PETITION FOR AN ADJUSTMENT TO A NEED DETERMINATION

Petition for a Special Need Adjustment to the Hospice Inpatient Bed Need Methodology in the *2021 State Medical Facilities Plan*

PETITIONER

Caldwell Hospice & Palliative Care
902 Kirkwood Street, NW
Lenoir, NC 28465

Cathy Swanson, MPH
Chief Executive Officer
(828) 754-0101
cswanson@caldwellhospice.org

STATEMENT OF THE PROPOSED CHANGE

Caldwell Hospice & Palliative Care (CHPC) respectfully petitions the State Health Coordinating Council (SHCC) to include an adjusted need determination in the *2021 State Medical Facilities Plan* (*SMFP*) for six hospice inpatient beds in Watauga County to serve residents of Ashe, Avery, and Watauga counties and the surrounding area.

BACKGROUND

CHPC is a licensed, Medicare certified hospice home care agency and inpatient/residential hospice provider located in Lenoir, North Carolina, providing end-of-life care to the residents of Caldwell and surrounding counties. CHPC currently operates a total of 12 hospice inpatient beds and six residential hospice beds in two licensed facilities in Caldwell County. CHPC is the most experienced provider of freestanding hospice inpatient care in North Carolina opening the first freestanding patient care unit on February 1, 1989. The Stevens Patient Care Unit located at "Kirkwood" in Lenoir has served as a national hospice facility model for over three decades. In August 2010, CHPC opened a second freestanding patient care unit, the Forlines Patient Care Unit. Both patient care units offer general inpatient, respite, and residential levels of care. It is important to note that, due to the support of the community, both patient care units were constructed without assuming any debt.

In 2012, Appalachian Regional Healthcare System (ARHS) requested that CHPC consider providing hospice and palliative medicine services in the High Country counties of Ashe, Avery, and Watauga. The High Country encompasses seven mountainous North Carolina counties, including: Alleghany, Ashe, Avery, Mitchell, Watauga, Wilkes, and Yancey. In response to this request, CHPC conducted a thorough study of hospice services in the area and developed a comprehensive business plan for expanding its services to residents of this three-county area of the High Country. Based on its findings of the low utilization of, and clear unmet need for, hospice services in the area compounded by the lack of availability of community and inpatient palliative medicine services, CHPC opened a hospice workstation in the area in late January 2014. Since that time, as discussed in more detail below, CHPC has established extensive relationships in the area and demonstrated its commitment to the residents of Ashe, Avery, and Watauga counties.

The *Proposed 2021 SMFP* indicates a deficit of 1.43 hospice inpatient beds in Ashe County, 1.59 hospice inpatient beds in Avery County, and 2.37 hospice inpatient beds in Watauga County, for a total deficit of 5.39 hospice inpatient beds in the three-county area. Under the current methodology, there is no mechanism for allocating hospice inpatient beds in a single county until a deficit of six (6) beds is reached. Further, there is no mechanism for combining deficits from a multi-county area in support of an allocation for hospice inpatient beds. CHPC supports and has not petitioned for a change to the standard methodology. However, CHPC believes there are unique circumstances supporting the need for a hospice inpatient bed allocation in this area that are not addressed by the standard methodology and believes that there are several reasons, discussed below, that its petition should be approved.

REASON FOR THE REQUESTED ADJUSTMENT

As noted above, at the urging of the local healthcare system, CHPC has expanded its geographic reach to provide hospice and palliative medicine services to residents of the High Country, specifically in Ashe, Avery, and Watauga counties. In early January 2020, a group of prominent High Country community members approached CHPC requesting that the organization consider constructing a freestanding hospice inpatient facility in the High Country. The group expressed high confidence in its ability to raise construction funds for the development of such a facility. At that time, CHPC had recently purchased a 10-acre tract of land in Watauga County to construct a palliative care center. With the future in mind, CHPC had the land vetted for a future hospice inpatient facility. In all, CHPC invested over $420,000 to purchase the land and conduct due diligence. Construction of the palliative care center is slated to begin in late summer 2020. Currently, CHPC owns an office unit and rents a second adjoining unit in Boone (Watauga County) that serves as a workstation for its High Country interdisciplinary team. In addition to this urging by local healthcare providers and community leaders, CHPC requests the adjustment for the following reasons.

1. No reasonably accessible hospice inpatient beds exist in the area.

According to the *Proposed 2021 SMFP*, no hospice inpatient facilities exist in any of the seven counties that comprise the High Country. According to the *Proposed 2021 SMFP* and Google Maps, the nearest hospice inpatient facilities in North Carolina to Ashe, Avery, and Watauga counties are in Burke County (Burke Palliative Care Center operated by Burke Hospice and Palliative Care Center) and Caldwell County (Robbins Center-Forlines Patient Care Unit and Stevens Patient Care Unit operated by CHPC). While Burke County is contiguous to Avery County and Caldwell County is contiguous to Avery and Watauga counties, traveling to and from the existing hospice inpatient facilities in these counties is burdensome. The table below shows the location of each existing facility in Burke County and Caldwell County as well as the round-trip distance (in hours and miles) from the county seats of Ashe, Avery, and Watauga counties.

