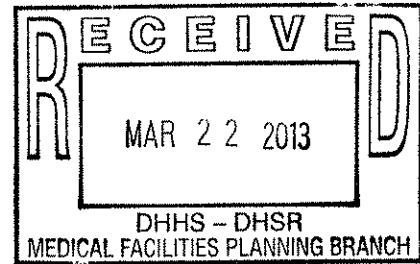


March 21, 2013

Mr. Johnnie Farmer
Chair, Long-Term & Behavioral Health Committee
c/o North Carolina Division of Health Service Regulation
Medical Facilities Planning Branch
2714 Mail Service Center
Raleigh, NC 27699-2714



Re: Written comments in response the spring 2013 petition to change the hospice inpatient bed need methodology

Prepared by:
Mountain Valley Hospice & Palliative Care
401 Technology Lane, Suite 200
Mt. Airy, NC 27030
(336) 789-2922
Attn: Denise Watson, Executive Director
dwatson@mtnvalleyhospice.org

Dear Mr. Farmer,

Mountain Valley Hospice and Palliative Care (MVHPC) is submitting this letter in response to the petition submitted by Hospice of Wake County (HOWC) to change the hospice inpatient bed need methodology. HOWC's petition should be denied for the following reasons:

- Reducing the inpatient utilization rate from 6% to 3.5% would negatively impact access to cost effective hospice inpatient services.
- Hospice inpatient days of care have increased at faster rates compared to overall hospice days of care.
- The majority of counties with hospice inpatient facilities have a hospice inpatient utilization rate greater than 3.5%.
- The statewide hospice inpatient utilization rate is suppressed by lack of access to hospice inpatient beds.
- Based on projected population growth and aging, hospice utilization will continue to increase.

Access

Hospice inpatient beds provide a unique and vital service for hospice patients. Hospice inpatient facilities are a place for persons to be free from pain resulting from their infirmities, to rest, be at peace, to relax, to be supported clinically and emotionally while surrounded by their family and friends in a home-like setting. Besides a patient's own home, there is no other place designed to provide the same level of comfort for hospice patients than an inpatient hospice facility. As such, it is critically important that hospice patients have adequate access to hospice inpatient beds.

According to the 2013 SMFP, there are only 35 counties (out of 100) in North Carolina that host a free-standing hospice inpatient facility. Twenty two of these facilities (59.5%) are located in rural counties and 15 are located in urban counties (40.5%). Generally speaking, residents of rural counties have comparatively less access to healthcare services than residents of urban counties. Additionally, residents of rural counties have comparatively less monetary resources to travel long distances than residents in urban counties. According to the North Carolina Rural Economic Development Center, 85 counties in North Carolina are considered rural. Forty three counties in North Carolina have a population of 20% or greater that are living in poverty, all of which are rural (see Attachment 1). Thus, access to cost effective end of life care is of great relevance with regard to hospice inpatient services.

Reducing the inpatient utilization rate from 6% to 3.5% would negatively impact access to cost effective hospice inpatient services. Based on FY2011 data (available in the 2013 SMFP), all but four of the rural counties with hospice inpatient facilities have an inpatient utilization rate that is greater than 3.5%. Please refer to the following table.

Hospice Inpatient Facilities Located in Rural NC Counties

County	Facility	FY2011 Days of Care	Hospice Days of Care	% of Total Days
Burke	Burke Palliative Care Center	1,362	42,375	3.2%
Cabarrus	Hospice & Palliative Care of Cabarrus County	1,556	52,497	3.0%
Caldwell	Caldwell Hospice & Palliative Care	1,597	51,029	5.1%
Caldwell	Caldwell Hospice and Palliative Care, Inc	984		
Cleveland	Wendover - Hospice House	1,825		
Cleveland	Kings Mountain Hospice House	1,307	53,976	5.8%
Columbus	Lower Cape Fear Hospice, Inc.	2,045	35,419	5.8%
Davidson	Hospice of Davidson County/Hinkle House	2,301	44,737	5.1%
Duplin	Carolina East Hospice Care Center	745	20,473	3.6%
Harnett	E. Carlton Powell Hospice Center	1,456	26,765	5.4%
Henderson	Elizabeth House	4,690	68,151	6.9%
Iredell	Gordon Hospice House	3,123	48,955	6.4%
Johnston	Johnston Memorial Home Care and Hospice	683	31,042	2.2%
Pitt	University Health Systems Inpatient Hospice	1,923	53,498	3.6%
Randolph	The Randolph Hospice House	994	51,527	1.9%
Robeson	Southeastern Regional Medical Center	2,319	38,628	6.0%
Rockingham	Hospice of Rockingham County, Inc	1,026	15,826	6.5%
Rutherford	Hospice of Rutherford County, Inc.	3,139	49,043	6.4%
Scotland	Hospice of Scotland County	1,997	19,648	10.2%
Surry	Mountain Valley Hospice and Palliative Care	4,566	55,750	8.2%
Union	Hospice of Union County	1,266	30,837	4.1%
Wayne	3HC/Kitty Askins Hospice Center	2,497	26,609	9.4%
Total		43,401	816,785	5.3%

