

Hospice Home Care Methodology Workgroup

Meeting 1

December 9, 2025

Workgroup Charge

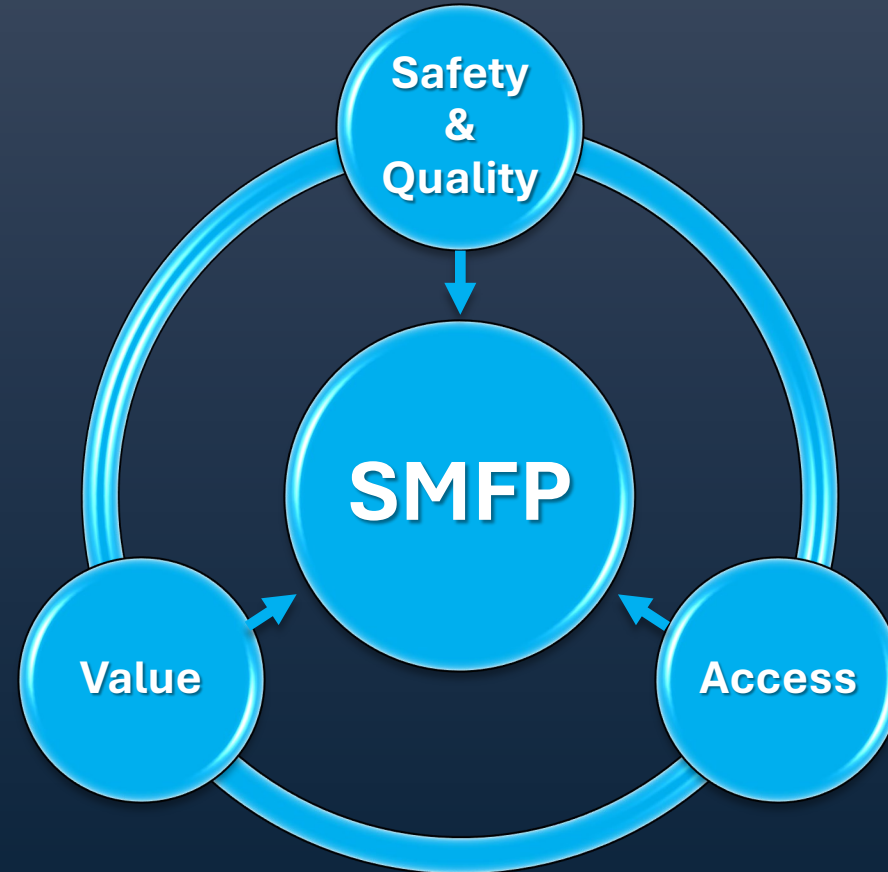


- **Review** the current need determination methodology for hospice home care offices or agencies and **assess its appropriateness** for determining need in all areas of the state.
 - Review petitions for hospice home care offices or agencies submitted to the SHCC for the past 10 years.
 - Gather input from stakeholders to understand the impact of the current methodology and to identify issues of concerns; and
 - Review the factors of the need determination methodology calculations (e.g., annual deaths, hospice deaths, service area configurations) and consider whether changes are warranted.

