Recommended Draft Edits to Chapter 12 for the Inclusion of Policy HH-3, 2023 Proposed SMFP

CHAPTER 12
HOME HEALTH SERVICES

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Basic Principles

1. When a county has no Medicare-certified home health agency or office physically located within the county's borders, and the county has a population of more than 20,000 people, or if the county has a population of less than 20,000 people and there is not an existing Medicare-certificated home health agency or office located in a North Carolina county within 20 miles, a need determination for a new Medicare-certified home health agency or office in the county is thereby established.

2. The North Carolina State Health Coordinating Council encourages home health applicants to: provide an expanded scope of services (including nursing, physical therapy, speech therapy, and home health aide services); provide the widest range of treatments within a given service; offer services seven days per week as required to meet patient needs; and address special needs populations.

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Assumptions of the Methodology

1. The projection year is one year beyond the Plan year to allow time for completion of the certificate of need review cycles and for staffing of new agencies or offices.

2. The methodology excludes the estimated active duty military population in the 18-64 age group for any county with more than 500 active duty military personnel.

3. 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.

4. For Criterion 3 only:
   a. Data aggregation and projections use four age groups (under 18, 18-64, 65-74, and 75 and over) allow a more definitive examination of trends in services to children and to senior adults uses current age-specific use rates as the basis for projection of future need.

   b. The methodology calculates the average annual change in use rates per 1,000 population over the previous three reporting years for each age group in each Councils of Governments (COG) region. The calculations apply this result to the current use rates per 1,000 population for each county within each COG region to calculate changes in the number of patients projected to need home health services by the projection year.

   c. A county needs a new home health agency or office if the projected unmet need in a single county is 325 patients or more.

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Application of the Methodology

The standard methodology for determining need for a home health agency or office is described bellowed. If any of the three criteria are satisfied for a county, the county has a need determination for a Medicare-certified home health agency or office *(Table 12E)*.

Criterion 1:

For each county with no home health agency or office physically located within the county, use the reporting year's population *(Table 12B, Column I)* to determine whether the county has a population of more than 20,000 people. If the county has more than 20,000 people, then Criterion 1 is satisfied.

Criterion 2:

For each county with no home health agency or office physically located within the county, use the reporting year's population *(Table 12B, Column I)* to determine whether the county has a population of less than 20,000 people. If the county has less than 20,000 people, then calculate the minimum driving distance (mileage) from the closest point on the county line of the county in which an existing agency or office is located to the county seat of the county in which there is no agency. If a home health agency or office is not located within 20 miles, Criterion 2 is satisfied.

Criterion 3:

Step 1: For each COG region and each age group, calculate the Average Annual Change Rate in Number of Patients *(Table 12B, Columns B, E, and H)* over the three previous reporting years *(Table 12B, Column K)*.

Step 2: For each COG region and each age group, calculate the Average Annual Change Rate in Use Rates per 1,000 Population *(Table 12B, Columns D, G, and J)* over the three previous reporting years *(Table 12B, Column L)*. The use rates for the current reporting year are:

Age Group	2020 Use Rate
Under Age 18	0.81
Ages 18 – 64	9.60
Ages 65 – 74	60.34
Ages 75 & Over	159.75

Step 3: For each county, for each age group, total the number of home health patients served during the reporting year *(Table 12C, Column B)*.

Step 4: For each county, multiply the COG's Average Annual Change Rate in Number of Patients for each age group from the affiliated COG region by the number of patients for each age group from Step 3 *(Table 12C, Column C)*.

Step 5: Multiply the product from Step 4 by three and add that product to the results of Step 3 for each age group. The result is the projected number of patients in each age group during the projection year *(Table 12C, Column D)*.

Step 6: For each county and age group, divide the number of patients served during the reporting year *(Table 12C, Column B)* by the county population in thousands for each age group to obtain county use rates per 1,000 population *(Table 12C, Column E)*.

Step 7: Multiply the COG's Average Annual Rate of Change in Use Rate per 1,000 Population *(Table 12C, Column F)* for each age group from the affiliated COG region by the county use rates per 1,000 population for each age group from Step 6 *(Table 12C, Column E)*.

Step 8: Multiply the product from Step 7 by three and add that product to the results from Step 6 for each age group. The result is the projected use rate per 1,000 population in the projection year for each age group *(Table 12C, Column G)*.

Step 9: For the projection year for each age group, multiply the projected use rate per 1,000 population *(Table 12C, Column G)* by the projected population *(Table 12C, Column H)*. The result is the projected number of patients during the projection year *(Table 12C, Column I)*.

Step 10: In counties that have a need determination 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. *(Table 12D, Column B)*.

Step 11: For each county, sum the projected number of patients in the projection year (from Step 5) across all four age groups and the adjustment placeholder (from Step 10), if applicable. The result is an Adjusted Projected Total Patients for each county for the projection year *(Table 12D, Column C)*.

Step 12: For each county, sum the projected number of patients in the projection year (from Step 9) across all four age groups. The result is the Projected Utilization in the projection year *(Table 12D, Column D)*.

Step 13: For each county, subtract the Projected Utilization in the projection *(Table 12D, Column D)* from the Adjusted Total Projected Patients *(Table 12D, Column C)*. The remainder is the projected additional number of patients who will need home health services in the projection year *(Table 12D, Column E)*. A deficit (unmet need) shows as a negative number of patients. A remainder of 0.50 or greater rounds to the next highest whole number. A remainder of less than 0.50 rounds to the next lowest whole number.

Step 14: For each county, each projected deficit of 325 patients satisfies Criterion 3 and results in a need determination for one new Medicare-certified agency or office *(Table 12D, Column F)*.