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**COMMENTS REGARDING BAYADA PETITION FOR AN
ADJUSTED NEED DETERMINATION FOR ONE HOSPICE
HOME CARE OFFICE IN HARNETT COUNTY IN THE 2018
STATE MEDICAL FACILITIES PLAN**

Submitted by:

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Transitions LifeCare submits the following comments in response to the petition submitted by Bayada Home Health Care, Inc. to adjust the need determination for hospice home care offices in Harnett County, to include one hospice home care agency in the 2018 State Medical Facilities Plan (SMFP). As the following comments describe, the petition fails to document any unique or special circumstances resulting in an unmet need for hospice home care agencies in Harnett County. In fact, the petition is actually requesting a change of the standard methodology for determining need for hospice home care agencies, and thus is not timely filed. As a result, the Bayada petition should be denied.

- **Petition is for a change in basic policies and methodologies**
 - On page 2 of its petition, Bayada states that the Proposed 2018 SMFP “does not take into consideration that two of the five licensed hospices with mailing addresses in Harnett County served no patients in recent years.” Bayada then references Step 14 of the standard hospice home care methodology in the Proposed 2018 SMFP, quoting the language of Step 14b that specifies the county’s number of licensed hospice home care agencies per 100,000 population is three or less. On page 3 of the petition, Bayada continues its argument by recalculating the results of Table 13B of the 2018 SMFP using Bayada’s own new methodology. Specifically, Bayada proposes a methodology that uses the number of “active” hospices located in Harnett County, not the number of licensed hospices, as specified in Step 14b of the SMFP’s standard methodology. Thus, Bayada is actually proposing a change to the standard methodology, and its petition is not timely filed, because as shown in Chapter 2 of the 2017 SMFP, the deadline for submitting Petitions for Changes in Basic Policies and Methodologies was March 1, 2017. Therefore, the Bayada petition must be denied. To do otherwise would be inequitable, because, as Bayada admits on page 6, “other counties in North Carolina have licensed hospices that reported serving no patients in the prior year.” To adjust the Harnett County need determination without applying the same new Bayada standard methodology to other North Carolina counties is not only contrary to the standard need methodology in the 2018 SMFP, but is also inconsistent with the intent of the SMFP and with the traditions of the SHCC. As Bayada admits on page 6, “this appears to be a complex issue that would likely require extensive analysis and/or formation of a workgroup.” Exactly right; any proposed change to the standard methodology must be vetted by the Long-Term and Behavioral Health Committee, and the full SHCC via the typical analysis and discussion process that occurs during the winter/spring season of developing the annual Proposed SMFP. This is further reason to deny the Bayada petition.

- **Sufficient access to care exists**
 - Harnett County is not unserved or even underserved, as Bayada contends. Table 13A of the Proposed 2018 SMFP shows that during FY2016, 22 licensed agencies provided hospice days of care to Harnett County residents. This represents a significant provider presence, and is evidence of both adequate capacity and the presence of competition in the Harnett County marketplace. As

shown on the table below, of the nine counties in North Carolina with a total population between 100,000 and 150,000, Harnett has the highest number of agencies serving county residents (22), and the lowest population to agency ratio (6,017) which is an indication of a high level of access.

County	Total Population	Agencies serving residents	Population/ Agency Ratio
Craven	107,074	16	6,692
Henderson	113,003	8	14,125
Wayne	126,766	16	7,923
Brunswick	127,941	12	10,662
Harnett	132,372	22	6,017
Robeson	132,447	17	7,791
Rowan	140,528	20	7,026
Randolph	142,863	14	10,205
Orange	146,469	15	9,765

Source: Proposed 2018 SMFP, NC OSBM population data

Bayada’s comment that there are “multiple hospices located in adjoining counties that serve small numbers of Harnett patients” (page 6 of Bayada petition) is not 100% accurate. While there are multiple hospices located in adjoining counties serving Harnett County patients, these hospices provide substantial access for Harnett County residents. In fact, as documented in Section I of the hospice data supplements of the license renewal applications, during FY2016 non-Harnett County providers served approximately 23% of Harnett County hospice admissions, 16% days of care, and 21% of Harnett County hospice deaths. Therefore, hospices in adjoining counties actually provide a great deal of access for Harnett County residents.

- **Services would be duplicative**
 - Bayada claims on page 2 that “Harnett patients have geographic access to far fewer hospice providers than what appears in the Proposed SMFP.” This contention makes little sense because hospice home care services are provided to Harnett County residents in their home. Trying to exclude the services and capacity of the many providers licensed for other counties who are serving Harnett County residents is ignoring the fact that these providers actually exist and are rendering service in the Harnett County marketplace.

Therefore, a petition such as Bayada proposes would simply result in unnecessary duplication of services which are already approved, licensed, and being offered.

