

PETITION

Petition for a Special Need Adjustment to the 2011 State Medical Facilities Plan  
Hospice Inpatient Bed Need Determination

Petitioner:

Hospice Cleveland County  
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DFS Health Planning  
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Medical Facilities  
PLANNING SECTION

Requested Change:

Hospice Cleveland County requests an adjusted need determination for one hospice inpatient bed in Cleveland County.

Reasons for Requested Change:

Hospice Cleveland County was incorporated in 1984 and has since served over 7,000 hospice patients in Cleveland County and adjacent communities. We currently own and operate two hospice houses in Cleveland County, each providing both inpatient and residential care. A Certificate of Need for each hospice house was awarded following approval of a Special Need Petition.

We believe that a brief history of our organization's utilization of the Special Need Petition process will further support our rationale for the requested change to the Proposed 2011 State Medical Facilities Plan. Other important reasons for this requested change relate to lack of access to care, appropriate continuum of care, high quality care, and cost effective care, all addressed in the sections below.

***History of Special Need Petition Process***

In 1994, Hospice Cleveland County was one of the first hospices in North Carolina to be granted a Certificate of Need (CON) to build a free-standing hospice house. The CON was awarded for three inpatient beds and three residential beds and in 1996, our Wendover Hospice House opened in Shelby with that complement of beds. Within one year, inpatient occupancy exceeded 90% and residential occupancy exceeded 98%. From 1997 through 2003, inpatient occupancy averaged 95% and residential occupancy averaged 98%. Please see the attached Exhibit A, which portrays occupancy information by bed type and year. Waiting lists were established for both types of beds in 1997 and scores of people were denied admission to the Wendover Hospice House each year due to insufficient bed capacity.

The Proposed 2002 State Medical Facilities Plan (SMFP) identified a deficit of two hospice inpatient beds in Cleveland County. Because the two-bed deficit did not meet the methodology criteria of a six-bed deficit for a new hospice house, there was no need determination for hospice inpatient beds in Cleveland County in the Proposed 2002 SMFP.

As a result of data Hospice Cleveland County had been accumulating, the organization submitted a Special Need Petition for an adjusted need determination of two inpatient beds in Cleveland County. That Special Need Petition was approved, and our subsequent CON application for two inpatient beds and six residential beds was approved in 2003. At that time, the Wendover Hospice House was expanded from three inpatient beds and three residential beds to five inpatient beds and nine residential beds (fourteen beds total). The additional beds were licensed and became operational in April 2004.

Even with the addition of these two inpatient beds and six residential beds, occupancy at the Wendover Hospice House soon approached levels experienced prior to the expansion. From 2005 through 2007, inpatient occupancy averaged 100% and residential occupancy averaged 99%. Please refer again to Exhibit A for detailed information on the occupancy trends for these years. Once again, waiting lists were established, and from 2006 through 2007, more than 130 people on our waiting list for an inpatient bed were denied access to Hospice care and died elsewhere.

When the Proposed 2008 SMFP was issued, it indicated a deficit of four hospice inpatient beds in Cleveland County, which, as can be seen from the data we have supplied here, supported our actual experience. As in previous plans, the SMFP did not show a hospice inpatient bed need for Cleveland County because of the methodology requirement for a six-bed deficit.

Because so many people in Cleveland County were being denied access to hospice inpatient care, Hospice Cleveland County again submitted a Special Need Petition for an adjusted need determination of four hospice inpatient beds for Cleveland County. This second Special Need Petition was approved and we then submitted a CON application for a hospice house in Kings Mountain to include four inpatient beds and four residential beds. A CON was awarded in 2008, and after an ambitious construction schedule, the Kings Mountain Hospice House was licensed and operational in May 2010.

### ***Lack of Access as a Reason for Requested Change***

Our experience since opening the Kings Mountain Hospice House has mirrored our experience when the Wendover Hospice House was expanded in that the need for inpatient and residential care is exceeding the availability of beds. For the first three months of operation, Kings Mountain Hospice House inpatient occupancy has averaged 90%, while residential occupancy has averaged 98%. During these same three months, Wendover Hospice House inpatient occupancy averaged 96% and residential occupancy averaged 98%. We continue to maintain waiting lists for both types of beds and we triage daily to determine which patient has access to the next available bed.

