Petition to Remove the Proposed 2026 Need Determination for a Hospice Home Care Office in McDowell County

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I. Requested Change

Pursuant to the summer petition process outlined in Chapter 2 of the 2026 State Medical Facilities Plan (SMFP), AMOREM respectfully requests the removal of the need determination for an additional hospice home care office in McDowell County.

II. Reasons Supporting Requested Change

A. Hospice Utilization Disruption Due To COVID-19 Pandemic

Evidence of Temporary Hospice Utilization Disruption and Subsequent Recovery

The methodology used in the 2026 SMFP relies heavily on historical hospice utilization to determine future need. However, any such analysis must account for the extraordinary disruption caused by the COVID-19 pandemic. The pandemic did not just alter care patterns; it fundamentally distorted the baseline data used in the hospice home care office need methodology. Before evaluating current projections, it is essential to understand the temporary nature of these disruptions and the statistical anomalies they produced.

Statewide hospice data reflect a clear and well-documented pattern of temporary disruption in hospice utilization due to the COVID-19 pandemic, followed by a period of strong recovery. This disruption is closely tied to a phenomenon known as “pull forward” or mortality displacement, in which a significant number of frail or chronically ill individuals die earlier than expected during a crisis period, such as a pandemic. As a result, total deaths spike temporarily, often outside of typical hospice pathways, and then decline in the following years because the population of high-risk individuals has already been reduced.

Recent research supports the concept of pandemic-related mortality displacement, showing that most older adults who died with COVID-19 would have otherwise lived for several more years. A national study in England found that only 23% of COVID-19

decedents aged 65 or older had a life expectancy of one year or less absent the disease, while 49% were expected to live between one and five more years and 28% for five years or longer. These findings confirm that COVID-19 accelerated deaths among individuals who were not imminently dying, thereby reducing the number of deaths in subsequent years and creating temporary distortions in hospice utilization data.[1]

For hospice providers, this meant a sudden and sharp reduction in referrals and admissions during the height of the pandemic, followed by a rebound that was statistical rather than structural. Many individuals who would have otherwise entered hospice care in 2022-2024 had already died prematurely in 2020 or 2021, outside of the hospice setting.

The following table summarizes statewide data pre-pandemic through 2024.

Table 1: Statewide Death Data & Hospice Death Utilization

Data Year	Deaths	% Change	Hospice Deaths	% Change	Statewide Median % Deaths Served	% Change
2017	93,202		41,685		41.1%	
2018	94,005	0.9%	42,352	1.6%	42.7%	4.0%
2019	94,686	0.7%	44,556	5.2%	39.7%	-7.0%
2020	108,398	14.5%	46,982	5.4%	43.3%	9.0%
2021	118,040	8.9%	49,660	5.7%	40.1%	-7.3%
2022	112,906	-4.3%	50,148	1.0%	37.3%	-7.1%
2023	107,820	-4.5%	50,585	0.9%	39.6%	6.2%
2024	103,054	-4.4%	52,891	4.6%	42.4%	7.1%

Source: 2019-2026 SMFP

In North Carolina, this pull forward pattern is evident: deaths surged in 2020 and 2021, while hospice utilization lagged behind:

- Deaths increased 14.5% during 2020 and 8.9% during 2021;
- Hospice deaths grew by comparatively lower rates of 5.4% and 5.7%, respectively

The growth disparity between deaths and hospice deaths is largely attributable to the nature of COVID-19 deaths, which were often sudden, unpredictable, and medically

[1] Hughes et al., Life Lost Due to COVID-19: Analysis of Mortality Displacement in a National English Cohort (2024). SSRN.

complex. Many patients deteriorated rapidly and died in hospital settings, particularly in intensive care units, without the opportunity for timely hospice referral. Additionally, widespread access barriers, such as visitation restrictions, overwhelmed healthcare facilities, and delays in care coordination, further limited the ability of hospice providers to assess, admit, and serve patients during the pandemic's peak.

