

**Long-Term Behavioral Health Committee
Agency Report
Adjusted Need Petition for
Hospice Inpatient Bed Need Determinations
Proposed 2013 State Medical Facilities Plan**

Petitioners:

1. Community CarePartners, Inc.
d/b/a CarePartners Hospice and Palliative Care
68 Sweeten Creek Road
Asheville, North Carolina 28803
2. Hospice of Henderson County, Inc.
d/b/a Four Seasons Compassion for Life
517 South Allen Road
Flat Rock, North Carolina 28731

Contacts:

1. Ms. Tracy Buchanan,
President/CEO
2. Mr. Christopher Comeaux,
President/CEO

Request:

Community CarePartners, Inc. d/b/a/ CarePartners Hospice and Palliative Care and Hospice of Henderson County, Inc. d/b/a Four Seasons Compassions for Life requests an adjusted need determination for six hospice inpatient beds in Buncombe County.

Background Information:

The current hospice methodology uses projected hospice days of care, calculated by multiplying projected hospice admissions by the lower of the statewide median average length of stay or the actual average length of stay for each county. Projected hospice admissions are determined by the application of a two-year trailing average growth rate in the number of admissions served to current admissions. Inpatient days as a percent of total days of care, are determined to be approximately six percent, based on statewide inpatient days as a percent of total days of care.

The hospice inpatient methodology projects inpatient beds based on 85 percent occupancy and adjusts projected beds for occupancy rates of existing facilities that are not at 85 percent occupancy. The methodology makes single-county determinations when the county deficit is six or more beds based on the standard methodology.

Chapter Two of the SMFP allows people to petition for an adjusted need determination in consideration of "...unique or special attributes of a particular geographic area or institution..." if they believe their needs are not appropriately addressed by the standard methodology. Community CarePartners and Hospice of Henderson County are requesting new beds in addition to their existing licensed beds.

It should be noted that any person might submit a certificate of need (CON) application for a need determination in the Plan. Therefore, should there be additional need determinations in the 2013 SMFP, the CON review could be competitive and there is no guarantee that the petitioner would be the approved applicant.

The petitions were posted on the Division of Health Service Regulation’s web site. Written comments were received by the August 17, 2012 date that was identified for submission of comments on petitions and comments to the Division’s Medical Facility Planning Branch.

Analysis/Implications:

Community CarePartners and Hospice of Henderson County requests an adjusted need determination for six inpatient beds in Buncombe County. Community CarePartners has a hospice facility in Buncombe County with 20 inpatient beds and seven residential beds. Based on Hospice 2012 Annual Data Supplement to License Renewal Application information (FY2011), the inpatient facility had an occupancy rate of 95.41% as indicated in the Proposed 2013 SMFP.

By application of the standard methodology, the Proposed 2013 SMFP identifies a deficit of five beds in Buncombe County which does not identify a need determination for new inpatient hospice beds in the County.

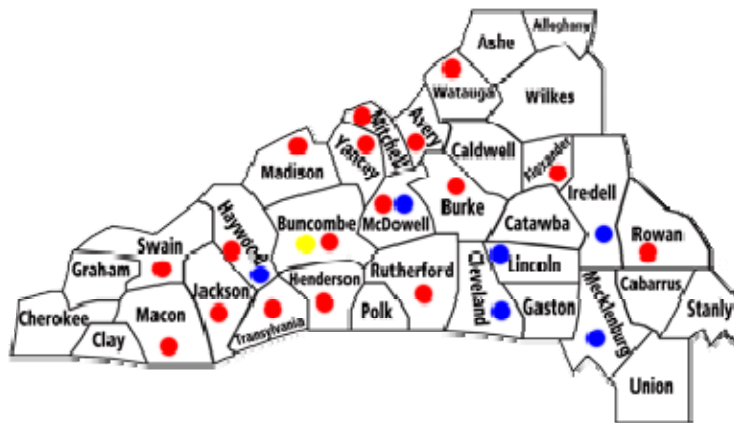
Currently, three of the state’s existing hospice inpatient facilities are in counties contiguous to Buncombe County; one facility each in Henderson, Rutherford and Haywood counties. Four Seasons Compassion for Life in Henderson County has 19 inpatient beds with an occupancy rate of 67.63% and Hospice of Rutherford County has 10 inpatient beds with an occupancy rate of 86%. The Homestead at Midwest in Haywood County has six inpatient beds. These beds were not operational during the FY2011 reporting period but are licensed and operational now. Prior to the licensing of Haywood County’s inpatient beds, CarePartners Hospice & Palliative Care Services of Buncombe County admitted 51 patients and provided 3,666 days of care (i.e. 3,666 days of care / 365 days = 10 beds) to residents of Haywood County according to data prepared by The Carolinas Center for Hospice End of Life Care using Hospice 2012 Annual Data Supplement to Licensure Application.

Certificate of Need has conditionally approved of the conversion of three hospice residential beds to hospice inpatient beds for Gordon Hospice House in Iredell County. It is also noted that the Proposed 2013 SMFP contains hospice inpatient bed need determinations for Lincoln, Mecklenburg and McDowell counties. (See table below.)

Hospice Inpatient Bed Recent and In-Process Development HSA I and HSA II

| County | Proposed 2013 SMFP Need Determination | CON Conditional Approval | CON Issued/License Pending | Facility Beds Licensed in Operation |
|---------------|--|---------------------------------|-----------------------------------|--|
| Cleveland | | | 1 | 11 |
| Iredell | | 3 | 3 | 9 |
| Haywood | | | | 6 |
| Lincoln | 6 | | | 0 |
| McDowell | 6 | | | 0 |
| Mecklenburg | 6 | 7 | 21 | 19 |
| Total | 18 | 10 | 25 | 48 |

As indicated in the Proposed 2013 SMFP, Buncombe County has a projected deficit of patients that is an indicator of hospice utilization of patients from surrounding counties. During FY2011 Buncombe County served patients from the following counties: Alexander, Avery, Buncombe, Burke, Cleveland, Haywood, Henderson, Jackson, McDowell, Macon, Madison, Mitchell, Rutherford, Swain, Transylvania, Watauga, Yancey, Iredell, Lincoln, Mecklenburg, and Rowan.



Key:
 Petitioner's County = ●
 Counties with recent and in-process hospice inpatient bed expansions = ●
 Buncombe County served patients from counties marked with a ●

Future hospice inpatient needs of residents from Haywood, Lincoln, McDowell, Cleveland, Iredell and Mecklenburg may be served by recent and in-process hospice inpatient bed expansions thus reducing the high occupancy rate experienced by Buncombe County. The occupancy rate for Buncombe County's 20 licensed inpatient beds was 95%.

Agency Recommendation:

The agency supports the standard methodology for hospice inpatient beds as presented in the Proposed 2013 SMFP. The agency acknowledges the high occupancy rate experienced by Buncombe County. It also recognizes Buncombe County will experience a reduction in their occupancy rate based on the six recently licensed hospice inpatient beds in Haywood County in addition to in-process hospice inpatient bed expansions.

Given available information and comments submitted by the August 17, 2012 deadline, and in consideration of factors discussed above, the agency recommends approval of an adjusted need determination for five hospice inpatient beds in Buncombe County. Five beds are consistent with the deficit identified in the Proposed 2013 SMFP.