As we reviewed the Proposed 2011 SMFP, we noted that it indicates a deficit of one hospice inpatient bed in Cleveland County. Table 13C of the Plan also indicates that for all counties with an existing hospice inpatient facility and a hospice inpatient bed deficit, Cleveland County has the second highest existing facility occupancy rate at 100.88%.

Our inpatient waiting list data substantiates this need for an additional hospice inpatient bed in Cleveland County. In 2009 and for January through April 2010 (prior to the opening of the Kings Mountain Hospice House), an average of five people daily were on the waiting list for an inpatient bed. Although this need has been partially addressed by the addition of four inpatient beds at the Kings Mountain Hospice House, a deficit of one hospice inpatient bed still exists.

Of equal importance, in 2009 there were at least 27 people in Cleveland County who died in a Medicare bed in a skilled nursing facility. All of these individuals were on our waiting list. It is important to note, however, that not only were these patients denied access to a hospice house, they were also denied access to any type of hospice care because of Medicare regulations prohibiting hospices from serving patients in a Medicare bed located in a skilled nursing facility. Each of these individuals would have been eligible for hospice inpatient care and would have had access to hospice services if a hospice inpatient bed had been available to them.

Additionally, in response to strategic outreach efforts, we have experienced significant growth in the total number of patients served each year. Please refer again to Exhibit A for detailed growth data. As our census has increased, the need and demand for hospice inpatient care has increased also, but the availability of hospice inpatient care has not grown commensurately. Adding one hospice inpatient bed will help to address this lack of availability.

### ***Continuum of Care as a Reason for Requested Change***

As noted in the letters of support included with this petition, hospice inpatient care is an important component of the continuum of care in Cleveland County. Hospice Cleveland County, along with Cleveland Regional Medical Center, Kings Mountain Hospital, Crawley Memorial Hospital, Cleveland Pines Nursing Center, Healthy@Home home health agency, and CLECO Primary Care Network, are members of the Cleveland County HealthCare Enterprise. The HealthCare Enterprise is committed to assuring that community health care resources are used with maximum stewardship, that missing components of the health care service continuum are identified and targeted for development, and that the health care delivery continuum is as seamless and accessible as possible.

Each of these providers is strongly committed to honoring the continuum of care and referring patients to the most appropriate level of care available in our community. This cooperative spirit among the providers has played an important role in the success of our hospice houses and their recognition as the standard for end-of-life care in Cleveland County. By eliminating or at least reducing our waiting list, an additional hospice inpatient bed will help ensure that more people are served at the right level of care, in the right location, and at the right time. Related to "the right time," Hospice Cleveland County's median length of stay for all patients served was 15 days in 2009 and is 14 days YTD June 2010. An additional hospice inpatient bed will help create the capacity to allow us to serve people in a more timely manner.

### ***High Quality Care as a Reason for Requested Change***

Hospice Cleveland County's excellent reputation with the general public and with the local medical community has also played an important role in the success of our hospice houses. We are recognized as the premier provider of hospice care for people in Cleveland County and adjacent communities, and our staff members are experts in pain control and symptom management. More than half of our nurses who are eligible to do so have achieved certification in hospice and palliative care. Also, our hospice physician is one of only 3000 physicians nation-wide who is board certified in hospice and palliative care.

Hospice Cleveland County has been continuously accredited by The Joint Commission on Accreditation of Healthcare Organizations since our initial survey more than ten years ago. Our organization has also participated in national quality benchmarking initiatives for several years and we have a comprehensive Quality Assessment and Performance Improvement Program. The availability of high quality care 24 hours a day, seven days a week in our hospice houses is a tremendous benefit to the patients who are served there.

### ***Cost-Effective Care as a Reason for Requested Change***

The Wendover Hospice House and now the Kings Mountain Hospice House have proven to be able to meet the complex needs of people at the end of life while Hospice Cleveland County remains financially viable as an organization. Based on our fourteen years of experience with operating the Wendover Hospice House and our very smooth transition with opening the Kings Mountain Hospice House, we feel confident that from an operational and financial standpoint, we will easily and cost-effectively be able to add one additional hospice inpatient bed at the Wendover Hospice House without any negative impact on our existing operations.