- **Regional projected hospice deficit is a self-serving calculation**
 - Bayada, on page 5 of its petition, portrays a regional map that shows four contiguous counties having “*substantial projected deficits for hospice home care*”. There are several problems with this assessment. First, Bayada is again ignoring Step 14b of the standard methodology by only including the calculation shown in Step 14a. Second, Bayada shows the incorrect total for Cumberland County, which should be 140, not 155. Third, Bayada ignores the other three counties adjacent to Harnett County. Not surprisingly, each of these three has a patient surplus. Lee County has a surplus of 31, Moore County has a surplus of 122, and Wake County has a surplus of 591. The combined total surplus of these three adjacent counties is 744, which more than doubles the combined deficit of 330 for the four contiguous counties cherry picked by Bayada.

- **Two inactive providers retain state licenses**
 - It is unclear why the two providers identified by Bayada are inactive. Continuum’s license renewal application states on page 2 of the Annual Data Supplement, that the agency is “*inactive pending future development*”. It is unclear what this means, but the language implies that the provider will return to offering services in Harnett County. The Community license renewal application does not explain why the agency is not actively serving patients, listing “*see attached*” on page 2 of the Annual Data Supplement in response to the request for an explanation when zero census is listed. On page 8 of its petition, Bayada posits that “*inactive licensed hospices in Harnett County offer no services to be duplicated*”. This statement is not necessarily true going forward, as either provider is licensed and legally authorized to provide services, and may return to doing so at any time without further need for government approval. The best course of action is not for the SHCC to ignore this information and include another need determination, as Bayada desires. Rather, DHHSR could follow up directly with the two providers to better understand the current inactive status and the providers’ plans for the future.

- **Harnett County utilization of hospice services**
 - Despite being served by 22 hospice offices, hospice utilization has declined in Harnett County. The two-year trailing average growth rate for Harnett County hospice admissions is -4.2%, please see the table below.

Harnett County		
	Days of Care	Admissions
FY2014	34,713	424
FY2015	37,319	409
FY2016	30,768	389
<i>2-Yr Trailing Average Growth Rate</i>	<i>-5.9%</i>	<i>-4.2%</i>

Source: 2016-2017 SMFP, Proposed 2018 SMFP, NC Office of State Budget & Management

Hospice utilization in Harnett County is below the statewide utilization rate. The following table compares the days of care per 1,000 population for Harnett County and North Carolina.

Days of Care per 1,000 Population		
	Harnett Co.	North Carolina
FY2014	276.4	307.1
FY2015	293.6	321.3
FY2016	239.3	332.8

Despite having a comparatively higher ratio of hospice agencies to population than other like-sized counties, Harnett County has a lower hospice utilization rate compared to the State. This data is simply inconsistent with the petitioners claim that Harnett County residents are underserved by hospice agencies. Bayada is confusing underserved with underutilization.

- **Future projected hospice deficits**
 - The petitioner uses hypothetical assumptions to project future hospice deaths in Harnett County (Table 4, page 7 of petition). Bayada provides no rationale to support the assumption that the statewide median projected hospice deaths as a percent of total deaths will increase by 1% annually, nor did it provide any rationale to support the assumption that total Harnett County

deaths will increase 5% annually. These are key inputs in Bayada’s hypothetical scenario, and absent any reasonable methodology, the projections are simply unfounded.

- **Continuous Care, Respite Care, and General Inpatient Care**

Bayada states on page 7 of its petition that “three licensed hospices serving Harnett County show no continuous care and very minimal levels of respite care and general inpatient care”. Bayada is making an unfounded anecdotal statement without presenting any data or comparative data to support it. The following table summarizes hospice utilization by level of care for similar like-sized counties.

FY2016 Hospice Data						
County	Admissions	Routine Home Care Days	Continuous Care Days	Inpatient Care Days	Respite Care Days	Total Days of Care
Craven	427	33,837	0	233	128	34,198
Henderson	908	45,111	0	2,895	248	48,254
Wayne	734	37,552	0	3,177	160	40,889
Brunswick	757	53,756	3	2,166	381	56,306
Harnett	389	30,126	0	512	125	30,768
Robeson	664	50,373	0	2,033	90	52,496
Rowan	663	36,735	41	2,136	664	39,576
Randolph	790	62,235	1	2,775	349	65,360
Orange	448	36,320	0	332	86	36,738

Source: FY2016 Data from Hospice License Renewal Data Supplements

The previous table indicates that Harnett County’s continuous care, respite care, and general inpatient care utilization is comparable to other like-sized counties. Therefore, there is no evidence of disparity in Harnett County.

We appreciate the opportunity to comment on this hospice home care petition. Please contact me at 919.828.0890 if you have any questions.

Sincerely,

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