		Burke Palliative Care Center (11 GIP* / 3 Res^)		Robbins Center-Forlines Patient Care Unit (8 GIP* / 4 Res^)		Stevens Patient Care Unit (4 GIP* / 2 Res^)	
County	**County Seat**	**Hours**	**Miles**	**Hours**	**Miles**	**Hours**	**Miles**
Ashe	Jefferson	3.0	124	2.5	116	2.3	102
Avery	Newland	2.0	88	2.2	96	1.9	82
Watauga	Boone	2.1	90	1.6	70	1.3	56

Source: *Proposed 2021 SMFP* and Google Maps
*General inpatient beds
^Residential beds

As shown in the table above, the nearest hospice inpatient facilities range from almost an hour and a half to a three-hour round-trip drive from the county seats of Ashe, Avery, and Watauga counties, during ideal weather conditions. However, residents of this region are burdened with additional geographic barriers created by the mountainous terrain. Travel in and out of these counties can be difficult, particularly during the winter months when road conditions often are less than ideal. The High Country region of western North Carolina is referred to as such due to its elevation and location in the Appalachian Mountains. The High Country encompasses seven mountainous North Carolina counties, including Ashe, Avery, and Watauga. Newland in Avery County, the highest county seat in the eastern United States, is 3,606 feet above sea level. The town of Boone in Watauga County lies at an elevation of just over 3,300 feet. Grandfather Mountain, whose highest point is 5,946 feet, is mostly in Avery County, but also extends into Watauga County. For comparison, the elevation of Raleigh is 315 feet above sea level, Greensboro is 892, and even the mountain town of Asheville is significantly lower in elevation than either Newland or Boone at 2,134 feet. The elevation of Watauga County and surrounding areas can create difficulties with travel because of unpredictable weather patterns, excess snow and ice, and difficult terrain. No interstates pass through this part of the state, which leaves long circuitous highways and back roads as the only options for travel. Thus, it is not ideal to travel across steep roads and through sharp turns that are indicative of this part of North Carolina in order to access a hospice inpatient facility, particularly given the desire of hospice patients' families and loved ones to visit on a frequent and regular basis. This travel is even more burdensome for elderly spouses and friends of hospice patients and poses a barrier to visiting loved ones during the most vulnerable time – at the end of life. Excerpts from some of the support letters CHPC has received are included below to demonstrate the value of having appropriate beds available when needed.

> *Anna B. Trivette – At 81 years old, Ms. Trivette of Watauga County, was commuting over an hour each way to visit her son who was placed in hospice care in Burke County. She writes, "A mother's love is like nothing else in the world and my greatest wish has always been that my children know I will be there for them no matter how old they get and no matter where life takes them. […] I wanted to spend as many hours of every day that I could with him, but it is much harder for me to drive long distances, especially in any kind of inclement weather. […] I had to rely on others to drive me back and forth more than 50 miles one way just to visit him. […] I also could have stayed longer with him if I didn't have the hour and fifteen-minute drive back up the mountain."*

Evalyn M. Pierce – Ms. Pierce's father chose to cease medical treatments for a perforated ulcer that sent his body into septic shock. Because of his condition, home care was not an option and, having been born and raised in Watauga County, the area did not have an inpatient facility available for him. Of the struggle to find care she writes, "The closest hospice facility to Watauga County is Caldwell Hospice and Palliative Care, 36.7 miles away. At the time we were considering our options they were at maximum capacity, so we were unable to be placed there. On December 2nd, 2019 we moved my father into Burke Hospice, 53.6 miles from our home. […] The financial and emotional strain of being that far away from home was unimaginable. I can't change my father's circumstances, but I can be a part of the change for this community. The High Country deserves an inpatient facility so that if the need arises for anyone to have to make decisions about care for end of life, they have the opportunity to pass away surrounded by their family and friends in the place they call home."

Carla Greene – "The closest Hospice house is in Lenoir and an hour drive from my home. This drive is a challenge for many families because of the distance and sometimes their finances. […] While a summer drive […] can be navigated easily, winter travel is more challenging. Snowy days can begin as early as October and end in April. This long stretch of unpredictable, inclement weather makes travel off the mountain a hardship for families but traveling to town would be easier for families to manage."

Sherry E. Goodman – "Our population here is comprised largely of older residents, many of retirement age. This demographic I believe also places the Ashe County area high on the list of areas needing hospice care in the High Country. Also, our weather and terrain make travel difficult for families, especially in the winter months when roads become ice or snow covered and there is much uncertainty day to day of being able to travel."

Sonia Kelly – Of the struggles she faced caring for her husband from home even with the outstanding home care from CHPC, Ms. Kelly writes, "My husband, Robert Kelly, was in the care of Caldwell Hospice in Watauga County for the last 14 months of his life, and they provided excellent care for him. I provided 24/7 care for him and on at least 2 occasions, I was in desperate need of respite care due to his not sleeping day or night. There was not anything available and the distance to Lenoir was also prohibitive. The last few weeks, he was so restless and confused, he was very difficult for me to care for even though I am a retired RN. An inpatient care setting closer to home would certainly have been a benefit."