As the public health emergency subsided, deaths declined sharply between 2022 and 2024 while hospice admissions rebounded:

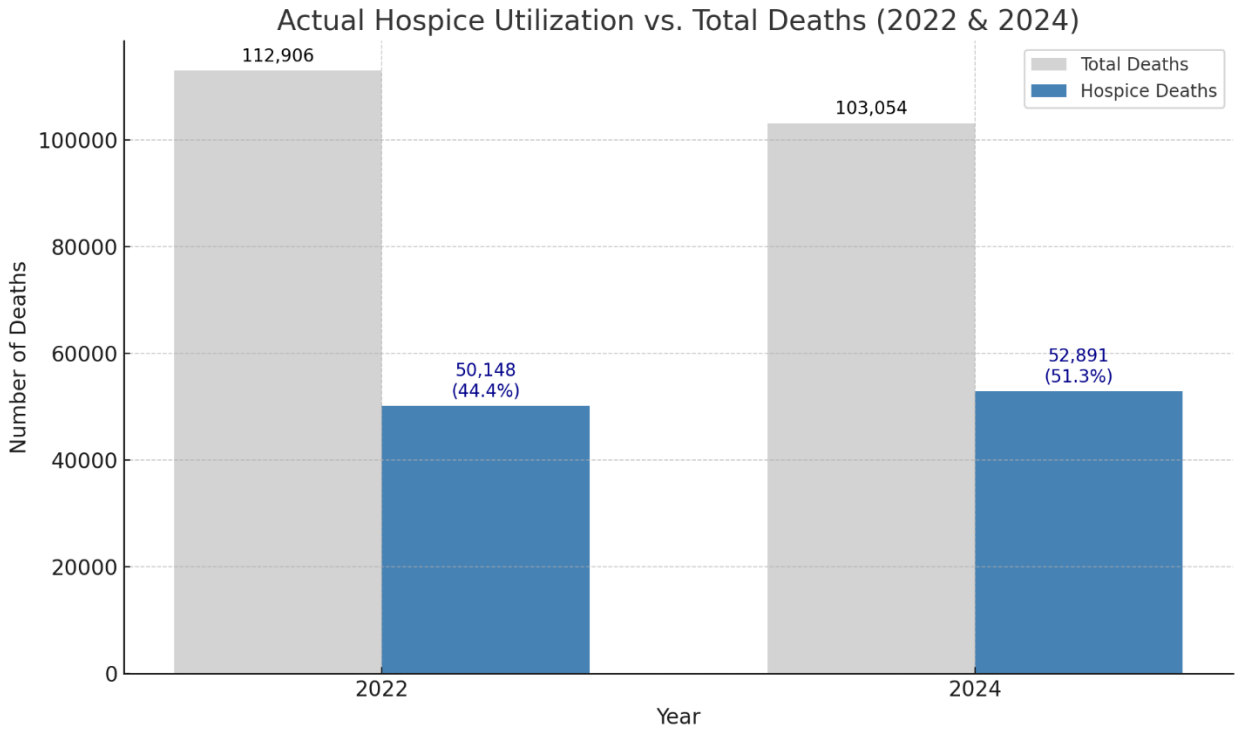
- Total deaths declined in by −4.3% in 2022, −4.5% in 2023, and −4.4% in 2024, a phenomenon consistent with “mortality displacement,” as the earlier spike in deaths reduced the pool of frail individuals likely to die in subsequent years.

- Hospice deaths continued to increase, albeit more slowly compared to previous historical trends: 2022 (+1.0%), 2023 (+0.9%), and 2024 (+4.6%).

- As a result, the statewide median percentage of hospice deaths served rose rapidly from 37.3% in 2022 to 42.4% in 2024, a 13.7 percent increase in just two years.

The combination of declining total deaths following the pandemic peak and a partial rebound in hospice admissions has created a statistical illusion of improved hospice access and utilization. In reality, the percentage of deaths served by hospice increased not because more patients gained meaningful access to hospice care, but because the overall number of deaths (the denominator) fell sharply after the public health emergency. As a result, even a modest recovery in hospice admissions appeared more significant when expressed as a percentage.

It is like a classroom where fewer students take the final exam one year, but the same number of students pass. The pass rate goes up, not because students are doing better or receiving more support, but simply because fewer students took the test. In the same way, hospice utilization rates look better, not because access improved, but because fewer people died overall.



The previous visual clearly shows that while hospice deaths increased modestly, the more substantial decline in total deaths contributed to a higher percentage of deaths served by hospice, highlighting how the trend is driven more by changes in the denominator than by a meaningful increase in access.

Impact On Hospice Home Care Office Methodology

The mismatch between actual service improvements and apparent utilization rates has introduced a distortion into the 2026 SMFP hospice home care methodology. Specifically, the projected statewide median percentage of deaths served by hospice, a key benchmark used in Step 8 of the hospice home care need methodology, has been artificially elevated. Because this metric is calculated by dividing hospice deaths by total deaths for each county and then identifying the median across all counties, the sharp decline in total deaths post-COVID has inflated this percentage.

