

REQUIRED STATE AGENCY FINDINGS

FINDINGS

C = Conforming

CA = Conforming as Conditioned

NC = Nonconforming

NA = Not Applicable

Decision Date: July 28, 2025

Findings Date: July 28, 2025

Project Analyst: Gregory F. Yakaboski

Co-Signer: Gloria C. Hale

COMPETITIVE REVIEW

Project ID #:	M-12590-25
Facility:	VIA Health Partners-Cumberland County
FID #:	250146
County:	Cumberland
Applicant:	Hospice & Palliative Care Charlotte Region
Project:	Develop a hospice home care office pursuant to the 2025 SMFP need determination

Project ID #:	M-12592-25
Facility:	VITAS Healthcare Corporation of North Carolina
FID #:	250148
County:	Cumberland
Applicants:	VITAS Healthcare Corporation of North Carolina VITAS Healthcare Corporation
Project:	Develop a hospice home care office pursuant to the 2025 SMFP need determination

Project ID #:	M-12594-25
Facility:	Well Care Hospice of Cumberland
FID #:	250151
County:	Cumberland
Applicant:	Well Care Hospice of Cumberland, Inc.
Project:	Develop a hospice home care office pursuant to the 2025 SMFP need determination

Each application was reviewed independently against the applicable statutory review criteria found in G.S. 131E-183(a) and the regulatory review criteria found in 10A NCAC 14C. After completing an independent analysis of each application, the Healthcare Planning and Certificate of Need Section (CON Section) also conducted a comparative analysis of all the applications. The Decision, which can be found at the end of the Required State Agency Findings (Findings), is based on the independent analysis and the comparative analysis.

REVIEW CRITERIA

G.S. 131E-183(a): The Department shall review all applications utilizing the criteria outlined in this subsection and shall determine that an application is either consistent with or not in conflict with these criteria before a certificate of need for the proposed project shall be issued.

- (1) The proposed project shall be consistent with applicable policies and need determinations in the State Medical Facilities Plan, the need determination of which constitutes a determinative limitation on the provision of any health service, health service facility, health service facility beds, dialysis stations, operating rooms, or home health offices that may be approved.

C All Applications

Need Determination

The 2025 State Medical Facilities Plan (SMFP) includes a need methodology for determining the need for additional hospice home care offices in North Carolina by service area. Application of the need methodology in the 2025 SMFP identified a need for one hospice home care office in the Cumberland County service area. Three applications were received by the Healthcare Planning and Certificate of Need Section (“CON Section” or “Agency”) with each proposing to develop one hospice home care office. However, pursuant to the need determination, only one hospice home care office may be approved in this review.

Policies

There is one policy in the 2025 SMFP which is applicable to this review. *Policy GEN-5: Access to Culturally Competent Healthcare*, on pages 30-31 of the 2025 SMFP, states:

“A certificate of need (CON) applicant applying to offer or develop a new institutional health service for which there is a need determination in the North Carolina State Medical Facilities Plan shall demonstrate how the project will provide culturally competent healthcare that integrates principles to increase health equity and reduce health disparities in underserved communities. The delivery of culturally competent healthcare requires the implementation of systems and training to provide responsive, personalized care to individuals with diverse backgrounds, values, beliefs, customs, and languages. A certificate of need applicant shall identify the underserved populations and communities it will serve, including any disparities or unmet needs of either, document its strategies to provide culturally competent programs and services, and articulate how these strategies will reduce existing disparities as well as increase health equity.

CON applications will include the following:

The applicant shall, in its CON application, address each of the items enumerated below:

Item 1: Describe the demographics of the relevant service area with a specific focus on the medically underserved communities within that service area. These communities shall be described in terms including, but not limited to: age, gender, racial composition; ethnicity; languages spoken; disability; education; household income; geographic location and payor type.

Item 2: Describe strategies it will implement to provide culturally competent services to members of the medically underserved community described in Item 1.

Item 3: Document how the strategies described in Item 2 reflect cultural competence.

Item 4: Provide support (e.g., best-practice methodologies, evidence-based studies with similar communities) that the strategies described in Items 2 – 3 are reasonable pathways for reducing health disparities, increasing health equity and improving the health outcomes to the medically underserved communities within the relevant service area.

Item 5: Describe how the applicant will measure and periodically assess increased equitable access to healthcare services and reduction in health disparities in underserved communities.

In approving an application, Certificate of Need shall impose a condition requiring the applicant to implement the described strategies in a manner that is consistent with the applicant's representations in its CON application."

Project ID #M-12590-25/VIA Health/Develop a Hospice Home Care Office

Hospice & Palliative Care Charlotte Region (referred to as "HPCCR" or "the applicant") proposes to develop VIA Health Partners-Cumberland County (VIA Health or HPCCR), a new hospice home care office in Fayetteville, Cumberland County.

Need Determination. The applicant does not propose to develop more hospice home care offices than are determined to be needed in Cumberland County.

Policy GEN-5. In Section B, pages 27-38, the applicant explains why it believes its proposal is consistent with Policy GEN-5.

Conclusion

The Agency reviewed the:

- Application

- Exhibits to the application
- Written comments
- Remarks made at the public hearing
- Responses to comments
- Information publicly available during the review and used by the Agency

Based on that review, the Agency concludes that the application is conforming to this criterion based on the following:

- The applicant does not propose to develop more hospice home care offices than are determined to be needed in the service area.
- The applicant adequately demonstrates that the proposal is consistent with Policy GEN-5 based on the following:
 - The applicant demonstrates how the project will provide culturally competent healthcare that integrates principles to increase health equity and reduce health disparities in underserved communities.

Project ID #M-12592-25/VITAS/Develop a Hospice Home Care Office

VITAS Healthcare Corporation of North Carolina and VITAS Healthcare Corporation (referred to as “VITAS Healthcare” or “the applicant”) proposes to develop VITAS Healthcare Corporation of North Carolina (VITAS), a new hospice home care office in Fayetteville, Cumberland County.

Need Determination. The applicant does not propose to develop more hospice home care offices than are determined to be needed in Cumberland County.

Policy GEN-5. In Section B, pages 35-59, the applicant explains why it believes its proposal is consistent with Policy GEN-5.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application
- Written comments
- Remarks made at the public hearing
- Responses to comments
- Information publicly available during the review and used by the Agency

Based on that review, the Agency concludes that the application is conforming to this criterion based on the following:

- The applicant does not propose to develop more hospice home care offices than are determined to be needed in the service area.
- The applicant adequately demonstrates that the proposal is consistent with Policy GEN-5 based on the following:

- The applicant demonstrates how the project will provide culturally competent healthcare that integrates principles to increase health equity and reduce health disparities in underserved communities.

Project ID #M-12594-25/Well Care/Develop a Hospice Home Care Office

Well Care Hospice of Cumberland, Inc. (referred to as “Well Care Hospice” or “the applicant”) proposes to develop Well Care Hospice of Cumberland (Well Care), a new hospice home care office in Fayetteville, Cumberland County.

Need Determination. The applicant does not propose to develop more hospice home care offices than are determined to be needed in Cumberland County.

Policy GEN-5. In Section B, pages 26-29, the applicant explains why it believes its proposal is consistent with Policy GEN-5.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application
- Written comments
- Remarks made at the public hearing
- Responses to comments
- Information publicly available during the review and used by the Agency

Based on that review, the Agency concludes that the application is conforming to this criterion based on the following:

- The applicant does not propose to develop more hospice home care offices than are determined to be needed in the service area.
- The applicant adequately demonstrates that the proposal is consistent with Policy GEN-5 based on the following:
 - The applicant demonstrates how the project will provide culturally competent healthcare that integrates principles to increase health equity and reduce health disparities in underserved communities.

(2) Repealed effective July 1, 1987.

(3) The applicant shall identify the population to be served by the proposed project, and shall demonstrate the need that this population has for the services proposed, and the extent to which all residents of the area, and, in particular, low income persons, racial and ethnic minorities, women, ... persons [with disabilities], the elderly, and other underserved groups are likely to have access to the services proposed.

Project ID #M-12590-25/VIA Health/Develop a Hospice Home Care Office

The applicant proposes to develop a new hospice home care office in Cumberland County.

Patient Origin

On page 259, the 2025 SMFP defines the service area for a hospice office as “*the county in which the hospice office is located. Each of the 100 counties in the state is a separate hospice office service area.*” The proposed facility will be in Cumberland County. Thus, the service area for this facility consists of Cumberland County. Facilities may also serve residents of counties not included in their service area.

The applicant does not currently have a hospice home care office in Cumberland County. Projected patient origin is shown in the table below.

Hospice Admissions	VIA Health					
	1st Full FY		2nd Full FY		3rd Full FY	
	10/01/2026 - 09/30/2027		10/01/2027 - 09/30/2028		10/01/2028 - 09/30/2029	
County	Number of Patients	% of Total	Number of Patients	% of Total	Number of Patients	% of Total
Cumberland	114	65.0%	136	63.4%	150	61.7%
Robeson	27	15.2%	35	16.4%	43	17.7%
Harnett	22	12.7%	27	12.6%	30	12.5%
Sampson	12	7.0%	16	7.5%	20	8.1%
Total	176	100.0%	214	100.0%	242	100.0%

Source: Table on page 49 of the application.

In Section C.3, page 49, and in Section Q, pages 137-144, the applicant provides the assumptions and methodology used to project its patient origin. The applicant identifies Cumberland County as its primary service area and Robeson, Harnett and Sampson counties as a secondary service area. The applicant’s assumptions are reasonable and adequately supported based on the following:

- The majority of the applicant’s patients will be from Cumberland County since this is the county identified in the 2025 SMFP with the need for a hospice home care office.
- The applicant states it has successfully served hospice patients in counties adjacent to its primary service area in other hospice office locations.
- Each adjacent county to be served has a deficit of hospice patient deaths to be served.

Analysis of Need

In Section C.4, pages 51-73, the applicant explains why it believes the population projected to utilize the proposed services needs the proposed services, as summarized below.

- 2025 SMFP Need Methodology for a hospice home care office in Cumberland County (page 52).
- Cumberland County hospice utilization and penetration rates (pages 52-60).
- Population growth and aging in Cumberland County and neighboring communities (pages 60-61).
- Disease incidence and mortality data for cancer, heart disease, and other leading diseases in Cumberland County (pages 61-67).
- Disparities of minority and at-risk population groups in Cumberland County (pages 67-73).

The information is reasonable and adequately supported based on the application, exhibits to the application, written comments, responses to comments, remarks made at the public hearing, and information publicly available during the review and used by the Agency, including, but not limited to, the highlighted points listed below:

- The 2025 SMFP identifies a need for one Hospice Home Care Office in Cumberland County.
- The 2025 SMFP, Table 13B: *Year 2026 Hospice Home Care Office Need Projections*, column K, “additional patients in need” of hospice services shows a projected deficit of 97, 60, 94 and 37 respectively for Cumberland, Harnett, Robeson and Sampson counties for Year 2026.
- According to the North Carolina Office of State Budget and Management (NCOSBM) the overall population and the age 65+ cohort for each of the four counties in the service area are projected to continue to grow from 2025 through the third project year of 2030 (See page 60 of the application).
- The 5-year average death rates per 1,000 population for each of the counties in the proposed service area, as reported in the 2021-2025 SMFP’s, Table 13B, Column B, have increased each year (except for Harnett, which stayed flat from the 2021 SMFP to the 2022 SMFP).
- Projected hospice penetration rates for the 2026 Year are 34.6%, 34.6%, 34.3% and 33.3% in Cumberland, Harnett, Sampson, and Robeson counties respectively in comparison to 47.6% for North Carolina overall.

Projected Utilization

In Section Q, Form C.6, page 136, the applicant provides projected utilization, as illustrated in the following table.

	Partial FY	1st Full FY	2nd Full FY	3rd Full FY
	4/1/2026-9/30/2026	10/1/2026-9/30/2027	10/1/2027-9/30/2028	10/1/2028-9/30/2029
# of New (Unduplicated) Admissions	64	176	214	242
# of Patients Served	64	194	251	287
# of Deaths	58	159	193	219
# of Non-Death Discharges	6	17	21	23
# Routine Home Care Days	4,988	13,668	16,609	18,830
# Inpatient Care Days	40	111	134	152
# Respite Care Days	10	28	34	38
Total Days	5,049	13,834	16,811	19,059
# Continuous Care Hours	81	221	269	305

In Section Q, Form C.6 Methodology and Assumptions, pages 137-145, the applicant provides the assumptions and methodology used to project utilization, which is summarized below.

The first full three project years (PY) following project completion are:

- PY1: 10/1/2026-9/30/2027
- PY2: 10/1/2027-9/30/2028
- PY3: 10/1/2028-9/30/2029

Step #1: Service Area Population Projections (page 137).

The applicant identified Cumberland County as the primary service area and Harnett, Robeson, and Sampson counties as the secondary service area. The applicant then provided projected populations for each of the counties in the overall service area through the year 2030, based on data from the North Carolina Office of State Budget and Management (NCOSBM), as shown in the table below.

Service Area Population Projections

Year	2025	2026	2027	2028	2029	2030
Cumberland	344,230	344,694	345,055	345,336	345,554	345,728
Harnett	148,515	151,521	153,541	155,457	156,877	158,600
Robeson	119,873	121,009	122,142	123,270	124,398	125,522
Sampson	60,032	60,237	60,393	60,512	60,602	60,672

Source: NCOSBM, Vintage 2023

Step #2: Service Area Historical Death Rates/1,000 Population (page 137).

The applicant identified the historical death rate for each county in the proposed primary and secondary service areas.

Service Area Historical Death Rates/1,000

A	B	C	D
Year	2017-2021	2018-2022	% Change from 2024 SMFP to 2025 SMFP
Cumberland	8.8	9.2	4.3%
Harnett	8.7	9.1	4.4%
Robeson	12.8	13.7	6.6%
Sampson	12.3	12.8	3.9%

Source: Table 13B, column B, of the 2024 SMFP and the 2025 SMFP.

Step #3: Projected Service Area Deaths (pages 137-138).

The applicant projected resident deaths for each county in the overall service area by multiplying the projected service area population (Step 1) by the most recent (2018 - 2022) historical death rate for each county (Column C from the Table in Step #2).

Projected Service Area Total Deaths*

Year	2025	2026	2027	2028	2029	2030
Cumberland	3,167	3,171	3,175	3,177	3,179	3,181
Harnett	1,351	1,379	1,397	1,415	1,428	1,443
Robeson	1,642	1,658	1,673	1,689	1,704	1,720
Sampson	768	771	773	775	776	777

*Projected annual county population projection multiplied by county 2018-2022 death rate.

Step #4: Projected Percentage of Deaths Served by Hospice (page 138).

The applicant projected the percentage of deaths served by hospice through 2030.

Projected Percentage of Deaths Served by Hospice

Year	2025	2026	2027	2028	2029	2030
Median%	39.59%	39.59%	39.59%	39.59%	39.59%	39.59%

Source: 2025 SMFP; 2023 statewide median % of deaths served, held constant through 2030.

Step #5: Projected Service Area Hospice Deaths (page 138).

The applicant next projected the number of deaths in the identified four county service area to be served by hospice by multiplying projected total service area deaths from the table in Step #3 by the projected percentage of deaths service by hospice (39.59%) from Step #4.

Projected Service Area Hospice Deaths

Year	2025	2026	2027	2028	2029	2030
Cumberland	1,254	1,255	1,257	1,258	1,259	1,259
Harnett	535	546	553	560	565	571
Robeson	650	656	662	669	675	681
Sampson	304	305	306	307	307	307

Projected county deaths multiplied by projected % deaths served by hospice.

Step #6: HPCCR Market Share Assumptions (pages 138-139).

The applicant identified its projected percent of market share of deaths service by hospice in the four-county service area in the table below.

HPCCR Market Share Assumptions

Year	2025	2026	2027	2028	2029	2030
Cumberland	0%	4.5%	9.0%	10.0%	11.0%	11.0%
Harnett	0%	2.0%	4.0%	4.5%	5.0%	5.0%
Robeson	0%	2.0%	4.0%	5.0%	6.0%	6.0%
Sampson	0%	2.0%	4.0%	5.0%	6.0%	6.0%

The applicant based its projected percentage of market share through 2030 on the following:

- HPCCR's own experience offering hospice services in 15 North Carolina counties.
- HPCCR has extensive corporate resources for marketing/advertising, community outreach and education.
- Consideration of the number of licensed hospice home care offices currently located in each county.
- Review of the number of patients served in each of the counties by hospice home care agencies located in each county and in other counties. For example, Cumberland County currently has eight licensed agencies, which represent an average market share of 12.5% (100/8), which is greater than HPCCR's projected third year market share of 11%. By comparison, in Mecklenburg County HPCCR has approximately 50% market share despite there being six licensed hospice home care agencies in the county.

Step #7: Projected Hospice Deaths to be Served by HPCCR (page 139).

As shown in the table below, the applicant then calculated the projected hospice deaths it will serve during each project year by multiplying the projected service area hospice deaths (Step 5) by the projected HPCCR annual market share assumptions (Step 6).

Projected Hospice Deaths Served by HPCCR*

Year	2025	2026	2027	2028	2029	2030
Cumberland	-	56	113	126	138	139
Harnett	-	11	22	25	28	29
Robeson	-	13	26	33	40	41
Sampson	-	6	12	15	18	18
Total	-	87	174	200	226	226

*Projected hospice deaths multiplied by HPCCR projected market share.

Step #8: Projected Hospice Deaths to be Served by HPCCR, Adjusted to CON Project Years (page 140).

The applicant converted the results of Step #7 to reflect its project years of October 1 to September 30 to align with the CON project years of FFY2027 - FFY2029.

Projected Hospice Deaths Served by HPCCR, Adjusted to Project Years*

Year	FY2026	FY2027	FY2028	FY2029
Cumberland	38	103	123	135
Harnett	7	20	24	27
Robeson	9	24	32	39
Sampson	4	11	15	18
Total	58	159	193	219

*For FY26, 67% of 2026. For FY27, 33% of 2026 & 75% of 2027. For subsequent FYs, 25% of prior CY & 75% of current CY.

Step #9: Ratio of Hospice Admissions to Hospice Deaths (page 140).

Some patients who are admitted to hospice may either be discharged or their health status improves such that they no longer qualify for hospice care. The applicant identified the historical ratio of hospice admissions to hospice deaths for each of the four counties in the proposed service area based on the 2024 SMFP and 2025 SMFP.

Historical Ratio of Hospice Admissions to Hospice Deaths

Year	2022	2023	Average
Cumberland	1.26	1.25	1.26
Harnett	1.22	1.21	1.22
Robeson	1.26	1.30	1.28
Sampson	1.30	1.26	1.28
North Carolina	1.11	1.10	1.11

Source: Table 13A from the 2024 SMFP and the 2025 SMFP; Admissions/Deaths.

