

## **AGENCY REPORT:**

### **Proposed 2010 Plan**

- Notes related to Petition Inpatient Hospice-1 from Palliative CareCenter & Hospice of Catawba Valley, Inc.
- Notes related to Petition Inpatient Hospice-2 from Community CarePartners, Inc.
- Notes related to Petition Inpatient Hospice-3 from Hospice House Foundation of WNC, Inc.

## **REQUEST**

**Petition Inpatient Hospice-1:** Palliative CareCenter & Hospice of Catawba Valley, Inc. submitted a petition for three hospice inpatient beds in Alexander County.

**Petition Inpatient Hospice-2:** Community CarePartners, Inc. submitted a petition for five additional hospice inpatient beds in Buncombe County.

**Petition Inpatient Hospice-3:** Hospice House Foundation of WNC, Inc. submitted a petition for six inpatient hospice beds in Macon County.

## **BACKGROUND INFORMATION**

In 2008, based on the recommendation of its Long-Term and Behavioral Health Committee, the State Health Coordinating Council authorized the formation of a Hospice Methodologies Task Force to make recommendations for the Proposed 2010 State Medical Facilities Plan. An 11-member Task Force was formed and met four times. The Task Force presented its recommendations to the Long-Term and Behavioral Health Committee. The Committee accepted the recommendations which were subsequently approved by the Council for inclusion in the Proposed 2010 Plan.

The hospice inpatient bed methodology has been modified to utilize projected hospice days of care calculated by multiplying projected hospice admissions by the lower of the statewide median average length of stay or the actual average length of stay for each county. This selection reduces the inclusion of days of care that may not be appropriate for an inpatient facility. Projected hospice admissions are determined by the application of the two year trailing average growth rate in the number of admissions served to current admissions. Inpatient days as a percent of total days of care are determined to be approximately six percent based on statewide inpatient days as a percent of total days of care.

The hospice inpatient methodology projects inpatient beds based on 85% occupancy; and, adjusts projected beds for occupancy rates of existing facilities that are not at 85% occupancy.

The Plan makes single county determinations when the County deficit is six or more beds based on the Standard Methodology. Application of the methodology resulted in need determinations in Randolph and Sampson counties for six beds each. In addition, due to no CON applications being filed for the need determination for Craven County identified in the 2009 Plan, there would be a seven bed need determination for Craven county.

## **Inventory Overview**

Based on information published in the Proposed 2010 Plan, there were 29 hospice inpatient facilities (comprising 248 beds) in 27 of the state's 100 counties. In addition to licensed beds in existing facilities, 21 counties have beds that are CON approved and are yet to be licensed. Of the 21 counties, 11 are counties that did not have licensed beds already in the county.

It has been demonstrated in prior years that counties with inpatient and/or residential beds have higher percentage of deaths served by Hospice than the state median.

Further, as indicated in the following discussion regarding need determinations in plans prior to the Proposed 2010 Plan, several counties may be issued Certificates of Need to develop hospice inpatient beds in the future. They are: Alamance (6), Cabarrus (8), Catawba (6), Haywood (6), Scotland (2), Stokes (7), and Wake (10).

### **2002 Plan.**

The 2002 Plan was the first Plan since 1995 to contain a need determination for inpatient hospice beds. The 1995 Plan identified a need for 14 inpatient beds in Forsyth County based on the standard methodology in effect at that time.

The 2002 Plan contained single county need determinations for five counties; Cleveland, Cumberland, Gaston, Richmond and Rutherford. The need determinations for Cleveland (two beds) and Rutherford (four beds) were based on adjusted need determinations recommended by the Long-Term Care Committee in response to petitions filed by hospice agencies in these counties. Both Cleveland and Rutherford counties exceeded the state average percent of deaths served by Hospice and Hospice days of care per 1000 population. Also, the number of beds requested by the petitioners agreed with the deficits identified in the 2002 Plan. The need determinations for Cumberland, Gaston and Richmond counties were based on the Standard Methodology. No CON applications were filed for the Gaston or Richmond need determinations identified in the 2002 Plan.

### **2003 Plan**

The 2003 Plan contained single county need determinations for seven counties. The need determinations for Catawba, Forsyth, Iredell, Mecklenburg and Union counties were based on adjusted need determinations recommended by the Long-Term Care Committee in response to petitions filed by Hospices in these counties. The need determinations for Gaston (6 beds) and Richmond counties (9 beds) were based on the Standard Methodology. No CON applications were filed for the Richmond and Union County need determinations.

