

**Long Term and Behavioral Health Committee  
Agency Report  
Petition to Modify the  
Hospice Inpatient Bed Need Methodology  
Proposed 2016 State Medical Facilities Plan**

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***Petitioners:***

Association for Home & Hospice Care of North Carolina  
3101 Industrial Drive, Suite 204  
Raleigh, North Carolina 2760

and

The Carolinas Center for Hospice and End of Life Care  
1230 SE Maynard Road, Suite 203  
Cary, North Carolina 27511

***Contacts:***

Mr. Tim Rogers,  
President and Chief Executive Officer

and

Carol Meyer,  
President and Chief Executive Officer

***Request:***

The petitioner requests “to modify Step 7 of the hospice inpatient bed need methodology to reflect the two-year trailing average statewide inpatient utilization rate, rather than the static six percent current in the methodology.”

***Background Information:***

Chapter 2 of the Plan allows petitioners early each calendar year to recommend changes that may have a statewide effect. According to the Plan, “Changes with the potential for a statewide effect are the addition, deletion and revision of policies and revision of projection methodologies.” The change recommended by the petitioner is a methodology revision that would have a statewide effect.

In 2009, a Hospice Methodology Task Force met several times to review, discuss and evaluate the effectiveness of the hospice inpatient bed need methodology. The Task Force concluded by presenting the Long-Term and Behavioral Health Committee with recommendations to modify the inpatient bed need methodology. The Committee accepted the recommendations which were

subsequently approved by the State Health Coordinating Council (SHCC) for inclusion in the North Carolina 2010 State Medical Facilities Plan (SMFP).

The current hospice inpatient bed methodology utilizes 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. This selection reduces the inclusion of days of care that may not be appropriate for an inpatient facility. Projected hospice admissions are determined by the application of the 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 data in Table 1 below shows inpatient days of care from inpatient facilities only and does not include the comprehensive measure that may more accurately reflect all inpatient utilization.

**Table 1: North Carolina Hospice Inpatient Utilization**

<b>SMFP Year</b>	<b>GIP (General Inpatient ) DOC (Days of Care)* from Inpatient Facilities</b>	<b>Statewide Hospice DOC*</b>	<b>GIP Percent of Total Days</b>
2011	68,721	2,650,416	2.59
2012	84,168	2,874,121	2.93
2013	94,798	2,915,218	3.25
2014	104,046	2,978,152	3.49
2015	107,024	2,975,809	3.60

Source: FY2010 - FY2014 Hospice Annual Data Supplements to License Renewal Applications.

\*Data was refreshed since the publication of the State Medical Facilities Plans (SMFP).

***Analysis/Implications:***

The petition suggests modifying Step 7 of the hospice inpatient bed need methodology to reflect a two-year trailing average statewide inpatient utilization rate using statewide inpatient days of care. Step 7 of the current standard hospice inpatient bed methodology uses a static 6 percent to project hospice days of care and inpatient days of care for each county.

The petition identifies national and statewide trends in hospice inpatient utilization as reasons for modifying the hospice inpatient bed need methodology. Data provided in the petition states, “inpatient days of care represented approximately 3.98 percent of total hospice days in North Carolina.” While the Agency was not able match the figures presented in the petition, we were able to verify a statewide hospice inpatient utilization rate lower than 6 percent consistently for the last five years as depicted in Table 2 below.

**Table 2: North Carolina Hospice Inpatient Utilization**

SMFP Year	Statewide GIP (General Inpatient ) DOC (Days of Care)* from all types of Facilities	Statewide Hospice DOC*	Statewide GIP Percent of Total Days
2011	91,262	2,650,416	3.44
2012	100,683	2,874,121	3.50
2013	102,699	2,915,218	3.52
2014	116,278	2,978,152	3.90
2015	123,792	2,975,809	4.16

Source: FY2010 - FY2014 Hospice Annual Data Supplements to License Renewal Applications.

\*Data was refreshed since the publication of the State Medical Facilities Plans (SMFP).

Furthermore, the petition states a two-year trailing average more accurately reflects industry trends as they happen. At the time, 6 percent was the most appropriate figure to use, but it is no longer supported by the data.

By using the most current, updated data, the agency calculated a two-year trailing average rate of 4.03 percent as seen in Table 3 below.

**Table 3:  
Two-Year Trailing Average Statewide Hospice Inpatient Utilization**

SMFP Year	Statewide GIP (General Inpatient ) DOC (Days of Care)*	Statewide Hospice DOC*	GIP Percent of Total Days
2014	116,278	2,978,152	3.90
2015	123,792	2,975,809	4.16
Total	240,070	5,953,961	4.03
<b>Two-Year Trailing Average Inpatient Utilization Rate</b>			<b>4.03</b>

Source: FY2013 & FY2014 Hospice Annual Data Supplements to License Renewal Applications.

\*Data was refreshed since the publication of the State Medical Facilities Plans (SMFP).

**Agency Recommendation:**

The Agency recommends the petition be approved given available information and comments submitted by the March 20, 2015 deadline date for comments on petitions and comments. However, this recommendation comes with the following caveats: 1) The Long-Term and Behavioral Health Committee will review the hospice methodology in 2 years (Proposed 2018 Plan) with input from all affected parties to determine if the recommended change to Step 7 of the hospice inpatient bed methodology is producing the intend effect; and 2) This suggested change in methodology requires different data to be pulled from other data fields then the current

methodology on the license renewal data supplement. Therefore, in order to improve data integrity the Division of Health Service Regulation requests that The Association of Home Health and Hospice of North Carolina along with The Carolinas Center for Hospice and End of Life of Care work with the Healthcare Planning staff to educate hospice providers on accurately and fully completing Hospice Annual Data Supplements to Licensure Renewal Applications.