

**Long-Term and Behavioral Health Committee
Agency Report
Petition to Remove a Need Determination for a
Hospice Home Care Office in Cumberland County
in the 2026 State Medical Facilities Plan**

Petitioner:

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Request:

VITAS Healthcare Corporation of North Carolina requests removal of the need determination for one hospice home care office in Cumberland County in 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 of the service areas of the hospice home care office methodology 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. 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 and deaths and deaths served.

Analysis/Implications:

The *2025 SMFP* contains a need determination to develop one hospice home care office in Cumberland County for which three applicants applied. The Petitioner contends the applicant who will be awarded the certificate of need (CON) for that need determination will not be able to successfully develop a hospice home care office if the *2026 SMFP* includes another need determination for a hospice home care office in the service area. Specifically, the Petitioner asserts that even though the SMFP's hospice methodology includes a placeholder for 90 patients for a newly approved office, approving a second office in the *2026 SMFP* would create utilization and financial challenges for both offices.

Moreover, the Petitioner asserts that the 90-patient placeholder does not reflect the utilization projections the three 2025 CON applicants made in their CON applications. Two applicants projected serving more than 90 deaths within the first year, and the third applicant projected reaching this threshold by its second year. Further, the Petitioner says that, given the utilization projections, an additional office in the service area is unnecessary.

Agency staff examined the number of deaths served by hospice home care offices that were established pursuant to an *SMFP* need determination over the last 13 years. Of the eight offices, three were developed in Cumberland County. Table 1 below shows none of these hospice home care offices served more than 90 deaths during the first year of operation, and only one did by its second year. Only three of the eight agencies served more than 90 hospices deaths by the third year of operation. Therefore, the 90-deaths placeholder for the development of a hospice home care office through the third *SMFP* following the issuance of a license appears to be both reasonable and necessary.

Table 1. Overview of Hospice Home Care Need Determinations and Utilization in the First Three SMFPs Following Licensing

			Number of Hospice Deaths		
DBA Name	County	Initial License Date	1st Year	2nd Year	3rd Year
BAYADA Hospice	Rowan	12/31/2022	14	26	n/a*
Liberty Home Care and Hospice	Hyde	8/20/2021	0	2	17
3HC	Cumberland	6/17/2019	24	66	61
BAYADA Hospice	Cumberland	12/16/2019	7	5	29
PruittHealth Hospice-Fayetteville	Cumberland	3/6/2015	37	97	136
Gentiva Hospice	Granville	7/9/2015	2	61	136
Regency Hospice of Andrews	Cherokee	3/31/2011	10	25	50
United Hospice of Wilkes	Wilkes	6/10/2011	0	53	119

Sources: 2009 – 2025 *SMFPs*, 2008 - 2024 LRAs and the CON database

* Hospice home care agency licensed only two years.

Due to the unexpectedly high number of hospice home care office need determinations in the *Proposed 2026 SMFP* and numerous petitions to remove them, Agency staff also examined the impact of COVID-19 deaths on hospice home care office methodology calculations. We found that

when COVID-19 deaths are removed from each counties' total annual deaths, the projected 2027 deaths and the projected statewide median percent of deaths served decrease. As a result of this adjustment, eight of the nine need determinations in the *Proposed 2026 SMFP* were eliminated - including the need determination in Cumberland County.

Agency Recommendation:

The Agency supports the standard hospice home care office methodology as presented in the *Proposed 2026 Plan*. The Agency considered the available information and comments submitted by the August 6, 2025 deadline, and in consideration of factors discussed above, the Agency recommends denial of this Petition.

Alternatively, the Agency recommends a temporary adjustment to remove COVID-19 deaths from the annual county death data in response to the unprecedented impact that those deaths have had on the hospice home care office need determination methodology calculations. Doing so will eliminate the need determination in Cumberland County.