All counties (except Iredell) that received adjusted need determinations, exceeded the state average percent of deaths served by Hospice and two of the five counties exceeded the state average Hospice days of care per 1000 population. Also, with regard to Catawba and Iredell counties, the number of beds requested by the petitioners agreed with the deficits identified in the 2003 Plan. Union County requested four beds, but the adjustment was for 3 beds which was consistent with the deficit identified in the Plan.

With regard to Forsyth County, the committee recommended that the petition for 6 additional beds be approved even though there was a surplus of 2 beds based on the standard methodology. As noted in the Agency Report, the Forsyth County facility had a high

utilization rate (approximately 97% occupancy). Also, the facility indicated a daily waiting list of 5-6 patients and that 3,312 inpatient days were denied due to lack of availability to inpatient beds in Forsyth County which would equate to 11.3 additional beds at 80% occupancy. It was also noted that the Forsyth facility served a larger area than just Forsyth County and there was support from the community, hospitals and physicians.

With regard to Mecklenburg County, the petition requested 21 inpatient beds. The eleven beds allocated by the committee were consistent with the standard methodology if the existing unit at Presbyterian Hospital had been at 80% occupancy.

### **2004 Plan**

The 2004 Plan contained single county need determinations for seven counties. The need determinations for Duplin, Henderson and Surry counties were based on adjusted need determinations recommended by the Committee in response to petitions filed by Hospices in these counties. The need determinations for Guilford, Durham, Richmond, and Robeson counties were based on the Standard Methodology. No CON applications were filed for the Durham, Richmond, or Robeson county need determinations.

Two of the three counties that received adjusted need determinations, exceeded the state average percent of deaths served by Hospice and the state average Hospice days of care per 1000 population. Also, with regard to Surry/Yadkin counties, the number of beds requested by the petitioner agreed with the deficits identified in the 2004 Plan.

With regard to Henderson County, the committee recommended that the petition for 6 additional beds be approved even though there was a surplus of 3 beds based on the standard methodology. The petitioner noted inpatient days had been constrained by the limitation on the number of beds (inpatient days decreased from 14.1% in 2000 to 11.8% in 2003). As noted in the Agency Report, the Henderson County facility had a high utilization rate (approximately 91.5% occupancy). It was also noted that there was support from the hospital, physicians and other hospices.

With regard to Duplin County, the petitioner requested 3 inpatient beds. The committee recommended that there be an adjusted need determination for 3 beds even though the projected deficit was only one bed based on the standard methodology. The petitioner indicated issues related to distance from other inpatient hospice facilities, occasions when beds were not available, broad community support, and availability of funds for the project.

### **2005 Plan**

The 2005 Plan contained single county need determinations for seven counties. The need determinations for Davidson, Pitt, Rockingham, and Wake counties were based on adjusted need determinations recommended by the Committee in response to petitions. The need determinations for Cumberland, Harnett and Robeson counties were based on the Standard Methodology. No CON applications were filed for the Cumberland County need determination.

One of the four counties that received adjusted need determinations exceeded the state average percent of deaths served by Hospice.

With regard to Pitt County, the committee recommended that the petition for 8 additional beds be approved even though there was a deficit of only 2 beds based on the standard methodology. The petitioner noted a sizeable number of hospital based deaths with diagnoses approved for admission to a hospice inpatient facility, a large service area, lack of inpatient hospice facilities, and the possibility of reducing the cost of care. The petitioner also provided evidence of broad community support and funds pledged for a facility.

With regard to Wake County, the petitioner requested 8 inpatient beds. The eight beds allocated by the committee was consistent with the standard methodology if the existing unit at Rex Hospital had been at 80% occupancy.

With regard to Davidson County, the petitioner requested an adjusted need determination for 6 beds. The committee recommended that there be an adjusted need determination for 4 beds which was consistent with the deficit identified based on the standard methodology. Noted was the level of support for inpatient beds in the County.

Regarding Rockingham County, the petitioner requested an adjusted need determination for 3 beds. The committee recommended that there be an adjusted need determination for 3 beds even though the projected deficit was only two beds based on the standard methodology. Noted was the level of support for inpatient beds in the County.