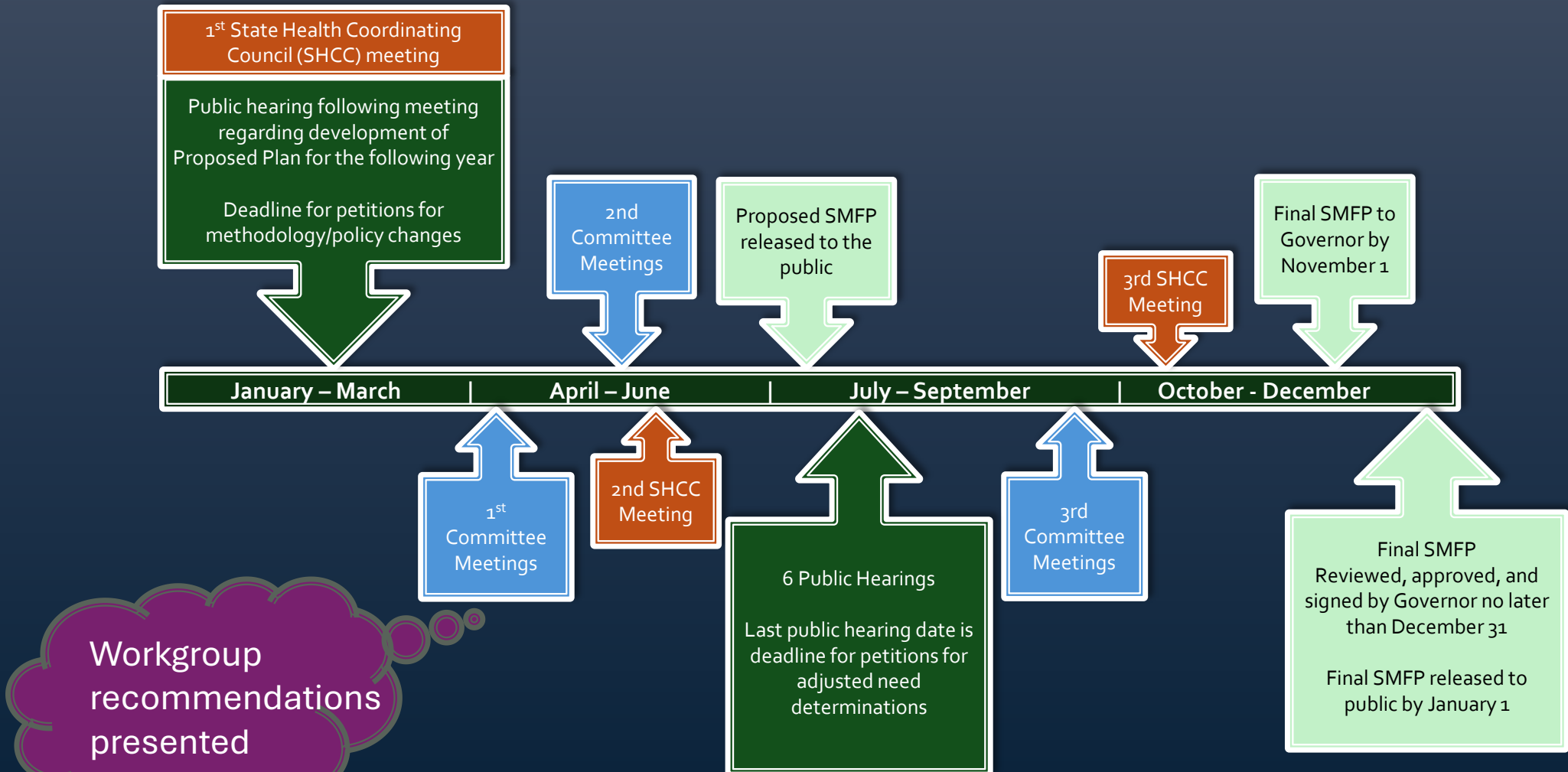


- If deemed necessary, **develop findings and recommendations** for revisions to the SMFP hospice home care methodology, and present them to the Long-term and Behavioral Health Committee of the SHCC for consideration in Spring 2026.

Basic Principles Governing the Development of the SMFP [Chapter 1]



The SHCC/SMFP Annual Planning Cycle



Summary of Certificate of Need (CON) Process

- In 2026, Planning staff are assisting the SHCC to develop the 2027 SMFP, while CON staff review applications based on 2026 SMFP needs
- Anyone desiring a certificate of need must:
 - Complete an application by the established deadline and pay the application fee
 - Furnish information upon which the CON staff can evaluate conformity with the statutory review criteria; rules; and, if the review is competitive, demonstrate that its application is the most effective application.
- CON may:
 - Approve an application with conditions
 - Deny an application

Methodology

Basic Methodology Components

Calculations are by county

County Population (excluding military population)

County

- Five-year mortality rate/1,000 population
- Number of hospice deaths in reporting year
- New hospice office placeholders
- Number of licensed hospice offices
- Number of licensed hospice home care offices per 100,000 population

Important Points about the Current Home Care Methodology

Each hospice home care office service area is comprised of one of the state's counties.

The methodology calculations are used to project need for service areas three years beyond the current reporting year.

Two key inputs are

- County death rates
- Total number hospice deaths among each county's residents as reported on LRAs

The methodology calculations are based on three most recent years of hospice deaths served.