Jerica Smith, RN, BSN, MSN, FNP-C – "I have found that my patients, their families, and loved ones have suffered due to lack of finances to travel to be with their loved ones in their final days, lack of contact with loved ones due to distance from their hospice facility, and distress over lack of availability of a close facility to care for their needs. I have also seen hospice patients refuse an inpatient hospice facility due to distance from their homes and their medical care suffer and their deaths be more difficult for themselves and their families. It is also more difficult for families to travel a long distance to a needed hospice facility in the winter months when roads are impassable, and this has caused a great deal of distress for the hospice patient and their families."

2. The High Country area of Ashe, Avery, and Watauga counties can support six hospice inpatient beds.

As previously noted, the *Proposed 2021 SMFP* indicates a deficit of 5.39 hospice inpatient beds in Ashe, Avery, and Watauga counties combined. While there is no mechanism for allocating hospice inpatient beds in a single county until a deficit of six (6) beds is reached or for combining deficits from a multi-county area in support of an allocation for hospice inpatient beds, the standard methodology clearly indicates that an unmet need exists in the three-county area of Ashe, Avery, and Watauga for six hospice inpatient beds as the unmet need indicated by the standard methodology exceeds five beds.

Step 3.b. in the hospice inpatient bed need methodology in the *Proposed 2021 SMFP* applies the lower of the statewide median average length of stay (ALOS) per admission or each county's ALOS per admission to projected admissions to derive projected total hospice days of care in each county. While CHPC does not dispute the reasonable and conservative nature of this step in the methodology, it believes it also noteworthy to observe the projected bed need that results from the standard methodology in Ashe, Avery, and Watauga counties based on each county's actual historical ALOS per admission as shown below.

***SMFP* Need Methodology Based on Actual County ALOS**

County	Total Admissions (2019)*	Total Days of Care (2019)*	ALOS per Admission**	Total 2024 Admissions^	2024 Days of Care at County ALOS^^	Projected Inpatient Days#	Projected Total Inpatient Beds##
Ashe	152	18,936	124.58	185	23,039	710	2.29
Avery	170	21,054	123.85	207	25,615	789	2.54
Watauga	253	35,276	139.43	308	42,919	1,322	4.26
Total	**575**	**75,266**	**130.90**	**700**	**91,573**	**1,674**	**9.08**

*Source: 2020 License Data Supplements per *SMFP* need methodology
**2019 Total Days of Care / 2019 Total Admissions per *SMFP* need methodology
^2019 Total Admissions x 5 Years Growth at 4.0% Annually per *SMFP* need methodology
^^ALOS per Admission x Total 2024 Admissions
#2024 Days of Care at County ALOS x 3.08% per *SMFP* need methodology
##(Projected Inpatient Days / 365.25) / 85% per *SMFP* need methodology

As shown above, based on the actual 2019 ALOS per admission for each county, the *SMFP* need methodology indicates a need for nine hospice inpatient beds in this three-county area of the High Country. As such, CHPC believes it is reasonable to assume that Ashe, Avery, and Watauga counties combined can support at least six and up to nine hospice inpatient beds.

Further, CHPC's hospice utilization in these three counties alone is sufficient to support three hospice inpatient beds based on application of the *SMFP* need methodology utilizing CHPC's actual two-year trailing growth rate (rather than the statewide 4.0 percent two-year trailing average growth rate) and its actual ALOS per admission specific to Ashe, Avery, and Watauga counties as shown below.

SMFP Need Methodology Based on CHPC's Utilization Alone

County	Total Admissions (2019)*	Total Days of Care (2019)*	ALOS per Admission**	Total 2024 Admissions^	2024 Days of Care at County ALOS^^	Projected Inpatient Days#	Projected Total Inpatient Beds##
Ashe	29	4,374	150.83	39	5,873	181	0.58
Avery	21	2,538	120.86	28	3,408	105	0.34
Watauga	102	14,305	140.25	137	19,208	592	1.91
Total	**152**	**21,217**	**139.59**	**204**	**28,489**	**877**	**2.83**

*Source: 2020 License Data Supplements per *SMFP* need methodology
**2019 Total Days of Care / 2019 Total Admissions per *SMFP* need methodology
^2019 Total Admissions x 5 Years Growth at 6.1% Annually per CHPC's actual two-year trailing growth rate from 2017 to 2019
^^ALOS per Admission x Total 2024 Admissions
#2024 Days of Care at County ALOS x 3.08% per *SMFP* need methodology
##(Projected Inpatient Days / 365.25) / 85% per *SMFP* need methodology

Given the benefits associated with a freestanding hospice inpatient facility as opposed to existing alternatives for inpatient care – hospitals and skilled nursing facilities, CHPC has no reason to believe that other hospice agencies serving patients in Ashe, Avery, and Watauga counties would not refer their patients in need of hospice inpatient care to a freestanding hospice facility should one exist in the area, regardless of which agency operates it.

3. CHPC is an established and trusted hospice provider in the area and well-positioned to expand its services to include hospice inpatient care.