Step #10: Projected HPCCR Hospice Admissions (Unduplicated) (page 141).

The applicant then projected the number of unduplicated hospice admissions for each of the counties in the proposed service area by multiplying the projected number of hospice deaths projected to be served by HPCCR (Step 8) by the average North Carolina hospice admissions/death ratio (1.11) during the two most recent years (Step 9).

Projected HPCCR Hospice Admissions (Unduplicated)*

Row	Year	FY2026	FY2027	FY2028	FY2029
A	Cumberland	42	114	136	150
B	Harnett	8	22	27	30
C	Robeson	10	27	35	43
D	Sampson	5	12	16	20
E	Total	64	176	214	242

*Multiply projected HPCCR hospice deaths by North Carolina average ratio of 1.11

Step #11: Projected HPCCR Hospice Admissions Patient Origin by County (page 141).

HPCCR calculated the projected patient origin percentage by county for the initial project years, based on the projected hospice admissions shown in Step 10. [Example using the table from Step #10: Row A for FY2029 (150) / Row E for FY2029 (242)]. Note- the applicant notes that might not foot.

Projected HPCCR Hospice Admissions Patient Origin by County

Year	FY2027	FY2028	FY2029
Cumberland	65.0%	63.4%	61.7%
Harnett	12.7%	12.6%	12.5%
Robeson	15.2%	16.4%	17.7%
Sampson	7.0%	7.5%	8.1%
Total	100.0%	100.0%	100.0%

Step #12: Historical Hospice Average Length of Stay (page 142)

Based on data from the 2024 SMFP and 2025 SMFP the applicant identified the historical average length of stay (ALOS) for hospice admissions for each of the four counties in the proposed service area using the calculation days of care/admissions, as shown in the following table.

Historical Hospice Average Length of Stay

Year	2022	2023	Average
Cumberland	92.42	89.56	90.99
Harnett	95.07	92.59	93.83
Robeson	111.95	132.20	122.07
Sampson	93.36	99.32	96.34
North Carolina	77.50	79.71	78.61

Source: 2024 & 2025 SMFP; Days of Care/Admissions

Step #13: Projected HPCCR Hospice Days of Care (page 142).

HPCCR next projected the number of hospice days of care for the proposed Cumberland County hospice home care office by multiplying the projected number of hospice admissions served by HPCCR (Step 10) by the average North Carolina hospice ALOS (78.61) during the two most recent years (Step 12). This calculation is conservative because the North Carolina ALOS is much lower than the ALOS of any of the counties in the proposed primary and secondary service areas, as shown in the Step 12 table.

Projected HPCCR Hospice Days of Care

Year	FY2026	FY2027	FY2028	FY2029
Cumberland	3,292	8,999	10,663	11,765
Harnett	636	1,757	2,125	2,391
Robeson	765	2,105	2,757	3,367
Sampson	356	974	1,266	1,535
Total	5,049	13,834	16,811	19,059

Multiply county projected admissions by North Carolina 2-year ALOS of 78.61

Step #14: Projected HPCCR Hospice Days of Care by Level of Care (pages 143-144).

HPCCR projected hospice days of care for the proposed project by level of care (routine home care, continuous care, respite care, or general inpatient care). To develop the assumption, HPCCR reviewed the statewide historical days of care for routine care and general inpatient care (GIP), which are by far the two most prevalent levels of hospice care.

Statewide Historical Days of Care by Level of Care

Level of Care	2022	2023	Combined	%
Routine	4,333,535	4,509,563	8,843,098	98.4%
GIP	69,900	73,736	143,636	1.6%
Total	4,403,435	4,583,299	8,986,734	100.0%

Source: 2024 & 2025 SMFPs

Because this SMFP hospice data does not include continuous care or respite care data, HPCCR obtained data from the Centers for Medicare and Medicaid Services (CMS) showing the nationwide historical days of care by level of care for the most recent five federal fiscal years, as shown on the following table.

Nationwide Historical Days of Care by Level of Care

Level of Care	FY2019	FY2020	FY2021	FY2022	FY2023
Routine	98.3%	98.6%	98.7%	98.7%	98.8%
Continuous	0.2%	0.2%	0.2%	0.2%	0.2%
Respite	0.3%	0.2%	0.2%	0.2%	0.2%
GIP	1.2%	1.0%	1.0%	0.9%	0.8%
Total	100.0%	100.0%	100.1%	100.0%	100.0%

Source: CMS; Analyses of Medicare FFS hospice claims (Accessed from CCW VRDC on January 11, 2025) <https://www.ems.gov/files/document/hospice-monitoring-report-2024.pdf>

HPCCR used the FY2023 nationwide historical data (far right column in the previous table) to project the HPCCR hospice days of care by level of care for the proposed Cumberland County hospice home care office. HPCCR considers that this projection is reasonable because the routine and GIP percentages for statewide SMFP data are comparable to the nationwide data. Also, this nationwide data is similar to HPCCR's own experience in offering hospice care in North Carolina.

Projected HPCCR Days of Care by Level of Care

Year	FY2026	FY2027	FY2028	FY2029
Routine	4,988	13,668	16,609	18,830
Continuous	10	28	34	38
Respite	10	28	34	38
GIP	40	111	134	152
Total	5,049	13,834	16,811	19,059

Multiply Projected HPCCR DOC (Step 13) by FY2023 National % by Level (Step 14)

Step #15: Projected Number of HPCCR Hospice Patients Served (Duplicated) (pages 144-145).

The applicant accounts for the overlap in patients served based on admission month and average length of stay.

Projected Number of Patients (Duplicated) Served

Year	FY2026	FY2027	FY2028	FY2029
New (Unduplicated) Admissions	64	176	214	242
Continuing from Prior Year	0	18	37	45
Duplicated Patients Served	64	194	251	287

Continuing year= annual new admissions of prior year divided by months in year multiplied by ALOS of 2.5 months

Projected utilization is reasonable and adequately supported based on the application, exhibits to the application, remarks at the public hearing, written comments, responses to comments, and information publicly available during the review and used by the Agency, including, but not limited to, the highlighted points listed below:

- There is a need determination in the 2025 SMFP for a hospice home care office in the Cumberland County hospice home care office service area and this proposed project will meet that need determination by developing a hospice home care office in Fayetteville, Cumberland County.
- The applicant utilized data from publicly available and credible, reliable sources such as the SMFP, NCOSBM and CMS.
- Per the data provided by the applicant from the NCOSBM, the overall population and the 65+ age cohort in the proposed service area of Cumberland, Robeson, Harnett and Sampson counties are all projected to grow over the next five years (2025 to 2030).
- Based on 2023 data in the 2025 SMFP, Table 13B, Column I, in 2026 there will be 1,126 hospice deaths among Cumberland County residents. The applicant is projecting to serve 150 Cumberland County residents in the project's third full

fiscal year (FY2029) which only represents a market share of 13.32% of the projected hospice deaths of Cumberland County residents with no increase in the number of hospice deaths among Cumberland County residents from 2026 to the proposed project's third full year (FY2029) despite a projected increase in the age 65+ cohort of 3,972 people from 2026 to 2030 (see table on page 60 of the application).

- The 2025 SMFP, Table 13B: *Year 2026 Hospice Home Care Office Need Projections*, in column K entitled the "*Projected Number of additional Patients in Need Surplus (Deficit)*", shows projected deficits for 2026 in the four counties in the proposed service area: Cumberland, Robeson, Harnett, and Sampson of 97, 94, 60 and 37 respectively.
- The Project Analyst notes that Step #1 of the assumptions and methodology used by the applicant to project utilization of the projected population for the service area includes the military population living in the four counties. This differs from the need methodology in the 2025 SMFP (see Table 13B, column C) used to determine if a new hospice home care office was needed in Cumberland County. The Project Analyst finds it reasonable for the applicant to have included the military population in projecting hospice patients as the military population exists and, unfortunately, might have need of hospice services. There is a distinction between excluding the military population in determining the need for a new hospice home care office in a particular county and including the military population in projecting the number of deaths that will have need of hospice services in that same county.
- The applicant, in projecting hospice admissions in Step # 9 and 10, conservatively used the lower Statewide historical ratio of hospice admissions to hospice deaths as opposed to the higher historical ratios for each of the four counties in the service area.
- The applicant, in projecting the number of hospice days of care in Step #13, utilized the much lower Statewide ALOS of 78.61 as compared to the higher ALOSs for Cumberland (90.99), Harnett (93.83), Robeson (122.07), and Sampson (96.34). See the two-year average ALOSs as set forth in Step #12.
- Projected hospice penetration rates for 2026 are 34.6%, 34.6%, 34.3% and 33.3% in Cumberland, Harnett, Sampson and Robeson counties respectively in comparison to 47.6% for North Carolina overall (see table on page 57 of the application).

Access to Medically Underserved Groups

In Section C.6, page 77, the applicant states:

"HPCCR is fully committed to the health and well-being of all patients and provides hospice services to all persons in need of care. Consistent with its historical utilization at its existing agencies, all residents, including low-income persons, racial and ethnic minorities, women, persons with disabilities, the elderly and other underserved groups, will have access to the proposed Cumberland County hospice services. HPCCR does not discriminate based on race, ethnicity, age, gender, or disability. Please see Exhibit

C.6 for the HPCCR non-discrimination policy, and Exhibit L.4 for the charity care policy.”

The applicant provides the estimated percentage for each medically underserved group, as shown in the following table.

Medically Underserved Groups	Percentage of Total Patients during the 3 rd FFY
Low-income persons*	15.3%
Racial and ethnic minorities*	50.8%
Women*	50.5%
Persons with Disabilities*	12.8%
Persons 65 and older**	88.9%
Medicare beneficiaries**	88.9%
Medicaid recipients**	6.6%

Source: Table on page 78.

*HPCCR does not track income, demographics or disability status of its patients. Estimates are based on the most recently available U.S. Census Bureau demographics for Cumberland County, sourced January 2025 at

www.census.gov/quickfacts/fact/table/cumberlandcountynorthcarolina,US/PST045224.

Because VIA Health Partners - Cumberland County will be located in Cumberland County, HPCCR considers the estimated percentage of low-income persons, racial and ethnic minorities, women, and persons with disabilities will each approximate the respective Cumberland County population percentages.

•• Based on the historical access to hospice services by these medically underserved groups at existing licensed Cumberland County hospice home care offices during FY2017, the most recent full year for which data is available.

The applicant adequately describes the extent to which all residents of the service area, including underserved groups, are likely to have access to the proposed services based on the following:

- The applicant provides a copy of HPCCR non-discrimination policy in Exhibit C.6.
- A copy of the applicants' charity care policy was provided in Exhibit L.4.
- The applicant estimates the percentage of medically underserved groups it proposes to serve based on U.S. Census data and historical data from its existing hospice services in the state.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application
- Written comments
- Remarks made at the public hearing
- Responses to comments
- Information publicly available during the review and used by the Agency

Based on that review, the Agency concludes that the application is conforming to this criterion for all the reasons described above.

Project ID #M-12592-25/VITAS/Develop a Hospice Home Care Office

The applicant proposes to develop a new hospice home care office in Cumberland County.

Patient Origin

On page 259, the 2025 SMFP defines the service area for a hospice office as “*the county in which the hospice office is located. Each of the 100 counties in the state is a separate hospice office service area.*” The proposed facility will be in Cumberland County. Thus, the service area for this facility consists of Cumberland County. Facilities may also serve residents of counties not included in their service area.

The applicant does not currently operate a hospice home care office in Cumberland County. Projected patient origin is shown in the table below.

Hospice Patient Admissions	VITAS					
	1 st Full FY		2 nd Full FY		3 rd Full FY	
	01/01/2027 to 12/31/2027		01/01/2028 to 12/31/2028		01/01/2029 to 12/31/2029	
County or other geographic area such as ZIP code	Number of Patients	% of Total	Number of Patients	% of Total	Number of Patients	% of Total
Cumberland	229	85.9%	271	84.4%	307	82.7%
Harnett	11	4.0%	15	4.7%	20	5.4%
Hoke	5	1.8%	7	2.1%	9	2.4%
Robeson	22	8.3%	28	8.8%	35	9.5%
Total	267	100.0%	321	100.0%	371	100.0%

Source: Table on page 95.

In Section C.3, pages 95, 97-99 and Section Q, *Assumptions to Form C.6 Utilization Projections* (pages 3-10), the applicant provides the assumptions and methodology used to project its patient origin. The applicant’s assumptions are reasonable and adequately supported based on the following:

- There is a projected hospice patient deficit in Cumberland County and contiguous counties.
- All of the proposed service area counties have at least one non-operating home hospice agency which limits choice for patients.

Analysis of Need

In Section C.4, pages 95, 97-99, the applicant explains why it believes the population projected to utilize the proposed services needs the proposed services, as summarized below.

- 2025 SMFP Need Determination for one Hospice Home Care Office in Cumberland County (pages 97-99).
- Needs of the Service Area Population and Service Area Population Trends, including population growth and aging of the population (pages 100-114).
- Utilization of Existing Hospice Care Providers including payor mix, location of care, level of care, average length of stay and disease categories served (pages 114-124).
- Projected Utilization (pages 124-125).

The information is reasonable and adequately supported based on the application, exhibits to the application, written comments, responses to comments, remarks made at the public hearing, and information publicly available during the review and used by the Agency, including, but not limited to, the highlighted points listed below:

- The 2025 SMFP identifies a need for one Hospice Home Care Office in Cumberland County.
- The 2025 SMFP, Table 13B: *Year 2026 Hospice Home Care Office Need Projections*, column K, “additional patients in need” of hospice services shows a projected deficit of 97, 60, 1 and 94 respectively for Cumberland, Harnett, Hoke and Robeson counties for Year 2026.
- The applicant, utilizing Claritas, documents that Cumberland, Harnett and Hoke counties projected overall population growth for 2024-2029. In addition, the age 65+ cohort for all four counties in the proposed service area: Cumberland, Harnett, Hoke and Robeson, is projected to increase for the years 2024-2029. (See application pages 101-102).
- The 5-year average death rates per 1,000 population for each of the counties in the proposed service area, as reported in the 2021-2025 SMFP’s, Table 13B, Column B, have increased each year (except for Harnett, which stayed flat from the 2021 SMFP to the 2022 SMFP).
- The applicants’ statements regarding need are supported by population growth, aging and hospice use rates for the counties in the service area and in North Carolina data from Claritas and SMFP data for the proposed service area.

Projected Utilization

In Section Q, Form C.6, the applicant provides projected utilization, as illustrated in the following table.

	Partial FY	1st Full FY	2nd Full FY	3rd Full FY
	7/1/2026 – 12/31/2026	01/01/2027 to 12/31/2027	01/01/2028 to 12/31/2028	01/01/2029 to 12/31/2029
# of New (Unduplicated) Admissions	105	267	321	371
# of Patients Served	105	284	364	371
# of Deaths	84	213	256	295
# of Non-Death Discharges	4	28	30	58
# Routine Home Care Days	2,357	13,732	23,574	30,326
# Inpatient Care Days	18	180	406	540
# Respite Care Days	22	139	261	334
Total Days	2,397	14,051	24,241	31,200
# Continuous Care Hours	156	2,072	6,390	8,880

In Section Q, *Assumptions to Form C.6 Utilization Projections* (pages 3-12), the applicant provides the assumptions and methodology used to project utilization, which is summarized below.

Assumptions to Form C.6 Utilization Projections (Form C.6 Assumptions).

- The first three PYs are CY2027, CY2028, and CY2029
- The applicant notes that all projections were performed in Excel and that figures have been rounded to the nearest whole number.

Step 1: Service Area and Population Projections (Form C.6 Assumptions, page 3).

The applicant identified its proposed service area as Cumberland, Harnett, Hoke and Robeson counties and provided population projections for each of the counties for the first three full project years. Population projections were based on data from the NCOSBM.

Total Population Projections for the Service Area*

	Partial Year	Full FY 1	Full FY 2	Full FY 3
County	2026	2027	2028	2029
Cumberland*	344,694	345,055	345,336	345,554
Harnett*	151,521	153,541	155,457	156,877
Hoke*	58,023	58,913	59,813	60,717
Robeson	121,009	122,142	123,270	124,398
Total	675,247	679,651	683,876	687,546

Source: NCOSBM

*Includes military personnel.

Step 2: Identify the Military Population for the Service Area (Form C.6 Assumptions, page 3).

The applicant identified the military population for each of the four counties in the service area as shown in the table below. The applicant assumed the military population would

remain constant from 2026 through 2029 at the level identified in the 2025 SMFP as this population has fluctuated up and down over the last several SMFP plan years.

Subtract Military Personnel

	Partial Year	Full FY 1	Full FY 2	Full FY 3
County	2026	2027	2028	2029
Cumberland*	(31,638)	(31,638)	(31,638)	(31,638)
Harnett*	(4,777)	(4,777)	(4,777)	(4,777)
Hoke*	(2,636)	(2,636)	(2,636)	(2,636)
Robeson	-	-	-	-
Total	(39,051)	(39,051)	(39,051)	(39,051)

Source: NCOSBM

*Military personnel from employment status - American Community Survey. Held constant from 2025 SMFP forward.

Step 3: Identify the Non-Military Population (Form C.6 Assumptions, page 4).

The applicant subtracted the identified military personnel from the service area population.

Non-Military Personnel*

	Partial Year	Full FY 1	Full FY 2	Full FY 3
County	2026	2027	2028	2029
Cumberland*	313,056	313,417	313,698	313,916
Harnett*	146,744	148,764	150,680	152,100
Hoke*	55,387	56,277	57,177	58,081
Robeson	121,009	122,142	123,270	124,398
Total	636,196	640,600	644,825	648,495

Source: NCOSBM and 2025 SMFP

*Military population removed.

Step 4: Historical and Projected Death Rates per 1,000 Population (Form C.6 Assumptions, pages 4-5).

Historical and Projected Death Rate/1000 Population Historical Trend in Death Rates

SMFP Year:	2021	2022	2023	2024	2025	CAGR 2023-2026 (SMFP Projections)
Projection Year:	2022	2023	2024	2025	2026	
Avg Death Rate	2014-2018	2015-2019	2016-2020	2017-2021	2018-2022	
Cumberland	7.6	7.8	8.1	8.8	9.2	4.9%
Harnett	7.7	7.7	8.0	8.7	9.1	4.3%
Hoke	6.2	6.5	7.0	7.9	8.3	7.6%
Robeson	10.4	10.7	11.5	12.8	13.7	7.1%

Source: Actual 5-year average death rates used in SMFPs for 2021 through 2025. See Column B of Table 13B for each of the referenced SMFPs.

In the table above, the applicant analyzed the historical trend in death rates for each of the four counties in the service using data from the 2021-2025 SMFPs. This data shows a significantly increasing death rate in each of the four counties that comprise the service area. The applicant notes that the growth in death rates is even higher going back to pre-COVID time periods.

