



**Strategic
Healthcare
Consultants**

March 2, 2011

DFS Health Planning
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Medical Facilities
PLANNING SECTION

North Carolina Division of Health Service Regulation
Medical Facilities Planning Section
2714 Mail Service Center
Raleigh, North Carolina 27699-2714

Re: Comments Regarding the Need Determinations for Medicare-Certified Home Health in the 2011 State Medical Facilities Plan

Dear State Health Coordinating Council Members:

I am writing on behalf of Bayada Nurses to express support for maintaining the current home health need determinations in the 2011 State Medical Facilities Plan. Bayada Nurses Inc. has 31 licensed home care offices and two Medicare-certified home health agencies in North Carolina. Bayada Nurses serves thousands of home care and home health patients across North Carolina and would very much like the opportunity to obtain CON approval to develop additional Medicare-certified home health offices.

It would be a mistake to amend the 2011 State Medical Facilities Plan to remove the need determinations at this late date. The home health need determinations in the 2011 State Medical Facilities Plan have been developed through a process that allows adequate time for review and public comment. During the statewide public hearing process, no petitions were submitted to remove the need determinations that were published in the draft plan. The State Health Coordinating Council met last year and voted to present the Draft 2011 Plan to the Governor for approval.

Please consider that the need for additional Medicare-certified home health agencies is validated by the strong growth in utilization that is predicted for both acute care beds and nursing facility beds. There are 296 acute care beds that are already CON-approved and in development; there are need determinations for 375 additional acute care beds in the current Plan. The statewide inventory for nursing facility beds shows 653 CON approved beds in development plus need determinations for 330 additional nursing facility beds. Patient discharges from hospitals and nursing facilities are undoubtedly going to increase. Consequently the demand for home health should increase.

In Mecklenburg County, the projected growth in acute care demand supports a need determination for 107 additional acute care beds that is based on a 10.44 percent increase in patient days between 2009 and 2013. Wouldn't you agree that this dramatic increase in acute care days of care will generate an increase in patient discharges with many more patients requiring Medicare-certified home health services?


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Most institutional health services regulated by CON involve large capital expenditures. However this is not the case with the development of a new Medicare-certified home health agency. Leaving the need determinations in the 2011 Plan will not cause under-utilization of existing facilities or equipment. The approval of additional home health agencies will improve patient choice and enhance competition without the risk of having unnecessary duplication of the capital costs associated with developing a new facility or acquiring expensive equipment.

In summary, the 2011 State Medical Facilities Plan should not be amended to eliminate the home health need determinations. More Medicare-certified home health agencies are needed to provide cost effective care and enhance competition particularly in high growth counties.

Sincerely,

A handwritten signature in cursive script, appearing to read "David French".

David French
Consultant to Bayada Nurses