

To: State Health Coordinating Council  
 NC Division of Health Service Regulation – Medical Facilities Planning Section

From: Brian Payne, President and CEO – Hospice & Palliative CareCenter

Date: August 14, 2012

RE: Petition for Adjusted Need Determination for Six Hospice Inpatient Beds in Yadkin County

Thank you for the opportunity to comment on this petition, which was submitted on August 1, 2012. This petition seeks to amend the 2013 State Medical Facilities Plan (SMFP) by changing the need determination for inpatient beds in Yadkin County from 3 beds to 6 beds. Hospice & Palliative CareCenter does not believe that hospice utilization patterns in Yadkin County would support a 6 bed inpatient facility and has concerns about the financial feasibility of any resulting facility. We believe the concerns outlined do not support the approval of this petition.

**Hospice Inpatient Bed Need Methodology**

As calculated in the SMFP, hospice volumes in Yadkin County indicate a potential need for up to 3 beds by 2016. The petitioner states that the State’s methodology for evaluating inpatient beds fails to adequately address the utilization for that county, and has suggested an alternative calculation. However, the alternative calculation provided only indicates potential support for up to 4 beds.

**Hospice Inpatient Bed Need Methodology for Yadkin County (as published in draft SMFP)**

	Total Admissions (2011 Data)	Days of Care (2011 Data)	ALOS per Admission	Total 2016 Admissions	2016 Days of Care at County ALOS	2016 Days of Care at Statewide ALOS	Projected 2016 Days of Care for Inpatient Estimates	Projected Inpatient Days	Projected Total Inpatient Beds
Yadkin County	145	13,443	92.71	209	19,389	15,194	15,194	912	3

**Hospice Inpatient Bed Need Methodology for Yadkin County (as calculated by petitioner)**

	Total Admissions (2011 Data)	Days of Care (2011 Data)	ALOS per Admission	Total 2016 Admissions	2016 Days of Care at County ALOS	2016 Days of Care at Statewide ALOS	Projected 2016 Days of Care for Inpatient Estimates	Projected Inpatient Days	Projected Total Inpatient Beds
Yadkin County	145	13,443	92.71	209	19,389	15,194	19,389	1,163	4

Neither analysis indicates that there is a need for 6 hospice inpatient beds in Yadkin County. Both calculations indicate an occupancy rate of roughly 50% for an inpatient facility which would fall far below the State threshold of 85%.

### **Growth Rate for Hospice Admissions in Yadkin County**

Rapid growth in Hospice admissions is used as one of the justifications for this petition, however the data used to support that argument is not consistent with the data in the SMFP. The 2-Year trailing average admission growth rate for the State of North Carolina is shown to be 7.6%, based on data published in the 2011, 2012 and draft 2013 SMFP. A Yadkin County growth rate of 23.1% is shown in the petition, however this is based upon a calculation that includes 209 admissions in FY 2011. The draft SMFP demonstrates admissions of 145 for that period, representing a 2-Year trailing average growth rate of 2.5%. Based upon the reported data the rate of growth in Yadkin County is well below the statewide average, further supporting the adequacy of the approved need methodology.

### **Hospice Inpatient Utilization**

No data is provided in support of current utilization of inpatient beds by Yadkin County residents. As noted in the petition, patients are currently receiving hospice services in several local hospitals therefore access to inpatient services is available when needed. Without additional data regarding the actual level of utilization of inpatient hospice services we cannot evaluate historical utilization patterns for Yadkin County residents.

Furthermore, any analysis of capacity at nearby inpatient facilities should include recognition of additional inpatient hospice beds that have been awarded to reflect the full scope of services available to residents of Yadkin County. For example, the Kate B. Reynolds Hospice Home is operated under the license of Hospice & Palliative CareCenter and added 10 beds in 2011. These beds were not operational for all of 2011 therefore the occupancy rate quoted does not reflect current status. Throughout 2012 there were a total of 30 beds operational with capacity to meet additional inpatient hospice patient needs.

Similarly the Gordon Hospice House in Iredell County, which is adjacent to Yadkin County, is shown with a 95% occupancy rate in the SMFP for 2011. However this calculation does not take into account an additional 3 beds that were approved in the 2012 SMFP and that will provide additional capacity for inpatient hospice services.

### **Conclusion**

We appreciate the State Health Coordinating Council's historic efforts to ensure that access to care is provided to North Carolina residents in a responsible manner. The Special Need Petition process can help hospices to meet demonstrated needs for hospices serving patients in North Carolina. However, we do not believe the petition for 6 inpatient beds in Yadkin County demonstrates sufficient justification to set aside the approved need methodology for hospice inpatient facilities. As a result, Hospice & Palliative CareCenter respectfully requests that this petition be denied.



Brian Payne  
President and CEO  
Hospice & Palliative CareCenter