

**Long-Term Behavioral Health Committee
Agency Report
Adjusted Need Petition for
Hospice Inpatient Bed Need Determinations
Proposed 2015 State Medical Facilities Plan**

Petitioner:

Richmond County Hospice, Inc.
1119 US Highway 1
Rockingham, North Carolina 28379

Contact:

Ms. Kristina Leyden,
Interim Chief Executive Officer
(910)997-4464
kmleyden@rchospice.com

Request:

Richmond County Hospice, Inc. requests an adjusted need determination for three hospice inpatient beds in Richmond County in the *2015 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. Richmond County Hospice 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

2015 SMFP, the CON review could be competitive and there is no guarantee that the petitioner would be the approved applicant.

Analysis/Implications:

Richmond County Hospice requests an adjusted need determination for three hospice inpatient beds in Richmond County in the 2015 SMFP. Richmond County Hospice operates one hospice facility, Hospice Haven, with a total of six inpatient beds. Based on the Hospice 2014 Annual Data Supplement to the License Renewal Application information (FY2013), the inpatient facility occupancy rate for Hospice Haven is 76.39%.

By application of the standard methodology, the Proposed 2015 SMFP identified no deficit or surplus, thus creating no need determination for new hospice inpatient beds in the county.

In December 2012, Richmond County Hospice began operating its six inpatient beds after receiving CON approval to make the conversion from six hospice residential beds. According to the petition, “the conversion from residential to inpatient beds was in response to a declining demand for residential hospice care and an increasing need to provide inpatient acute care”. The petition also states that, “its inpatient beds are consistently operated at full capacity” since the conversion.

The petition provides utilization data for Hospice Haven from FY2013 and FY2014 to demonstrate increased and unique utilization rates. An important point to note is that although the petitioner reports utilization from FY2014, this information is not used in this analysis per the practice of the agency. Analysis is conducted on only data used prior to and in the current Proposed 2015 State Medical Facilities Plan. The Plan’s data year is FY2013. Furthermore, it is difficult to forecast the changes and trends in healthcare utilization based on one year’s worth of data.

Agency Recommendation:

The agency supports the standard methodology for hospice inpatient beds as presented in the Proposed 2015 Plan. 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. Given available information submitted by the August 15, 2014 deadline and in consideration of factors discussed above, the agency recommends denying this petition.