### **2006 Plan**

The 2006 Plan contained single county need determinations for 18 counties. The need determinations for Davidson, Durham (the standard methodology indicated a need for 7 versus the 12 beds identified in the Plan), Macon and Wayne counties were based on adjusted need determinations recommended by the Committee in response to petitions. The need determinations for the other counties were based on the Standard Methodology. No CON applications were filed for the Macon County need determination.

One of the four counties that received adjusted need determinations exceeded the state average percent of deaths served by Hospice and the state average Hospice days of care per 1000 population.

With regard to Macon County, the committee recommended that the petition for 3 additional beds be approved. The closest facilities were in Buncombe and Henderson counties. Macon County had higher percent of deaths served by Hospice and average days of care/1000 population than the State average. The petitioner provided evidence of community support and noted creation of a Foundation to provide financial support.

With regard to Durham County, the petitioner requested a total of 12 inpatient beds rather than the 7 bed need determination identified in the Plan. The Committee recommended approval of the petition. The petitioner provided evidence of community support. It was noted that Durham County had a relatively large population and was the site of an academic medical teaching center. Also noted was that the collective projected inpatient beds for the triangle area was 36 while the total number of beds currently licensed or available for CON review was only 27.

With regard to Davidson County, the petitioner requested an adjusted need determination for four beds which was approved by the Committee and was consistent with the deficit identified based on the standard methodology. Noted was the level of support for inpatient beds in the County.

Regarding Wayne County, the petitioner requested an adjusted need determination for 6 beds. The committee recommended that there be an adjusted need determination for 6 beds even though there was a projected surplus of one bed based on the standard methodology. Noted was the high level of utilization of the existing facility and the level of support for additional inpatient beds in the County.

### **2007 Plan**

The 2007 Plan contained single county need determinations for 9 counties. The need determinations for Alamance, Caldwell, Catawba, Iredell, Rutherford and Scotland counties were based on adjusted need determinations recommended by the Committee in response to petitions. The need determinations for the other counties were based on the Standard Methodology.

Five of the six counties that received adjusted need determinations, exceeded the state average percent of deaths served by Hospice and four exceeded the state average Hospice days of care per 1000 population.

With regard to Alamance County, the petitioner requested an adjusted need determination for four additional beds. The committee recommended that there be an adjusted need determination for 2 beds which was consistent with the deficit identified based on the standard methodology. Noted was the level of utilization of hospice services and support for additional beds.

With regard to Caldwell County, the petitioner requested an adjusted need determination for three additional beds which was approved by the Committee and was consistent with the deficit identified based on the standard methodology. Noted was the level of utilization of hospice services and support for additional beds.

With regard to Catawba County, the petitioner requested an adjusted need determination for six, or as an alternative, ten additional hospice inpatient beds. The Committee recommended approval of the petition for six beds. Noted was the level of utilization of hospice services and support for additional beds and the projected deficit of six beds.

With regard to Iredell County, the petitioner requested an adjusted need determination for six additional hospice inpatient beds. The Committee recommended approval of the petition for six beds. Noted was the level of support for additional beds. The plan projected a deficit of five beds.

With regard to Rutherford County, the petitioner requested an adjusted need determination for six additional hospice inpatient beds. The Committee recommended approval of the petition for six beds. Noted was the level of utilization of hospice services and support for additional beds. The plan projected a deficit of three beds.

Regarding Scotland County, the petitioner requested an adjusted need determination for four beds. The committee recommended that there be an adjusted need determination for four beds which was consistent with the deficit identified based on the standard methodology. Noted was the level of utilization of hospice services and the level of support for additional inpatient beds in the County.

### **2008 Plan**

The 2008 Plan listed single county need determinations for 14 counties. The need determinations for Cleveland, Forsyth, Haywood, and Macon counties were based on adjusted need determinations recommended by the Committee in response to petitions. The need determinations for Cumberland, Harnett, Lee and Sampson counties were based on reallocation of need determinations identified based on the 2006 Plan using the 2007 Plan methodology. The need determinations for the other counties were based on the Standard Methodology. No CON applications were received for the Cumberland, Haywood, Lee, Lincoln, Macon, Sampson, or Wilson need determinations.

Three of the four counties that received adjusted need determinations, exceeded the state average percent of deaths served by Hospice and two exceeded the state average Hospice days of care per 1000 population.

With regard to Cleveland County, the petitioner requested an adjusted need determination for four additional beds. The committee recommended that there be an adjusted need determination for four beds which was consistent with the deficit identified based on the standard methodology. Noted was the level of utilization of hospice services and support for additional beds.