Source: 2013 SMFP, NC Rural Economic Development Center, Inc.

The average hospice inpatient utilization rate for rural NC counties with a hospice inpatient facility was 5.3% during FY2011. Indeed, MVHPC is a hospice provider in rural Surry County, which has a hospice inpatient utilization rate of 8.2%. Therefore, HOWC's petition to reduce the inpatient utilization rate from 6% to 3.5% would negatively impact access to hospice inpatient services in rural counties by making it more difficult for counties without hospice inpatient beds to develop new facilities, and by making it extremely difficult for existing facilities to expand their capacity to meet current and projected demand. Therefore, the petition submitted by HOWC should be denied.

Hospice Inpatient Utilization

Hospice inpatient utilization has increased dramatically during recent years. Please refer to the following table.

North Carolina Hospice Utilization, FY08-FY11

	FY2008	FY2009	FY2010	FY2011	08-11 Growth
Total Hospice Days	2,679,298	2,657,371	2,873,424	2,915,218	8.8%
Inpatient Days of Care	83,728	91,646	99,178	102,824	22.8%

Source: 2013 SMFP, DHSR Hospice Data Supplements

Hospice inpatient days of care have increased 22.8% during the most recent three fiscal years. Comparatively, total hospice days of care grew 8.8% during the same time period. Hospice inpatient utilization has grown due, much in part, to the development of hospice inpatient beds in freestanding hospice facilities. In 2006, there were only 23 hospice inpatient facilities in North Carolina. According to the 2013 SMFP, there are now 40 hospice inpatient facilities in North Carolina located in 35 different counties.

While hospice inpatient utilization has grown markedly during recent years and the current SMFP methodology has facilitated the development of new hospice inpatient facilities, the majority of North Carolina counties lack access to hospice inpatient beds. Sixty five counties in North Carolina do not have local access to a hospice inpatient facility. This limits the growth potential for hospice inpatient days of care. Furthermore, based on FY2011 data available in the 2013 SMFP, a majority (22 of 37, or 59.5%) of the existing hospice inpatient facilities are operating over 75% occupancy. Please refer to the following table.