CHPC has a full interdisciplinary team assigned to the High Country service area including: a physician, nurse practitioners, registered nurses, certified nursing assistants, medical social workers, chaplains, bereavement counselor, and a volunteer coordinator. The team is currently comprised of over 30 staff members and 24 volunteers.

CHPC provides home hospice services, inpatient palliative medicine consults in area hospitals as well as the Seby B. Jones Regional Cancer Center in Boone and serves nearly 70 patients per day in community palliative medicine services. Palliative medicine consult services are provided daily at Watauga Medical Center. CHPC has established relationships with all skilled nursing facilities and most assisted living facilities located in the High Country. Through its High Country interdisciplinary team, as of May 2020, CHPC had served 987 hospice patients and their families, and nearly 500 palliative medicine patients.

CHPC's commitment to the residents of the High Country is plainly evident. As shown in the table below, the number of Ashe, Avery, and Watauga County hospice patients who received CHPC's high-quality and compassionate hospice care at the time of their death has grown significantly over the last three years, and the number of hospice days of care provided by CHPC in the area has grown at an even faster rate.

CHPC High Country Hospice Utilization

County	2017	2018	2019	CAGR*
Hospice Deaths				
Ashe	22	24	27	10.8%
Avery	18	18	18	0.0%
Watauga	74	111	94	12.7%
Total Deaths	**114**	**153**	**139**	**10.4%**
Hospice Days of Care				
Ashe	3,031	3,715	4,374	20.1%
Avery	1,649	2,799	2,538	24.1%
Watauga	8,148	14,388	14,305	32.5%
Total Days	**12,828**	**20,902**	**21,217**	**28.6%**

*Compound annual growth rate
Source: *2019 – Proposed 2021 SMFP*

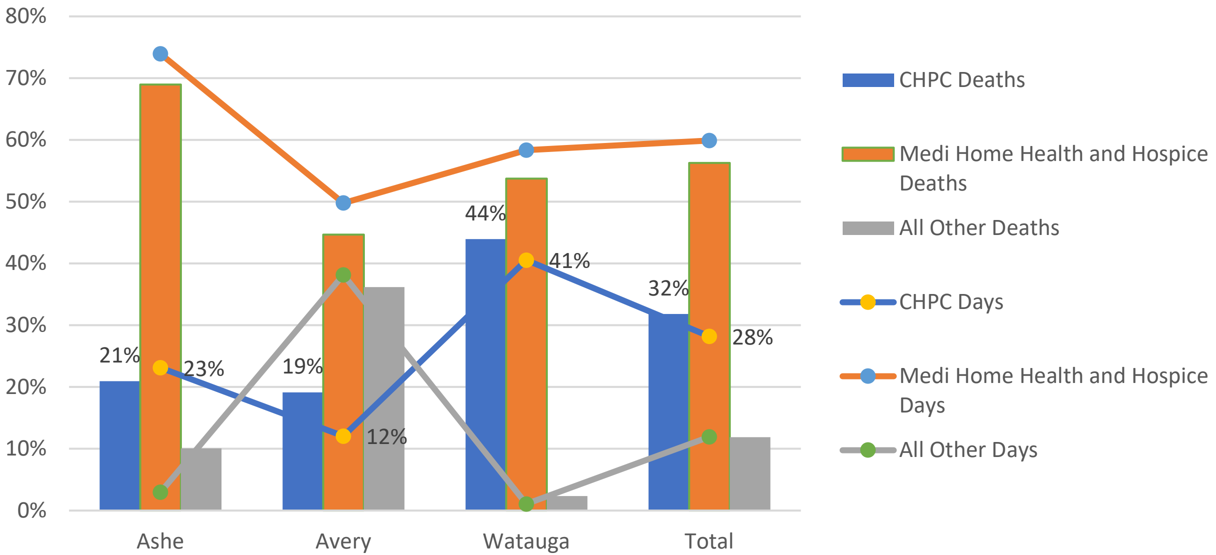
The growth in CHPC's hospice utilization has far outpaced the total growth in hospice utilization in the High Country counties of Ashe, Avery, and Watauga as shown in the table below.

Total High Country Hospice Utilization (All Providers)

County	2017	2018	2019	CAGR
Hospice Deaths				
Ashe	115	141	129	5.9%
Avery	113	109	94	-8.8%
Watauga	176	196	214	10.3%
Total Deaths	**404**	**446**	**437**	**4.0%**
Hospice Days of Care				
Ashe	22,221	22,373	18,936	-7.7%
Avery	21,703	21,778	21,054	-1.5%
Watauga	23,108	32,389	35,276	23.6%
Total Days	**67,032**	**76,540**	**75,266**	**6.0%**

Source: *2019 – Proposed 2021 SMFP*

In fact, the modest growth in hospice utilization across all providers serving the three-county area is primarily attributable to the growth in CHPC's utilization. CHPC has continued to focus efforts on expanding access and increasing its level of service to the residents of this area. As shown below, CHPC's 2019 market share of total hospice deaths and days of care in the three-county area was 32 percent and 28 percent, respectively. In Watauga County, CHPC achieved 44 percent market share of hospice deaths and 41 percent market share of hospice days of care, second only to Medi Home Health and Hospice, the largest provider of hospice services in the High Country, including the counties of Ashe, Avery, and Watauga.