The applicant then projected death rates per 1,000 population. For each of the four counties, the applicant conservatively assumed a Compound Annual Growth Rate (CAGR) for death rates that was approximately half, or less, than the 5-year historical CAGR for death rates for each county. For Cumberland and Harnett counties the applicant used a 2.0% CAGR and for Hoke and Robeson counties a 3.5% CAGR was used as shown in the table below.

Projected Death Rates for the First 3 Project Years

	Partial Year	Full FY 1	Full FY 2	Full FY 3	
Projection Year:	2026	2027	2028	2029	Projected CAGR
Cumberland	9.2	9.4	9.6	9.8	2.00%
Harnett	9.1	9.3	9.5	9.7	2.00%
Hoke	8.3	8.6	8.9	9.2	3.50%
Robeson	13.7	14.2	14.7	15.2	3.50%

Projected death rates assumed to increase by less than half of the historical CAGR for county death rates.

Step 5: Projected Total Deaths (Form C.6 Assumptions, page 5).

To project total deaths for each of the four counties in the service area through the third project year the applicant applied the projected death rates per 1,000 population from Step #4 to the projected population (military population excluded). [population x death rate ÷ 1,000].

Projected Total Deaths

	Partial Year	Full FY 1	Full FY 2	Full FY 3
County	2026	2027	2028	2029
Cumberland	2,885	2,941	3,003	3,065
Harnett	1,335	1,381	1,427	1,469
Hoke	460	483	508	534
Robeson	1,658	1,732	1,809	1,890
Total	6,338	6,537	6,747	6,958

Step 3 x Step 4 / 1,000

Note: Calculations are generated using excel and may not be able to be reproduced precisely given the rounding of decimals in the above tables used for calculations.

Step 6: Projected Hospice Deaths Served – Status Quo (Without a New Hospice Home Care Office) (Form C.6 Assumptions, page 5).

The applicant projected the hospice deaths served in the four counties without a new hospice home care office.

- Consistent with the 2025 SMFP need methodology, The applicant assumed that the number of hospice deaths in each county would increase at a CAGR of 1.5% based on the average of the trailing two-year statewide growth rate.
- The applicant also added a placeholder for an approved agency serving Cumberland County with a projection of 33 patients in 2024, consistent with the assumptions used in the 2025 SMFP. See Section C, Question 4 Table 5.

Projected Hospice Deaths Served - Status Quo

				Partial Year	Full FY 1	Full FY 2	Full FY 3
County	2023 Actual	2024	2025	2026	2027	2028	2029
Cumberland	953	1,000	1,015	1,031	1,046	1,062	1,078
Harnett	440	447	453	460	467	474	481
Hoke	170	173	175	178	180	183	186
Robeson	528	536	544	552	560	569	577
Total	2091	2,155	2,188	2,221	2,254	2,288	2,322

2023 Hospice Deaths projected forward at statewide trailing 1.5% CAGR from 2025 SMFP.

** Cumberland County reflects placeholder for new provider (33 patients in 2024).*

Step 7: Actual/Projected Percent of Death Served by Hospice (Penetration Rate) (Form C.6 Assumptions, page 6).

The applicant started with the actual percentage of hospice patients served for 2023, which can be calculated by the actual hospice deaths served, divided by the total deaths in each county. For Cumberland and Hartnett Counties, the percentage of deaths served, also known as the hospice penetration rate, is slightly higher than the statewide median rate.

Based on VITAS' extensive experience in opening new hospice agencies and effectively increasing the hospice penetration rate in new markets, VITAS assumed that starting in 2026, with its first partial year of operation, the hospice penetration rate in the service area would increase by 1.5% and then increase by 2.0% for each year as shown below.

Actual/Projected Percent of Deaths Served (Penetration Rate)

				Partial Year	Full FY 1	Full FY 2	Full FY 3
County	2023 Hospice Deaths	2023 Total Deaths	2023 % Deaths Served	2026	2027	2028	2029
Cumberland	953	2,377	40.1%	40.7%	41.5%	42.3%	43.2%
Harnett	440	1,058	41.6%	42.2%	43.1%	43.9%	44.8%
Hoke	170	344	49.4%	50.2%	51.2%	52.2%	53.2%
Robeson	528	1,394	37.9%	38.4%	39.2%	40.0%	40.8%
Total	2,091	5,173	40.4%	41.1%	41.9%	42.8%	43.6%
NC Median			39.6%				

% of Deaths Served or Hospice Penetration Rate = Hospice Deaths divided by Total Deaths.

Source: Statewide median from 2022-2025 SMFPs. 2025 SMFP median penetration rate is 0.390. Projected to increase at 1.5% annually in 2026 (first 6 months of operation) and 2.0% from 2027-2029 based on VITAS' experience in entering new markets.

While the statewide median rate has been declining, it has not always been declining, and perpetuation of a declining use rate is not a positive trend in terms of access to hospice services.

The median percentage of deaths served in the 2025 SMFP shows a two-year trailing average decline of 0.5%.

Historical Trend in Statewide Hospice Penetration Rate

Plan Year	2020	2021	2022	2023	2024	2025
Data Year	2018	2019	2020	2021	2022	2023
Median % Served	42.69%	39.72%	43.30%	40.14%	37.28%	39.59%
One Year Change		-6.96%	9.01%	-7.30%	-7.13%	6.20%
2-yr Trailing Trend			1.0%	0.9%	-7.2%	-0.5%

Based on its actual experience in entering new counties and increasing hospice penetration rates through extensive education and outreach efforts, VITAS anticipates it will be able to increase penetration rates in the service area. Please see Section B for discussion of VITAS' recent experience with its new Southeast Florida program.

Step 8: Projected Hospice Death with New Hospice Agency (Form C.6 Assumptions, page 7).

Using the projected increasing hospice penetration rates (or percent of deaths served) for each county identified in Step 7, VITAS projected the service area hospice deaths. The percentage of deaths served by County and Year in Step 7 was multiplied by the corresponding projected total deaths in Step 5. The volume of resultant hospice deaths, assuming a new agency will effectively increase the percentage of deaths served, are shown below. As described in Step 7, these volumes assume that the approved provider will increase the percentage of deaths served at rates similar to VITAS' experience in entering new communities.

Projected Hospice Deaths based on Projected Increasing Hospice Penetration Rate

	Partial Year	Full FY 1	Full FY 2	Full FY 3
County	2026	2027	2028	2029
Cumberland	1,174	1,221	1,271	1,324
Harnett	564	595	627	658
Hoke	231	247	265	285
Robeson	637	679	724	771
Total	2,606	2,742	2,887	3,037

Projected Hospice Penetration Rate x Projected Deaths

Step 9: Potential Hospice Deaths Not Served (Form C.6 Assumptions, page 7).

To calculate the potential hospice deaths not served, the applicant subtracted the projected hospice deaths under the status quo scenario (Step 6) from the projected hospice deaths based on the anticipated increase in hospice penetration rates (Step 8).

As shown below, in Project Year 3, there is the potential for over 700 additional hospice deaths to be served in the four-county area including 246 patients in Cumberland County.

Potential Hospice Deaths not Served

	Partial Year			
	2026	2027	2028	2029
Cumberland	143	175	210	246
Harnett	104	128	153	177
Hoke	53	67	82	99
Robeson	85	119	155	194
Total	385	488	599	715

*Projected hospice patients based on projected penetration rate (Step 8)
 less death less projected hospice patients status quo (Step 6).*

Step 10: Projected Market Share to be Captured by VITAS (Form C.6 Assumptions, page 8).

VITAS projected its market share capture of the service area based on its start-up experience in other markets and the expectation that it would be able to serve most of the underserved hospice deaths in Cumberland County (Step 9), including a small percentage of market share in Harnett, Hoke, and Robeson counties. VITAS has extensive experience in entering new markets and in effectively increasing the penetration rate of hospice use by capturing market share based on serving underserved populations. Please see additional discussion in Section C, Question 4. VITAS projects the following market share by county.

VITAS: Projected Market Share

	Partial Year 7/1-12/31	Full FY 1	Full FY 2	Full FY 3
County	2026	2027	2028	2028
Cumberland	12.50%	15.00%	17.00%	18.50%
Harnett	1.00%	1.50%	2.00%	2.50%
Hoke	1.00%	1.50%	2.00%	2.50%
Robeson	2.00%	2.50%	3.00%	3.50%
Total*	6.43%	7.76%	8.86%	9.73%

**Total for partial year 2026 reflects the market share for 6 months only.*

Step 11: Projected Hospice Deaths Served by VITAS (Form C.6 Assumptions, page 8).

The applicant projected hospice deaths by multiplying VITAS' projected market share (Step 10) by projected hospice deaths (Step 8). The 2026 partial year is calculated by multiplying market share times the projected hospice deaths, divided by two (2) for the six months (half year) of operation. VITAS' projected hospice deaths are as follows:

Projected Hospice Deaths Served by VITAS

	Partial Year 7/1-12/31	Full FY 1	Full FY 2	Full FY 3
County	2026	2027	2028	2029
Cumberland	73	183	216	245
Harnett	3	9	13	16
Hoke	1	4	5	7
Robeson	6	17	22	27
Total	84	213	256	295

2026 = Projected Hospice Deaths x Projected Market Share / 2 (for one half year)

Example calculation: Step 10 partial year market share for Cumberland County (12.5%) x Step 8 partial year projected deaths based on increasing hospice penetration rate (1,174) = 147 ÷ 2 for partial year = 73. Patient deaths rounded to whole numbers.

Example calculation: Step 10 FY 3 market share for Cumberland County (18.5%) x Step 8 partial [sic] year projected deaths based on increasing hospice penetration rate (1,324) = 245. Patient deaths rounded to whole numbers.

Step 12: Ratio of Hospice Admissions to Hospice Deaths (Form C.6 Assumptions, page 9).

In order to project hospice admissions, the applicant looked at the historical experience of existing agencies serving the four-county service area to determine the ratio of hospice admissions to hospice deaths as shown below:

Ratio of Hospice Admissions to Hospice Deaths

County	2023 Admissions	2023 Deaths	Ratio
Cumberland	1,193	953	1.25
Harnett	533	440	1.21
Hoke	217	170	1.28
Robeson	686	528	1.30

Source: 2024 Hospice Patient Origin Report (2023 data)

Step 13: VITAS Projected Hospice Admissions (Form C.6 Assumptions, page 9).

The applicant applied the ratios of 2023 hospice admissions to 2023 hospice deaths calculated in Step 12 to VITAS' projected hospice deaths by county in Step 11 (Step 11 hospice deaths x Step 12 county ratio = hospice admissions).

Projected Unduplicated Admissions Based on Ratio of Admissions to Deaths

	Partial Year 7/1-12/31	Full FY 1	Full FY 2	Full FY 3	% Patient Origin
County	2026	2027	2028	2029	
Cumberland	92	229	271	307	82.7%
Harnett	3	11	15	20	5.4%
Hoke	1	5	7	9	2.4%
Robeson	8	22	28	35	9.5%
Total	105	267	321	371	100.0%

Step 14: Number of Patients Served, Deaths, Non-Death Discharges and Total Days of Care (Form C.6 Assumptions, pages 9-11).

Total Patients Served

	Partial Year 7/1-12/31	Full FY 1	Full FY 2	Full FY 3
Carry Over Patients from Prior Period	0	17	43	79
Admissions	105	267	321	371
Total Patients Served	105	284	364	450
Total Discharges	88	241	285	355
Non-Death Discharges*	4	28	29	59
# of Deaths	84	213	256	295

*Rounded to nearest whole patient number

Total discharges are equal to the total patients served in the period less the number of patients carried over to the subsequent period.

- The applicant projected the number of patients served, census, and patient days using a gradual monthly ramp up of admissions and the ALOS for a recent start up agency in Pensacola, Florida.

- The Pensacola market was used as a proxy as the market is similar to the proposed service area. The Pensacola market, like the proposed service area, had a more populated county along with a mix of rural counties, as well as the presence of a military base.
- It was assumed that the ALOS would increase over the projection period, as the program matures, based on the experience in Pensacola (See Volume Projections by Month, Section Q, Page 11). Additionally, it was assumed that the volume of each month's patients are admitted at mid- month as some will be admitted early and some later in the month.
- Carry-over patients from the end of the prior periods are based on monthly admissions and the assumed length of stay, which increases over time. The calculated number of patient days in each month includes patients admitted during the month, as well as some patients admitted in prior months based on the assumed length of stay. The final carry-over patients for each period match the projected census in the final month of the period.
- Consistent with the patient day calculations, some admissions from the prior period were assumed to be discharged during the following period. Typically, based on the assumed ALOS, patients admitted during the period October – December of each period, are discharged January – March of the subsequent period. Total discharges are calculated based on both admissions during the period and carry-over patients. The percentage of non-death discharges is based VITAS' experience, and the census ramp up.

	Partial FY	FY1	FY2	FY3
Total Days of Care*	2,409	14,197	24,672	31,739

*See Section Q, *Assumptions to Form C.6 Utilization Projections*, Tables on page 11.

Step 15: Projected Days of Care by Level of Care (Form C.6 Assumptions, page 12).

2023 Days of Care by Level of Care as a Percentage of Total Hospice Days

Payor	Routine Home Care	Inpatient	Respite	Continuous Care
Service Area Providers*	98.4%	1.1%	0.4%	0.000%
North Carolina	96.1%	2.0%	2.0%	0.001%

Source: 2024 LRAs

In the table above the applicant identified the percentage of days of care by level of care for the existing providers that served the proposed service area in 2023 as well as the Statewide percentages based on 2024 LRAs (2023 data),

However, as illustrated in the table below, the applicant projected different percentages of days of care by levels of care based on the following:

- Consideration of the statewide average, but use of the applicant's own historical experience to project days of care and ALOS by level of care.
- The applicant shows patients' days by level of care ramping up over time based on the census of patients by level of care and factoring in increases in length of stay.
- Based on the applicant's experience in start-up operations in new markets, the applicant projects continuous care hours to ramp up. Based on historical experience, VITAS projects to provide 8,832 continuous care hours in the third full year of operation. This projection shows VITAS' expectation of expanded access, particularly to respite care and continuous care, which are notably low or absent in the proposed service area.

VITAS: Level of Care

	Partial Year 7/1-12/31	Full FY 1	Full FY 2	Full FY 3
% Routine Home Care Days	97.8%	96.7%	95.5%	95.5%
% Inpatient Care Days	0.7%	1.3%	1.6%	1.7%
% Respite Care Days	0.9%	1.0%	1.1%	1.1%
% Continuous Care Days	0.5%	1.0%	1.7%	1.7%
Total Days	100.0%	100.0%	100.0%	100.0%

Projected utilization is reasonable and adequately supported based on the application, exhibits to the application, remarks at the public hearing, written comments, responses to comments, and information publicly available during the review and used by the Agency, including, but not limited to, the highlighted points listed below:

- There is a need determination in the 2025 SMFP for a hospice home care office in the Cumberland County hospice home care office service area and this proposed project will meet that need determination by developing a hospice home care office in Fayetteville, Cumberland County.
- The applicant utilized data from publicly available and reliable sources such as the SMFP, NCOSBM and Claritas.
- The 2025 SMFP, Table 13B: *Year 2026 Hospice Home Care Office Need Projections*, column K, "additional patients in need" of hospice services shows a projected deficit of 97, 60, 1 and 94 respectively for Cumberland, Harnett, Hoke and Robeson counties for Year 2026.
- The applicant, utilizing Claritas, documents that Cumberland, Harnett and Hoke counties projected overall population growth for 2024-2029. In addition, the age 65+ cohort for all four counties in the proposed service area: Cumberland, Harnett, Hoke and Robeson, is projected to increase for the years 2024-2029. (See application pages 101-102).
- The 5-year average death rates per 1,000 population for each of the counties in the proposed service area, as reported in the 2021-2025 SMFP's, Table 13B, Column B, have increased each year (except for Harnett, which stayed flat from the 2021 SMFP to the 2022 SMFP).

- In Step #5, when projecting deaths per 1,000 of population for the three project years, the applicant utilized projected death rates/1000 people using ratios that had been conservatively projected forward at 50% or less of the historical CAGR.
- In Step #7, when calculating a percent of total deaths served by hospice (hospice penetration rate) the applicant started with the most recent (Year 2023) historical hospice penetration rate for each of the four counties in the service area: Cumberland (40.1%); Harnett (41.6%); Hoke (49.4%) and Robeson (37.9%) and then projected those historical percentages forward at a reasonable growth rate based, in part, on a new hospice home care office being approved and operational.

Access to Medically Underserved Groups

In Section C.6, page 129, the applicant states.

“VITAS serves all patients regardless of gender, age, race, ethnicity, income level or payor source. ... VITAS has in place not only policies and procedures to ensure access to care for all groups but to specifically reach out to underserved communities to ensure that they have access to end-of-life care.”

The applicant provides the estimated percentage for each medically underserved group, as shown in the following table.

Medically Underserved Groups	Percentage of Total Patients during the 3rd FFY
Low-income persons	28.0%
Racial and ethnic minorities	50.0%
Women	57.6%
Persons with Disabilities	16.9%
Persons 65 and older	91.5%
Medicare beneficiaries	94.3%
Medicaid recipients	2.4%

Source: Table on page 130

The applicant adequately describes the extent to which all residents of the service area, including underserved groups, are likely to have access to the proposed services based on the following:

- The applicant provided a copy of its “Non-discrimination of Services Policy” in Exhibit B.2-5.
- Exhibit B.2-7 contains a copy of “VITAS Education and Information in Multiple Languages”.
- Exhibit B.2-10 contains a copy of “VITAS Hospice Care Informed by Diversity”.
- The percentage of women is based on VITAS’ national experience.
- Persons with disabilities are estimated based on the percentage of the population in the service area with disabilities.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application
- Written comments
- Remarks made at the public hearing
- Responses to comments
- Information publicly available during the review and used by the Agency

Based on that review, the Agency concludes that the application is conforming to this criterion for all the reasons described above.

Project ID #M-12594-25/Well Care/Develop a Hospice Home Care Office

The applicant proposes to develop a new hospice home care office in Cumberland County.

Patient Origin

On page 259, the 2025 SMFP defines the service area for a hospice office as “*the county in which the hospice office is located. Each of the 100 counties in the state is a separate hospice office service area.*” The proposed facility will be in Cumberland County. Thus, the service area for this facility consists of Cumberland County. Facilities may also serve residents of counties not included in their service area.

Well Care does not currently operate a hospice home care office in Cumberland County. Projected patient origin is shown in the table below.

