

**Long-Term and Behavioral Health Committee
Agency Report
Adjusted Need Petition for
Hospice Home Care Office in Harnett County
2018 State Medical Facilities Plan**

Petitioner:

BAYADA Home Health Care, Inc.
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Contact:

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Request:

BAYADA Home Health Care, Inc. requests an adjusted need determination for a hospice home care office for Harnett County in the *North Carolina 2018 State Medical Facilities Plan (SMFP)*.

Background Information:

In the 2010 SMFP, the hospice home care methodology was modified to utilize the two-year trailing average growth rate in the number of deaths served and in the percent of deaths served. No need determinations are considered for counties with three or more hospice home care offices (excludes inpatient and residential only facilities) per 100,000 population, as the data showed that counties in the State with a penetration rate of 40 percent or higher had three or fewer hospice home care offices located in the county and who reported providing services to residents of that county. The threshold for a need determination was changed to a deficit of 90 or greater deaths, which represented the penetration rate (8.5 deaths per 1,000 [statewide death rate] x 100 = 850 deaths per 100,000 x 29.5 percent of deaths served = 251 deaths served by hospice/3 hospice agencies = approximately 90). The placeholder for new hospice offices was changed to the current threshold of 90 in order to maintain consistency.

Chapter Two of the *Proposed 2018 SMFP* allows persons to petition for an adjusted need determination to allow consideration of "...unique or special attributes of a particular geographic area or institution..." if they believe that their needs are not appropriately addressed by the standard methodology.

It should be noted that any person might submit a certificate of need (CON) application for a need determination in the Plan. The CON review could be competitive and there is no guarantee that the Petitioner would be the approved applicant.

Analysis/Implications:

The Petitioner is requesting an adjusted need determination in Harnett County for a hospice home care office because they believe Harnett County residents are underserved. The primary reasons cited are that county residents are underserved, the county is rural, and two of the licensed hospice home care providers located in the county are not serving patients. Table 13 B, Column L in the *Proposed 2018 SMFP* indicates there are 5 licensed Hospice Home Care offices in Harnett County. According to the *Proposed 2018 SMFP*, Step 12 of the hospice home care standard methodology states, “The number of licensed hospice home care offices located in each county from annual data supplements to licensure applications is entered.” This means every licensed home care provider that completes an annual data supplement to licensure [renewal] application is included in the methodology, even if that facility did not provide patient services.

The Petitioner does correctly assert that two licensed providers are not serving residents in Harnett County. The Agency reviewed the data and re-ran the methodology to determine the statewide impact if the standard methodology were changed to remove facilities that reported serving no hospice patients. Table 1 below is an overview of Table 13B that highlights the changes requested by the Petitioner (removal of licensed hospice home care facilities that reported serving no patients in FY2016). Column L and Column N represent where the changes take place. Based on the revised data, need determinations were generated in each of the following counties: Edgecombe, Franklin and Harnett.

Table 1: Hospice Home Care Need Determinations with Inactive Facilities Removed

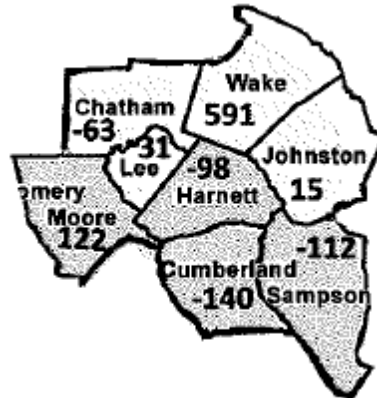
Table 13B: Year 2018 Hospice Home Care Office Need Projections (Minus Licensed Facilities that Reported Serving No Patients)													
Column A	Column B	Column C	Column D	Column E	Column F	Column G	Column H	Column I	Column J	Column K	Column L	Column M	Column N
County	2010-2014 Death Rate/1000 Population	2018 Population (excluding military)	Projected 2018 Deaths	2015 Reported Number of Hospice Patient Deaths	2018 Number of Hospice Deaths Served at Two Year Trailing Average Growth Rate	2018 Number of Hospice Deaths Served Limited to 60%	Projected 2018 Number of Hospice Deaths Served	Medican Projected 2018 Hospice Deaths	Place-holders for New Hospice Office	Projected Number of Additional Patients in Need Surplus or (Deficit)	Licensed Hospice Offices in County	Licensed Home Care Offices in County per 100,000	Additional Hospice Office Need
Source or Formula =>	Deaths - NC Vital Statistics	NC Office of State Budget and Management	Col. B x (Col. C /1,000)	2016 License Data Supplements	Col. E x 3 Years Growth at 5.1% annually	Col. D x 60%	Lower Number of Deaths between Col. F and Col. G	Col. D x Projected Statewide Median Percent Deaths Served (49.2%)		Col. H + Col. J - Col. I	2016 License Renewal Applications	Col. L / (Col. C/ 100,000)	If Col. M <=3 and Col. K <= -90
Edgecombe	11	53,896	593	164	191	356	191	292	0	-101	1	1.9	1
Franklin	8.5	67290	572	135	157	343	157	281	0	-125	2	3	1
Harnett	7.3	128173	936	312	363	561	363	460	0	-98	3	2.3	1

Source: 2017 Hospice Database

Similar to Harnett County, Edgecombe and Franklin counties have projected patient deficits. Their county deficits are (-101) and (-125) respectfully, as displayed above in Table 1. Based on this analysis Harnett County is not unique.

Edgecombe and Franklin each have high deficits and almost all of their contiguous counties have deficits. Harnett County is located in the south-central part of the State. It is surrounded by seven counties that have both surpluses and deficits in patients as shown in Figure 1 below. The most notable of these is that of neighboring Wake County, with a surplus of 591 patients based on information provided in Table 13B of the *Proposed 2018 SMFP*. The Petitioner discusses the surrounding counties with deficits, but did not provide details on the counties with surpluses.

Figure 1: Harnett County & Surrounding Counties with Surpluses and Deficits



Source: Table 13B, NC Proposed 2018 SMFP

As seen in Table 2, below, three active hospice home care facilities located in Harnett County provided over 75 percent hospice services to Harnett County residents during FY2016. Specifically, they served 76.6% of admissions, 84% of days of care, and 79.2% of deaths.

License Number	County	Facility Name	Admissions	Days of Care	Deaths
HOS2048	Harnett	Community Home Care and Hospice	108	12,764	89
HOS3067	Harnett	Liberty Home Care and Hospice	90	8,086	68
HOS0375	Harnett	Transition LifeCare	100	5,010	90
Subtotals			298	25,860	247
			Admissions	Days of Care	Deaths
Harnett County Totals			389	30,768	312

Percent of Hospice Admissions Served	76.6%		
Percent of Hospice DOC Served		84.0%	
Percent of Hospice Deaths Served			79.2%

Source: Table 13A, NC Proposed 2018 SMFP

The remaining patients in Harnett County were served by another nineteen hospice home care agencies. Based on this information, and the fact that the current standard methodology did not determine a need for Harnett County, the agency concludes that the citizens are well served by the current hospice home care facilities providing services to the county. In addition, the issues discussed in the Petition related to the licensed facilities not currently serving patients require a statewide analysis and is not a circumstance unique to Harnett County.

Agency Recommendation:

The Agency supports the standard methodology for hospice home care as presented in the *North Carolina Proposed 2018 SMFP*. The Agency considered the available information and comments submitted by the August 10, 2017 deadline date for comments on petitions and comments and recommends denial of this summer Petition.