

Long Term Care/Behavioral Health Committee  
April 23, 2010-Agency Petition Reports for Policies, Methodologies and  
Assumptions of the Proposed 2011 Plan

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**AGENCY REPORT**

**Petitions**

Petition 2: Hospice Inpatient Bed Need Capped at 60% of hospice penetration for each county.

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**Petition 2 :** Health Planning Source. Add an additional step to the recently revised hospice inpatient bed need methodology by applying a 60 percent cap for the hospice inpatient bed penetration for each county.

**Request:**

Petitioner requests that the projected hospice admissions, as calculated in the inpatient bed methodology, be capped at a level equivalent to a 60 percent hospice penetration rate for each county. The petitioner believes that this additional step will ensure that the hospice inpatient bed methodology more accurately projects inpatient bed need and also will ensure consistency between the inpatient bed and home care office methodologies.

**Background Information:**

Chapter 2 of the State Medical Facilities Plan describes the purpose and process for submitting petitions to amend the state medical facilities plan during its development. Petitions can be sent to the Medical Facilities Planning Section twice during the course of plan development. Early in the planning year petitions can be submitted that are related to basic plan policies and methodologies that have a statewide effect. *“Changes with the potential for a statewide effect are the addition, deletion, and revision of policies and revision of the projection methodologies.”* The changes recommended by these petitioners is need methodology based. Late in the planning year petitions can be submitted that relate to adjustments to need determination in a proposed state medical facilities plan.

**Analysis of Petition:**

The petitioner states the following:

*“...without the proposed step, the inpatient bed methodology could project admissions*

*beyond what can reasonably be expected in certain counties.”*

The petitioner projects a 60 percent hospice inpatient bed penetration rate for each county. The following table illustrates the number of hospice inpatient beds needed according to the 2006-2010 State Medical Facilities Plans.

**North Carolina Historic and Projected Hospice Inpatient Bed Need ①**

SMFP Year	2006	2007	2008	2009	2010		% Change
Projected Year	2009	2010	2011	2012	2013	CAGR	2009-2013
<b>Bed Need</b>	<b>152</b>	<b>49</b>	<b>117</b>	<b>92</b>	<b>33</b>	<b>-46.50%</b>	<b>-78.00%</b>

The application of a 60 percent cap for hospice inpatient bed penetration appears unnecessary given the declining number of hospice inpatient bed need identified between 2006 and 2010. In addition, such a cap may have the opposite effect of understanding actual need.

**Agency Recommendation:**

The Agency recommends that the petition for capping hospice inpatient market penetration at 60 percent be denied.