Hospice Admissions	Well Care Hospice of Cumberland					
	1 st Full FY		2 nd Full FY		3 rd Full FY	
	10/01/2026 - 09/30/2027		10/01/2027 - 09/30/2028		10/01/2028 - 09/30/2029	
County	Number of Patients	% of Total	Number of Patients	% of Total	Number of Patients	% of Total
Cumberland	83	64.3%	99	51.8%	121	38.8%
Johnston	17	13.2%	34	17.8%	70	22.4%
Harnett	18	14.0%	36	18.8%	76	24.4%
Sampson	11	8.5%	22	11.5%	45	14.4%
Total	129	100.0%	191	100.0%	312	100.0%

Source: Table on page 44 of the application.

In Section Q, Form C.6 Hospice Home Care Utilization-Assumptions and Methodology, pages 125-131, the applicant provides the assumptions and methodology used to project its

patient origin. The applicant's assumptions are reasonable and adequately supported for the following reasons:

- There are deficits of hospice deaths served in Cumberland County and nearby counties.
- Johnson and Sampson counties have had increases in total deaths with declines in hospice deaths which show a gap in care and a need for improved access to hospice home care services.

Analysis of Need

In Section C.4, pages 45-66, the applicant explains why it believes the population projected to utilize the proposed services needs the proposed services, as summarized below.

- 2025 SMFP Need Determination for a Hospice Home Care Office in Cumberland County (pages 45-52).
- Hospice Penetration Rates (pages 52-55).
- Population Growth & Aging (pages 55-63).
- Cancer Incidence & Death Rates (pages 63-64).
- Minority Populations and Mortality Rates, Minority Hospice Use Rates (pages 58-62).
- Continuity and Coordination of Home-Based Care (pages 65-66)

The information is reasonable and adequately supported based on the application, exhibits to the application, written comments, responses to comments, remarks made at the public hearing, and information publicly available during the review and used by the Agency, including, but not limited to, the highlighted points listed below:

- The 2025 SMFP identifies a need for one Hospice Home Care Office in Cumberland County.
- The 2025 SMFP, Table 13B: *Year 2026 Hospice Home Care Office Need Projections*, column K, "additional patients in need" of hospice services shows a projected deficit of 97, 60, 154 and 37 respectively for Cumberland, Harnett, Johnston and Sampson counties for Year 2026.
- The applicant, utilizing NCOSBM, documents that Cumberland, Harnett, Johnson and Sampson counties project overall population growth for 2024-2029. In addition, the age 65+ cohort for all four counties in the proposed service area is projected to increase for the years 2024-2029. (See application pages 56-57).
- The 5-year average death rates per 1,000 population for each of the counties in the proposed service area, as reported in the 2021-2025 SMFP's, Table 13B, Column B, have increased each year (except for Harnett, which stayed flat from the 2021 SMFP to the 2022 SMFP).
- The applicants' statements regarding need are supported by population growth, aging and hospice use rates for the counties in the service area and in North Carolina data from NCOSBM for the proposed service area.

Projected Utilization

In Section Q, Form C.6, page 124, the applicant provides projected utilization, as illustrated in the following table.

Form C.6	1st Full FY: FY2027	2nd Full FY: FY2028	3rd Full FY: FY2029
Hospice Home Care Utilization	From 10/01/2026	From 10/01/2027	From 10/01/2028
Well Care Hospice of Cumberland	- 9/30/2027	-9/30/2028	- 9/30/2029
# of New (Unduplicated) Admissions	129	191	312
# of Patients Served	129	246	403
# of Deaths	117	174	285
# of Non-Death Discharges	18	26	43
# Routine Home Care Days	12,046	17,835	29,134
# Inpatient Care Days	21	31	51
# Respite Care Days	7	11	18
Total Days	12,074	17,878	29,203
# Continuous Care Hours	32	32	32

In Section Q, Form C.6 *Hospice Home Care Utilization-Assumptions and Methodology*, pages 125-131, the applicant provides the assumptions and methodology used to project utilization, which is summarized below.

The first full three project years (PY) following project completion are:

- PY1: 10/1/2026-9/30/2027
- PY2: 10/1/2027-9/30/2028
- PY3: 10/1/2028-9/30/2029

The applicant states: “Due to rounding, numbers presented throughout this document may not add up precisely to the totals provided and percentages may not precisely reflect the absolute figures” (page 125 of the application).

Step #1: Project Unserved Hospice Deaths in Service Area for the First Three Project Years (pages 125-127).

The applicant first identified the four counties in its proposed overall service area: Cumberland, Harnett, Johnston, and Sampson.

Then the applicant identified the projected unserved hospice deaths in each of the four counties as of FY2026.

Projected Number of Additional Patients (Deaths) In Need, FY2026

County	Projected Number of Additional Patients (Deaths) In Need
Cumberland	97
Harnett	60
Johnston	154
Sampson	37

Source: 2025 State Medical Facilities Plan, Table 13B, Column K

The applicant then calculated the two-year trailing average growth rate for deaths and hospice deaths for each of the four counties in the service area as shown in the table below.

Two-Year Trailing Average Growth Rates for Deaths and Hospice Deaths

Year	Cumberland County		Harnett County		Johnston County		Sampson County	
	Total Deaths	Hospice Deaths	Total Deaths	Hospice Deaths	Total Deaths	Hospice Deaths	Total Deaths	Hospice Deaths
2020	3,070	795	1,254	378	1,823	709	771	256
2021	3,673	978	1,467	423	2,148	670	905	270
2022	3,339	915	1,314	406	1,972	647	831	240
2-YR Trailing Growth Rate	<u>4.3%</u>	7.3%	<u>2.4%</u>	3.6%	<u>4.0%</u>	-4.5%	<u>3.8%</u>	-3.2%

Source: NC Vital Statistics, NC State Center for Health Statistics; <https://schs.dph.ncdhhs.gov/data/vital.cfm>; 2022-2024 SMFPs, Table 13B, Column E

See table on page 126 of the application.

To project unserved hospice deaths during the first three project years, the applicant grew the projected unserved deaths for FY2026 from the 2025 SMFP by each county's two-year trailing average growth rate for total deaths as shown in the following table.

Well Care: Projected Number of Unserved Hospice Deaths

	FY2026	Growth Rate	FY2027	FY2028	FY2029
Cumberland	97	4.3%	101	105	110
Harnett	60	2.4%	61	63	64
Johnston	154	4.0%	160	167	173
Sampson	37	3.8%	38	40	41

See table on page 126.

On page 127, the applicant concludes:

“The projected growth rate and projected number of unserved hospice deaths in Cumberland and surrounding counties are reasonable and supported by the numerous

qualitative and quantitative factors described in Section C.3, including but not limited to:

- *Low overall hospice penetration rates,*
- *Low hospice penetration rates for minorities,*
- *Historical growth of overall deaths,*
- *Aging of service area population, and*
- *Health status of the population”*

Step #2: Project Unserved Hospice Deaths To Be Served by Well Care (pages 127-128).

The applicant projected the percentage of unserved hospice deaths Well Care would serve in each of the first three project years (FY2027-FY2029) by:

- 1st: Projecting the percentage of the projected unserved hospice deaths Well Care would serve in the first three project years; and
- 2nd: Applying the percentages to the number of projected unserved hospice deaths from Step #1.

Well Care: Projected Percent of Unserved Hospice Deaths Served

	FY2027	FY2028	FY2029
Cumberland	75.0%	85.0%	100.0%
Harnett	25.0%	50.0%	100.0%
Johnston	10.0%	20.0%	40.0%
Sampson	25.0%	50.0%	100.0%

See table on page 127.

In support of the projected percent of unserved hospice deaths to be served by Well Care the applicant states,

“The current use and penetration rates in the area, which are below statewide averages, present a significant opportunity for WCHC to enhance access and engagement. As a new hospice provider, WCHC is uniquely positioned to deliver education, outreach, and tailored services that enhance access to hospice care for the residents of Cumberland County as well as Harnett, Johnston, and Sampson counties. WCHC will expand patient access and provide referral sources with an alternative for hospice services. Over time, WCHC anticipates becoming a trusted and integral resource in the community. This will enable the agency to progressively serve a growing percentage of unserved hospice patients, fulfilling its mission to improve access and choice for end-of-life care in the identified counties. Exhibit I.2 includes letters of support from numerous potential referral sources.

The percentages projected above reflect a conservative startup in the initial year, especially in surrounding Counties. In formulating its projections, WCHC considered the historically sub-optimal hospice usage as described throughout this application. Based on its experience and strong resources, WCHC will be

sufficiently organized to meet the entire forecasted deficit in Cumberland County (as well as in Harnett and Sampson Counties) by its third year of operation. WCHC expects to identify more closely with cultural patterns of the community and gain more acceptance of hospice use by area residents.

WCHC projects that it will effectively serve 100 percent of the unserved hospice deaths in Cumberland, Harnett, and Sampson counties by the third project year. Due to the robust volume of unserved hospice deaths in Johnston County, WCHC conservatively projects serving 40 percent of the unserved hospice deaths in Johnston County by the third project year."

The following table reflects projected unserved hospice deaths to be served by Well Care for each of the first three project years.

Well Care: Projected Number of Unserved Hospice Deaths to be Served

	FY2027	FY2028	FY2029
Cumberland	76	90	110
Harnett	15	31	64
Johnston	16	33	69
Sampson	10	20	41
Total	117	174	284

Assumption: Step 1 x Step 2 (Projected Percent of Unserved Hospice Deaths Served by WCHC) Totals may not foot due to computer rounding.

See table on page 128.

Step #3: Project Unduplicated Hospice Admissions and Non-Death Discharges (pages 128-129)

Unduplicated Admissions

First, the applicant identified the statewide hospice admissions to deaths ratio as set forth in the table below.

FY2023 Statewide Hospice Admissions & Deaths

	FY2023 Total	Hospice Admissions: Deaths Ratio
Hospice Deaths	51,503	1.098
Unduplicated Hospice Admissions	56,539	

Source: FY2023 data obtained from DHSR Healthcare Planning and Certificate of Need Section FY2023 hospice database.

See table on page 128 of the application.

Next, to project new (unduplicated) admissions for the proposed hospice home care agency the applicant applied the FY2023 Statewide Hospice Admission: Death Ratio (1.098) to the projected number of deaths served by county in Step 2.

Well Care: Projected New Unduplicated Hospice Admissions Served

	FY2027	FY2028	FY2029
Cumberland	83	99	121
Harnett	17	34	70
Johnston	18	36	76
Sampson	11	22	45
Total	129	191	312

See table on page 129 of the application.

Non-death discharges

First, the applicant identified the statewide admission: non-death discharge ratio during FY2023.

FY2023 Statewide Hospice Admissions & Deaths

	FY2023 Total	Admission: Non-death Discharge Ratio
Non-death Discharges	7,745	0.137
Unduplicated Hospice Admissions	56,539	

Source: FY2023 data obtained from DHSR Healthcare Planning and Certificate of Need Section FY2023 hospice database

See Table on page 129 of the application.

Then, the applicant applied the ratio (0.137) to the projected number of Well Care unduplicated hospice admissions.

Well Care: Projected Non-Death Discharges

County	FY2027	FY2028	FY2029
Unduplicated Hospice Admissions	129	191	312
Non-death Discharges	18	26	43

Assumption: Projected Unduplicated Hospice Admissions x ratio of Unduplicated Admissions: Non-death Discharges (FY2023 Statewide Hospice Data: 0.137)

Totals may not foot due to rounding.

See Table on page 129 of the application.

Step #4: Project Hospice Days of Care [Total and by Discipline] (pages 129-131).

Total Days of Care

To calculate total days of care the applicant multiplied the projected unduplicated hospice admissions for each county (Step #3) in the proposed service area by the FY2023 ALOS (93.6) as illustrated in the table below.

Well Care: Projected Days of Care

	FY2027	FY2028	FY2029
Cumberland	7,769	9,266	11,326
Harnett	1,591	3,182	6,552
Johnston	1,685	3,370	7,114
Sampson	1,030	2,059	4,212
Total	12,074	17,878	29,203

Assumption: Projected Unduplicated Admissions x FY2023 Hospice ALOS for Cumberland, Harnett, Johnston, and Sampson Co. Patients Served by Existing Cumberland County Hospice Agencies

See Table on page 130 of the application.

Note: In the footnote on page 130 of the application the applicant references Exhibit C.4-2 for the data and calculations of the ALOS of 93.6 for FY2023 for Cumberland, Harnett, Johnston and Sampson counties: patients served by existing Cumberland County Hospice Agencies.

Hospice Days of Care by Discipline:

After determining total hospice days of care, WCHC examined the number of days of care expected to be furnished in each service discipline, e.g., Routine, Inpatient, and Respite.

To project hospice days of care by discipline for the first three full project years, the applicant applied the FY2023 hospice utilization of patients served by existing Cumberland County Hospice Agencies (Routine: 99.8%; Inpatient: 0.2%; Respite: 0.1%) to projected total days of care.

Well Care Hospice of Cumberland, Inc. Projected Days of Care By Discipline

	FY2027	FY2028	FY2029
Routine Home Care Days	12,046	17,835	29,134
Inpatient Care Days	21	31	51
Respite Care Days	7	11	18
Total Days of Care	12,074	17,878	29,203

See Exhibit C.4-2 for the source data obtained from the FY2023 hospice database.

See Table on page 131 of the application.

Step #5: Continuous Hours

WCHC assumes continuous care hours based on one continuous care patient during each quarter of each project year and assumes an average of eight (8) continuous care hours per patient ($8 \times 4 = 32$ hours).

Projected utilization is reasonable and adequately supported based on the application, exhibits to the application, remarks at the public hearing, written comments, responses to comments, and information publicly available during the review and used by the Agency, including, but not limited to, the highlighted points listed below:

- There is a need determination in the 2025 SMFP for a hospice home care office in the Cumberland County hospice home care office service area and this proposed project will meet that need determination by developing a hospice home care office in Fayetteville, Cumberland County.
- The applicant utilized data from publicly available and reliable sources such as the SMFP NCOSBM and NC Vital Statistics, NC State Center for Health Statistics.
- The 2025 SMFP, Table 13B: Year 2026 Hospice Home Care Office Need Projections, column K, “additional patients in need” of hospice services shows a projected deficit of 97, 60, 154 and 37 respectively for Cumberland, Harnett, Johnston and Sampson counties for Year 2026.
- The applicant, utilizing NCOSBM, documents that Cumberland, Harnett, Johnson and Sampson counties project overall population growth for 2024-2029. In addition, the age 65+ cohort for all four counties in the proposed service area is projected to increase for the years 2024-2029. (See application pages 56-57).
- The 5-year average death rates per 1,000 population for each of the counties in the proposed service area, as reported in the 2021-2025 SMFP’s, Table 13B, Column B, have increased each year (except for Harnett, which stayed flat from the 2021 SMFP to the 2022 SMFP).

Access to Medically Underserved Groups

In C.6, page 70, the applicant states.

“All patients access hospice services via physician referral. Well Care does not exclude, deny benefits to, or otherwise discriminate against any person on the ground [sic] of race, color, or national origin, sex, age or on the basis of disability in admission to, participation in, or receipt of the services and benefits under any of its programs and activities, whether carried out by Well Care directly or through a contractor or any other entity with which Well Care arranges to carry out its programs and activities. Please see a copy of Well Care’s Non-discrimination Policy in Exhibit C.6.”

The applicant provides the estimated percentage for each medically underserved group, as shown in the following table.

Medically Underserved Groups	Percentage of Total Patients during 3 rd FFY
Low-income persons	15.3%
Racial and ethnic minorities	50.8%
Women	55.0%
Persons with Disabilities	*
Persons 65 and older	90.0%
Medicare beneficiaries	90.0%
Medicaid recipients	7.0%

Source: Table on page 71 of the application.

*Well Care does not have a method for estimating the percentage of patients with disabilities. Persons with disabilities will have access to the proposed hospice services. WCHC will not discriminate on the basis of disability.

The applicant adequately describes the extent to which all residents of the service area, including underserved groups, are likely to have access to the proposed services based on the following:

- The applicant provides a statement saying it will provide full access to area residents who are medically underserved.
- The applicant provides a copy of its non-discrimination policies in Exhibit C.6.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application
- Written comments
- Remarks made at the public hearing
- Responses to comments
- Information publicly available during the review and used by the Agency

Based on that review, the Agency concludes that the application is conforming to this criterion for all the reasons described above.

- (3a) In the case of a reduction or elimination of a service, including the relocation of a facility or a service, the applicant shall demonstrate that the needs of the population presently served will be met adequately by the proposed relocation or by alternative arrangements, and the effect of the reduction, elimination or relocation of the service on the ability of low income persons, racial and ethnic minorities, women, ... persons [persons with disabilities], and other underserved groups and the elderly to obtain needed health care.

NA

None of the applicants propose to reduce a service, eliminate a service or relocate a facility or service. Therefore, Criterion (3a) is not applicable to this review.

- (4) Where alternative methods of meeting the needs for the proposed project exist, the applicant shall demonstrate that the least costly or most effective alternative has been proposed.

C

All Applications

Project ID #M-12590-25/VIA Health/Develop a Hospice Home Care Office

The applicant proposes to develop a new hospice home care office in Cumberland County.

In Section E, pages 86-89, the applicant describes the alternatives it considered and explains why each alternative is either more costly or less effective than the alternative proposed in this application to meet the need. The alternatives considered were:

- Maintain the Status Quo: the applicant states maintaining the status quo does not meet the need identified in the 2025 SMFP for another hospice home care office in Cumberland County and limits access to hospice care for area residents; therefore, this was not an effective alternative to meet the need.
- Joint Venture with Another Provider: the applicant states that joining with another healthcare provider would add unnecessary cost, complexity and delay to the proposed project given that the applicant is experienced in hospice care, has the financial resources and is well positioned to develop the proposed project on its own. Therefore, a joint venture with another provider was determined to be both a more costly and less effective alternative.
- Locate Office in a Different Location: the applicant states that developing an office in another geographic area of Cumberland County does not have the benefits of developing a facility in Fayetteville which is the medical, population, and commercial center of Cumberland County. Fayetteville has the county's only acute care hospital, the majority of referring physicians, and all the necessary healthcare services for the proposed project. Therefore, this was not an effective alternative to meet the need.

The applicant adequately demonstrates that the alternative proposed in this application is the most effective alternative to meet the need based on the following:

- The applicant provides reasonable information to explain why it believes the proposed project is the most effective alternative.
- The application is conforming to all other statutory review criteria.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application
- Written comments
- Remarks made at the public hearing
- Responses to comments
- Information publicly available during the review and used by the Agency

Based on that review, the Agency concludes that the application is conforming to this criterion for the reasons stated above.

Project ID #M-12592-25/VITAS/Develop a Hospice Home Care Office

The applicant proposes to develop a new hospice home care office in Cumberland County.

In Section E, pages 138-139, the applicant describes the alternatives it considered and explains why each alternative is either more costly or less effective than the alternative proposed in this application to meet the need. The alternatives considered were:

- Maintain the Status Quo: The applicant states that maintaining the status quo would not address the need determination for a hospice home care office in Cumberland County and result in less access to hospice care for patients in the service area. Therefore, this was determined not to be an effective alternative.
- Construct a New Office: The applicant states that it intends to lease existing office space that will require no renovations and serve patients in place. Therefore, any alternative other than leasing existing office space requiring no renovations would be a more costly alternative.