With regard to Forsyth County, the petitioner requested an adjusted need determination for ten additional beds. The committee recommended that there be an adjusted need determination for ten beds even though there was a projected surplus of two beds in the county. Noted was the level of utilization of hospice services, the population of the county, the existence of two tertiary care centers in the county and the utilization of the existing facility within the Northern Piedmont.

With regard to Haywood County, the petitioner requested an adjusted need determination for six beds. The committee recommended that there be an adjusted need determination for six beds. There was a three bed deficit identified in the Plan. Noted were geographic access considerations.

With regard to Macon County, the petitioner requested an adjusted need determination for six beds. The committee recommended that there be an adjusted need determination six beds. There was a four bed deficit identified in the Plan. Noted were geographic access considerations and level of utilization of hospice services and support.

### **2009 Plan**

The 2009 Plan lists single county need determinations for 13 counties. The need determinations for Haywood, Scotland and Wake counties were based on adjusted need determinations recommended by the Committee in response to petitions. The need determinations for the other counties were based on the Standard Methodology. No CON

applications have been received for the Bladen, Craven, Lee, Lincoln, Sampson, or Wilson need determinations. The CON application deadline is November 16 for Wake County.

Each of the three counties that received adjusted need determinations, exceeded the state average percent of deaths served by Hospice and two exceeded the state average Hospice days of care per 1000 population.

With regard to Haywood County, the petitioner requested an adjusted need determination for six beds. The deficit identified in the Proposed 2009 Plan was four beds. The committee recommended that there be an adjusted need determination for six beds which was consistent with the adjusted need determination that was identified for the 2008 Plan.

With regard to Scotland County, the petitioner requested an adjusted need determination for two additional beds. The committee recommended that there be an adjusted need determination for two beds which was consistent with the deficit identified in the Proposed 2009 Plan. Noted was the level of utilization of hospice and the support for inpatient beds.

With regard to Wake County, the petitioner requested an adjusted need determination for ten additional inpatient beds. The committee recommended that there be an adjusted need determination for ten beds. Noted were the special circumstances that exist in Wake County with regard to utilization of licensed inpatient hospice beds. The six licensed beds at Rex Hospital have been utilized at less than 85% occupancy for the past several years.

### **Other**

It should be noted that anyone may apply for the beds if it were decided to approve petitions requesting need determinations for inpatient beds. CON applications could be submitted for a hospital based facility, nursing home based facility or a free-standing facility and the facility could be proposed for development anywhere within a county.

The petitions were posted on the Division of Health Service Regulation's web site. A written comment was received in support of the Community CarePartners petition by the September 9, 2009 date that was identified for submission of comments on petitions and comments to the Division's Medical Facility Planning Section.

### **ANALYSIS OF INDIVIDUAL PETITIONS**

**Petition Inpatient Hospice-1 from Palliative CareCenter & Hospice of Catawba Valley, Inc.**  
The petitioner requests an adjusted need determination for three hospice inpatient beds in Alexander County. There is no hospice inpatient facility in Alexander County.

The Proposed 2010 Plan, identifies a deficit of three beds in Alexander County, and, as a result, does not identify a need determination for new inpatient hospice beds

### **Utilization of Existing Hospice Beds**

Three of the state's existing hospice inpatient facilities are in counties contiguous to Alexander County; one facility each in Caldwell, Catawba and Iredell counties. Based on 2009 License Renewal Application information, the Catawba and Iredell facilities reported only 14 and 62 days of care respectively for residents of Alexander County. Based on

reported utilization, it does not appear that the petition would have a significant impact on utilization of existing facilities.

A Certificate of Need has been issued for the development of a new facility in Caldwell County. It is also noted that the Proposed 2009 Plan contained a six bed need determination for Catawba County.

#### Other

As indicated in the Proposed 2010 Plan, Alexander County has a projected surplus of patients which is a possible indicator of hospice utilization in the County. The Average Length of Stay per admission is lower than the State's - 75.3 versus 77.2. A letter of support was provided by a nursing facility provider in Alexander County.

It is noted that adjusted need determinations have been approved for three beds in the past in counties that did not have inpatient hospice facilities as follows: Iredell and Union counties in 2003, Duplin in 2004 and Rockingham in 2005.

#### Agency Recommendation

The Agency supports the standard methodology. However, the Agency notes the level of utilization of hospice services in Alexander County. The Agency recommends that the petition be approved and that there be an adjusted need determination in Alexander County for three inpatient hospice beds. Three beds are consistent with the deficit identified in the Proposed 2010 Plan.