No need determinations are considered for counties with three or more hospice home care offices per 100,000 population

Threshold for need determinations is a deficit of 90 hospice patients or greater

Step 1

Obtain and calculate the five-year mortality rate per 1,000 population for each county.

Step 2

Obtain the estimated population for each county for the projection year.

Step 3

Calculate the projected deaths for the projection year by multiplying the county death rate by the estimated population in the projection year divided by 1,000.

Step 4

Obtain the total number of reported hospice patient deaths, by county of patient residence, for the reporting year.

Proposed 2026 SMFP – Table 13B				
A	B	C	D	E
County Service Area	2019-2023 Death Rate/1,000 Population	2027 Population (excluding military)	Projected 2027 Deaths	2025 Reported Number of Hospice Patient Deaths
Wake**	5.8	1,284,795	7,499	3,868

Step 5

Calculate two-year trailing average growth rate in the statewide number of deaths served for last three reporting years:

- 1) calculate the difference in deaths served from year to year
- 2) determine the percent change from the previous reporting year
- 3) total the annual percent change and divide by two

Proposed 2026 SMFP		
Year	Statewide Number Deaths Served	Growth
2022	50,148	
2023	51,163	2.0%
2024	52,891	3.4%
Two-Year Trailing Average Growth Rate		2.7%

Step 6

Determine the number of hospice deaths served for the projection year:

- 1) multiply the number of reported hospice deaths by the statewide two-year trailing average growth rate for deaths served for three years

Proposed 2026 SMFP – Table 13B		
A	E	F
County Service Area	2025 Reported Number of Hospice Patient Deaths	2027 Number of Hospice Death Served at Two-Year Trailing Average Growth Rate
Source or Formula	2025 License Renewal Applications	Column E x 3 Years Growth at 2.7% Annually
Wake**	3,868	4,190

Step 6 (continued)

Determine the number of hospice deaths served for the projection year:

- 2) Multiply the projected deaths by 60% for the allowable number of hospice deaths served for the projection year

Proposed 2026 SMFP – Table 13B		
A	D	G
County Service Area	Projected 2027 Deaths	2027 Number of Hospice Deaths Served Limited to 60%
Source or Formula	Column B x (Column C/1,000)	Column D x 60%
Wake**	3,868	4,500

Step 6 (continued)

Determine the number of hospice deaths served for the projection year:

- 3) Use the lower number of
 - a. the number of hospice deaths served for the projection year using the two-year trailing average growth rate, or
 - b. the number of hospice deaths served for the projection year, limited to 60%

Proposed 2026 SMFP – Table 13B			
A	F	G	H
County Service Area	2027 Number of Hospice Death Served at Two-Year Trailing Average Growth Rate	2027 Number of Hospice Deaths Served Limited to 60%	Projected 2027 Number of Hospice Deaths Served
Source or Formula	Column E x 3 Years Growth at 2.7% Annually	Column D x 60%	Lower Number of Deaths between Column F and Column G
Wake**	4,190	4,500	4,190

Step 7

Calculate two-year trailing average growth rate in the statewide median percentage of deaths served over the last three reporting years:

- 1) calculate the difference in median deaths served from year to year
- 2) determine the percent change from the pervious reporting year
- 3) total the annual percent change and divide by 2

Year	Median Percent of Deaths Served	Growth
2022	37.28%	
2023	39.59%	6.2%
2024	42.41%	7.1%
Two-Year Trailing Average Growth Rate		6.7%

Step 8

Calculate the projected median statewide percentage of deaths served for the projection year by multiplying the current statewide median percentage of deaths served by the statewide two-year trailing average growth rate for median percentage of deaths served for the last 3 years.