The applicant adequately demonstrates that the alternative proposed in this application is the most effective alternative to meet the need based on the following:

- The applicant provides reasonable information to explain why it believes the proposed project is the most effective alternative.
- The application is conforming to all other statutory review criteria.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application

- Written comments
- Remarks made at the public hearing
- Responses to comments
- Information publicly available during the review and used by the Agency

Based on that review, the Agency concludes that the application is conforming to this criterion for the reasons stated above.

Project ID #M-12594-25/Well Care/Develop a Hospice Home Care Office

The applicant proposes to develop a new hospice home care office in Cumberland County.

In Section E, pages 78-79, the applicant describes the alternatives it considered and explains why each alternative is either more costly or less effective than the alternative proposed in this application to meet the need. The alternatives considered were:

- Maintain the Status Quo: the applicant states maintaining the status quo limits access to hospice care for area residents; therefore, this was not an effective alternative to meet the need.
- Develop the new Hospice Office in a Different Location: the applicant states that developing an office in another geographic area of Cumberland County does not have the benefits of developing a facility in Fayetteville which is the medical, population, and commercial center of Cumberland County. Fayetteville has the county's only acute care hospital, the majority of referring physicians, and all the necessary healthcare services for the proposed project. Therefore, this was not an effective alternative to meet the need.

The applicant adequately demonstrates that the alternative proposed in this application is the most effective alternative to meet the need based on the following:

- The applicant provides reasonable information to explain why it believes the proposed project is the most effective alternative.
- The application is conforming to all other statutory review criteria.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application
- Written comments
- Remarks made at the public hearing
- Responses to comments
- Information publicly available during the review and used by the Agency

Based on that review, the Agency concludes that the application is conforming to this criterion for the reasons stated above.

- (5) Financial and operational projections for the project shall demonstrate the availability of funds for capital and operating needs as well as the immediate and long-term financial feasibility of the proposal, based upon reasonable projections of the costs of and charges for providing health services by the person proposing the service.

C

All Applicants

Project ID #M-12590-25/VIA Health/Develop a Hospice Home Care Office

The applicant proposes to develop a new hospice home care office in Cumberland County.

Capital and Working Capital Costs

In Section Q, Form F.1a, the applicant projects the total capital cost of the project, as shown in the table below.

Non-Medical Equipment	\$20,000
Furniture and Signage	\$5,000
Consultant Fees	\$60,000
Total	\$85,000

In Section Q, Form F.1a, the applicant provides the assumptions used to project the capital cost. The applicant adequately demonstrates that the projected capital cost is based on reasonable and adequately supported assumptions based on the following:

- The applicant states that equipment and furniture estimates were based on HPCCR experience.
- Consultant fees included preparation and filing fees of the CON application.

In Section F.3, page 92, the applicant projects that start-up costs will be \$62,000 and initial operating expenses will be \$113,000 for a total working capital of \$175,000. On pages 92-93, the applicant provides the assumptions and methodology used to project the working capital needs of the project. The applicant adequately demonstrates that the projected working capital needs of the project are based on reasonable and adequately supported assumptions.

Availability of Funds

In Section F.2, pages 90-91, and F.3, pages 93-94, the applicant states the entire projected capital cost of \$85,000 and projected working capital cost of \$175,000 will be funded entirely by the applicant's cash.

In Exhibit F.2 (Tab 8), the applicant provides a letter dated January 8, 2025, from the President and CEO of VIA Health Partners (formerly Hospice and Palliative Care Charlotte Region) committing \$260,000 to fund the projected capital costs and working capital costs of the proposed project. Exhibit F.2 (Tab 8) also contains a copy of the audited

consolidated financial statements of Hospice & Palliative Care Charlotte Region and Affiliates d/b/a VIA Health Partners with cash and cash equivalents of \$24.7 million and total assets of \$99.5 million as of December 31, 2023.

The applicant adequately demonstrates the availability of sufficient funds for the capital and working capital needs of the project based on the following:

- The applicant provides letters from an appropriate company official documenting the availability of funding for the projected capital and working capital needs of the project as well as a commitment to use those funds toward the development of the proposed project.
- The applicant provides a copy of the audited financials of the applicant as of December 31, 2023, showing availability of sufficient funds.

Financial Feasibility

The applicant provided pro forma financial statements for the first three full fiscal years of operation following completion of the project. In Form F.2b, the applicant projects that revenues will exceed operating expenses in each of the first three full fiscal years following completion of the project, as shown in the table below.

	1st Full Fiscal Year (10/1/2026- 9/30/2027)	2nd Full Fiscal Year (10/1/2027- 9/30/2028)	3rd Full Fiscal Year (10/1/2028- 9/30/2029)
Total Days of Care*	13,862	16,845	19,097
Total Gross Revenues (Charges)	\$2,677,170	\$3,335,257	\$3,876,537
Total Net Revenue	\$1,879,633	\$2,321,578	\$2,674,887
Average Net Revenue per Day of Care	\$136	\$138	\$140
Total Operating Expenses (Costs)	\$1,712,894	\$2,175,356	\$2,583,072
Average Operating Expense per Day of Care	\$124	\$129	\$135
Net Income	\$166,739	\$146,222	\$91,815

*The project analyst includes days of care for continuous care based on eight hour days.

The assumptions used by the applicant in preparation of the pro forma financial statements are provided in Form F.2b and Form F.3b and Form F.2/3 *Assumptions*. The applicant adequately demonstrates that the financial feasibility of the proposal is reasonable and adequately supported based on the following:

- The applicant provides detailed calculations showing projected charges and visits used to project revenues.
- The applicant explains the assumptions used to project revenues, net income and operating expenses.
- The applicant includes depreciation costs in its Indirect Operations Expenses and bases its pass through expenses on GIP and Respite days of care.

- Projected utilization is based on reasonable and adequately supported assumptions. See the discussion regarding projected utilization in Criterion (3) which is incorporated herein by reference.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application
- Written comments
- Remarks made at the public hearing
- Responses to comments
- Information publicly available during the review and used by the Agency

Based on that review, the Agency concludes that the application is conforming to this criterion for the following reasons:

- The applicant adequately demonstrates that the capital and working capital costs are based on reasonable and adequately supported assumptions for all the reasons described above.
- The applicant adequately demonstrates availability of sufficient funds for the capital and working capital needs of the proposal for all the reasons described above.
- The applicant adequately demonstrates sufficient funds for the operating needs of the proposal and that the financial feasibility of the proposal is based upon reasonable projections of revenues and operating expenses for all the reasons described above.

Project ID #M-12592-25/VITAS/Develop a Hospice Home Care Office

The applicant proposes to develop a new hospice home care office in Cumberland County.

Capital and Working Capital Costs

In Section Q, Form F.1a, the applicant projects the total capital cost of the project, as shown in the table below.

Construction Costs	\$35,000
Non-Medical Equipment	\$87,500
Furniture and Signage	\$50,500
Consultant Fees	\$80,000
Contingency	\$25,300
Total	\$278,300

In Section Q, Form F, Assumptions to Form F.1a, the applicant provides the assumptions used to project the capital cost. The applicant adequately demonstrates that the projected capital cost is based on reasonable and adequately supported assumptions based on the following:

- Capital costs estimates were based on VITAS's extensive hospice start-up experience in other states and included consultations with VITAS' Director of Market Development and Senior Area Vice President.
- Specific capital costs associated with the office were developed in consultation with a realtor and office size.
- Furniture and equipment were based on estimated FTE's and office size.
- Other costs were based on contracts.

In Section F.3, page 142, the applicant projects that start-up costs will be \$163,895 and initial operating expenses will be \$2,243,881 for a total working capital of \$2,407,705. On page 142 and the assumptions for Form F.2b and F.3b and Form H, the applicant provides the assumptions and methodology used to project the working capital needs of the project. The applicant adequately demonstrates that the projected working capital needs of the project are based on reasonable and adequately supported assumptions based on the following:

- The applicant bases its start-up costs on its experience with other recent startups in new markets.
- Initial operating costs are based on expenses minus revenue calculated on a monthly basis until breakeven is achieved.

Availability of Funds

In Section F.2, pages 140-141, and F.3, pages 143-144, the applicant states the entire projected capital cost of \$278,300 and projected working capital cost of \$2,407,705 will be funded entirely by one of the applicants, VITAS Healthcare Corporation, in cash.

In Exhibit F.2-1, the applicant provides a letter dated January 29, 2025, from the Executive Vice President of both CHEMED Corporation and VITAS Healthcare Corporation (VHC) stating that the VITAS Healthcare Corporation of North Carolina is a wholly owned subsidiary of VHC and that CHEMED Corporation is the ultimate corporate parent of both VHC and VITAS Healthcare Corporation of North Carolina. The Executive Vice President states that the capital costs and working capital costs for the proposed project will be provided from current assets of VHC including cash and cash equivalents and committing the funds to develop the proposed project. The Executive Vice President also states that CHEMED backs the financial commitments of VHC. In Exhibit F.2-2 the applicant provides a copy of CHEMED's 2023 audited financial report showing cash and cash equivalents of \$263.9 million and total assets of \$1.6 billion.

The applicant adequately demonstrates the availability of sufficient funds for the capital and working capital needs of the project based on the following:

- The applicant provides letters from an appropriate company official documenting the availability of funding for the projected capital and working capital needs of the project as well as a commitment to use those funds toward the development of the proposed project.

- The applicant provides a copy of the audited financials of VITAS Healthcare Corporation as of December 31, 2023, showing availability of sufficient funds.
- The applicant provides a copy of the audited financials of the parent company as of December 31, 2023, showing availability of sufficient funds.

Financial Feasibility

The applicant provided pro forma financial statements for the first three full fiscal years of operation following completion of the project. In Form F.2b, the applicant projects that revenues will exceed operating expenses in the third full fiscal year following completion of the project, as shown in the table below.

	1st Full Fiscal Year (CY2027)	2nd Full Fiscal Year (CY2028)	3rd Full Fiscal Year (CY2029)
Total Days of Care*	14,310	25,040	32,310
Total Gross Revenues (Charges)	\$3,009,832	\$5,563,847	\$7,414,944
Total Net Revenue	\$2,899,092	\$5,365,712	\$7,146,166
Average Net Revenue per Day of Care	\$203	\$214	\$221
Total Operating Expenses (Costs)	\$3,444,401	\$5,720,335	\$7,114,770
Average Operating Expense per Day of Care	\$241	\$228	\$220
Net Income	(\$545,308)	(\$354,624)	\$31,396

*The project analyst includes days of care for continuous care based on eight hour days.

The assumptions used by the applicant in preparation of the pro forma financial statements are provided in Form F.2b, Form F.2b Assumptions, Form F.3b and Form F.3b Assumptions. The applicant adequately demonstrates that the financial feasibility of the proposal is reasonable and adequately supported based on the following:

- The applicant provides detailed assumptions showing projected charges and visits used to project revenues.
- The applicant explains the assumptions used to project revenues, net income and operating expenses.
- The applicant relies on the applicant's experience.
- Projected utilization is based on reasonable and adequately supported assumptions. See the discussion regarding projected utilization in Criterion (3) which is incorporated herein by reference.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application
- Written comments
- Remarks made at the public hearing
- Responses to comments

- Information publicly available during the review and used by the Agency

Based on that review, the Agency concludes that the application is conforming to this criterion for the following reasons:

- The applicant adequately demonstrates that the capital and working capital costs are based on reasonable and adequately supported assumptions for all the reasons described above.
- The applicant adequately demonstrates availability of sufficient funds for the capital and working capital needs of the proposal for all the reasons described above.
- The applicant adequately demonstrates sufficient funds for the operating needs of the proposal and that the financial feasibility of the proposal is based upon reasonable projections of revenues and operating expenses for all the reasons described above.

Project ID #M-12594-25/Well Care/Develop a Hospice Home Care Office

The applicant proposes to develop a new hospice home care office in Cumberland County.

Capital and Working Capital Costs

In Section Q, Form F.1a, the applicant projects the total capital cost of the project, as shown in the table below.

Non-Medical Equipment	\$20,000
Furniture	\$15,000
Consultant Fees	\$50,000
Contingency	\$15,000
Total	\$100,000

In Section Q, Form F.1a *Capital Cost Assumptions*, page 138, the applicant provides the assumptions used to project the capital cost. The applicant adequately demonstrates that the projected capital cost is based on reasonable and adequately supported assumptions because the applicant relies on its own historical experience with similar projects.

In Section F.3, page 82, the applicant projects that start-up costs will be \$75,000 and initial operating expenses will be \$1,000,000 for a total working capital of \$1,075,000. On pages 82-83, the applicant provides the assumptions and methodology used to project the working capital needs of the project. The applicant adequately demonstrates that the projected working capital needs of the project are based on reasonable and adequately supported assumptions based on the following:

- The applicant provides a categorical breakdown of the various components included in the projection of start-up costs.
- The applicant projects initial operating expenses based on revenues and operating expenses as provided on Form F.2b.

Availability of Funds

In Section F.2, pages 80-81, and Section F.3, pages 82 and 84, the applicant states that the entire projected capital cost of \$100,000 and projected working capital cost of \$1,075,000 will be funded entirely by the applicant's cash.

In Exhibit F.2, the applicant provides a letter dated January 22, 2024, from the Chief Executive Officer of Well Care Health, LLC, stating that the applicant, as a subsidiary, will have the funds for the proposed project from Well Care Health, LLC, and provides a commitment to using the funds to develop the proposed project. The applicant also provides a letter dated January 22, 2024, from a Senior Vice President at Truist Bank, stating that the applicant is a client of Truist and that the applicant has enough money in its accounts to fund both the proposed capital and working capital costs up to \$1,750,000.

The applicant adequately demonstrates the availability of sufficient funds for the capital and working capital needs of the project based on the following:

- The applicant provides letters from an appropriate company official documenting the availability of funding for the projected capital and working capital needs of the project as well as a commitment to use those funds toward the development of the proposed project.
- The applicant provides documentation from a bank where the applicant has accounts showing availability of sufficient funds.
- The Project Analyst notes that the letters from Well Care Health, LLC and Truist Bank are dated over a year ago. Should Well Care Hospice of Cumberland, Inc. be approved to develop a hospice home care office in Cumberland County, the Agency will condition Well Care to provide updated letters from Well Care Health, LLC and Truist Bank affirming the intent to fund the project and the availability of funding for the project.

Financial Feasibility

The applicant provided pro forma financial statements for the first three full fiscal years of operation following completion of the project. In Form F.2b, the applicant projects that revenues will exceed operating expenses in the second and third full fiscal years following completion of the project, as shown in the table below.

	1st Full Fiscal Year (10/1/2026- 9/30/2027)	2nd Full Fiscal Year (10/1/2027- 9/30/2028)	3rd Full Fiscal Year (10/1/2028- 9/30/2029)
Total Days of Care*	12,078	17,882	29,207
Total Gross Revenues (Charges)	\$1,163,871	\$3,446,343	\$5,629,532
Total Net Revenue	\$1,083,764	\$3,207,821	\$5,240,509
Average Net Revenue per Day of Care	\$90	\$179	\$179
Total Operating Expenses (Costs)	\$1,677,712	\$2,492,673	\$3,809,155
Average Operating Expense per Day of Care	\$139	\$139	\$130
Net Income	(\$593,947)	\$715,148	\$1,431,354

*The project analyst includes days of care for continuous care based on eight hour days.

The assumptions used by the applicant in preparation of the pro forma financial statements are provided immediately following Form O in Section Q. The applicant adequately demonstrates that the financial feasibility of the proposal is reasonable and adequately supported based on the following:

- The applicant provides detailed calculations showing projected charges and visits used to project revenues.
- The applicant explains the assumptions used to project revenues, net income and operating expenses.
- The applicant relies on the applicant's experience.
- Projected utilization is based on reasonable and adequately supported assumptions. See the discussion regarding projected utilization in Criterion (3) which is incorporated herein by reference.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application
- Written comments
- Remarks made at the public hearing
- Responses to comments
- Information publicly available during the review and used by the Agency

Based on that review, the Agency concludes that the application is conforming to this criterion for the following reasons:

- The applicant adequately demonstrates that the capital and working capital costs are based on reasonable and adequately supported assumptions for all the reasons described above.
 - The applicant adequately demonstrates availability of sufficient funds for the capital and working capital needs of the proposal for all the reasons described above.
 - The applicant adequately demonstrates sufficient funds for the operating needs of the proposal and that the financial feasibility of the proposal is based upon reasonable projections of revenues and operating expenses for all the reasons described above.
- (6) The applicant shall demonstrate that the proposed project will not result in unnecessary duplication of existing or approved health service capabilities or facilities.

C All Applications

On page 259, the 2025 SMFP defines the service area for a hospice office as *"the county in which the hospice office is located. Each of the 100 counties in the state is a separate hospice office service area."* Thus, the service area for this facility consists of Cumberland County. Facilities may also serve residents of counties not included in their service area.

See the following table, which illustrates the existing hospice home care offices in Cumberland County as reflected in Table 13A: *Inventory of Licensed Hospice Agencies*, page 267 of the 2025 SMFP:

License #	Facility Name	Admissions	Days of Care	Deaths
HC1331	Community Home Care and Hospice	232	37,214	186
HOS2004	Liberty Home Care and Hospice	156	7,795	113
HOS3272	Cardinal Hospice Care	0	0	0
HOS4746	PruittHealth Hospice - Fayetteville	155	17,310	121
HOS4799	Cape Fear Valley Hospice and Palliative Care	387	20,359	321
HOS5147	3HC	81	12,262	62
HOS5285	BAYADA Hospice	141	13,258	85
HOS6836	HealthKeeperz	102	17,276	115
Totals		1,254	125,474	1,003

Project ID #M-12590-25/VIA Health/Develop a Hospice Home Care Office

The applicant proposes to develop a new hospice home care office in Cumberland County.

In Section G, pages 99-100, the applicant explains why it believes its proposal would not result in the unnecessary duplication of existing or approved hospice home care office services in Cumberland County. The applicant states:

“HPCCR is proposing its Cumberland County hospice home care office in response to the need determination in the 2025 SMFP. ... The proposed project will not result in unnecessary duplication of the existing licensed hospice offices in Cumberland County, but rather will have a positive impact on hospice utilization by adding competition from an experienced North Carolina hospice provider, and by increasing access to high quality, cost-effective care, universally accessible to residents of Cumberland County.”

The applicant adequately demonstrates that the proposal would not result in an unnecessary duplication of existing or approved services in the service area based on the following:

- There is a need determination in the 2025 SMFP for the proposed one hospice home care office in Cumberland County.
- The applicant adequately demonstrates that the proposed hospice home care office is needed in addition to the existing or approved hospice home care offices in Cumberland County.