Consequently, the 2026 SMFP reflects higher growth for the statewide median percentage of deaths served during 2023 and 2024 because the denominator (statewide deaths) has temporarily contracted. In other words, the growth in hospice deaths served during 2023 and 2024 is artificially high and not representative of normal utilization trends, as it reflects a rebound from pandemic-era disruptions rather than sustained, organic growth. As a result, the two-year trailing growth rate of 6.7% for the statewide median percentage of hospice deaths served is fundamentally flawed and unreliable for projecting future hospice need.

Conclusion: Inflated Projected Median Deaths Served Results in Need Determination for McDowell County

Use of the inflated growth rate results in an artificially inflated projected median death served benchmark in the 2026 SMFP hospice methodology. A projected statewide median hospice penetration rate of 51.5% would have been considered unusually high even before the pandemic.

Table 2: Projected Statewide Median Percentage of Deaths Served in SMFPs

SMFP Year	Projected Statewide Median % of Deaths Served
2010	34.3%
2011	33.7%
2012	42.0%
2013	42.5%
2014	39.6%
2015	47.1%
2016	39.2%
2017	44.7%
2018	49.2%
2019	40.6%
2020	44.5%
2021	38.0%
2022	44.6%
2023	41.2%
2024	29.8%
2025	39.0%
2026	**51.5%**

Source: 2010 SMFP-Proposed 2026 SMFP

To use a projected rate of 51.5% for statewide median percentage of deaths served, based on a two year trailing growth rate of 6.7% as a threshold for determining need, fails to account for the temporary and non-representative nature of the data used to calculate it.

By comparison, the median for Two-Year Trailing Growth Rate Median Percent of Deaths Served included in each of the 2010-2026 SMFPs is 2.6% and the average is 2.4%.

Table 3: Two-Year Trailing Growth Rate Median Percent of Deaths Served in SMFPs

SMFP Year	Data Year	2-YR Trailing Growth Rate Median Percent of Deaths Served
2010	2008	4.9%
2011	2009	2.7%
2012	2010	7.2%
2013	2011	6.4%
2014	2012	3.1%
2015	2013	6.0%
2016	2014	1.7%
2017	2015	2.6%
2018	2016	5.8%
2019	2017	-0.4%
2020	2018	1.3%
2021	2019	-1.5%
2022	2020	1.0%
2023	2021	0.9%
2024	2022	-7.2%
2025	2023	-0.5%
2026	2024	6.7%
Median		**2.6%**

If instead a more historically grounded 2.6% growth factor were used in Step 8, a rate consistent with the hospice industry's slow but steady expansion over time, the 2027 projected median percent of deaths served would be 45.8%. As shown in the following table, applying this one change would eliminate the need for one additional hospice home care office in McDowell County.

Table 4: Revised Table13B: Year 2027 Hospice Home Care Office Need Projection, McDowell County

A	B	C	D	E	F	G	H	I	J	K	L	M	N
County	**2019-2023 Death Rate/1000 Population**	**2027 Population (excluding military)**	**Projected 2027 Deaths**	**2024 Reported Number of Hospice Patient Deaths**	**2027 Number of Hospice Deaths Served at Two Year Trailing Average Growth Rate**	**Number of Hospice Deaths Served Limited to 60%**	**Projected 2027 Number of Hospice Deaths Served**	**Median Projected 2027 Hospice Deaths**	**Place-holders for New Hospice Office**	**Projected Number of Additional Patients in Need Surplus (Deficit)**	**Licensed Hospice Offices in County**	**Licensed Home Care Offices in County per 100,000**	**Additional Hospice Office Need**
Source or Formula =>	Deaths - N.C. Vital Statistics	N.C. OSBM	Col. B x (Col. C /1,000)	2025 License Renewal Applications	Col. E x 3 Years Growth at 2.7% annually	Col. D x 60%	Lower Number of Deaths between Col. F and Col. G	Col. D x Projected Statewide Median Percent Deaths Served (45.8%)		Col. H + Col. J - Col. I	Table 13A: Inventory of Licensed Hospice Agencies	Col. L / (Col. C / 100,000)	If Col. M <=3 and Col. K <= -90
McDowell	14.3	44,797	640	192	208	384	208	293	0	-85	1	2.2	0

B. McDowell County Data Reflects Mortality Displacement and Temporary Hospice Utilization Disruption

The data for McDowell County from 2017 to 2024 clearly illustrate the effects of mortality displacement, a phenomenon in which a surge in deaths among vulnerable populations during a crisis, such as the COVID-19 pandemic, results in a temporary spike in mortality, followed by a period of lower-than-expected deaths. In tandem, this dynamic distorts patterns in hospice utilization and falsely suggests structural need or underperformance where none exists.

