

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

Petitioner:

Continuum Care Hospice
7677 Oakport Street
Suite 110
Oakland, California 94621

Contact:

Mr. Sam Stern,
Chief Executive Officer
510-499-9977
sstern@continuumhospice.com

Request:

Continuum Care Hospice requests an adjusted need determination in the *North Carolina 2018 State Medical Facilities Plan (SMFP)* for one hospice home care office in Mecklenburg County, specifically organized and staffed to serve African American patients.

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. Continuum has submitted this Petition to adjust the need determination to

address what they believe to be racial disparity in the State’s most populous county, Mecklenburg.

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 Petition provides a general rationale for this request stating that, “[d]espite the high quality of hospice care, many scholars have noted significant disparity in hospice utilization by African Americans.” The Petitioner notes that the racial disparity is not unique to Mecklenburg County, but selected this county because it “has the largest absolute African-American population in NC.” Data cited in the Petition states that hospice utilization by Medicare beneficiaries in 2014 for NC was 48.6% White and 35.7% African-American. It compared the State percentages to Mecklenburg County rates of 55% White and 42% African-American. While the Agency was unable to verify the calculations, the Petitioner’s data suggests that the percentage of African-American Medicare patients utilizing hospice service in Mecklenburg is higher than the State.

A thorough analysis of this request requires a review of the racial demographics of both the State and the county. As evidenced by the data in Table 1 below, Mecklenburg County’s African- American population is 10 percentage points greater as compared to NC, with 32.8% and 22.1% respectively.

Table 1: NC and Mecklenburg County, Population and Percentages by Race, 2015							
	African American (AA)	White (W)	Other Races*	Total Population	AA Percentage	W Percentage	Other Races Percentage
Mecklenburg	339,523	605,752	90,330	1,035,605	32.8%	58.5%	8.7%
North Carolina	2,219,781	7,160,162	676,740	10,056,683	22.1%	71.2%	6.7%

Source: Office of State Budget and Management

*Includes Asian, American Indian, two or more races

Other demographics that should be analyzed include the age breakdowns by race for these geographic regions. Table 2, below, provides a simplified review of the data by calculating the percentage of each group by race over the age of 65, with the assumption that the over 65 population would use hospice services in greater numbers.

Table 2: NC and Mecklenburg County, Over 65 Years Population and Percentages by Race, FY 2015

	African American (AA)	White (W)	Other Races*	AA Percentage Over 65 Years	W Percentage Over 65 Years	Other Races Percentage Over 65 Years
Mecklenburg	26,413	75,294	4,915	7.8%	12.4%	5.4%
North Carolina	244,797	1,218,402	45,242	11.0%	17.0%	6.7%

Source: Office of State Budget and Management

*Includes Asian, American Indian, two or more races

As seen in Table 2 above, the percentage of African-Americans over the age of 65 in Mecklenburg County at 7.8% is below the State percentage at 11.0%. Indeed, the Mecklenburg County percentages are lower for all three racial categories than the State overall. Mecklenburg County has a younger population than the State overall.

In addition to the demographic analysis, a review of the actual utilization of hospice services is another important factor. There are two data sources for this information, the data submitted to the Agency and the Medicare beneficiary data submitted to the Centers for Medicare & Medicaid Services (CMS). Unfortunately, there are data limitations with each. The Agency does not have payer data by race and CMS represents only one payer. However, this analysis would not be complete without examining the available information.

Table 3: Hospice Patients Admitted by Race in North Carolina, FY 2016

	African American (AA)	White (W)	Total of All Races	AA Percentage of Admissions
Mecklenburg	794	2,724	3,788	20.96%
North Carolina	7,007	36,668	45,920	15.26%

Source: Hospice Agency 2017 Annual Data Supplement to LRA

Table 3 above demonstrates that Mecklenburg County's admissions of African-Americans at 20.96% is well above the state at 15.26%. A review of the Medicare data shows a similar percentage based on Medicare beneficiaries only, as seen in Table 4, below.

City	Total Hospice Beneficiaries	White Hospice Beneficiaries	Black Hospice Beneficiaries	Asian Hospice Beneficiaries	Hispanic Hospice Beneficiaries	Other/Unknown Race Hospice Beneficiaries	Percentage of African Americans
Mecklenburg County Total	3,702	2,854	716	32	67	23	19%
North Carolina Grand Total	43,463	36,080	6,286	106	197	230	14%

Study Population: Medicare beneficiaries using hospice benefit in CY2014. Includes Medicare Advantage and fee-for-service beneficiaries.
Source: CMS, Updated March 30, 2017

Again, the Mecklenburg County Medicare beneficiary is 19% as compared to the State at 14%.

Table 13A, Hospice Data by County of Patient Origin – 2016 Data in the *NC Proposed 2018 SMFP* shows 22 hospice facilities served the residents of Mecklenburg County during the 2015-2016 reporting period. Five of those facilities are located in the county.

Two data sources show that facilities in Mecklenburg County serve a greater percentage of African-American hospice patients than the percentage statewide. The Agency supports existing licensed hospice facilities' efforts to increase utilization for all underserved populations. Based on the information presented above, it is questionable as to whether Mecklenburg is the appropriate county for a need determination for providers with exclusively targeted efforts, as outlined in the Petition.

Agency Recommendation:

The Agency supports the standard methodology for hospice home care as presented in the *North Carolina Proposed 2018 SMFP*. Given available information and comments submitted by the August 10, 2017 deadline, and in consideration of factors discussed above, the agency recommends denial of this Petition.