



**ASSOCIATION FOR HOME AND HOSPICE CARE OF NORTH CAROLINA**  
**REQUEST TO FORM A HOME HEALTH WORKGROUP**

My name is Jillian Totman, and I serve as the Vice President of Government Relations and Public Policy for the Association for Home and Hospice Care of North Carolina. I am here to request on behalf of our members that the Health Planning and Certificate of Need Section and the SHCC form a special workgroup to examine and make recommendations on ways to modernize the Home Health planning methodology.

To begin, prior to making this recommendation, the Association reached out to Dr. Green and Dr. Cradock to make them aware that we would be making this request. Without a doubt the Association for Home and Hospice Care considers itself a steadfast supporter of North Carolina's CON law and the State Medical Facilities Planning Process. Many of our members regularly participate in the planning process and our very own President and CEO Tim Rogers has been a member of the SHCC for many years (Mr. Rogers originally served on the SHCC from 2004 through 2009 and was reappointed in 2017).

However, based on the Proposed 2023 SMFP, which indicates a need for twelve (12) Home Health CONs, we believe that the time is right for the Health Planning and Certificate of Need Section and the SHCC to convene a Home Health Workgroup to study and recommend updates to the Home Health Planning Methodology that will ensure more consistency in the number of Home Health CONs allocated each year. Forming a working group, similar to the MRI workgroup which was formed in 2021, and the Hospice workgroup that was convened over a decade ago, will allow the Agency and the SHCC to gain insight on the current methodology and consider recommendations for how the methodology might be modernized. One example of the type of issue that the proposed workgroup could study is whether the Home Health methodology should continue to rely on Council of Government (COG) regional data as part of the methodology. Home Health is the only service in the Long-Term Care Facilities and Services category that continues to rely on COG data.

Our motivation for requesting the formation of a special workgroup partially comes from the determination that twelve (12) new Home Care CONs will be available in 2023. The proposed 2023 allocation is an extreme outlier when compared against the previous fifteen (15) planning years. For example, between 2007 and 2022, a period of fifteen (15) years, there has only been a total of twelve (12) Home Health CONs allocated in the SMFPs. See Chart 1. This is the exact same number of CONs that will be available in 2023 alone. A closer look at the history shows that the largest previous allocation over this (15) year period was three (3) CONs, and this occurred on only one occasion. More recently, there has been a total of three (3) Home Health CONs available over the last five years combined.



While it is unclear what has caused this wide variation in its totality, what is clear is that the need methodology and process has not been updated or modernized for more than a decade. We believe that the time is right, to convene a workgroup of diverse Home Health providers and experts to more closely study the methodology and determine if updates need to be recommended.

Furthermore, convening a workgroup of providers and experts to closely study the Home Health methodology at this time is particularly important given the seismic shift we as an industry may be facing in the coming years. This most notably includes a recent proposal published in the Federal Register by CMS that would permanently cut reimbursement for Home Health services by 7.69%. Such a dramatic payment reduction has the potential to transform the Home Health industry and will most negatively affect rural providers. In fact, there are estimates that show that over fifty percent (50%) of North Carolina's Home Health providers will have negative margins if the planned cuts are enacted. The National Association for Home Care and Hospice, at their July 2022 HHFMA annual meeting, estimates that hospital-based Home Health agencies in particular will experience a seventy-five percent (75%) negative profit margins by the end of 2023.

As the voice of so many of the Home Health providers in this state, our Association is fully prepared to take the lead in the formation and coordination of this workgroup. Founded in 1972, AHHC of NC is one of the oldest and largest state Home Health associations in the United States and represents over ninety-eight (98%) of the Home Health and Hospice industry in our state. We propose that a workgroup co-chaired by Tim Rogers and Cooper Linton, both SHCC members with years of experience in the industry, with workgroup members drawn from a wide array of Home Health providers, including non-profit, for profit, and hospital-based providers, joined by Home Health experts and consultants can effectively study this issue. Mr. Rogers has thirty-one (31) years of experience in the industry both in non-profit association management and has worked for two large Medicare certified Home Health and Hospice agencies in his career. Mr. Linton is the distinguished AVP of Duke Home Care and Hospice and a past Board Chair of AHHC of NC. Our hope is that at the conclusion of its work, this body of experts will provide the Agency and the SHCC with the information and recommendations that it needs to ensure that North Carolina's Home Health Need Methodology is up-to-date and consistent with current practices.

We sincerely request that the Agency and the SHCC consider this recommendation and commit to forming this workgroup in the coming months so that this important work can begin.

Thank you.

**The Staff and Board of the Association for Home and Hospice Care of North Carolina**



Chart 1

Year	Home Health CON Allocations
2007	1 (Wake County)
2008	0
2009	1 (Mecklenburg County)
2010	1 (Wake County)
2011	0
2012	3 (2 Mecklenburg County, 1 Wake County)
2013	2 (1 Forsyth County, 1 Brunswick)
2014	0
2015	0
2016	0
2017	1 (Mecklenburg County)
2018	2 (Wake County)
2019	0
2020	0
2021	1 (Mecklenburg County)
2022	0
Proposed 2023	12 (Brunswick, Catawba, Edgecombe, Forsyth, Granville, Guilford, Montgomery, Nash, New Hanover, Onslow, Pitt, and Robeson)

Source: 2007 – 2023 SMFPs at: <https://info.ncdhhs.gov/dhsr/ncsmfp/index.html>