North Carolina Hospice Inpatient Facilities, FY2011

County	Facility	Licensed Beds 9/30/2011	FY11 Days of Care	FY11 Occupancy Rate
Alamance	* Hospice Home (Hospice of Alamance-Caswell)	14	2,432	80.6%
Buncombe	* CarePartners Hospice & Palliative Care Services	20	6,459	95.3%
Burke	Burke Palliative Care Center	8	1,362	46.6%
Cabarrus	Hospice & Palliative Care of Cabarrus County	6	1,556	71.1%
Caldwell	* Caldwell Hospice & Palliative Care	5	1,597	95.9%
Caldwell	* Caldwell Hospice and Palliative Care, Inc	4	984	95.7%
Catawba	Catawba Valley Hospice House	11	3,739	93.1%
Catawba	* Sherrills Ford Hospice House	6	53	34.0%
Cleveland	Wendover - Hospice House	5	1,825	100.0%
Cleveland	Kings Mountain Hospice House	4	1,307	89.5%
Columbus	Lower Cape Fear Hospice, Inc.	6	2,045	93.4%
Cumberland	Carrol S. Roberson Center	8	1,673	57.3%
Davidson	Hospice of Davidson County/Hinkle House	8	2,301	78.8%
Duplin	Carolina East Hospice Care Center	3	745	68.0%
Durham	Duke Hospice, Hock Family Pavilion	12	3,578	81.7%
Forsyth	* Kate B. Reynolds Hospice Home	30	8,765	90.2%
Gaston	Robin Johnson House - Gaston Hospice	6	2,000	91.3%
Guilford	Hospice & Palliative Care Greensboro-Beacon Place	8	1,753	60.0%
Guilford	Hospice Home at High Point	6	2,309	105.4%
Harnett	E. Carlton Powell Hospice Center	8	1,456	49.9%
Henderson	Elizabeth House (Four Seasons Compassion for Life)	19	4,690	67.6%
Iredell	Gordon Hospice House	9	3,123	95.1%
Johnston	Johnston Memorial Home Care and Hospice	12	683	15.6%
Mecklenburg	Levine & Dickson Hospice House	11	4,330	107.8%
Mecklenburg	Presbyterian Hospital - Harris Hospice Unit	8	2,215	75.9%
New Hanover	Hospice Care Center (Lower Cape Fear Hospice)	12	4,446	101.5%
Orange	Duke Hospice at the Meadowlands	6	1,638	74.8%
Pitt	University Health Systems Inpatient Hospice	8	1,923	65.9%
Randolph	* The Randolph Hospice House	6	994	61.4%
Robeson	Southeastern Regional Medical Center	12	2,319	53.0%
Rockingham	Hospice of Rockingham County, Inc	3	1,026	93.7%
Rutherford	Hospice of Rutherford County, Inc.	10	3,139	86.0%
Scotland	Hospice of Scotland County	6	1,997	91.2%
Surry	Mountain Valley Hospice and Palliative Care	13	4,566	96.2%
Union	Hospice of Union County	6	1,266	57.8%
Wake	Hospice of Wake County, Inc	14	3,028	59.3%
Wayne	* 3HC/Kitty Askins Hospice Center	12	2,497	80.5%

Source: 2013 SMFP

*Occupancy rates adjusted for beds open during the data reporting year or for part of reporting year.

Due to limited access to hospice inpatient services statewide, combined with the fact that a majority of inpatient facilities are operating at or near practical capacity, hospice inpatient utilization is suppressed and limited in its growth potential. In addition to being inconsistent with inpatient utilization rates for the majority of counties that host hospice inpatient facilities, HOWC's petition would further inhibit the growth potential for hospice inpatient services by restricting development of new hospice inpatient beds.

Population & Aging

Across North Carolina, the environment for healthcare providers is changing significantly. Not only is the population expected to increase, but also the aging of the baby boomer generation will place greater demands on healthcare providers, as the community's demand for healthcare services continues to grow. The population age 65 and older makes up a substantial portion of the State's population. Additionally, this age cohort is projected to increase significantly during the next five years. Please refer to the following table.

North Carolina Population Growth

	2013	2018	5-Yr CAGR
Total NC Population	9,886,347	10,409,046	1.0%
NC Population >65+	1,405,311	1,657,624	3.4%
% of Total Population	14.2%	15.9%	

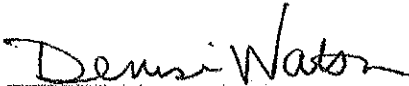
Source: NC Office of State Budget & Management

It is important to recognize the aging population, due to the correlation of age and hospice use. Since hospice is designed to provide end-of-life care, the vast majority of hospice patients are typically age 65 and older. According to the National Hospice and Palliative Care Organization in 2011, 82.7 percent of North Carolina hospice patients were 65 and older - and more than one-third of all hospice patients were 85 years of age or older. Thus, as the State's population continues to grow and age, the utilization of hospice services (including hospice inpatient services) will also increase.

Conclusion

In closing, we feel there are several valid reasons to deny HOWC's petition to change the current SMFP methodology for hospice inpatient beds. Their petition would have a detrimental impact on access to hospice inpatient services for North Carolina residents, especially those residing in rural counties. For this reason and the reasons identified previously in this letter, MVHPC urges the SHCC to deny HOWC's petition.

