

200 Hospice Way
Lexington, NC
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hospiceofdavidsong.org

DFS Health Planning
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AUG 24 2010

Medical Facilities
PLANNING SECTION

August 19, 2010

Mr. Patrick Baker
Planning Analyst
North Carolina Division of Health Service Regulation
Medical Facilities Planning Section
2714 Mail Service Center
Raleigh, NC 27699-2714

RE: Comments Regarding Petition Submitted by Hospice of the
Piedmont, Inc.

Dear Mr. Baker and Members of the Long Term and Behavioral Health
Committee:

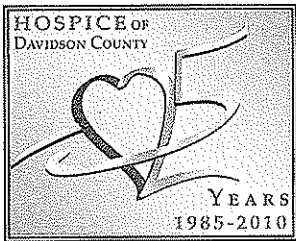
Hospice of Davidson County, located in Lexington, NC, supports the
proposed 2011 State Medical Facilities Plan which includes no need
determinations for additional hospice beds in Davidson or any contiguous
counties that include Guilford, Randolph, Montgomery, Rowan, Davie and
Forsyth. Our facility, The Henry Etta and Bruce Hinkle Hospice House,
opened in March 2009 and achieved 20.72% annual occupancy for 2008-
09.

Please consider the following issues:

- Healthcare reform includes reductions in hospice reimbursement that are expected to be implemented in 2013. The National Association for Home Care & Hospice predicts that the Patient Protection and Affordable Care Act, which is included in the recently adopted health care reform, will cut hospice reimbursement by \$7 billion between 2013 and 2019.
- Many additional inpatient hospice beds are already in development in the region; CON approval has been granted for additional beds in Forsyth and Randolph Counties.
- The standard methodology is the best method to determine when additional inpatient beds are needed for counties with two or more inpatient hospice facilities.

Please consider the potential consequences of excess capacity of inpatient hospice beds. There are fixed costs of maintaining the hospice facility including utilities, insurance, and facility overhead. In addition, the





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development of excess capacity adds unnecessary cost to the healthcare system which in turn is a burden to consumers.

Approval of any additional inpatient hospice beds based on adjusted need determinations would be contrary to the goals of the State Medical Facilities Plan and would have a negative impact on the existing and developing facilities.

Hospice of Davidson County Board of Directors unanimously endorses the decision to submit the above comments.

Thank you for your consideration.

Sincerely,

Lisa Hathaway, MBA
Chief Executive Officer
Hospice of Davidson County

