

PETITION
BY COMMUNITY HOME CARE OF VANCE COUNTY, INC. D/B/A
COMMUNITY HOME CARE AND HOSPICE
REQUESTING AN ADJUSTMENT TO
THE PROPOSED 2009 STATE MEDICAL FACILITIES PLAN
NEED DETERMINATION TO ELIMINATE THE PROPOSED NEED FOR A
NEW HOSPICE HOME CARE OFFICE IN JOHNSTON COUNTY
August 1, 2008

PUBLIC HEARING COMMENTS

Presented by Michael C. Hale

August 1, 2008

Raleigh, North Carolina

DFS Health Planning
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Medical Facilities
PLANNING SECTION

Dr. Myers and other Distinguished Members of the State Health Coordinating Council.

My name is Michael Hale and I am with the law firm Poyner & Spruill. Thank you for the opportunity to speak with you today.

I have been asked to present public comments on behalf of the Petitioner, Community Home Care and Hospice. As some of you may be aware, Community provides hospice services in a number of North Carolina counties, including Johnston County. Community has filed this Petition requesting an adjustment to the Proposed 2009 State Medical Facilities Plan to eliminate a proposed need for an additional hospice home care office in Johnston County.

Community's Petition details the rationale behind its request for an adjusted need determination; however, I would like to briefly point out the Petitioner's main points and concerns. Applying the standard methodology for hospice home care offices, the 2009 Proposed SMFP projects that an additional 104 patients will be in need of hospice home care services in Johnston County in 2010. Since the patient deficit is projected to be 75 or greater, one additional hospice office would be allocated in Johnston County in the 2009 Plan. Community is not requesting a change in the basic policies or methodology, but believes that there are special and unique circumstances in Johnston County that, when considered in the entirety, warrant an adjustment to no need.

The basic points that Community makes in its Petition are as follows:

1. Data provided in the 2008 SMFP demonstrated that Johnston County was served by 20 licensed hospice offices in the 2007 reporting period. This number includes licensed multiple locations of certified providers, including Community, as well as licensed hospice inpatient facilities. No county in North Carolina reported that more licensed hospices served its residents than Johnston County in 2007, and the only other county reporting 20 offices was Wake. The 2009 Proposed SMFP reports that Johnston County was served by 18 licensed hospice offices in the 2008 reporting period. The only counties that reported more licensed hospices than Johnston County in 2008 was Harnett and Wake, both with 20.

2. Using the 2010 projected populations of North Carolina's most populated counties, and the number of licensed hospices that currently serve those counties, Community shows that there are far more hospice offices per capita in Johnston County than in the other county that was analyzed. For example, Mecklenburg County has a projected 2010 population of over 940,000 and is currently served by 17 licensed hospices. On the other hand, Johnston County has a projected population of a little over 170,000, less than a fifth the size of Mecklenburg, but is served by 18 offices. This equates to approximately one hospice office for every 55,000 people in Mecklenburg County, while Johnston County has one office for every 9,600 people. Other counties compared include Wake, with one office for every 46,000, Guilford with one office for every 43,000 and Forsyth with one office for every 39,000. The Petitioner believes that these statistics clearly show that there are more than a sufficient number of hospice providers available to the residents of Johnston County, and imply there must be special and unique circumstances in Johnston County that causes the Proposed SMFP to project a need for yet another hospice office despite the fact that it is already very well served.

3. Community contends that the special and unique circumstances in Johnston County that trigger this projected need include its age demographics. Community provides statistics in its Petition that show approximately 1% of patients admitted to hospice in North Carolina are less than 35 years old, while 79% are 65 and older. It follows that fewer deaths will be served by hospice providers in younger counties than those counties with a predominantly older population. The North Carolina Office of State Budget and Management projects that in 2010, only 9% of the Johnston County population will be 65 or older, compared to 12% on the average in North Carolina, and 50% of the Johnston County population will be less than 35 as compared to a 48% average in North Carolina. In fact, Office of State Budget and Management statistics project that Johnston County will have the 11th youngest median age in North Carolina in 2010, at 35.2.

Community's Petition analyzes these age statistics, as well as others statistics, in detail, and concludes that Johnston County is very well served by the existing hospice providers. Community believes that, given the age demographics in Johnston County, a reasonable projection of hospice deaths in Johnston County is the current rate of 26% rather than the median rate of 29.41% that is currently used in the hospice methodology. By applying the current hospice death rate in Johnston County to the methodology, the need for an additional hospice home care office would be eliminated in the 2009 SMFP. The Petitioner contends that failure to do so would result, in part, in an unnecessary duplication of hospice services in Johnston County and force the existing providers to spread their fixed costs over a smaller number of patients which would adversely affect their ability to continue to provide high quality hospice care.

Community respectfully requests that that the State Health Coordinating Council carefully review and consider its Petition and greatly appreciates the opportunity to present its concerns.