

**Long-Term Behavioral Health Committee  
Agency Report  
Adjusted Need Petition for  
Hospice Inpatient Bed Need Determinations  
Proposed 2014 State Medical Facilities Plan**

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***Petitioner:***

Palliative Care Center & Hospice of Catawba Valley, Inc.  
d/b/a Catawba Regional Hospice  
3975 Robinson Road  
Newton, North Carolina 28658

***Contact:***

Mr. David Clarke,  
President/CEO

***Request:***

Catawba Regional Hospice (CRH) requests an adjusted need determination for three hospice inpatient beds in Catawba County in the Proposed 2014 State Medical Facilities Plan (SMFP).

***Background Information:***

The current hospice methodology uses 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. Projected hospice admissions are determined by the application of a 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 percent occupancy and adjusts projected beds for occupancy rates of existing facilities that are not at 85 percent occupancy. The methodology makes single-county determinations when the county deficit is six or more beds based on the standard methodology.

Chapter Two of the SMFP allows people to petition for an adjusted need determination in consideration of "...unique or special attributes of a particular geographic area or institution..." if they believe their needs are not appropriately addressed by the standard methodology. CRH is requesting new beds in addition to their existing licensed beds.

It should be noted that any person might submit a certificate of need (CON) application for a need determination in the Plan. Therefore, should there be additional need determinations in the Proposed 2014 SMFP, the CON review could be competitive and there is no guarantee that the petitioner would be the approved applicant.

***Analysis/Implications:***

CHR requests an adjusted need determination for three hospice inpatient beds in Catawba County in the Proposed 2014 SMFP. CRH has two hospice facilities in Catawba County with a total of 17 inpatient beds and 10 residential beds.

By application of the standard methodology, the Proposed 2014 SMFP identified no deficit or surplus for facilities not at 85% occupancy, thus creating no need determination for new hospice inpatient beds in the county. The standard methodology also identified hospice inpatient bed surpluses in the 2010 SMFP, 2011 SMFP and a deficit in the 2012 SMFP for Catawba County. (See table below.)

***Hospice Inpatient Data – Catawba County***

	<b>FY2008</b>	<b>FY2009</b>	<b>FY2010</b>	<b>FY2011</b>	<b>FY2012</b>
<b>County Population</b>	161,274	162,864	164,681	156,949	157,872
<b>Total Admissions</b>	809	856	853	969	962
<b>Days of Care</b>	62,861	66,049	70,856	70,503	76,114
<b>Average Length Of Stay (ALOS)</b>	77.7	77.2	83.08	72.76	79.12
<b>Hospice Inpatient Beds</b>	0	Surplus = 2	Surplus = 1	Deficit = 3	0

Data Source: Population figures are from N.C. Office of State Budget and Management; SMFP Years 2010, 2011, 2012, 2013 Proposed 2014.

Based on Hospice 2013 Annual Data Supplement to License Renewal Application information (FY2012), Catawba Valley Hospice House has an occupancy rate of 87.41% and Sherrills Ford Hospice House has an occupancy rate of 58.20% as indicated in the Proposed 2014 SMFP. However, the hospice inpatient bed methodology requires a countywide occupancy rate among existing hospice inpatient providers of 85%. Based upon Proposed 2014 SMFP data, the countywide occupancy rate is 77.31%.

***Agency Recommendation:***

The agency recognizes and supports the state health planning process and policies as identified in the SMFP and approved by the SHCC and the governor. The agency acknowledges the first full year of reporting for Sherrills Ford Hospice House since the licensing of six hospice inpatient beds in September 2011. This contributed to the increase in Catawba County’s days of care, a reduced countywide occupancy rate and no need determination for the Proposed 2014 SMFP. Given available information submitted by the August 15, 2013 deadline and in consideration of factors discussed above, the agency recommends denial of the petition.