Source: *Proposed 2021 SMFP*

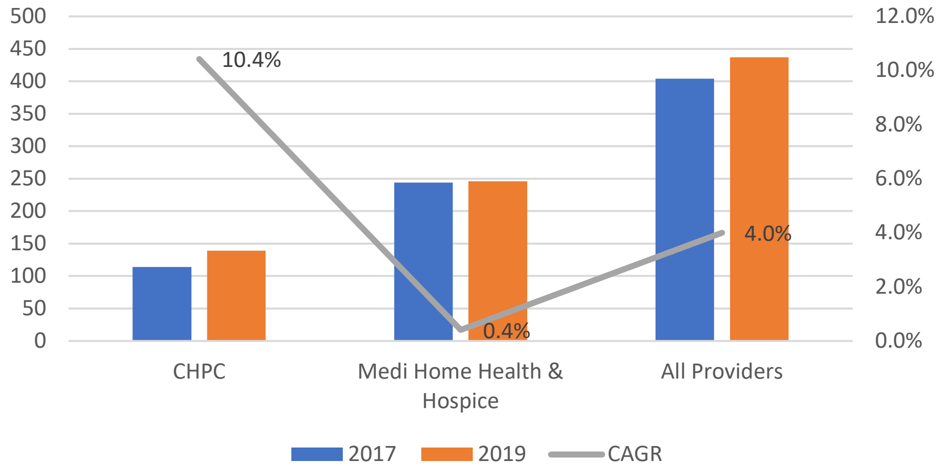
While CHPC's growth drove the overall growth in hospice utilization in Ashe, Avery, and Watauga counties, Medi Home Health and Hospice has experienced flat to declining growth trends over the last three years as shown in the table below.

Medi Home Health and Hospice High Country Hospice Utilization

County	2017	2018	2019	CAGR
Hospice Deaths				
Ashe	81	101	89	4.8%
Avery	66	67	42	-20.2%
Watauga	97	84	115	8.9%
Total	**244**	**252**	**246**	**0.4%**
Hospice Days of Care				
Ashe	18,014	17,584	14,001	-11.8%
Avery	15,678	13,284	10,480	-18.2%
Watauga	14,938	17,918	20,591	17.4%
Total	**48,630**	**48,786**	**45,072**	**-3.7%**

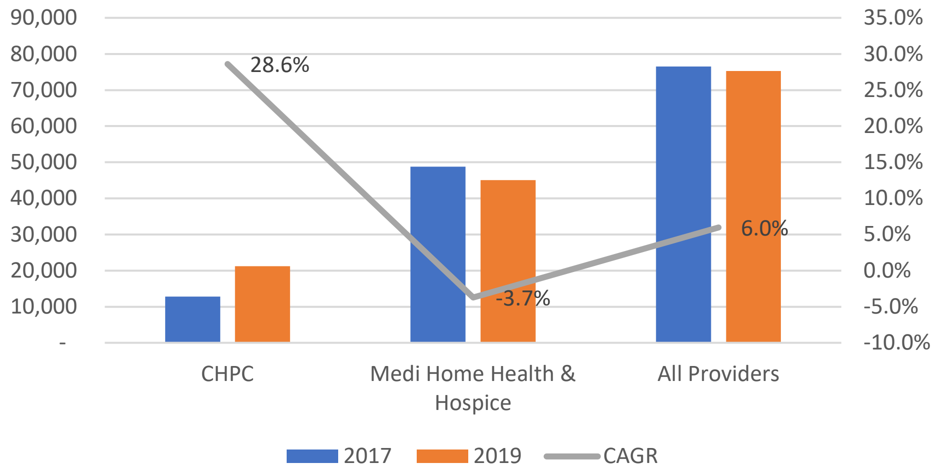
Source: *2019 – Proposed 2021 SMFP*

As shown below, Medi Home Health and Hospice's deaths from the three-county area grew by less than one-half percent from 2017 while CHPC's deaths grew by 10.4 percent over the same time period, contributing to a four percent CAGR in hospice deaths among all providers serving these counties.



Source: *Proposed 2021 SMFP*

The juxtaposition between CHPC's growing service to Ashe, Avery, and Watauga counties is even more evident with regard to total days of care. As shown below, Medi Home Health and Hospice's total days of care from the three-county area declined by nearly four percent from 2017 to 2019 while CHPC's total days of care grew by 28.6 percent over the same time period, contributing to a six percent CAGR in total days of care among all providers serving these counties.



Source: *Proposed 2021 SMFP*

Furthermore, while CHPC only holds 28 percent market share in total hospice days of care provided to residents of Ashe, Avery, and Watauga counties, it provided 48 percent of the total inpatient and respite days of care in the area, which represent the levels of care that are most appropriately provided in a general inpatient (GIP) bed in a freestanding hospice inpatient facility.

