Long Term and Behavioral Health Committee
Agency Report
Petition to Modify the
Hospice Inpatient Bed Need Methodology
Proposed 2014 State Medical Facilities Plan

Petitioner:
Hospice of Wake County, Inc.
250 Hospice Circle
Raleigh, North Carolina 27607

Contact:
Mr. John Thoma
Chief Executive Officer

Request:
The petitioner requests an adjustment, "...to the hospice inpatient bed need methodology by decreasing the inpatient day percent calculation (Step 7 in the Hospice Inpatient Beds methodology) from 6.0% to 3.5%".

Background Information:
Chapter 2 of the Plan allows petitioners early each calendar year to recommend changes that may have a statewide effect. According to the Plan, "Changes with the potential for a statewide effect are the addition, deletion and revision of policies and revision of projection methodologies." The change recommended by the petitioner is a methodology revision that would have a statewide effect.

In 2009, a Hospice Methodology Task Force met several times to review, discuss and evaluate the effectiveness of the hospice inpatient bed need methodology. The Task Force concluded by presenting the Long-Term and Behavioral Health Committee with recommendations to modify the inpatient bed need methodology. The Committee accepted the recommendations which were subsequently approved by the State Health Coordinating Council (SHCC) for inclusion in the North Carolina 2010 State Medical Facilities Plan (SMFP).

The hospice inpatient bed methodology was 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.

Analysis/Implications:

The petition seeks one minor change: a decrease in inpatient day percent calculation (Step 7 in the Hospice Inpatient Bed methodology) from 6.0% to 3.5%.

The petition identifies decreasing trends in North Carolina in hospice inpatient days utilization as a reason for modifying the hospice inpatient bed need methodology.

Data provided in the petition states hospice inpatient days were 5.7% of total hospice days in 2007 and most currently at 3.53% in 2011. (See Table A) However, as seen in Table B below hospice inpatient days utilization has increased based on data published in the North Carolina State Medical Facility Plans from 2009 – 2013. Inpatient days were 1.69% of total hospice days in 2007 and 3.17% in 2011.

Table A

Petitioner - Hospice of Wake County			
Year (Data)	**Total NC Hospice Days**	**NC Hospice Inpatient Days**	**NC GIP % of Total Days**
2007	2,691,555	152,703	5.67%
2008	2,679,298	83,728	3.12%
2009	2,657,371	91,646	3.45%
2010	2,873,424	99,178	3.45%
2011	2,915,218	102,824	3.53%

Table B

NC SMFP 2009 - 2013			
Year (Data)	**Total NC Hospice Days**	**NC Hospice Inpatient Days**	**NC GIP % of Total Days**
2007	2,716,271	45,776	1.69%
2008	2,679,306	54,006	2.02%
2009	2,650,416	69,426	2.62%
2010	2,874,121	85,367	2.97%
2011	2,915,218	92,508	3.17%

Data published in the Plans (2009-2013) indicate an upward trend, one opposite of that shown by data supplied in the petition.

The petition further states, “Downward trends in hospice inpatient utilization have caused the current methodology assumptions to be obsolete and stimulate unnecessary duplication of hospice inpatient beds in the community.” There is a lack of data in the petition to substantiate this statement.

Table C

State Medical Facilities Plan Year	Total Number of County Need Determinations (Standard Methodology)	Total Number of New Hospice Inpatient Beds (Standard Methodology)	Number of County Need Determinations by Approved Petitions for Adjusted Need Determinations	Number of New Hospice Inpatient Beds by Approved Petition	Total Number of County Need Determinations	Total Number of New Hospice Inpatient Beds
2010	3	19	3	14	6	33
2011	2	21	5	20	7	41
2012	2	10	3	11	5	21
2013	7	46	2	9	9	55
	14	**96**	**13**	**54**	**27**	**150**
	Mean = 3.5	**Mean = 24**	**Mean = 3.25**	**Mean = 13.5**		

Ratio of County Need by Standard Methodology to County Need by Petition: 3.5/3.25 = 1.077 County needs

Ratio of Inpatient Beds by Standard Methodology to Inpatient Beds by Petition: 24/13.5 = 1.778 Inpatient beds

A review of the total number of county need determinations generated by the hospice inpatient standard methodology and the number of county need determinations generated by approval of petitions for adjusted need determinations over the last four years since the current methodology was implemented, revealed there is a relatively equal number of county need determinations resulting from the standard methodology (14) and by approvals of to petitions for adjusted need determinations (13). The mean for county need by the standard methodology is 3.5. While the mean for county need by petition is 3.25. The ratio of county need by standard methodology to county need by petition is 1.077 county needs (3.5/3.25 = 1.077). This is demonstrated in Table C. At the very least, this means there is on-going need beyond what is captured by the standard methodology; in sharp contrast to the information found in the petition.

Agency Recommendation:

The Agency supports the current approach to calculating projected hospice inpatient bed need for purposes of the Proposed 2014 Plan. However, if the Long-Term and Behavioral Health Committee believes the general methodology deserves review, they could elect to explore the hospice methodologies with input from all affected parties during the next planning cycle. Given available information and comments submitted by the March 22, 2013 deadline date for comments on petitions and comments, the Agency recommends that this petition be denied based on the upward trend in total inpatient hospice days, the continued high number of adjusted need determinations for inpatient hospice beds on an annual basis, and the lack of evidence that there is a surplus of these beds in the community.