Conclusion

The Agency reviewed the:

- Application

- Exhibits to the application
- Written comments
- Remarks made at the public hearing
- Responses to comments
- Information publicly available during the review and used by the Agency

Based on that review, the Agency concludes that the application is conforming to this criterion for all the reasons described above.

Project ID #M-12592-25/VITAS/Develop a Hospice Home Care Office

The applicant proposes to develop a new hospice home care office in Cumberland County.

In Section G, pages 152-153, the applicant explains why it believes its proposal would not result in the unnecessary duplication of existing or approved hospice home care office services in Cumberland County. The applicant states:

“ The proposed project is in response to a published need in the 2025 SMFP for one additional hospice care office in Cumberland County. Consequently, it will not result in an unnecessary duplication of hospice home care services. While there are existing hospice care offices in Cumberland County, the data clearly demonstrates an unmet need for an additional hospice provider. ”

The applicant adequately demonstrates that the proposal would not result in an unnecessary duplication of existing or approved services in the service area based on the following:

- There is a need determination in the 2025 SMFP for the proposed one hospice home care office in Cumberland County.
- The applicant adequately demonstrates that the proposed hospice home care office is needed in addition to the existing or approved hospice home care offices in Cumberland County.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application
- Written comments
- Remarks made at the public hearing
- Responses to comments
- Information publicly available during the review and used by the Agency

Based on that review, the Agency concludes that the application is conforming to this criterion for all the reasons described above.

Project ID #M-12594-25/Well Care/Develop a Hospice Home Care Office

The applicant proposes to develop a new hospice home care office in Cumberland County.

In Section G, page 90, the applicant explains why it believes its proposal would not result in the unnecessary duplication of existing or approved hospice home care office services in Cumberland County. The applicant states:

“As evidenced by the need determination for one additional hospice office in Cumberland County in the 2025 SMFP, the projected number of Cumberland County patients who will need hospice services will exceed the projected number of patients to be served by existing providers. The State considers the existing hospice agencies serving Cumberland County inadequate to meet the need of Cumberland County residents, and has determined a need for one additional hospice office.”

The applicant adequately demonstrates that the proposal would not result in an unnecessary duplication of existing or approved services in the service area based on the following:

- There is a need determination in the 2025 SMFP for the proposed one hospice home care office in Cumberland County.
- The applicant adequately demonstrates that the proposed hospice home care office is needed in addition to the existing or approved hospice home care offices in Cumberland County.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application
- Written comments
- Remarks made at the public hearing
- Responses to comments
- Information publicly available during the review and used by the Agency

Based on that review, the Agency concludes that the application is conforming to this criterion for all the reasons described above.

- (7) The applicant shall show evidence of the availability of resources, including health manpower and management personnel, for the provision of the services proposed to be provided.

Project ID #M-12590-25/VIA Health/Develop a Hospice Home Care Office

The applicant proposes to develop a new hospice home care office in Cumberland County.

In Section Q, Form H, the applicant provides projected full-time equivalent (FTE) staffing for the proposed services, as illustrated in the following table.

VIA – Projected FTEs			
	1st FFY (10/1/2026- 9/30/2027)	2nd FFY (10/1/2027- 9/30/2028)	3rd FFY (10/1/2028- 9/30/2029)
Nurse Practitioners	1.00	1.00	1.00
Registered Nurses	2.00	3.00	3.75
Licensed Practical Nurses	3.00	4.00	4.50
Certified Nurse Aides/Nursing Assistants	2.00	4.00	5.00
Director of Nursing	1.00	1.00	1.00
Social Workers	1.00	1.00	1.75
Business Office	1.00	1.00	1.00
Other (Medical Director)	0.25	0.25	0.25
Other (Chaplain)	0.50	0.75	1.00
Other (Grief Counselor)	0.50	0.75	1.00
Other (Volunteer Coordinator)	0.25	0.25	0.25
Other (Strategic Account Manager/Marketing)	1.00	1.00	1.00
Total	13.50	18.00	21.50

The assumptions and methodology used to project staffing are provided both before and following Form O in Section Q. Adequate operating expenses for the health manpower and management positions proposed by the applicant are budgeted in Form F.3b. In Section H, pages 101-104, the applicant describes the methods it will use to recruit or fill new positions and its existing training and continuing education programs.

The applicant adequately demonstrates the availability of sufficient health manpower and management personnel to provide the proposed services, based on the following:

- The applicant states it projects its staffing based on its extensive experience in operating hospice agencies in the state.
- Projected staffing levels are based on the applicant's historical staffing and average caseload pattern, in addition to the proposed office's patient utilization projections.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application
- Written comments
- Remarks made at the public hearing

- Responses to comments
- Information publicly available during the review and used by the Agency

Based on that review, the Agency concludes that the application is conforming to this criterion for all the reasons described above.

Project ID #M-12592-25/VITAS/Develop a Hospice Home Care Office

The applicant proposes to develop a new hospice home care office in Cumberland County.

In Section Q, Form H, the applicant provides projected full-time equivalent (FTE) staffing for the proposed services, as illustrated in the following table.

	1 st FFY (CY2027)	2 nd FFY (CY2028)	3 rd FFY (CY2029)
Patient Care Team Manager Homecare (RN)	1.0	1.8	2.0
Registered Nurses Homecare	3.6	6.2	8.0
Certified Nurse Aides / Nursing Assistants Home Care	4.9	8.5	10.9
Social worker	1.9	2.8	3.3
Chaplain	1.0	2.0	2.3
Patient Care Team Secretary	1.0	1.8	2.0
Physician	0.0	0.8	1.0
On-call	0.8	1.4	1.8
Dietician (Contracted)	0.5	0.5	0.5
Therapists (Contracted)	0.5	0.5	0.5
Registered Nurses Continuous Care*	0.0	0.0	0.0
Licensed Practical Nurses Continuous Care	1.2	3.5	4.5
Certified Nurse Aides / Nursing Assistants Continuous Care	0.4	1.3	1.6
Continuous Care Coordinator	0.2	0.3	0.3
General Manager	1.0	1.0	1.0
Business Manager	1.0	1.0	1.0
Director of Nursing (Patient Care Admin. RN)	1.0	1.0	1.0
Medical Director	1.0	1.0	1.0
Performance Improvement Specialist	0.3	0.3	0.2
Volunteer/Bereavement Coordinator	0.0	1.0	1.0
Secretary	1.0	1.0	1.0
Director of Admissions (RN)	1.0	1.0	1.0
Admissions Registered Nurse	0.0	1.0	1.0
Director of Market Development (Client Services Manager)	1.0	1.0	1.0
Hospice Representative	1.0	1.0	1.0
Admissions Coordinator (Scheduler)	0.2	0.2	0.2
Total**	25.5	42.0	49.1

*Shows "0.0" due to rounding.

**Will be slightly higher for each of the three project years due to registered nursing continuous care for which the exact number of FTE's was not provided due to rounding.

The assumptions and methodology used to project staffing are provided both before and following Form O in Section Q. Adequate operating expenses for the health manpower and management positions proposed by the applicant are budgeted in Form F.3b. In Section H, pages 154-162, the applicant describes the methods it will use to recruit or fill new positions and its existing training and continuing education programs. Supporting documentation is provided in Exhibits A.6-4, B.2-4, H.2, H.3-1, H.3-2 and H.3-3.

The applicant adequately demonstrates the availability of sufficient health manpower and management personnel to provide the proposed services because it is based on the applicant's staffing ratios adjusted to expected patient needs.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application
- Written comments
- Remarks made at the public hearing
- Responses to comments
- Information publicly available during the review and used by the Agency

Based on that review, the Agency concludes that the application is conforming to this criterion for all the reasons described above.

Project ID #M-12594-25/Well Care/Develop a Hospice Home Care Office
The applicant proposes to develop a new hospice home care office in Cumberland County.

In Section Q, Form H, the applicant provides projected full-time equivalent (FTE) staffing for the proposed services, as illustrated in the following table.

Well Care – Projected FTEs			
	1st FFY (FY 2027)	2nd FFY (FY 2028)	3rd FFY (FY 2029)
Director of Operations	1.00	1.00	1.00
Clinical Manager/Director	0.50	1.00	1.00
Office/Support	1.00	2.00	2.00
Marketing/Business Development	1.00	1.25	2.00
Medical Director	0.41	0.61	1.00
Clergy/Bereavement	0.66	0.98	1.60
Social Worker	1.32	1.96	3.20
Volunteer Coordinator/Bereavement Counselor	0.26	0.39	0.64
Registered Nurses	3.31	4.90	8.00
Aides	3.31	4.90	8.00
Total	12.77	18.99	28.44

The assumptions and methodology used to project staffing salaries are provided both before and following Form O in Section Q. Adequate operating expenses for the health manpower and management positions proposed by the applicant are budgeted in Form F.3b. In Section H, pages 91-95, the applicant describes the methods it will use to recruit or fill new positions and its existing training and continuing education programs. Supporting documentation is provided in Exhibit H.3.

The applicant adequately demonstrates the availability of sufficient health manpower and management personnel to provide the proposed services, based on the following:

- The applicant states it projects its staffing based on its hospice experience.
- Projected staffing levels are based on the applicant's projected hospice utilization and the projected average caseload.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application
- Written comments
- Remarks made at the public hearing
- Responses to comments
- Information publicly available during the review and used by the Agency

Based on that review, the Agency concludes that the application is conforming to this criterion for all the reasons described above.

- (8) The applicant shall demonstrate that the provider of the proposed services will make available, or otherwise make arrangements for, the provision of the necessary ancillary and support services. The applicant shall also demonstrate that the proposed service will be coordinated with the existing health care system.

C

All Applications

Project ID #M-12590-25/VIA Health/Develop a Hospice Home Care Office

The applicant proposes to develop a new hospice home care office in Cumberland County.

Ancillary and Support Services

In Section I, page 105, the applicant identifies the necessary ancillary and support services for the proposed services. On pages 105-106, the applicant explains how each ancillary and support service is or will be made available and provides supporting documentation in Exhibits I.1.1 and I.1.2. The applicant adequately demonstrates that the necessary ancillary and support services will be made available based on the following:

- The applicant provides details as to whether the ancillary and support services identified will be provided by staff or through outside contractual arrangements.
- In Exhibit I.1.2, the applicant provides letters regarding the provision of pharmacy, medical supplies, durable medical equipment and dietary services.

Coordination

In Section I, page 106, the applicant describes its efforts to develop relationships with other local health care and social service providers and provides supporting documentation in Exhibits I.2.1 and I.2.2. The applicant adequately demonstrates that the proposed services will be coordinated with the existing health care system based on the following:

- The applicant has provided hospice services in the central piedmont region of North Carolina for fifty years and thus has long-standing relationships with health care providers, regional hospitals and physicians.
- In Exhibit I.2.1 the applicant provided a log of the contacts it has made regarding the proposed project as well as letters of support from community members and health care providers.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application
- Written comments
- Remarks made at the public hearing
- Responses to comments
- Information publicly available during the review and used by the Agency

Based on that review, the Agency concludes that the application is conforming to this criterion for all the reasons described above.

Project ID #M-12592-25/VITAS/Develop a Hospice Home Care Office

The applicant proposes to develop a new hospice home care office in Cumberland County.

Ancillary and Support Services

In Section I, page 163, the applicant identifies the necessary ancillary and support services for the proposed services. In Section I, pages 163, the applicant explains how each ancillary and support service will be made available and provides supporting documentation in Exhibit I.1. The applicant adequately demonstrates that the necessary ancillary and support services will be made available based on the following:

- In Exhibit I.1, the applicant provided a letter dated January 29, 2025, from the Chairman and Chief Executive Officer of VITAS Healthcare Corporation confirming the availability of ancillary, support and administrative services.

Coordination

In Section B, and Section I, page 164, the applicant describes its efforts to develop relationships with other local health care and social service providers. The applicant adequately demonstrates that the proposed services will be coordinated with the existing health care system based on the following:

- The applicant states that *“VITAS representatives spend [sic] collectively 44 days in the market between December 2024 and January 2025 meeting with numerous individuals representing hospitals, nursing facility, adult care homes, retirement/independent*

living communities, physicians, educational institutions, veterans' organizations, local businesses and organizations as well as local and state level politicians. VITAS representatives also met with a representative of the Lumbee Tribe. Through these meetings, VITAS learned specific information about the needs of the various diverse communities within the service area and identified underserved populations as well as gaps in the care provided by the existing hospice providers serving the area. Please see additional discussion of VITAS' local efforts in Section B of this application."

- In Exhibit B.2-4, the applicant provides letters of support from local health care providers, social service providers and leaders of the community documenting their support for the proposed project.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application
- Written comments
- Remarks made at the public hearing
- Responses to comments
- Information publicly available during the review and used by the Agency

Based on that review, the Agency concludes that the application is conforming to this criterion for all the reasons described above.

Project ID #M-12594-25/Well Care/Develop a Hospice Home Care Office

The applicant proposes to develop a new hospice home care office in Cumberland County.

Ancillary and Support Services

In Section I, page 96, the applicant identifies the necessary ancillary and support services for the proposed services. In Section I, pages 96-97, the applicant explains how each ancillary and support service will be made available and provides supporting documentation in Exhibit I.1. The applicant adequately demonstrates that the necessary ancillary and support services will be made available based on the following:

- The applicant currently provides home health services to residents of southeastern North Carolina via its Medicare-Certified home health agencies in New Hanover and Wake counties and has experience with the provision of necessary ancillary and support services.
- In Exhibit I.1, the applicant provides letters from potential providers of ancillary and support services that support the project and also offer to provide ancillary and support services to the applicant.

Coordination

In Section I, page 97, the applicant describes Well Care's existing relationships with other local health care and social service providers and provides supporting documentation in Exhibit I.2. The applicant adequately demonstrates that the proposed services will be coordinated with the existing health care system based on the following:

- The applicant currently provides home health services to residents of southeastern North Carolina via its Medicare-Certified home health agencies in New Hanover and Wake counties and has established relationships with potential referral sources and local healthcare providers such as discharge planners at area hospitals, assisted living facilities, skilled nursing facilities and social service departments. The applicant states it will leverage these relationships and will notify and educate additional referral sources in Cumberland County.
- In Exhibit I.2, the applicant provides letters of support from local health care and social service providers documenting their support for Well Care and the proposed project.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application
- Written comments
- Remarks made at the public hearing
- Responses to comments
- Information publicly available during the review and used by the Agency

Based on that review, the Agency concludes that the application is conforming to this criterion for all the reasons described above.

- (9) An applicant proposing to provide a substantial portion of the project's services to individuals not residing in the health service area in which the project is located, or in adjacent health service areas, shall document the special needs and circumstances that warrant service to these individuals.

NA

None of the applicants project to provide the proposed services to a substantial number of persons residing in Health Service Areas (HSAs) that are not adjacent to the HSA in which the services will be offered. Furthermore, none of the applicants project to provide the proposed services to a substantial number of persons residing in other states that are not adjacent to the North Carolina county in which the services will be offered. Therefore, Criterion (9) is not applicable to this review.

- (10) When applicable, the applicant shall show that the special needs of health maintenance organizations will be fulfilled by the project. Specifically, the applicant shall show that the

project accommodates: (a) The needs of enrolled members and reasonably anticipated new members of the HMO for the health service to be provided by the organization; and (b) The availability of new health services from non-HMO providers or other HMOs in a reasonable and cost-effective manner which is consistent with the basic method of operation of the HMO. In assessing the availability of these health services from these providers, the applicant shall consider only whether the services from these providers:

- (i) would be available under a contract of at least 5 years duration;
- (ii) would be available and conveniently accessible through physicians and other health professionals associated with the HMO;
- (iii) would cost no more than if the services were provided by the HMO; and
- (iv) would be available in a manner which is administratively feasible to the HMO.

NA

None of the applicants are an HMO. Therefore, Criterion (10) is not applicable to this review.

- (11) Repealed effective July 1, 1987.
- (12) Applications involving construction shall demonstrate that the cost, design, and means of construction proposed represent the most reasonable alternative, and that the construction project will not unduly increase the costs of providing health services by the person proposing the construction project or the costs and charges to the public of providing health services by other persons, and that applicable energy saving features have been incorporated into the construction plans.

NA

All Applications

All Applications-Each of the applicants propose to develop a new hospice home care office in Cumberland County.

None of the applicants propose to construct any new space or make more than minor renovations to existing space. Therefore, Criterion (12) is not applicable to this review.

- (13) The applicant shall demonstrate the contribution of the proposed service in meeting the health-related needs of the elderly and of members of medically underserved groups, such as medically indigent or low income persons, Medicaid and Medicare recipients, racial and ethnic minorities, women, and ... persons [with disabilities], which have traditionally experienced difficulties in obtaining equal access to the proposed services, particularly those needs identified in the State Health Plan as deserving of priority. For the purpose of determining the extent to which the proposed service will be accessible, the applicant shall show:
 - (a) The extent to which medically underserved populations currently use the applicant's existing services in comparison to the percentage of the population in the applicant's service area which is medically underserved;

NA
All Applications

None of the applications involve an existing service in Cumberland County. Therefore, Criterion (13a) is not applicable to this review.

- (b) Its past performance in meeting its obligation, if any, under any applicable regulations requiring provision of uncompensated care, community service, or access by minorities and persons with disabilities to programs receiving federal assistance, including the existence of any civil rights access complaints against the applicant;

NA
All Applications

None of the applications involve an existing service in Cumberland County. Therefore, Criterion (13b) is not applicable to this review.

- (c) That the elderly and the medically underserved groups identified in this subdivision will be served by the applicant's proposed services and the extent to which each of these groups is expected to utilize the proposed services; and

C
All Applications

Project ID #M-12590-25/ VIA Health/Develop a Hospice Home Care Office

The applicant proposes to develop a new hospice home care office in Cumberland County.

In Section L, page 121, the applicant projects the following payor mix for the proposed services during the third full fiscal year [10/1/2028–9/30/2029] of operation following completion of the project, as shown in the table below.

Payor Category	% of Total Patients Served
Self-Pay	1.3%
Medicare*	88.9%
Medicaid*	6.6%
Insurance*	3.2%
Total	100.0%

Source: Table on page 121 of the application.

*Including any managed care plans.

As shown in the table above, during the third full fiscal year of operation, the applicant projects that 1.3% of total services will be provided to self-pay patients, 88.9% to Medicare patients and 6.6% to Medicaid patients.

On pages 119-120 and 122, the applicant provides the assumptions and methodology used to project payor mix during the third full fiscal of operation following completion of the project. The projected payor mix is reasonable and adequately supported based on the following:

- The FY2017 combined payor mix experience of the existing Cumberland County based agencies.
- The applicant relies on its own hospice experience in that hospice patient mix remains fairly consistent over the years.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application
- Written comments
- Remarks made at the public hearing
- Responses to comments

Based on that review, the Agency concludes that the application is conforming to this criterion based on the reasons stated above.