Yours very truly,

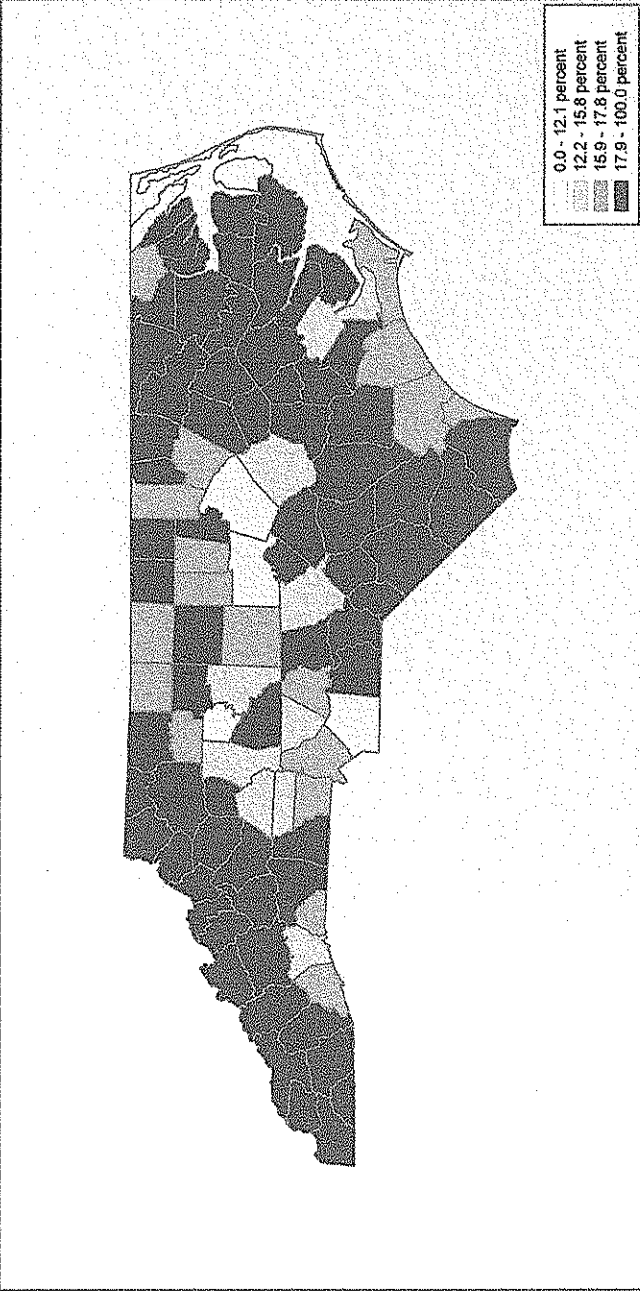
A handwritten signature in cursive script that reads "Denise Watson". The signature is written in black ink and is positioned below the closing "Yours very truly,".

Denise Watson, Executive Director
Mountain Valley Hospice & Palliative Care

Attachment

Attachment 1: North Carolina Poverty Statistics

Percent of total population in poverty, 2011: North Carolina



FIPS*	Name	RUC Code	All people in poverty (2011)			Children ages 0-17 in poverty (2011)		
			Percent	Lower Bound	Upper Bound	Percent	Lower Bound	Upper Bound
37000	North Carolina		17.8	17.5	18.1	25.4	24.7	26.1
37001	Alamance	3	17.8	15.3	20.3	26.3	22.0	30.6
37003	Alexander	2	18.2	15.5	20.9	27.2	22.4	32.0
37005	Alleghany	9	20.3	15.9	24.7	32.7	25.2	40.2
37007	Anson	1	24.9	19.9	29.9	36.4	29.0	43.8
37009	Ashe	9	19.5	15.9	23.1	31.3	25.1	37.5
37011	Avery	8	20.8	16.2	25.4	30.9	23.9	37.9
37013	Beaufort	6	22.3	19.0	25.6	35.7	30.0	41.4
37015	Bertie	9	25.1	19.7	30.5	35.0	27.2	42.8
37017	Bladen	6	23.7	19.7	27.7	33.6	27.3	39.9
37019	Brunswick	2	18.1	15.5	20.7	29.3	23.8	34.8
37021	Buncombe	2	18.2	16.2	20.2	26.9	22.7	31.1