#### **Petition Inpatient Hospice-2: Community CarePartners, Inc.**

The petitioner requests an adjusted need determination for five hospice inpatient beds in Buncombe County. The petitioner has a hospice facility in Buncombe County with 15 inpatient and 12 residential beds. Based on 2009 License Renewal information, the inpatient facility had an occupancy rate of 100% as indicated in the Proposed 2010 Plan. Occupancy of the inpatient beds was reported to be 100% in the 2009 and 2008 Plans.

The Proposed 2010 Plan identifies a deficit of five beds in Buncombe County and, as a result, does not identify a need determination for new inpatient hospice beds in the County.

#### Utilization of Existing Hospice Beds

Two of the existing hospice inpatient facilities are in counties contiguous to Buncombe County. Four Seasons Hospice and Palliative Care in Henderson County is licensed for 19 inpatient beds and Hospice of Rutherford County is licensed for 4 beds and has received a certificate of need to develop six additional inpatient beds. Neither facility reported any days of care for Buncombe County residents on their 2009 License Renewal Application. A need determination was identified in the 2009 Plan for six beds in Haywood County based on a petition for an adjusted need determination. Based on 2009 License Renewal Application data, Haywood only accounted for 181 of the 6061 inpatient days of care reported by the Buncombe facility. This is the equivalent of approximately 0.5 inpatient bed.

#### Other



As indicated in the Proposed 2010 Plan, Buncombe County has a projected surplus of 352 patients which is a possible indicator of hospice utilization in the County. The Average Length of Stay per admission is lower than the State's - 74.5 versus 77.2.

Letters of support have been received from Mission Health System and Hospital, physicians and others.

**Agency Recommendation:** The Agency supports the standard methodology. However, the Agency notes the level of utilization of hospice services in Buncombe County and the support for inpatient beds. The Agency recommends that the petition be approved and that there be an adjusted need determination in Buncombe County for five additional inpatient hospice beds. Five beds is consistent with the deficit identified in the Proposed 2010 Plan.

**Petition Inpatient Hospice-3: Hospice House Foundation of WNC, Inc.**

The petitioner requests an adjusted need determination for six hospice inpatient beds in Macon County. There is no licensed hospice inpatient or residential facility in Macon County.

The Proposed 2010 Plan identifies a deficit of three beds in Macon County and, as a result, does not identify a need determination for new inpatient hospice beds in the County.

**Utilization of Existing Hospice Beds**

None of the existing hospice inpatient facilities are in counties contiguous to Macon County and there are no need determinations in the Proposed 2010 Plan for Macon or contiguous counties. Only one existing facility reported days of inpatient care for Macon and contiguous counties. Solace in Buncombe County reported 25 days for Macon, 30 days for Cherokee, 22 days for Clay, seven days for Jackson County and two days for Swain. This is a total of 89 days or the equivalent of only 0.25 inpatient bed.

**Other**

As indicated in the Proposed 2010 Plan, Macon County has a relatively low projected deficit of hospice patients and the average length of stay per admission was lower than the State's - 69.6 versus 77.2.

The petitioner notes the combined contiguous county deficits for a six county area in the far western portion of the State in which there are no inpatient hospice beds. Based on the Proposed 2010 Plan, the combined deficit within Cherokee, Clay, Graham, Jackson, Macon and Swain counties is seven with three of the seven being for Macon County and two of the seven being for Jackson County.

The petitioner provided information regarding geographic access to hospice inpatient services in the southwest portion of the State. The closest existing facilities are in Buncombe and Henderson counties.

The petitioner provided evidence of support with letters from the Highlands-Cashiers Hospital CEO, Highlands-Cashiers Hospice Medical Director, Medical Director of WestCare Hospice and Angel Hospice, Angel Hospice personnel and others. Highland-Cashiers Hospice, Angel

Home Health and Hospice and WestCare Home Health and Hospice Services provided the vast majority of hospice services in Graham, Jackson, Macon and Swain counties based on data reported in 2009 License Renewal Applications as measured by admissions, days of care and hospice deaths. The petitioner also noted donations being received.

**Agency Recommendation:** The Agency supports the standard methodology. However, the Agency notes the level of utilization of hospice services in Macon County and the support for inpatient beds. The Agency recommends that the petition be approved and that there be an adjusted need determination in Macon County for six inpatient hospice beds.