

Hospice Services
Proposed 2009 State Medical Facilities Plan

Petition Hospice Home Care - 3: Hospice of Union County

PETITION

Petition for a Special Need Adjustment to the Hospice Home Care Agency Need Methodology

Petitioner:

Hospice of Union County
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Monroe, NC 28110

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DFS HEALTH PLANNING
RECEIVED

AUG 1 - 2008

MEDICAL FACILITIES
PLANNING SECTION

Requested Change:

Hospice of Union County requests an adjusted need determination in the 2009 *State Medical Facilities Plan* to remove the need determination for one new hospice home care agency in Union County.

Reasons for Requested Change:

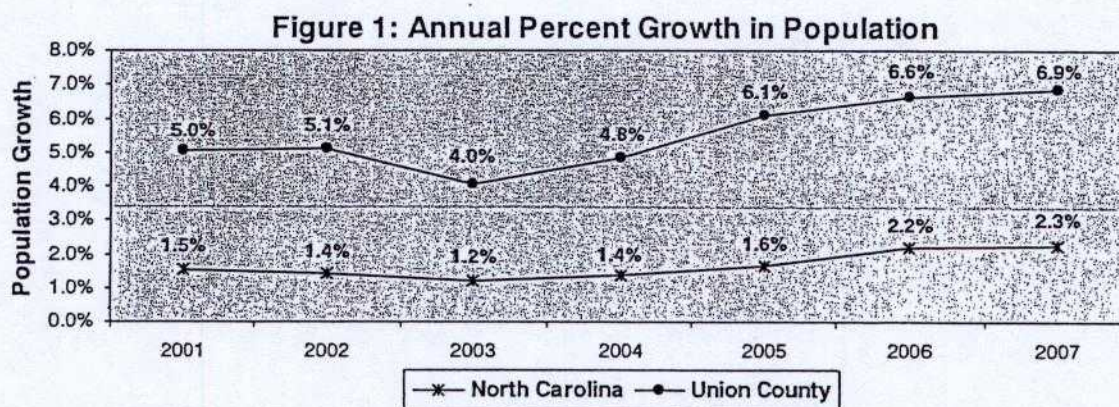
Hospice of Union County, Inc., located in Monroe, North Carolina, is a Medicare-certified hospice agency, which currently operates 14 residential hospice beds and has an additional six residential beds as well as six inpatient beds currently under development. Hospice of Union County has been the leading provider of hospice care to Union County residents since its opening as the only hospice provider in the county in 1986. Since that time, however, Community Home Care and Hospice has expanded its service area to include Union County and Hospice of Union County developed two additional branch offices to more effectively serve the northern and western areas of the county. In 2007, a total of ten hospice agencies provided hospice care to residents of Union County, four of which were located in Union County.

In the six years from 2001 to 2007, total hospice days of care in Union County grew by a compound annual growth rate of 12 percent while total hospice deaths in the county grew by a compound annual growth rate of seven percent, both higher rates than the population growth of Union County, which is the highest in North Carolina.

Despite the number of hospice agencies serving, and located in, Union County, as well as the significant growth in hospice utilization, the *Proposed 2009 State*

Medical Facilities Plan includes a need determination for one additional hospice home care office in Union County. Hospice of Union County believes this need determination is the result of a flaw in the current hospice home care methodology, as introduced in the petition filed by The Carolinas Center for Hospice and End of Life Care in April 2008. Specifically, that petition noted, "To continue under the current methodology does not credit existing providers for the services they actually render and creates need in service areas where need may not actually exist, particularly in areas of high population growth." Union County is a prime example of this phenomenon.

According to the North Carolina Office of State Budget and Management, Union County population in 2007 was estimated to be 182,380. This represented a 6.9 percent growth from 2006, a growth rate that was three times higher than the North Carolina population growth rate during the same time period of 2.3 percent. Historical data suggests that the 2007 Union County population growth was not an anomaly; annual growth rates in the county's population between 2000 and 2007 have ranged from 4.0 percent to 6.9 percent while the growth rate of North Carolina's population has ranged from 1.2 percent to 2.3 percent during the same time period.



Since 2000, Union County has experienced the highest population growth within the Charlotte-Gastonia-Concord Metropolitan Statistical Area, 47.5 percent, almost twice that of Cabarrus and Mecklenburg counties. In fact, Union County's seven year growth (47.5 percent) was the highest in the state of North Carolina. More importantly, Union County is projected to have the highest county population growth in the state over the next ten years as well.

It is this tremendous population growth that is driving the hospice need determination, not necessarily a true unmet need for additional hospice offices. To determine need in each county, the current hospice home care methodology applies the current statewide average hospice utilization rate to the *projected*

population of that county, then subtracts the number of hospice deaths served in the *previous* year. Thus in counties with high population growth, such as Union, the methodology projects a much higher number of future hospice deaths based on population growth, while assuming that the volume served by existing hospice agencies in the previous year will remain the same three years later.

To demonstrate that the projected need for an additional hospice agency in Union County is the result of population growth, Hospice of Union County has run the *SMFP* need methodology for Union County assuming no population growth from the base year 2007.

Col. A	Col. B	Col. C	Col. D	Col. E	Col. F	Col. G	Col. H	Col. I	Col. J	Col. K	Col. L
	2006 Number Of Deaths	2007 Reported # of Hospice Patient Deaths	% Deaths Served By Hospice	2002-2006 Death Rate/1000 Population	2007 Population (excluding military)*	Projected 2010 Deaths	Projected Average Hospice Deaths	Placeholder for New Hospice Office	Projected Number of Additional Patients in Need Surplus (Deficit)	Deficit Index	Add'l Hospice Office Need
Source or Formula =>	2006 NC Vital Statistics	2008 Lic. Data Supplements	Col. C/Col. B	Deaths - NC Vital Statistics	Office of State Budget and Mngt	Col. E*(Col.F/1000)	Col. G *29.41%		Col. C + Col. I - Col. H	Shown if Col. J =>50 and pop <= 50,000 or Col. J => 75 and pop. > 50,000 and deficit index =>10%.	(Col. J =>50 and pop <= 50,000 or Col. J => 75 and pop. > 50,000 and deficit index =>10%)
Union	1044	286	27.39%	6.2	182,380	1,131	333	-	(47)	14%	None

*Assumes no projected population growth from 2007; Source for 2007 population: Proposed 2009 SMFP, Table 13C

As the table above indicates, with no assumed population growth, the current methodology would not generate a need for a new hospice home care agency in Union County.

Clearly, the population of Union County will continue to grow. However, hospice agencies in Union County are also expected to continue to grow. If the current methodology is adjusted to assume that, along with population growth, the number of hospice deaths served by existing agencies continues to grow as it has for the last seven years, at seven percent per year, the result is also no need for an additional hospice agency.

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which will be convened to recommend comprehensive changes to better address high growth areas, as well as other issues. In the interim, the inclusion of a need determination for an additional hospice home care agency in Union County in the *2009 State Medical Facilities Plan* could result in the entry of an additional agency that is not actually needed in the county and a duplication of existing resources.

For these reasons, Hospice of Union County requests an adjusted need determination in the *2009 State Medical Facilities Plan* to remove the need determination for one additional hospice home care agency in Union County.