37023	Burke	2	20.7	18.5	22.9	30.4	26.0	34.8
37025	Cabarrus	1	13.0	11.2	14.8	18.0	14.7	21.3
37027	Caldwell	2	20.8	18.1	23.5	28.8	23.5	34.1
37029	Camden	8	9.3	7.1	11.5	14.9	11.5	18.3
37031	Carferet	4	16.7	14.1	19.3	26.2	21.1	31.3
37033	Caswell	8	19.8	15.8	23.8	29.4	23.1	35.7
37035	Catawba	2	14.5	12.3	16.7	22.2	17.9	26.5
37037	Chatham	2	11.3	9.0	13.6	18.9	14.9	22.9
37039	Cherokee	9	18.0	14.2	21.8	31.6	24.1	39.1
37041	Chowan	7	25.1	21.0	29.2	37.5	30.5	44.5
37043	Clay	9	22.3	18.5	26.1	37.7	30.6	44.8
37045	Cleveland	4	20.0	16.8	23.2	31.7	25.9	37.5
37047	Columbus	6	25.9	22.0	29.8	36.8	30.5	43.1
37049	Craven	5	15.7	12.8	18.6	25.6	20.6	30.6
37051	Cumberland	2	19.1	17.4	20.8	26.4	22.8	30.0
37053	Currituck	1	11.7	9.2	14.2	18.2	14.0	22.4
37055	Dare	5	11.1	8.7	13.5	20.2	15.8	24.6
37057	Davidson	4	14.7	12.3	17.1	21.6	17.1	26.1
37059	Davie	2	11.8	9.5	14.1	17.9	13.8	22.0
37061	Duplin	6	20.2	16.5	23.9	29.6	23.0	36.2
37063	Durham	2	19.5	17.4	21.6	27.2	23.3	31.1
37065	Edgecombe	3	25.6	21.5	29.7	39.9	32.7	47.1
37067	Forsyth	2	18.6	16.9	20.3	28.0	24.7	31.3
37069	Franklin	2	16.2	13.2	19.2	23.9	18.8	29.0
37071	Gaston	1	16.6	14.5	18.7	24.1	20.5	27.7
37073	Gates	8	16.6	13.0	20.2	23.6	18.4	28.8
37075	Graham	9	22.1	17.1	27.1	35.4	27.4	43.4
37077	Granville	6	16.1	13.1	19.1	20.8	16.4	25.2
37079	Greene	3	25.8	21.0	30.6	35.5	28.4	42.6
37081	Guilford	2	18.8	17.4	20.2	24.2	21.2	27.2
37083	Hallfax	4	26.8	22.6	31.0	39.1	31.8	46.4
37085	Harnett	4	18.5	15.8	21.2	25.5	20.8	30.2
37087	Haywood	2	18.6	15.7	21.5	32.4	26.7	38.1
37089	Henderson	2	13.3	10.9	15.7	22.8	17.9	27.7
37091	Hertford	7	28.3	23.7	32.9	37.5	30.2	44.8
37093	Hoke	2	18.7	15.1	22.3	28.8	23.1	34.5

