

**Long-Term and Behavioral Health Committee
Agency Report
Petitions to Remove Each Need Determination for a
Hospice Home Care Offices in Burke, Haywood,
McDowell and Rockingham Counties
in the 2026 State Medical Facilities Plan**

Petitioners:

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Request:

The Petitioners request to remove the need determinations for one hospice home care office each in Burke, Haywood, McDowell and Rockingham counties from the *North Carolina 2026 State Medical Facilities Plan (SMFP)*.

Background Information:

Chapter Two of the *SMFP* notes that during the summer, the Agency accepts petitions that “involve requests for adjustments to need determinations in the *Proposed SMFP*. Petitioners may submit a written petition requesting an adjustment to the need determination in the *Proposed SMFP* if they believe that special attributes of a service area or institution give rise to resource requirements that differ from those provided by the standard methodologies and policies.” Any person may submit a certificate of need (CON) application for a need determination in the *SMFP*. The CON review could be competitive and there is no guarantee that the Petitioner would be the approved applicant. The Agency accepts petitions that “involve request for changes to the *SMFP* that have the potential for a statewide effect, such as the addition, deletion or revision of policies or need determination methodologies” at the beginning of the planning cycle, in the spring.

Each hospice home care office service area is comprised of one of the state’s counties. The hospice home care office methodology calculations are used to project need for service areas three years beyond the current reporting year. Two key inputs for the methodology calculations are the county death rates and the total number of hospice deaths among each county’s residents, as reported on Hospice License Renewal Applications (LRAs). Methodology calculations are based on the 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. The threshold for a need determination is a deficit of 90 or greater deaths. The placeholder for new hospice offices is the same as the current threshold of 90 deaths. In the *Proposed 2026 SMFP*, the projection year is 2027 for population, deaths and deaths served.

Analysis/Implications:

The Petitioners contend that COVID-19 deaths are distorting data used in the hospice home care methodology. Primarily, they posit that the “growth disparity between deaths and hospice deaths,” in the 2021, 2022 and 2023 data results in erroneous need determinations for additional hospice home care offices in multiple counties.

According to the Petitioners, the COVID-19 pandemic temporarily disrupted hospice utilization. Specifically, the number of hospice deaths served temporarily decreased while counties’ annual deaths temporarily increased. The spike in annual deaths created higher county death rates, and in turn, overinflated projected deaths. After the height of the pandemic, a sharp decrease in county death rates resulted in fewer projected total deaths and lower annual death growth rates. However, the post-pandemic rebound in hospice deaths served produced a large value for the projected median statewide percentage of deaths served. The Petitioners posit that these factors, in combination, result in a false need for more hospice home care services. The consensus among the Petitioners is that if the methodology uses a historical consistent growth rate of 2.6% (based on the median growth rates calculated for data years 2010 through 2026), the projected median percentage of deaths served would be 45.8% and, the need determinations in Burke, Haywood, McDowell and Rockingham counties would be eliminated.

Agency staff analyzed the impact of COVID-19 deaths on methodology calculations. We removed the number of COVID-19 deaths for 2020-2023 for each county. This reduced the projected 2027 deaths as well as the projected statewide median percent of deaths served. The two-year trailing

average growth rate in the statewide median percentage of death served also decreased from 6.7% to 0.83%. This approach resulted in a decrease in the median projected 2027 hospice deaths served from 51.5% to 45.2%. As shown illustrated in Table 1 below eight of nine need determinations in the *Proposed 2026 SMFP* are eliminated.

Table 1. Table 13B: Year 2027 Hospice Home Care Office Need Projections

A	B	C	D	E	F	G	H	I	N
County	2019-2023 Death Rate/1000 Population	2027 Population (excluding military)	Projected 2027 Deaths	2024 Reported Number of Hospice Patient Deaths	2027 Number of Hospice Deaths Served at Two Year Trailing Average Growth Rate (2.7 %)	2027 Number of Hospice Deaths Served Limited to 60%	Projected 2027 Number of Hospice Deaths Served	Median Projected 2027 Hospice Deaths (45.2%)	Additional Hospice Office Need
Burke	13.3	91,545	1,218	526	570	731	570	551	0
Cleveland	13.4	103,053	1,380	594	643	828	643	624	0
Cumberland	9.0	304,434	2,746	1,145	1,240	1,648	1,240	1,241	0
Guilford	9.3	573,673	5,315	2,320	2,513	3,189	2,513	2,403	0
Haywood	14.4	65,661	944	381	413	566	413	427	0
Johnston	8.0	270,391	2,154	669	725	1,293	725	974	1
McDowell	13.3	44,797	596	192	208	358	208	269	0
Randolph	11.9	150,403	1,786	775	840	1,071	840	807	0
Rockingham	14.4	92,416	1,335	559	606	801	606	603	0

Source: 2025 Hospice Database

Agency Recommendation:

The Agency supports the standard methodology for hospice home care as presented in the *Proposed 2026 SMFP*. Given available information and comments submitted by the August 6, 2025 deadline, and in consideration of factors discussed above, the Agency recommends denial of these petitions.

However, the Agency acknowledges the unprecedented impact of COVID-19 deaths on the hospice home care calculations. Therefore, the Agency recommends a temporary adjustment to exclude COVID-19 death data for the period between 2020 and 2023 as doing so allows for a more accurate trend in mortality rates and a better assessment of future service needs. This action also eliminates the hospice home care office need determinations in Burke, Haywood, McDowell and Rockingham counties in the *2026 SMFP*.