2019 GIP Appropriate Days of Care

Hospice Provider	Inpatient Days of Care	Respite Days of Care	Total GIP Appropriate Days of Care	Percent of Total
CHPC	629	85	714	48%
Med Home Health and Hospice	369	243	612	41%
All Other Providers	129	31	160	11%
Total	**1,127**	**359**	**1,486**	**100%**

Source: 2020 Hospice License Data Supplements

In fact, over the past three years and eleven months, nearly 140 High Country residents in Ashe, Avery, and Watauga counties, in addition to another 30 residents of other nearby High Country counties, received general inpatient, respite, and residential care in CHPC's two existing hospice inpatient facilities in Caldwell County. Another 166 received general inpatient and respite care through CHPC in High Country hospitals. In addition, 34 patients received general inpatient and respite services through CHPC in High Country skilled nursing facilities.

4. Existing alternatives to the adjusted need determination are less effective, more costly, and do not provide a viable alternative for hospice patients in the area.

Typically, hospice patients who require inpatient care must be admitted to a hospital or nursing facility. These settings are less effective in terms of end-of-life care and are generally more expensive than hospice care. Care provided to hospice patients outside a hospice facility is generally fragmented and the hospice home care staff is constantly challenged to orient, train, and educate the staff of the institutional inpatient provider. The non-hospice staff, while not specifically trained in hospice care, is required to care for hospice patients as well as acute care patients. As a result, they must transition moment to moment between two extremes in treatment philosophies – the aggressive, curative care for the acute care patient and the palliative and comfort management care of the hospice patient – one treatment focusing on wellness and healing; the other focusing on death and dying. Inevitably, the result is a departure from the hospice philosophy of care and a less than ideal end-of-life experience for dying patients and their loved ones.

Freestanding inpatient hospice care is a much better option for hospice patients who need more acute symptom control or pain management and more intensive nursing care than can be effectively provided in a home or residential setting. Some advantages to such a facility include:

- Hospice principles and practices are the primary focus of care as the unit is not physically or programmatically attached to any other facility.
- The inpatient unit is designed to be a non-clinical, homelike atmosphere.
- The agency's cost reflects only those costs required to support the needs of hospice patients, not the high technology equipment and services required for an acute care setting.
- Hospice maintains control to ensure that only hospice-appropriate services are provided.
- Patients are served by an interdisciplinary team, with staffing that reflects the needs of both patients and families.
- The facility and its staff make provisions for teaching caregiver skills to family members so they can participate in the care and support of the patient while in the facility.

- Continuity between home care and facility-based care is consistent with the overall hospice interdisciplinary team plan of care.

As previously discussed, currently no hospice inpatient facility exists anywhere in the High Country, including Ashe, Avery, and Watauga counties. Patients requiring a higher level of care are referred to an area hospital or skilled nursing facility, or a significant distance to a hospice inpatient facility in another county. Because of the integrated nature of hospice care, families prefer to keep their loved one nearby in order to spend as much time as possible with them, particularly during the final days of the patient's life, as documented in support letters included with the petition. Extensive travel can place significant strain on friends and family, particularly elderly loved ones. Excerpts from some of the support letters are included below to demonstrate the value of having appropriate beds available when needed.

> *Kathryn Wilson Linder – "I think about my own father who received hospice services at home but that was not enough to meet his needs during the last 2 weeks of his life. My family was able to hire the additional nursing support needed; however, many – if not – most families would not be able to afford this level of care. These same families will also find it difficult to afford the cost of travelling to and from Caldwell County. Weather is sometimes a factor during the winter months as well. In summary, had my 94 year-old father been moved to Caldwell County for hospice care, it would have absolutely limited my mother's precious time with him in the last days of his life as her own health would have made frequent trips and visits with him impossible."*
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> *Becky Brown – "When the patient does not have the option of an inpatient facility, they tend to be admitted to the local hospital and a family is then forced to spend the last days in a hospital setting versus the comfort that the hospice setting provides the patient along with family members. This makes the last days of a person's life a little easier for the family rather than spending that time in a hospital room. With the closest inpatient facility being in Lenoir, this makes the commute hard not only traveling, but also the cost that incurs. There are many families in this area that may not be able to afford travel back and forth. Not only the cost, but when there is inclement weather, this definitely causes more stress for the family."*
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> *Carole Ann M. Church, APRN – "Throughout my experience as a nurse serving both Watauga and Ashe counties, I have been able to witness an obvious disparity in access to healthcare for our residents. Many have to travel more than fifty miles during their most vulnerable times in order to be with their families. In rural Appalachia, values are placed on God, family, togetherness, and resilience. Though resilient, travel causes unnecessary financial burden in addition to costs already accrued with medical bills. When access to care is limited, families and patients are not receiving the best care possible with the best possible outcomes. Residents need a close place to go when they are dealing with a family's terminal illness, where they are able to visit with their family member without the worry of extensive travel, missing work, or losing money."*

Richard Straker, MD and Drew Straker, CSW – "Many of the local residents are retired, second home owners and may not have family members close by to assist with health care needs. Hospice provides a setting to attend to these needs while also helping family members, near or far, to understand their loved one's wishes. Counselors are of vital importance in helping an individual get their affairs in order and become more comfortable with their final days. Much of hospice care costs are often covered, thereby reducing family out-of-pocket expenses. Many families do not have the extra income to travel to hospice centers in other towns."

