

**Long Term and Behavioral Health Committee
Agency Report
Adjusted Need Petition for
Medicare-certified Home Health Agency or Office in Mecklenburg County
in the 2021 State Medical Facilities Plan**

Petitioner:

PruittHealth, Inc.
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Request:

PruittHealth requests an adjusted need determination for a Medicare-certified home health agency or office in Mecklenburg County in the *North Carolina 2021 State Medical Facilities Plan (SMFP)*.

Background Information:

Chapter Two of the *2021 SMFP* provides that “[a]nyone who finds that the North Carolina State Medical Facilities Plan policies or methodologies, or the results of their application, are inappropriate may petition for changes or revisions. Such petitions are of two general types: those requesting changes in basic policies and methodologies, and those requesting adjustments to the need projections.” The annual planning process and timeline allow for submission of petitions requesting adjustments to need projections in the summer. 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.

The home health need methodology projects future need based on trends in historical data, including the Average Annual Rate of Change in Number of Home Health Patients over the previous three years and the Average Annual Rate of Change in Use Rates per 1,000 Population over the previous three years. The average annual rate of change is compiled based on Council of Governments (COG) regions.

Patient origin data used in the *SMFP* is compiled from Home Health Agency Annual Data Supplements to Licensure Applications submitted to the Division of Health Service Regulation. The Data supplements request data for a 12-month period using a start date of July 1 or October 1. The methodology aggregates patient origin data by the following four age groups: under age 18, 18-64, 65-74, and 75 and over.

The methodology utilized in development of the *SMFP* does not project future need based on the number of home health agencies in any given county or the capacity of existing agencies. Rather, it projects need based on the number of patients served during the reporting years from each county within each COG region.

A basic assumption of the current methodology is that a new agency or office is needed if the projected unmet need in a single county is 325 patients or more. Therefore, the “threshold” for a need determination is a projected unmet need of 325 patients in a given county. Another basic assumption states that when the methodology or policy determines a need for additional agencies or offices, the three annual Plans following certification of the agencies or offices developed based on that need count the greater of 325 patients or the actual number of patients served as part of the total patients served by the new agency or office.

Analysis/Implications:

The Petitioner’s rationale for requesting a need determination for a second home health agency in Mecklenburg County is prompted by the COVID-19 pandemic. PruittHealth believes “the pandemic has exposed a vulnerability in the current system as it pertains to the treatment of individuals with and recovering from infectious diseases such as COVID-19.” They suggest the second home health agency need determination should primarily care for patients with infectious diseases but not be limited to serving only patients with infectious diseases.

In the Proposed 2021 SMFP Table 12C (2022 Need Projections for Medicare-certified Home Health Agencies) reflects a need for one Medicare-certified home health agency in Mecklenburg County. This occurred because the projected deficit in the county exceeds 325 patients. Mecklenburg County has a deficit of 523.92 patients. It would take an additional 127 patients before the standard methodology created a need determination for two new home health agencies in the county.

Healthcare Planning data shows that the residents of Mecklenburg County are currently served by 22 Medicare-certified home health agencies. Twelve of these agencies have offices located in the county (Chapter 12-Home Health Data by County of Patient Origin-2019 Data report).

The Petitioner provided no specific data to support their claim that existing home health agencies in Mecklenburg County are not willing to accept and treat patients who test positive for infectious diseases including COVID-19. Likewise, the Agency has no data or other information to indicate that persons with infectious diseases are not receiving home health services.

The Agency and the State Health Coordinating Council (SHCC) acknowledge these unique times and the importance of reducing barriers and making healthcare more accessible to all citizens.

However, there was no clear evidence that the needs of the residents in Mecklenburg County are not being currently met by the existing Medicare-certified home health providers. Moreover, there is a need determination for one new Medicare-certified home health agency in the Proposed 2021 SMFP.

Agency Recommendation:

The agency supports the standard methodology for a Medicare-certified home health agency or office as presented in the *Proposed 2021 Plan*. The Agency considered the available information and comments submitted by the August 12, 2020 deadline, and in consideration of factors discussed above, the agency recommends denial of this Petition.