 35 year operating history
 - o Serve 50 plus counties in NC
 - o Deep experience in home health care delivery
 - o home health patient census of more than 3,800 patients and has consistently since 2015 been recognized by CMS as a 5-star rated home health provider of quality of patient care, which corresponds nationally with the top 4-5% of providers nationally
- Thank the SHCC commission and the state CON Section
 - o Great deal of respect for these groups, but also the process and purpose of the SMFP – it plays an incredibly important and valuable function in our state
- Our comments come from a broader industry perspective
 - o The spirit of our perspective is not what is best for Well Care, but what is best for the industry and the integrity and function of the home health need determination process and the broader SMFP process
 - o In relation to other groups which have provided comments at prior public hearings on this topic, Well Care is a long standing, proud member of the Association for Home and Hospice Care of NC (AHHC) – and echo in support the comments made by Tim Rogers during the last public meeting expressing concerns about the urgent need for a working group to evaluate and modernize the current home health need determination methodology
 - o Furthermore, we support the appointment of Tim Rogers and Cooper Linton as co-chairs to the Home Health methodology working group given their with deep industry experience
- In addressing the SHCC today by public comment and will be submitting a corresponding written petition to request (a) an adjustment to remove the 12 Need Determinations in Chapter 12 of the 2023 Proposed SMFP for Home Health Agencies; and (b) the creation of a working group to update and modernize the home health methodology. The requested adjustment is justified and necessary because the result of 12 Need Determinations is extraordinary, unprecedented, inconsistent with other SMFP Need Determinations (including both for Home Health, hospice home care, and other services), a by-product of a years-old and unique methodology, and potentially problematic for health care providers and consumers in North Carolina.
- the SHCC plays an important safeguard role ensuring that the output of need methodologies are reasonable and consistent and appropriate before being finalized Said differently,
- Well Care respects the overarching healthcare planning process which both generates proposed Need Determinations based on a standard methodology, while also empowers SHCC with the authority and responsibility to make adjustments to such need determinations when special or extraordinary circumstances are present
- There are several points from our petition that I want to emphasize with you today:
 - o Emphasize just how extraordinary and anomalous the 12 proposed home health need determinations are in the context of not only home health need determination history, but also that of other related services
 - o **The sheer magnitude of this departure from historical experience clearly signals that some type of material abnormality has occurred, and hence this result deserves heightened scrutiny**
 - o A few key takeaways from our analysis:

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- The 12 proposed HHA need determinations in 2023 is equivalent to the total HHA need determinations found over the prior 16 years combined
- The 12 proposed HHA need determinations in 2023 is equivalent to four times the prior annual record (3) for need determinations during this time period
- The 12 proposed HHA need determinations in 2023 is equivalent to sixteen times the average annual need determinations (0.75) found during this time period
- From 1999 to 2022, each SMFP has shown either 0, 1, or 2 HHA Need Determinations, except one year (2012) in which 3 HHA Need Determinations were identified
- The most recent plan year (2022) produced zero need determinations.
- In more than 83% (83.3%) of plan years, one or fewer need determinations were found
- In nearly 96% (95.6%) of plan years, two or fewer need determinations were found
- In only one year (2012) did the SMFP show a need for more than two new home health agencies
- In no plan years were more than 3 need determinations found
- **In relation to prior hospice need determinations over the last 24 years:**
 - The SMFP has established nearly an identical total number of Need Determinations for Home Health (18) and Hospice Home Care (19)
 - The SMFP has established a very similar annual average number of Need Determinations for Home Health (0.75) and Hospice Home Care (0.79)
 - The 12 proposed HHA need determinations in 2023 is equivalent to the total need determinations found for both Home Health and Hospice combined over the prior 10 years
 - The average annual need determinations found for Hospice Home Care was 0.79, meaning that the 12 proposed HHA need determinations in 2023 is equivalent to more than 15 (15.15) times this average annual need determination
 - The three most recent plan years (2020, 2021, 2022) produced zero need determinations for Hospice Home Care
 - The Need Determination in every year but one has shown a need for 0, 1, 2 or 3 for both home health and hospice agencies.
- Assessing this comparative Home Health and Hospice Home Care data clearly shows the striking inconsistency and incongruity of the Proposed 2023 Home Health Need Determinations. This extraordinary result is especially concerning given that Home Health and Hospice Home Care are similar service offerings in the core patient demographics and share the exact same geographic area and corresponding population characteristics and trends.
- Particularly perplexing also is that the 2023 Proposed SMFP shows **no** Need Determinations for hospice home care offices anywhere in the State. This result is in sharp contrast to the 2023 Proposed SMFP's 12 HHA Need Determinations and a dramatic departure from the decades in which the two methodologies generated comparable Need Determinations.
- **One area where I hope to shed additional light on as a direct care provider**
 - Accepting the 12 proposed HHA Need Determinations, thereby likely opening North Carolina to a tsunami of additional HHAs collectively poses real and substantial public policy concern that would directly impact patient care continuity.
 - For Home Health providers in North Carolina and across the country, far and away, the primary constraint on service capabilities and growth is the extreme supply shortage in the clinical workforce. In fact, North Carolina is one of the most severely impacted states nation-wide in

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workforce shortages, which was recently highlighted by WRAL article that reported **more than 2,500 nurse openings in Triangle-area hospitals alone**. This pressing clinical workforce shortage impacts providers across the care continuum, including Home Health providers, leading to intense competition for clinical staff, ongoing staffing shortages, and increased reliance on travel nurses.

- Proceeding with these anomalous, outlier Need Determinations, and the likely resulting material influx in new market applicants/entrants would risk further straining the precious clinical workforce resources relied upon by the state's existing HHA providers.
- The disruptive impact of this tsunami would hit the state's HHA providers at an especially difficult and precarious time, when such providers are still reeling not only from delivering needed home care services during a global pandemic, but also from the transformative changes in the industry's regulatory and payment framework