Project ID #M-12592-25/VITAS/Develop a Hospice Home Care Office

The applicant proposes to develop a new hospice home care office in Cumberland County.

In Section L, page 172, the applicant projects the following payor mix for the proposed services during the third full fiscal year [CY2029] of operation following completion of the project, as shown in the table below.

Payor Category	% of Total Patients Served
Self-Pay	0.1%
Charity Care	0.8%
Medicare*	94.3%
Medicaid*	2.4%
Insurance*	2.5%
Total	100.0%

Source: Table on page 172 of the application.

*Including any managed care plans.

As shown in the table above, during the third full fiscal year of operation, the applicant projects that 0.1% of total services will be provided to self-pay patients, 94.3% to Medicare patients and 2.4% to Medicaid patients.

In Section Q, Assumptions for Form F.2b and Form F.6, the applicant provides the assumptions and methodology used to project payor mix during the third full fiscal of operation following completion of the project. The projected payor mix is reasonable and adequately supported based on the following:

- The applicant considered the reported average for the existing hospice care providers serving the proposed service area from 2024 LRA data.
- The projected patient days by payor mix were also compared to the experience of VITAS for its Pensacola program (Florida) which it determined to be reasonably similar to the experience of providers serving the proposed service area.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application
- Written comments
- Remarks made at the public hearing
- Responses to comments

Based on that review, the Agency concludes that the application is conforming to this criterion based on the reasons stated above.

Project ID #M-12594-25/Well Care/Develop a Hospice Home Care Office

The applicant proposes to develop a new hospice home care office in Cumberland County.

In Section L, page 107, the applicant projects the following payor mix for the proposed services during the third full fiscal year [10/1/2028–9/30/2029] of operation following completion of the project, as shown in the table below.

Payor Category	% of Total Patients Served
Self-Pay/Charity Care	2.0%
Medicare*	90.0%
Medicaid*	7.0%
Insurance*	1.0%
Total	100.0%

Source: Table on page 107 of the application.

*Including any managed care plans.

As shown in the table above, during the third full fiscal year of operation, the applicant projects that 2.0% of total services will be provided to self-pay/charity care patients, 90.0% to Medicare patients and 7.0% to Medicaid patients.

In Section L, pages 107-108, the applicant provides the assumptions and methodology used to project payor mix during the third full fiscal of operation following completion of the project. The projected payor mix is reasonable and adequately supported based on the following:

- The applicant relies on its historical experience with its existing home care experience in Cumberland County.
- Well Care's overall enterprise experience for hospice and home health services throughout North Carolina.
- Well Care's review of demographic information for the service area (described previously in Section C), and
- Well Care's assessment of the local need for access to hospice services, particularly as it relates to medically underserved patients.
- Review of Medicaid data.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application
- Written comments
- Remarks made at the public hearing
- Responses to comments

Based on that review, the Agency concludes that the application is conforming to this criterion based on the reasons stated above.

- (d) That the applicant offers a range of means by which a person will have access to its services. Examples of a range of means are outpatient services, admission by house staff, and admission by personal physicians.

C

All Applications

Project ID #M-12590-25/VIA Health/Develop a Hospice Home Care Office

The applicant proposes to develop a new hospice home care office in Cumberland County.

In Section L.5, page 123, the applicant adequately describes the range of means by which patients will have access to the proposed services.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application
- Written comments
- Remarks made at the public hearing
- Responses to comments

Based on that review, the Agency concludes that the application is conforming to this criterion.

Project ID #M-12592-25/VITAS/Develop a Hospice Home Care Office

The applicant proposes to develop a new hospice home care office in Cumberland County.

In Section L.5, page 174, the applicant adequately describes the range of means by which patients will have access to the proposed services.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application
- Written comments
- Remarks made at the public hearing
- Responses to comments

Based on that review, the Agency concludes that the application is conforming to this criterion.

Project ID #M-12594-25/Well Care/Develop a Hospice Home Care Office

The applicant proposes to develop a new hospice home care office in Cumberland County.

In Section L.5, page 110, the applicant adequately describes the range of means by which patients will have access to the proposed services.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application
- Written comments
- Remarks made at the public hearing

- Responses to comments

Based on that review, the Agency concludes that the application is conforming to this criterion.

- (14) The applicant shall demonstrate that the proposed health services accommodate the clinical needs of health professional training programs in the area, as applicable.

C All Applications

Project ID #M-12590-25/VIA Health/Develop a Hospice Home Care Office

The applicant proposes to develop a new hospice home care office in Cumberland County.

In Section M, page 124, the applicant describes the extent to which health professional training programs in the area will have access to the facility for training purposes and provides supporting documentation in Exhibit M.2. The applicant adequately demonstrates that health professional training programs in the area will have access to the facility for training purposes based on the following:

- In Exhibit M.2, the applicant provides a letter to the health training program at Fayetteville Technical Community College offering to establish a clinical affiliation agreement with the nursing and allied health programs.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application
- Written comments
- Remarks made at the public hearing
- Responses to comments

Based on that review, the Agency concludes that the application is conforming to this criterion for all the reasons described above.

Project ID #M-12592-25/VITAS/Develop a Hospice Home Care Office

The applicant proposes to develop a new hospice home care office in Cumberland County.

In Section M, page 176-181, the applicant describes the extent to which health professional training programs in the area will have access to the facility for training purposes and provides supporting documentation in Exhibits B.2-4 and M.2-1. The applicant adequately demonstrates that health professional training programs in the area will have access to the facility for training purposes based on the following:

- The applicant, on page 176, identifies thirteen local colleges and training facilities with which it will seek affiliation and/or collaborative efforts to support clinical education.
- Exhibit M.2-1 contains a detailed outline of the applicants “Goals of Care Preceptorship and Certification Program” which the applicant states will be offered to key members of the community.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application
- Written comments
- Remarks made at the public hearing
- Responses to comments

Based on that review, the Agency concludes that the application is conforming to this criterion for all the reasons described above.

Project ID #M-12594-25/Well Care/Develop a Hospice Home Care Office

The applicant proposes to develop a new hospice home care office in Cumberland County.

In Section M, page 111, the applicant describes the extent to which health professional training programs in the area will have access to the facility for training purposes and provides supporting documentation in Exhibit M.1. The applicant adequately demonstrates that health professional training programs in the area will have access to the facility for training purposes based on the following:

- The applicant states that health professional training programs in the area will have access to Well Care for training and clinical training rotations and that Well Care already has existing relationships with health professional training programs in North Carolina via its home health agencies and Well Care Hospice will be incorporated into these existing relationships as appropriate.
- The applicant states that it has contacted several area colleges and universities to discuss its plan to develop a new hospice home care office in Cumberland County. In Exhibit M.1, the applicant provides a letter from UNC Wilmington College of Health and Human Services offering support for the proposed project and discussing plans for expanding the existing clinical training agreement to include the proposed new hospice home care agency in Cumberland County.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application

- Written comments
- Remarks made at the public hearing
- Responses to comments

Based on that review, the Agency concludes that the application is conforming to this criterion for all the reasons described above.

- (15) Repealed effective July 1, 1987.
- (16) Repealed effective July 1, 1987.
- (17) Repealed effective July 1, 1987.
- (18) Repealed effective July 1, 1987.

- (18a) The applicant shall demonstrate the expected effects of the proposed services on competition in the proposed service area, including how any enhanced competition will have a positive impact upon the cost effectiveness, quality, and access to the services proposed; and in the case of applications for services where competition between providers will not have a favorable impact on cost-effectiveness, quality, and access to the services proposed, the applicant shall demonstrate that its application is for a service on which competition will not have a favorable impact.

C **All Applications**

On page 259, the 2025 SMFP defines the service area for a hospice office as “*the county in which the hospice office is located. Each of the 100 counties in the state is a separate hospice office service area.*” Thus, the service area for this facility consists of Cumberland County. Facilities may also serve residents of counties not included in their service area.

See the following table, which illustrates the existing hospice home care offices in Cumberland County as reflected in Table 13A: *Inventory of Licensed Hospice Agencies*, page 267 of the 2025 SMFP:

License #	Facility Name	Admissions	Days of Care	Deaths
HC1331	Community Home Care and Hospice	232	37,214	186
HOS2004	Liberty Home Care and Hospice	156	7,795	113
HOS3272	Cardinal Hospice Care	0	0	0
HOS4746	PruittHealth Hospice - Fayetteville	155	17,310	121
HOS4799	Cape Fear Valley Hospice and Palliative Care	387	20,359	321
HOS5147	3HC	81	12,262	62
HOS5285	BAYADA Hospice	141	13,258	85
HOS6836	HealthKeeperz	102	17,276	115
Totals		1,254	125,474	1,003

Project ID #M-12590-25/VIA Health/Develop a Hospice Home Care Office

The applicant proposes to develop a new hospice home care office in Cumberland County.

Regarding the expected effects of the proposal on competition in the service area, in Section N, page 125, the applicant states:

“The proposed project will promote cost-effective, high-quality hospice home care services that will be universally accessible by local residents ... The project will promote competition in the service area because it brings an experienced, high-quality provider physically into the Cumberland County marketplace, and will thus ensure more timely access to and provision of hospice home care services for Cumberland County residents.”

Regarding the impact of the proposal on cost effectiveness, in Section N, pages 125-126, the applicant states:

“HPCCR will provide cost effective hospice services by providing hospice and palliative care to the patient and family in their home to the greatest extent possible, and by coordinating care in nursing facilities, assisted living facilities and hospitals. ... An increase in hospice utilization will represent a cost-effective alternative to care for terminally ill patients who currently might not seek hospice care. ... HPCCR has considerable experience in reducing unnecessary hospital admissions and readmissions by providing a complete scope of hospice services based on an individual patient's plan of care. Cost savings can also be realized because HPCCR has the existing information systems, corporate human resources, training programs, accreditation support, policies and procedures to quickly implement a new hospice office in Cumberland County. Intensive training of the hospice staff and volunteers will also enable the proposed hospice home care office to achieve cost savings through teamwork and effective communication.”

See also Sections C, F, and Q of the application and any exhibits.

Regarding the impact of the proposal on quality, in Section N, pages 126-127, the applicant states:

“ HPCCR is committed to promoting safety and quality in the delivery of health care service in Cumberland County. HPCCR will ensure that its hospice programs are in full compliance with all federal and applicable state standards. ... Each HPCCR office has an interdisciplinary team focused on the quality indicator audits and planning as described in the care coordination policy described above. HPCCR's centralized clinical support staff performs quarterly internal audits for each local program. This team performs unannounced, comprehensive surveys that include medical record review and supervised home visits. HPCCR has incorporated its quality improvement and quality assurance programs into a highly scalable, best-in- class company-wide management and operating platform. ... HPCCR is committed to obtain Medicare and Medicaid Certification as soon as possible during the initial year of operation. Consistent with existing HPCCR offices, HPCCR is committed to obtain accreditation. HPCCR's existing hospice programs have been surveyed and accredited by the Accreditation Commission for Health Care (ACHC).”

See also Sections C and O of the application and any exhibits.

Regarding the impact of the proposal on access by medically underserved groups, in Section N, pages 127-128, the applicant states:

“HPCCR will improve local access to hospice services to underserved populations through its community liaison, leadership collaboration, staff training and community outreach. HPCCR maintains a non-discrimination policy and serves all patients regardless of age, race, color, creed, national origin, disability, sex or ability to pay. ...

The proposed HPCCR hospice home care office intends to recruit volunteers that represent the diversity of Cumberland County, and to establish meaningful connections with all segments of the communities.”

See also Sections L and C of the application and any exhibits.

The applicant adequately describes the expected effects of the proposed services on competition in the service area and adequately demonstrates the proposal would have a positive impact on cost-effectiveness, quality, and access because the applicant adequately demonstrates that:

- 1) The proposal is cost effective because the applicant adequately demonstrated: a) the need the population to be served has for the proposal; b) that the proposal would not result in an unnecessary duplication of existing and approved health services; and c) that projected revenues and operating costs are reasonable.
- 2) Quality care would be provided based on the applicant’s representations about how it will ensure the quality of the proposed services and the applicant’s record of providing quality care in the past.
- 3) Medically underserved groups will have access to the proposed services based on the applicant’s representations about access by medically underserved groups and the projected payor mix.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application
- Written comments
- Remarks made at the public hearing
- Responses to comments
- Information publicly available during the review and used by the Agency (

Based on that review, the Agency concludes that the application is conforming to this criterion based on all the reasons described above.

Project ID #M-12592-25/VITAS/Develop a Hospice Home Care Office

The applicant proposes to develop a new hospice home care office in Cumberland County.

Regarding the expected effects of the proposal on competition in the service area, in Section N, page 182, the applicant states:

“VITAS does not anticipate any negative impact on competition within the proposed service area. VITAS is proposing to establish a hospice agency office in Cumberland County to address documented need outlined in the 2025 SMFP. Despite the presence of the existing providers in the area, there remains a clear quantitative need for an additional provider, which VITAS aims to meet.”

Regarding the impact of the proposal on cost effectiveness, in Section N, page 182, the applicant states:

*“VITAS’ proposed home care hospice office will enhance cost effectiveness and improve patient outcomes in the service area. By primarily providing care in patients’ homes, VITAS reduces both operational and patient costs. A report by the National Opinion Research Center (“NORC”) at the University of Chicago highlights that increased hospice utilization saves Medicare \$3.5 billion annually by preventing unnecessary hospitalization and emergency visits. See **Exhibit C.1-15** for excerpts of the report. ... By streamlining discharge planning and identifying hospice-appropriate patients, VITAS minimizes costly transitions to post-acute facilities.”*

See also Sections C, F, and Q of the application and any exhibits.

Regarding the impact of the proposal on quality, in Section N, page 183, the applicant states:

*“The proposed project will positively impact the service area by introducing a trusted provider recognized for quality, equitable, and culturally competent care. In May 2023, VITAS achieved CHAP accreditation for its Florida hospice programs and is in the process of extending this accreditation to all offices nationwide, including the one proposed in this application. See **Exhibit A.6-7** for a letter from CHAP. In January 2025, VITAS received the DAISY Health Equity Award for its commitment to compassionate, culturally competent care and addressing healthcare disparities. See **Exhibit A.6-4**.”*

See also Sections C, H, M and O of the application and any exhibits.

Regarding the impact of the proposal on access by medically underserved groups, in Section C.6, page 129 and Section N, page 183, the applicant states:

“The Applicant does not turn away patients based on their ability to pay. [page 183].”

“VITAS serves all patients regardless of gender, age, race, ethnicity, income level or payor source. As described in significant detail through Sections B and C of this application, VITAS has in place not only policies and procedures to ensure access to care for all groups but to specifically reach out to underserved communities to ensure that they have access to end-of-life care. VITAS has specifically identified underserved groups with regard to racial and ethnic minorities based on the services to these groups reported by existing providers. ... VITAS has experience as well as resources, programs, and education materials to specifically train its staff and work with community representatives to provide culturally competent care to the diverse communities within the proposed service area. As shown in Section L, VITAS projects to provide care to low-income patients including Medicaid, self-pay, and charity patients. VITAS serves a high percentage of patients aged 65 and older as the death rate for this population is higher than younger age groups. VITAS specifically ensures access to care for persons with disabilities. VITAS will serve patients with all types of payors, including Medicare and Medicaid. [page 129]”

See also Sections B, C, and L of the application and any exhibits.

The applicant adequately describes the expected effects of the proposed services on competition in the service area and adequately demonstrates the proposal would have a positive impact on cost-effectiveness, quality, and access because the applicant adequately demonstrates that:

- 1) The proposal is cost effective because the applicant adequately demonstrated: a) the need the population to be served has for the proposal; b) that the proposal would not result in an unnecessary duplication of existing and approved health services; and c) that projected revenues and operating costs are reasonable.
- 2) Quality care would be provided based on the applicant’s representations about how it will ensure the quality of the proposed services.
- 3) Medically underserved groups will have access to the proposed services based on the applicant’s representations about access by medically underserved groups and the projected payor mix.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application
- Written comments
- Remarks made at the public hearing
- Responses to comments
- Information publicly available during the review and used by the Agency (

Based on that review, the Agency concludes that the application is conforming to this criterion based on all the reasons described above.

Project ID #M-12594-25/Well Care/Develop a Hospice Home Care Office

The applicant proposes to develop a new hospice home care office in Cumberland County.

Regarding the expected effects of the proposal on competition in the service area, in Section N, page 112, the applicant states:

“The proposed project to develop a new hospice home care office in Cumberland County will have a positive impact on competition by encouraging competing agencies to offer quality, cost-effective care to those making a choice among providers. Well Care will enhance, improve, and promote competition in the service area because it will establish a new hospice home care agency in Cumberland County operated by an experienced, high-quality provider.

...

Well Care will be a new choice for residents of Cumberland County and other area Counties. ... Well Care determined that its proposed agency will result in a greater level of efficiency and access for patients, referral sources, and staff to serve its projected patient volume from Cumberland County and surrounding communities. The development of a new hospice home care agency in Cumberland County will enhance cost- effectiveness, quality, and access to hospice services...”

Regarding the impact of the proposal on cost effectiveness, in Section N, pages 112-114, the applicant states:

“This project will have a positive impact on the cost effectiveness of services, as the development of a new hospice home care office in Cumberland County will not increase the charges or projected reimbursement for these services, which are established by Medicare, Medicaid, and/or existing private payor contracts. ... Well Care Health can leverage its current staffing and experience with its Intake, Quality Assurance, Performance Improvement, Education, Finance, and other support departments to glean efficiencies and ensure operational success with the addition of hospice services in Cumberland County. ... One of Well Care’s highest priorities is reducing hospital readmissions. Well Care has implemented numerous strategies to reduce unnecessary hospitalizations and emergency room visits for home health patients and will extend those programs to the proposed hospice agency. ... Well Care’s plan to develop the proposed hospice home care agency is also cost effective because as previously described, Well Care proposes to locate the additional agency within an existing medical office building, with no construction or renovation costs.”

See also Sections C, F, and Q of the application and any exhibits.

Regarding the impact of the proposal on quality, in Section N, pages 114-115, the applicant states:

“Well Care is dedicated to ensuring quality care and patient safety through compliance with all applicable licensure and certification standards established for hospice home care agencies. Well Care will maintain the highest standards and

quality of care, consistent with the high standard that it has sustained throughout its history of providing home-based services. ... Well Care will maintain compliance with all applicable state and federal laws and regulations, and will maintain compliance with all licensure, certification, and accreditation standards... The proposed project will comply with all DHSR hospice licensure rules, and Well Care's proposed hospice home care agency will seek and obtain certification as a hospice home care agency and expects to be certified within the initial six months of operation. ... Well Care's Corporate Compliance Department is designed to provide guidance to all Well Care Health employees and contractors regarding Well Care's ongoing commitment to conduct its affairs in accordance with applicable laws, standards, and sound ethical business practices.