We think it is also important to note that it has been well documented that hospice house care is generally less costly than hospital care. In 2009, our records show that out of 77 people on our inpatient waiting list who were never admitted to our hospice house due to lack of capacity, 34 of them (44%) died in an acute care setting. This is not the preferred location for such patients to experience their last days.

### ***Conclusion***

As we previously noted, under the current SMFP methodology, there is no mechanism for allocating additional hospice inpatient beds in Cleveland County until a deficit of six beds is reached. As we have done in the past, Hospice Cleveland County is again requesting an adjustment to the standard need methodology to allocate the one additional hospice inpatient bed identified in the Proposed 2011 SMFP in order that Hospice patients needing inpatient care can be treated in the most appropriate and cost effective setting possible.

Without this proposed adjustment, Hospice Cleveland County will be forced to:

- 1) Continue to operate at near 100 % occupancy at the Wendover Hospice House,

- 2) Continue to operate at or above 90 % occupancy at the Kings Mountain Hospice House,
- 3) Deny hospice house admission to patients in need of our specialized services, due to lack of available beds,
- 4) Deny hospice services to patients in Medicare beds in skilled nursing facilities who are on our waiting list for admission to a hospice house,
- 5) Require patients to remain on a waiting list for admission to a hospice house, creating additional stress for the patient and family and likely negatively impacting their quality of life.

Upon initial consideration, the addition of a single hospice inpatient bed may not seem worthwhile, but we believe quite the opposite is the case and that this one bed will have a tremendous impact on our ability to serve people who otherwise would die in a hospital or skilled nursing facility. The average length of stay for our hospice inpatient beds is currently 11 days. The 365 days of care made possible by the addition of a single new inpatient bed, divided by our 11 days average length of stay, indicates that an additional 33 people could be served each year in this single hospice inpatient bed. We strongly believe that adding the capacity to serve an additional 33 people each year is certainly worthwhile.

We also think it is important to share with you our thought process for adding an inpatient bed to our Wendover Hospice House should our petition be approved and we are awarded a CON in that regard. First, all of our facility planning, prior to construction, is undertaken with the thought of future expansion needs. From building orientation to infrastructure services, we try to anticipate growth and service delivery changes for the future.

Our Wendover Hospice House will be able to accommodate the addition of one inpatient bed. We anticipate the cost for the construction that might be needed to be in the range of \$75,000 to \$100,000 including furnishings, and our plans would be to pay for the project from accumulated reserves. We understand that a CON application would address this more specifically but we thought it relevant to note that it has been a significant part of our decision making process as we considered this Petition.

In conclusion, while we agree that six beds is generally a reasonable threshold for the establishment of a new hospice inpatient facility, we believe it is unreasonable to force an existing provider, operating at very high occupancy levels and turning away patients, to wait until a deficit of six beds is established before allocating a bed that is so clearly needed. We therefore respectfully request an adjusted need determination for one hospice inpatient bed in Cleveland County.

# Hospice Cleveland County Comparative Statistics

Exhibit A

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
<b>Hospice (Total)</b>															
Admissions	176	195	207	230	227	281	300	319	368	399	491	596	586	631	633
Average Daily Census (includes Wendover)	39.8	44.1	44.3	48.3	46.3	49.3	51.9	65.2	70.7	68.8	77.7	104.9	102.2	120.0	138.3
<b>Wendover</b>															
Admissions	n/a	85	104	116	121	121	112	109	84	161	171	137	208	168	196
Residential Occupancy	n/a	77.3%	99.1%	99.2%	97.4%	98.6%	97.2%	98.3%	99.5%	91.1%	98.9%	99.7%	98.6%	98.9%	97.3%
Inpatient Occupancy	n/a	72.6%	89.3%	94.7%	93.3%	97.4%	94.2%	97.7%	98.5%	97.4%	101.0%	99.5%	99.9%	100.9%	101.4%
	Total beds: 3 inpatient, 3 residential														
	Total beds: 5 inpatient, 9 residential														

