

Daniel Carter
SHCC Public Hearing Presentation
on 2018 State Medical Facilities Plan
Brown Building, Dorothea Dix Campus
801 Biggs Drive, Raleigh, Room 104
July 26, 2017
1:30 PM

Good afternoon. I am Daniel Carter, Principal at Ascendent Healthcare Advisors, and I am also adjunct faculty at the School of Public Health at UNC Chapel Hill. I am here today on behalf of my client to discuss a petition for 80 adult care home beds in Orange County. We are also recommending that applicants be required to demonstrate that their proposed charge structure will allow accessibility to individuals of more modest income.

To start, I'd like to give some background on the petitioners and the unique way in which this petition developed. I think it will help you understand the unique nature of the petition itself.

Ms. Christen Campbell and Mr. Whit Rummel are long-time residents of Chapel Hill. They are active members of the community, involved with senior affairs, have served on the multiple local planning organizations. While some issues concerning senior housing came up during their time working with these organizations, it became a personal issue more recently as they considered the possibility of moving their aging parents to Chapel Hill. They found that there were few high quality facilities available, except for CCRCs or other high-end developments that were simply unaffordable for their parents. As they discussed this issue with other residents of the Town, they began to understand the depth of this issue. They met with various organizations dealing with these issues, including the Orange County Board on Aging, members of the Orange County Board of Commissioners and the Chapel Hill Town Council, current

and past local government officials and community leaders, all of whom indicated that senior housing, particularly adult care homes (ACH), was difficult to find for those who did not qualify for special assistance, but for whom the high-end facilities were simply unaffordable. Although they had much experience working with local organizations, they have never dealt with the state's healthcare planning process, so you can imagine how overwhelmed they were when they started looking into it. They approached us about this issue, and we agreed to help them if our analysis and research showed an unmet need.

I am here speaking to you today because we do believe there is an unmet need in Orange County that is not addressed by the standard methodology. The petition provides much more detail than I can give today, but here is a brief summary of some of the issues.

First, the standard methodology excludes adult care home (or ACH) beds in CCRCs only if they were developed pursuant to Policy LTC-1. Orange County has 89 ACH beds in a CCRC, but the CCRC predates the development of Policy LTC-1, so they are not excluded. However, these beds are not available to those without a contract with the CCRC, so those not residing in the CCRC's independent living housing cannot access them.

Second, some ACH beds are in exclusive facilities, which cater to those with a high level of assets that most do not have. Thus, from a practical perspective, these beds are not available to most of the county's residents.

Third, while some facilities have open beds, they care primarily for special assistance patients, and some have low quality scores, receiving a one-star rating as recently as 2016.

Fourth, available ACH beds in Orange County are not evenly distributed across the county. As noted in the petition as well as the support letters, the need is greatest in Chapel Hill.

According to a study authored on behalf of The Orange County Department on Aging by the UNC Chapel Hill Partnerships in Aging Program, Orange County has a significant deficit of senior housing choices for those of middle income or with more modest assets. They typically do not qualify for special assistance, but cannot afford the more luxurious facilities which often have the most capacity.

Based on these and many other analyses discussed in the petition, we believe that there is a need for additional ACH beds in Orange County. In order to ensure that the beds do not duplicate services already available in the

area, while also providing access to the target population, we are asking that a need determination for 80 beds be established, and that applicants be encouraged to develop the beds in Chapel Hill, and demonstrate through their proposed charge structure, that they will improve accessibility to those of more modest or middle income means.

We recognize that this is a unique request, but we believe that the need is great, but limited to a portion of the population that the standard methodology does not address. We have support for our proposal from numerous parties, including the Orange County Board on Aging, members of the Chapel Hill Town Council and the Orange County Board of Commissioners, as well as the former mayor of Chapel Hill and other county residents.

Thank you for your time and for considering our petition.