Beth R. Blevins, RNC, IBCLC, CBE – "Working in a hospital setting, we have sometimes struggled to find the answer to combat end-of-life pain when there are family members that battle narcotic addiction. I feel like having an in-patient choice such as this for our residents is an excellent alternative to patients in circumstances such as these. Many times, in this type of situation and others, families just don't have the socio-economic means to travel 50 or 60 miles to be near their family member at end-of-life. Visitation is not only important to the patient, but sometimes even more important to the family as they struggle through these trying times."

5. The six-bed minimum threshold for a hospice inpatient bed allocation should not be applied to Watauga County.

CHPC believes that the minimum threshold of six beds for an allocation of hospice inpatient beds should not apply to Watauga County in order to allow a hospice inpatient facility to serve the three-county area of Ashe, Avery, and Watauga counties for the following reasons.

1. The *Proposed 2021 SMFP* indicates a deficit of 1.43 hospice inpatient beds in Ashe County, 1.59 hospice inpatient beds in Avery County, and 2.37 hospice inpatient beds in Watauga County, for a total deficit of 5.39 hospice inpatient beds in the three-county area. Said another way, the SHCC has acknowledged an unmet need for more than five hospice inpatient beds to serve the residents of these three counties combined.

2. Given the population of the three counties, it is unlikely that any will, on its own, demonstrate the need for six hospice inpatient beds for the foreseeable future. While CHPC supports the standard methodology and has not petitioned for a change in the methodology to create multi-county service areas, it should be noted that the SHCC approved a 2019 petition to combine the Watauga County and Avery County operating room service areas into one multi-county service area in recognition of the unique geographic and demographic factors at play in this region of the state. Specifically, the SHCC acknowledged that given the low populations of these counties, the most effective method for planning for the needs of patients in both counties was to consider the needs of both counties combined to enable appropriate allocation of resources in the area. Similarly, CHPC believes that the most effective way to expand access to this geographically-isolated three county community is to establish a need determination in the largest of the three counties—Watauga—that can meet the need in the region and reduce travel time for residents of all three counties.

3. CHPC has successfully operated the Stevens Patient Care Unit in Caldwell County for more than three decades. The Stevens Patient Care Unit is a six-bed facility with four hospice inpatient beds and two residential beds. As such, CHPC has the experience necessary to operate a six-bed facility in a financially sustainable manner. In fact, CHPC has successfully done so with the Stevens Patient Care Unit with only four hospice inpatient beds and two residential beds, which generally receive a fraction of the reimbursement of a hospice inpatient bed. Furthermore, the Certificate of Need process will require CHPC or any other applicant to prove the financial feasibility of the proposed project.

4. CHPC currently enjoys a reputation of being a provider of high-quality hospice care in the High Country, including inpatient care as discussed above. Further, CHPC extended its geographic reach into the High Country at the urging of Appalachian Regional Healthcare System and is pursuing the development of a hospice inpatient facility at the urging of community leaders and other healthcare providers in the High Country. Thus, the community of patients and providers is familiar with CHPC's existing services and will support the development of a freestanding hospice inpatient facility. Given its status in the community, CHPC does not anticipate that it would have any challenges receiving the referrals necessary to support a six-bed hospice inpatient facility serving the residents of Ashe, Avery, and Watauga counties, thus eliminating the need for a six-bed threshold for allocation in Watauga County.

5. To date, there has been no opposition to CHPC's proposal to develop hospice inpatient beds. Rather, the agency has received significant support from other healthcare providers in the Ashe, Avery, and Watauga County area as well as from the community at large. Please see the letters of support for the project included in Attachment 1.

ADVERSE EFFECTS IF PETITION IS NOT APPROVED

If the petition is not approved, CHPC will continue operating at status quo and will be limited in its ability to meet the needs of hospice patients and their families in the High Country counties of Ashe, Avery, and Watauga and surrounding areas. Hospice patients in the area requiring inpatient care will have to face their end-of-life experience in a hospital or nursing home setting or travel significant distances to access a hospice inpatient facility in another county, which are less effective alternatives for the reasons presented in this petition. The development a hospice inpatient facility with six inpatient beds would provide the most appropriate level of care for hospice patients requiring a higher level of care, while doing so in a more cost-effective environment than provided by either the hospital or long-term care settings.

ALTERNATIVES CONSIDERED

The primary alternative to a petition to include an adjusted need determination for six hospice inpatient beds in Watauga County in the *2021 SMFP* is simply to maintain status quo. As previously discussed, CHPC has focused efforts on increasing access to high-quality hospice services in the High Country, specifically Ashe, Avery, and Watauga counties, and has continued to increase its level of service to residents of this area. Under the status quo, CHPC will continue its best efforts to provide the highest quality care to hospice patients in the area who require inpatient care as it does now – either in a hospital or nursing home setting, or in one of its existing hospice inpatient facilities in Caldwell County, a significant and burdensome distance for residents of the three-county area CHPC serves in the High Country. As noted above, each of these alternative settings is less than ideal.