37095	Hyde	9	22.5	17.4	27.6	30.5	23.6	37.4
37097	Iredell	4	13.5	11.7	15.3	20.2	17.2	23.2
37099	Jackson	6	20.2	16.5	23.9	27.2	21.0	33.4
37101	Johnston	2	15.3	12.9	17.7	21.7	17.7	25.7
37103	Jones	8	19.0	14.9	23.1	33.4	25.7	41.1
37105	Lee	4	20.0	17.0	23.0	30.9	26.0	35.8
37107	Lenoir	4	25.4	22.1	28.7	36.3	30.4	42.2
37109	Lincoln	4	14.2	11.7	16.7	21.8	17.4	26.2
37111	McDowell	6	19.5	16.5	22.5	33.5	28.2	38.8
37113	Macon	7	19.0	15.6	22.4	30.4	23.2	37.6
37115	Madison	2	21.2	17.1	25.3	29.6	23.3	35.9
37117	Martin	6	24.8	20.7	28.9	36.9	29.9	43.9
37119	Mecklenburg	1	17.1	15.9	18.3	23.8	21.5	26.1
37121	Mitchell	9	19.2	15.5	22.9	29.7	23.6	35.8
37123	Montgomery	6	27.3	23.7	30.9	37.7	31.4	44.0
37125	Moore	4	15.1	12.7	17.5	23.1	18.7	27.5
37127	Nash	3	19.7	17.0	22.4	29.3	24.6	34.0
37129	New Hanover	2	17.5	15.5	19.5	24.2	20.4	28.0
37131	Northampton	9	25.6	21.1	30.1	38.8	30.7	46.9
37133	Onslow	3	16.0	13.4	18.6	22.4	18.4	26.4
37135	Orange	2	17.0	15.2	18.8	16.8	14.2	19.4
37137	Pamlico	9	18.6	14.7	22.5	33.1	26.1	40.1
37139	Pasquotank	7	21.2	17.8	24.6	30.6	25.2	36.0
37141	Pender	2	16.4	13.3	19.5	25.9	20.8	31.0
37143	Perquimans	9	18.6	14.8	22.4	31.2	24.5	37.9
37145	Person	2	18.1	15.2	21.0	25.2	20.2	30.2
37147	Pitt	3	24.9	22.4	27.4	28.4	23.7	33.1
37149	Polk	8	16.5	13.2	19.8	25.3	19.7	30.9
37151	Randolph	2	16.2	13.9	18.5	24.9	20.5	29.3
37153	Richmond	4	25.2	21.2	29.2	37.8	30.7	44.9
37155	Robeson	4	30.9	27.7	34.1	43.1	37.9	48.3
37157	Rockingham	2	16.7	13.9	19.5	25.1	20.1	30.1
37159	Rowan	4	18.9	16.6	21.2	29.2	24.9	33.5
37161	Rutherford	4	20.5	17.2	23.8	32.0	26.0	38.0
37163	Sampson	6	23.8	20.8	26.8	31.3	26.0	36.6
37165	Scotland	6	27.9	23.5	32.3	44.4	37.8	51.0

37167	Stanly	6	17.5	14.9	20.1	25.2	20.3	30.1
37169	Stokes	2	15.9	13.4	18.4	21.0	16.6	25.4
37171	Surry	4	21.6	18.9	24.3	29.9	24.7	35.1
37173	Swain	8	19.3	15.3	23.3	29.9	23.3	36.5
37175	Transylvania	6	16.2	12.8	19.6	30.4	23.7	37.1
37177	Tyrrell	9	28.0	21.6	34.4	39.9	30.6	49.2
37179	Union	1	10.6	8.8	12.4	14.4	11.4	17.4
37181	Vance	4	25.6	21.7	29.5	39.0	32.1	45.9
37183	Wake	2	11.6	10.6	12.6	16.4	14.7	18.1
37185	Warren	8	25.5	20.7	30.3	37.2	29.6	44.8
37187	Washington	7	23.4	18.2	28.6	36.2	27.8	44.6
37189	Watauga	6	25.9	22.9	28.9	23.0	18.4	27.6
37191	Wayne	3	21.9	19.2	24.6	32.0	27.3	36.7
37193	Wilkes	6	24.5	21.6	27.4	35.1	30.0	40.2
37195	Wilson	4	24.7	21.9	27.5	36.2	31.2	41.2
37197	Yadkin	2	17.2	14.4	20.0	28.0	23.2	32.8
37199	Yancey	8	20.3	16.0	24.6	31.3	24.6	38.0

See the county-level poverty rates from the 1980 and 2000 Census of Population.

See important notes about intercensal model-based poverty estimates.

The 2003 rural-urban continuum codes classify metropolitan counties (codes 1 through 3) by size of the Metropolitan Statistical Area (MSA), and nonmetropolitan counties (codes 4 through 9) by degree of urbanization and proximity to metro areas. See [rural-urban continuum codes](#) for precise definitions of each code.

Source: Bureau of the Census, [Small Area Income and Poverty Estimates](#).

*See the [Census Bureau](#) web site for a description of FIPS codes.

The previous update of the poverty data in the County-Level Data Sets (completed on February 26, 2013) was incomplete, leaving 2010 data in tables labeled as 2011 data. This problem was corrected on March 8, 2013, so that 2011 poverty data is now reported in both the State-county maps and the accompanying tables.