Well Care's relevant quality-related policies and procedures that will be utilized by WCHC are included in Exhibit O.2."

See also Sections C and O of the application and any exhibits.

Regarding the impact of the proposal on access by medically underserved groups, in Section N, page 115, the applicant states:

"Well Care will ensure that its hospice services are available to and accessible to any patient having a clinical need for such services. ... WCHC will comply with applicable Federal civil rights laws and will not discriminate based on race, color, national origin, age, disability, gender, or sexual orientation. WCHC will not exclude people or treat them differently because of race, color, national origin, age, disability, gender, or sexual orientation."

See also Sections L and C of the application and any exhibits.

The applicant adequately describes the expected effects of the proposed services on competition in the service area and adequately demonstrates the proposal would have a positive impact on cost-effectiveness, quality, and access because the applicant adequately demonstrates that:

- 1) The proposal is cost effective because the applicant adequately demonstrated: a) the need the population to be served has for the proposal; b) that the proposal would not result in an unnecessary duplication of existing and approved health services; and c) that projected revenues and operating costs are reasonable.
- 2) Quality care would be provided based on the applicant's representations about how it will ensure the quality of the proposed services and the applicant's record of providing quality care in the past.
- 3) Medically underserved groups will have access to the proposed services based on the applicant's representations about access by medically underserved groups and the projected payor mix.

Conclusion

The Agency reviewed the:

- Application
- Exhibits to the application
- Written comments
- Remarks made at the public hearing
- Responses to comments
- Information publicly available during the review and used by the Agency (

Based on that review, the Agency concludes that the application is conforming to this criterion based on all the reasons described above.

- (19) Repealed effective July 1, 1987.
- (20) An applicant already involved in the provision of health services shall provide evidence that quality care has been provided in the past.

C
VIA Health
Well Care Hospice

NA
VITAS

Project ID #M-12590-25/VIA Health/Develop a Hospice Home Care Office

The applicant proposes to develop a new hospice home care office in Cumberland County.

In Section Q, Form O, page 152, the applicant identifies the hospice home care offices located in North Carolina owned, operated, or managed by the applicant or a related entity. In Form O, the applicant identifies a total of five hospice home care offices located in North Carolina.

In Section O, page 133, the applicant states that, during the 18 months immediately preceding the submittal of the application, there were no incidents resulting in a finding of immediate jeopardy at the hospice home care office listed on Form O. According to the files in the Acute and Home Care Licensure and Certification Section, DHSR, during the 18 months immediately preceding submission of the application through the date of this decision, there were no incidents related to quality of care provided by the hospice home care offices. After reviewing and considering information provided by the applicant and by the Acute and Home Care Licensure and Certification Section and considering the quality of care provided by the hospice home care offices, there is sufficient evidence that quality care has been provided in the past. Therefore, the application is conforming to this criterion.

Project ID #M-12592-25/VITAS/Develop a Hospice Home Care Office

The applicant proposes to develop a new hospice home care office in Cumberland County.

Neither the applicant nor any related entities own, operate, or manage an existing hospice home care office located in North Carolina. Therefore, Criterion (20) is not applicable to this review.

Project ID #M-12594-25/Well Care/Develop a Hospice Home Care Office

The applicant proposes to develop a new hospice home care office in Cumberland County.

In Section Q, Form O, page 137, the applicant identifies the hospice home care offices located in North Carolina owned, operated, or managed by the applicant or a related entity. The applicant identifies a total of one of this type of facility located in North Carolina.

In Section O, page 121, the applicant states that, during the 18 months immediately preceding the submittal of the application, there were no incidents resulting in a finding of immediate jeopardy for the services provided by the hospice home care office listed on Form O. According to the files in the Acute and Home Care Licensure and Certification Section, DHSR, during the 18 months immediately preceding submission of the application through the date of this decision, there were no incidents related to quality of care for services provided by the hospice home care office. After reviewing and considering information provided by the applicant and by the Acute and Home Care Licensure and Certification Section and considering the quality of care provided by the one identified hospice home care office, there is sufficient evidence that quality care has been provided in the past. Therefore, the application is conforming to this criterion.

(21) Repealed effective July 1, 1987.

G.S. 131E-183(b): The Department is authorized to adopt rules for the review of particular types of applications that will be used in addition to those criteria outlined in subsection (a) of this section and may vary according to the purpose for which a particular review is being conducted or the type of health service reviewed. No such rule adopted by the Department shall require an academic medical center teaching hospital, as defined by the State Medical Facilities Plan, to demonstrate that any facility or service at another hospital is being appropriately utilized in order for that academic medical center teaching hospital to be approved for the issuance of a certificate of need to develop any similar facility or service.

NA
All Applications

There are no administrative rules applicable to the development of a new hospice home care office.

COMPARATIVE ANALYSIS

Pursuant to N.C. Gen. Stat. § 131E-183(a)(1) and the 2025 State Medical Facilities Plan, no more than one additional hospice home care office may be approved for Cumberland County in this review. Because the three applications in this review collectively propose to develop three additional hospice home care offices to be located in Cumberland County, not all of the applications can be approved. Therefore, after considering all the information in each application and reviewing each application individually against all applicable review criteria, the Project Analyst conducted a comparative analysis of the proposals to decide which proposal should be approved.

The following provides a brief description of each of the proposed projects being addressed in the comparative analysis:

- **Project ID #M-12590-25/VIA Health/Develop a Hospice Home Care Office**
The applicant proposes to develop a new hospice home care office to be located at 3400 Walsh Parkway, Fayetteville in Cumberland County.
- **Project ID #M-12592-25/VITAS/Develop a Hospice Home Care Office**
The applicant proposes to develop a new hospice home care office to be located at 3756 Sycamore Dairy Road, Suite C, Fayetteville in Cumberland County.
- **Project ID #M-12594-25/Well Care/Develop a Hospice Home Care Office**
The applicant proposes to develop a new hospice home care office to be located at 3400 Walsh Parkway, Fayetteville in Cumberland County.

Conformity with Statutory Review Criteria

The applications submitted by **VIA Health**, **VITAS** and **Well Care** are conforming to all applicable statutory review criteria. Therefore, regarding this comparative factor, all applications are equally effective alternatives.

Scope of Services

Generally, the application proposing to provide the greatest scope of services is the more effective alternative with regard to this comparative factor. With regard to scope of services, all of the applications propose to develop one hospice home care office in Cumberland County providing the same types of services. Therefore, regarding this comparative factor, all of the applications are equally effective alternatives.

Geographic Accessibility (Location within the Service Area)

The 2025 SMFP identifies the need for one hospice home care office in Cumberland County. There are currently eight hospice home care offices in Cumberland County and all of them are located in Fayetteville. Each of the applications proposes to develop one new hospice home care office in Fayetteville, Cumberland County.

Since a hospice home care office serves patients in their homes or in an inpatient setting and patients and staff can reside anywhere in the county, the geographic location of the hospice home care office is not a determinative factor. Therefore, the applications are all equally effective alternatives with respect to this comparative.

Competition (Access to a New or Alternate Provider):

Generally, the introduction of a new provider in the service area would be the more effective alternative based on the assumption that increased patient choice would encourage all providers in the service area to improve quality or lower costs in order to compete for patients. However, the expansion of an existing provider that currently controls fewer hospice home care offices than another provider would also presumably encourage all providers in the service area to improve quality or lower costs in order to compete for patients.

In this review, none of the applicants and/or related entities have a hospice home care office located in the service area of Cumberland County; therefore, all of the applicants would qualify as new providers located in the service area. Therefore, regarding this comparative factor, all of the applications are equally effective alternatives.

Access by Service Area Residents

On page 259, the 2025 SMFP defines the service area for a hospice office as *“the county in which the hospice office is located. Each of the 100 counties in the state is a separate hospice office service area.”* The need determination is for a hospice home care office in Cumberland County; thus, the service area is Cumberland County. Hospice home care offices may also serve residents of counties not included in their service area. Generally, the application projecting the highest number of new service area residents to be served is the more effective alternative based on the assumption that residents of a service area should be able to derive a benefit from a need determination for an additional hospice home care office in the service area where they live.

The following table illustrates access by service area residents during the third full fiscal year following project completion.

Applicant	Total # of New (Unservd) Cumberland County Residents to be Served
VIA Health	150
VITAS	307
Well Care	121

As shown in the table above, **VITAS** projects to serve the highest total number of Cumberland County residents. Therefore, **VITAS** is the more effective alternative with respect to this comparative factor.

Access by Underserved Groups

Underserved groups are defined in G.S. 131E-183(a)(13) as follows:

“Medically underserved groups, such as medically indigent or low-income persons, Medicaid and Medicare recipients, racial and ethnic minorities, women, and handicapped persons, which have traditionally experienced difficulties in obtaining equal access to the proposed services, particularly those needs identified in the State Health Plan as deserving of priority.”

Projected Medicaid

The following table shows each hospice home care office’s percentage of gross revenue (charges) projected to be provided to Medicaid patients in the third full year of operation following completion of their projects.

Generally, the application proposing to provide the highest percentage of Medicaid gross revenue as a percentage of total gross revenue is the more effective alternative with regard to this comparative factor.

APPLICANT	Projected Total Gross Medicaid	Gross Revenue	Medicaid Percent of Total Gross Revenue
VIA Health	\$276,723	\$3,876,537	7.14%
VITAS	\$166,449	\$7,414,944	2.24%
Well Care	\$392,772	\$5,629,532	6.98%

Based on the table above, **VIA Health** projects the highest percentage of Medicaid gross revenue as a percentage of total gross revenue and therefore is the more effective alternative with respect to this comparative factor.

Projected Medicare

The following table shows each hospice home care office’s percentage of gross revenue (charges) projected to be provided to Medicare patients in the third full year of operation following completion of their projects. Generally, the application proposing to provide the highest percentage of Medicare gross revenue as a percentage of total gross revenue is the more effective alternative with regard to this comparative factor.

	Projected Total Gross Medicare	Gross Revenue	Medicare Percent of Total Gross Revenue
VIA Health	\$3,424,436	\$3,876,537	88.34%
VITAS	\$6,972,001	\$7,414,944	94.03%
Well Care	\$5,035,125	\$5,629,532	89.44%

Based on the table above, **VITAS** projects to have the highest percentage of Medicare gross revenue as a percentage of total gross revenue and therefore is the more effective alternative with respect to this comparative factor.

Projected Average Net Revenue per Patient

The following table shows the projected average net revenue per patient in the third full fiscal year following project completion for each hospice home care office. Generally, the application projecting the lowest average net revenue per patient is the more effective alternative with regard to this comparative factor to the extent the average reflects a lower cost to the patient or third-party payor.

	Net Revenue	# of Total Patients Served	Net Revenue/Patient
VIA Health	\$2,674,887	287	\$9,320
VITAS	\$7,146,166	371	\$19,262
Well Care***	\$5,240,509	403	\$13,004

As shown in the table above, **VIA Health** projects the lowest average net revenue per patient in the third operating year. Therefore, the application submitted by **VIA Health** is the more effective application with respect to this comparative factor.

Net Revenue per Day of Care in Project Year 3

The following table shows the projected average net revenue per day of care in the third full fiscal year following project completion for each hospice home care office. Generally, the application projecting the lowest average net revenue per day of care is the more effective alternative with regard to this comparative factor to the extent the average reflects a lower cost to the patient or third-party payor.

Net Revenue Per Day of Care: 3rd Project Year

	Days of Care	Net Revenue	Net Revenue per Day of Care
VIA Health	19,059	\$2,674,887	\$140
VITAS	31,200	\$7,146,166	\$229
Well Care	29,203	\$5,240,509	\$179

As shown in the table above, **VIA Health** projects the lowest net revenue per patient day of care in the third operating year. Therefore, **VIA Health** is the more effective application with respect to this comparative factor.

Projected Average Operating Expense per Patient

The following table shows the projected average operating expense per patient in the third full fiscal year following project completion for each hospice home care office. Generally, the application projecting the lowest average operating expense per patient is the more effective alternative with regard to this comparative factor to the extent it reflects a more cost-effective service which could also result in lower costs to the patient or third-party payor.

Operating Expense per New (Unduplicated) Admission Third Full Fiscal Year

	Operating Expense	# of Unduplicated Admissions	Operating Expense/ Patients Served
VIA Health	\$2,583,072	242	\$10,674
VITAS	\$7,114,770	371	\$19,177
Well Care	\$3,809,155	312	\$12,209

As shown in the table above, **VIA Health** projects the lowest average operating expense per unduplicated admission in the third operating year. Therefore, the application submitted by **VIA Health** is the more effective application with respect to this comparative factor.

Projected Cost per Day of Care in Project Year 3

Generally, the application proposing the lowest cost per day of care is the more effective alternative with regard to cost per day of care to the extent it reflects a more cost-effective service which could also result in lower costs to the patient or third-party payor. The following table illustrates each application's projected cost per day of care in the third full fiscal year following project completion.

Projected Cost Per Day of Care: 3rd Project Year

	Days of Care	Operating Expense (Cost)	Expense (Cost) per Day of Care
VIA Health	19,059	\$2,583,072	\$136
VITAS	31,200	\$7,114,770	\$228
Well Care	29,203	\$3,809,155	\$130

As shown in the table above, **Well Care** projects the lowest cost per patient day of care in the third operating year. Therefore, the application with the lowest cost per patient day of care, **Well Care**, is the more effective application with respect to this comparative factor.

Salaries for Key Direct Care Staff: RN, CNA/Aides, Social Worker

In recruitment and retention of personnel, salaries are a significant factor. The applicants provide the following information in Section Q, Form H.2. The Project Analyst compared the proposed salaries for these key direct-care staff for the third full fiscal year following project completion, as shown below in the table. Generally, the application proposing the highest annual salary is the more effective alternative with regard to this comparative factor.

	Registered Nurse*	CNA/Aides	Social Worker
VIA Health	\$90,696	\$40,977	\$65,564
VITAS	\$93,154	\$37,477**	\$87,215
Well Care	\$97,277	\$46,362	\$80,111

*Includes salaries for FTEs only.

**Salary for CNA/Nursing Assistants homecare only. CNA/Nursing Assistants for continuous care salary is \$40,670.

As shown in the table above, **Well Care** projects the highest annual salaries in the third operating year for registered nurses and certified nursing assistants/aides. **VITAS** projects the highest annual salary for social workers.

Therefore, with regard to salaries of key direct care staff, the application submitted by **Well Care** is the more effective alternative with respect to this comparative factor.

SUMMARY

The following table lists the comparative factors and indicates whether each application was more effective, less effective or equally effective for each factor. The comparative factors are listed in the same order they are discussed in the Comparative Analysis, which should not be construed to indicate an order of importance.

Comparative Factor	VIA Health	VITAS	Well Care
Conformity with Statutory Review Criteria	Yes	Yes	Yes
Scope of Services	Equally Effective	Equally Effective	Equally Effective
Geographic Accessibility	Equally Effective	Equally Effective	Equally Effective
Competition (Access to New or Alternative Provider)	Equally Effective	Equally Effective	Equally Effective
Access by Service Area Residents	Less Effective	More Effective	Less Effective
Medicaid	More Effective	Less Effective	Less Effective
Medicare	Less Effective	More Effective	Less Effective
Average Net Revenue per Patient	More Effective	Less Effective	Less Effective
Net Revenue per Day of Care	More Effective	Less Effective	Less Effective
Average Operating Expense per Patient	More Effective	Less Effective	Less Effective
Cost per Day of Care	Less Effective	Less Effective	More Effective
Salaries for Key Direct Care Staff	Less Effective	Less Effective	More Effective

All of the applications are conforming to all applicable statutory review criteria, and thus approvable standing alone. Together, the three applications propose a total of three hospice home care offices. However, the need determination in the 2025 SMFP is for only one hospice home care office. Therefore, only one hospice home care office can be approved.

As shown in the table above, **VIA Health** was determined to be the more effective alternative for the following four comparative factors:

- Medicaid
- Average Net Revenue per Patient
- Net Revenue per Day of Care
- Average Operating Expense per Patient

As shown in the table above, **VITAS** was determined to be the more effective alternative for the following three comparative factors:

- Access by Service Area Residents
- Medicare

As shown in the table above, **Well Care** was determined to be the more effective alternative for the following comparative factors:

- Cost per Day of Care
- Direct Care Salaries

DECISION

Each application is individually conforming to the need determination in the 2025 SMFP for one hospice home care office in Cumberland County. However, G.S. 131E-183(a)(1) states that the need determination in the SMFP is the determinative limit on the number of hospice home care offices that can be approved by the Healthcare Planning and Certificate of Need Section.

Based upon the independent review of each application and the Comparative Analysis, the Agency determined that the application submitted by **VIA Health (Project ID# M-12590-25)** is the more effective alternative proposed in this review for the development of one hospice home care office and is approved.

While the applications submitted by **VITAS** and **Well Care** are approvable standing alone, the approval of all three applications would result in the approval of more hospice home care offices than are determined to be needed, and therefore, the applications submitted by **VITAS (Project ID# M-12592-25)** and **Well Care (Project ID# M-12594-25)**, are denied.

The application submitted by **VIA Health**, Project ID# M-12590-25, is approved subject to the following conditions:

1. **Hospice & Palliative Care Charlotte Region (hereinafter certificate holder) shall materially comply with all representations made in the certificate of need application.**
2. **The certificate holder shall develop one new hospice home care office, VIA Health Partners-Cumberland County, in Cumberland County pursuant to the 2025 SMFP need determination.**
3. **Upon completion of the project, the certificate holder shall be licensed for no more than one hospice home care office in Cumberland County.**
4. **Progress Reports:**
 - a. **Pursuant to G.S. 131E-189(a), the certificate holder shall submit periodic reports on the progress being made to develop the project consistent with the timetable and representations made in the application on the Progress Report form provided by the Healthcare Planning and Certificate of Need Section. The form is available online at: <https://info.ncdhhs.gov/dhsr/coneed/progressreport.html>.**
 - b. **The certificate holder shall complete all sections of the Progress Report form.**
 - c. **The certificate holder shall describe in detail all steps taken to develop the project since the last progress report and should include documentation to substantiate each step taken as available.**
 - d. **The first progress report shall be due on February 1, 2026.**
5. **The certificate holder shall not acquire as part of this project any equipment that is not included in the project's proposed capital expenditures in Section Q of the application and that would otherwise require a certificate of need.**

- 6. The certificate holder shall develop and implement strategies to provide culturally competent services to members of its defined medically underserved community that are consistent with representations made in the certificate of need application.**
- 7. The certificate holder shall acknowledge acceptance of and agree to comply with all conditions stated herein to the Agency in writing prior to issuance of the certificate of need.**