Step 9

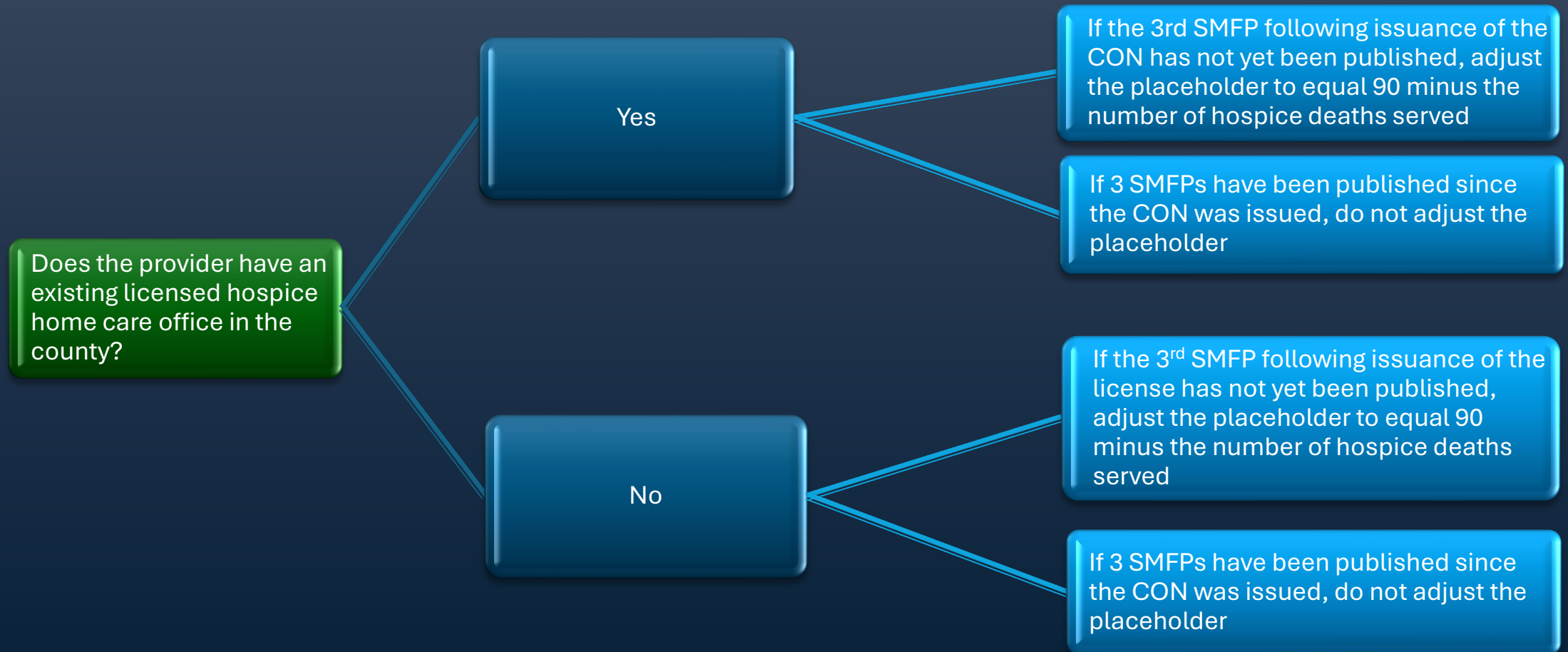
Multiply deaths for the projection year by the statewide median percentage of deaths served for the projection year.

Proposed 2026 SMFP – Table 13B		
A	D	I
County Service Area	Projected 2027 Deaths	Median Projected 2027 Hospice Deaths
Source or Formula	Column B x (Column C/1,000)	Column D x Projected Statewide Median Percent Deaths Served (51.5%)
Wake**	4,190	3,860

Step 10

Assign and adjust placeholders for counties with a need determination in a previous SMFP:

- 1) use a placeholder of 90 hospice patient deaths for each need determination in the county from prior year SMFP
- 2) in the first SMFP after an agency or office is agency or office issued a CON, reassign the placeholder for 90 hospice patient deaths
- 3) in the second SMFP after CON issuance, maintain placeholder of 90
- 4) in subsequent SMFPs after issuance, adjust the placeholder as follows:



Step 11

Subtract the median projected hospice deaths for the projected year for each county from the projected number of hospice deaths served for the projection year plus any adjustment to determine the deficit or surplus of patients

Step 12

Identify and use the number of licensed hospice home care offices located in county

Step 13

Calculate the number of license hospice home care office per 100,000 population

Step 14

There is a need determination if both of the following are true:

- 1) the county's deficit is ≥ 90 and
- 2) the county's number of licensed hospice home care offices per 100,000 population is ≤ 3 .