Given that under the current methodology, there is no mechanism for allocating hospice inpatient beds in a single county until a deficit of six (6) beds is reached nor is there a mechanism for combining deficits from a multi-county area in consideration of an allocation for hospice inpatient beds in any one county, CHPC also had the option to propose a change to the standard need methodology by filing a Spring petition. However, CHPC supports the standard methodology but believes there are unique circumstances supporting the need for a hospice inpatient bed allocation in this area of the High Country that are not addressed by the standard methodology and as such, believes that there are several reasons, discussed herein, that this petition should be approved as opposed to a petition to change the standard methodology.

Finally, CHPC could request an adjusted need determination for six hospice inpatient beds in Ashe or Avery counties rather than Watauga. However, as noted previously, CHPC has invested in a 10-acre tract of land in Watauga County on which it plans to develop a palliative care center that has also been deemed appropriate for development of a freestanding hospice inpatient facility. Given this investment, development of a hospice inpatient facility in Ashe or Avery County to serve the same multi-county area would be less effective than development of a hospice inpatient facility in Watauga County. Further, Watauga County is centrally located within the three-county area providing convenient access for residents of each.

UNNECESSARY DUPLICATION

Approval of this petition would not result in unnecessary duplication. As discussed previously, no hospice inpatient facility exists in the High Country area of North Carolina. As a result, hospice patients in this region requiring inpatient care must be admitted to a hospital or skilled nursing facility or travel long distances to a hospice inpatient facility in another county. The nearest hospice inpatient facilities are in Burke and Caldwell counties and range from almost an hour and a half to a three-hour round-trip drive from the county seats of Ashe, Avery, and Watauga counties, during ideal weather conditions. However, due to the mountainous terrain and unpredictable weather patterns, travel in and out of these counties can be difficult, particularly during the winter months when road conditions often are less than ideal. Given these factors, it is clear that the proposed change would not result in unnecessary duplication of services.

BASIC PRINCIPLES

Safety and Quality

CHPC is well known as the most experienced provider of freestanding hospice inpatient care in North Carolina opening the first freestanding patient care unit on February 1, 1989. Due to its reputation for high-quality care, the Stevens Patient Care Unit in Lenoir has served as a national hospice facility model for over three decades. CHPC has served 13,000 hospice patients and provided nearly 365,000 hours of volunteer services in its 38 years of operation. The development of a freestanding hospice facility in the High Country owned and operated by a provider with a reputation for high-quality care and a proven track record of successful hospice facility operations would certainly enhance the safety and quality of hospice services provided in the area, specifically inpatient hospice services.

As discussed throughout this petition, existing alternatives for hospice inpatient care – admission to a hospital or nursing home, or long travel to another county – are not ideal for hospice patients or their

loved ones. Care provided to hospice patients outside a hospice facility is generally fragmented and can result in a departure from the hospice philosophy of care and a less than ideal end-of-life experience for dying patients and their loved ones. Approval of this petition for an adjusted need determination for six hospice inpatient beds will allow CHPC or any other provider the opportunity to seek certificate of need approval to establish local access to this level of care, improving the quality of life for hospice patients and their families at the end of life.

Access

Again, as noted above, approval of this petition will create an opportunity for CHPC or another provider to pursue the development of a hospice inpatient facility to meet an unmet need for this level of care in the High Country as no such facility currently exists. Development of a freestanding hospice inpatient facility would improve access to inpatient care in the most appropriate setting for hospice patients needing the inpatient level of care, whether for temporary pain control and symptom management or at the end of life. Similarly, such a facility would improve access for families and loved ones of hospice patients who must be admitted for inpatient care. The significant distance to the nearest hospice inpatient facilities compounded by the challenges of travel associated with the mountainous terrain and often harsh winter weather create a barrier to access not only for hospice patients, but also for their loved ones in their ability to visit as frequently as possible.

Value

Existing alternatives to hospice inpatient care include admission to a hospital or skilled nursing facility or long travel to a hospice facility in another county. Not only does a freestanding hospice facility provide the most appropriate setting for hospice patients requiring the inpatient level of care, it represents a more cost-effective environment than provided by either the hospital or long-term care settings. The costs associated with care provided in a freestanding hospice facility reflect only those necessary to support the needs of hospice patients, not the high technology equipment and services that are required in an acute care setting. Further, a freestanding hospice facility in the High Country would obviate the need for loved ones of patients who do choose that setting over a hospital or skilled nursing facility admission to have to travel long distances at frequent intervals, representing a more cost-effective alternative for hospice patients and their loved ones.

CONCLUSION

CHPC supports the standard hospice inpatient bed need methodology in the *SMFP*. However, given the unique factors outlined in this petition, including the lack of reasonably accessible hospice inpatient services provided in the most appropriate and cost-effective setting, the hospice utilization in the three-county area of Ashe, Avery, and Watauga counties that supports the need for six hospice inpatient beds in a central location, and the other factors discussed in this petition, CHPC believes the residents of the High Country of North Carolina, specifically in Ashe, Avery, and Watauga counties would best be served by development a freestanding hospice facility with six hospice inpatient beds in Watauga County, which will be possible to pursue if the requested adjusted need determination is included in the *2021 SMFP*.