Proposed 2026 SMFP – Table 13B							
A	H	I	J	K	L	M	N
County Service Area	Projected 2027 Number of Hospice Deaths Served	Median Projected 2027 Hospice Deaths	Placeholders 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	Lower Number of Deaths between Column F and Column G	Column D x Projected Statewide Median Percent Deaths Served (51.5%)		Column H + Column J – Column I	Table 13A: Inventory of Licensed Hospice Agencies	Column L / (Column C / 100,000)	If Column M ≤ 3 and Column K ≤ -90
Wake**	4,190	3,860	0	330	7	0.5	0

Service Areas (SA)

Hospice does not have “divided” SAs. No county is split between two or more multi-county SAs.

A hospice office service area is the county in which the hospice office is located. Each of the 100 counties in the state is a separate hospice office service area.

Planning Data Collected through LRAs

- Number of patients who received hospice care by county of residence
- County of offices that provided hospice services
- Reporting Dates
 - July 1 through June 30
 - October 1 through September 30
 - If the Agency or Office provided services fewer than 12 months, then the provider enters the dates of operation that fall within the reporting year.

NOTE: We are not likely to be able to alter LRAs to obtain additional provider data in the foreseeable future

Need Determinations, 2016-2026

SMFP	Service Area	Need Determination Number
2017	Cumberland	1
2018	Cumberland	1
	Hyde	1
2020	Rowan	1
2025	Cumberland	1
2026*	Johnston	1
	Haywood	1
	McDowell	1

* Pending Governor's approval

Why so many need determinations in the 2026 SMFP?

Combination of factors

Increases in
counties' death
ratios

Increases in
counties'
population

Increase in number
of hospice deaths
at two-year trailing
average growth rate
from 1.5% to 2.7%

Increase in
projected statewide
median percent of
deaths serviced
from 39.0% to
51.5%

What happens when the methodology doesn't work for every service area or provider?

- ✓ *Petition process*
- ✓ *Policies that allow exceptions to the methodology*
- ✓ *Specific methodology exceptions included in the SMFP*

Procedure for Petitions

Spring – changes to **policy** and/or **methodology**

Summer – adjusted **need determinations**



Summer Petitions (Adjusted Need Determination)

SMFP	Service Area	Petitioner	Petitioner Rationale	Result
2018	Harnett	BAYADA Home Health Care, Inc.	<ul style="list-style-type: none"> County residents are underserved 	Denied
2018	Mecklenburg	Continuum Care Hospice	<ul style="list-style-type: none"> Significant disparity in hospice utilization by African Americans 	Denied
2018	Hyde	Liberty Home Care Services	<ul style="list-style-type: none"> Unique geographical features Sparse population Lack of service located in the county 	Approved
2020	Rowan	Novant Health Hospice	<ul style="list-style-type: none"> Declining hospice admissions, days of care and deaths Sufficient access to services Decrease in reported hospice deaths due to dissolution of joint business venture between two providers 	Denied
		Trellis Supportive Care		
2024	Mecklenburg	Heart and Soul Hospice of the Carolinas, LLC	<ul style="list-style-type: none"> Methodology does not account for growth in aging of racially and ethnically diverse population 	Denied

Summer Petitions (Adjusted Need Determination), cont.

SMFP	Service Area	Petitioner	Petitioner Rationale	Result
2025	Mecklenburg	Heart and Soul Hospice of the Carolinas, LLC	<ul style="list-style-type: none"> • Unmet need for services • Methodology does not include alternative process for existing licensed hospices to expand thereby suppressing opportunities for new providers 	Denied
2026*	Burke	AMOREM	<ul style="list-style-type: none"> • COVID-19 deaths distorted data used in the methodology creating a growth disparity between deaths and hospice deaths resulting in erroneous county need determinations 	Denied
	Haywood	Four Seasons		
	McDowell	AMOREM		
	Rockingham	ANCORA Compassionate Care		
2026*	Cumberland	VITAS Healthcare Corporation of North Carolina	<ul style="list-style-type: none"> • Pending CON applications for 2025 SMFP need determination 	Approved

* Pending Governor's approval of 2026 SMFP

DISCUSSION

What's Next?

- Obtain and review public comments
 - Due December 19th
- For the next meeting, if workgroup members deems that revisions to the methodology are necessary, staff will present some options based on today's discussion.
 - **Any ideas for what you'd like to see that we haven't discussed?**