Table 5: McDowell County Deaths and Hospice Utilization

	Deaths	% Change	Hospice Deaths	% Change	% Deaths Served By Hospice	% Change
2017	515		241		46.8%	
2018	562	9.1%	241	0.0%	42.9%	-8.4%
2019	527	-6.2%	238	-1.2%	45.2%	5.3%
2020	632	19.9%	245	2.9%	38.8%	-14.2%
2021	694	9.8%	266	8.6%	38.3%	-1.1%
2022	672	-3.2%	260	-2.3%	38.7%	0.9%
2023	676	0.6%	244	-6.2%	36.1%	-6.7%
2024	577	-14.6%	266	9.0%	46.1%	27.7%

Source: 2019-2026 SMFP

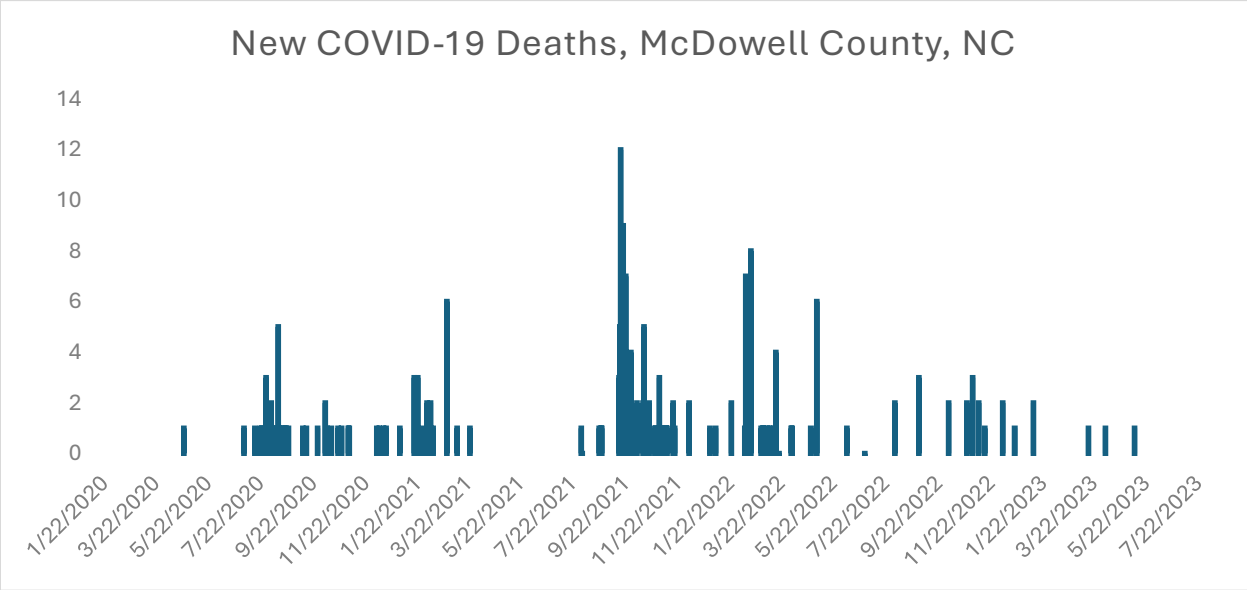
Pre-Pandemic Stability (2017–2019)

From 2017 through 2019, hospice utilization in McDowell County was stable and strong. The percentage of deaths served by hospice remained consistently above 45%, averaging 44.9% over the three-year period. This reflects a mature and well-functioning hospice system with established referral pathways and access.

Pandemic-Era Disruption and Mortality Displacement (2020–2021)

The onset of the COVID-19 pandemic caused a dramatic spike in total deaths in McDowell County, increasing by +19.9% in 2020 and another +9.8% in 2021. These surges mirror national and statewide patterns and are widely attributed to COVID-related mortality, particularly among older and medically fragile individuals.

As illustrated in the chart below, McDowell County experienced multiple waves of COVID mortality, with significant peaks in early and late 2021.



Source: Centers for Disease Control and Prevention; usafacts.org

As seen elsewhere, COVID-19 deaths often occurred rapidly and in hospital settings, especially intensive care units, before hospice care could be considered. Isolation protocols and overwhelmed health systems further constrained referrals and hospice admissions.

While total deaths in McDowell County increased significantly during this time, hospice deaths did not mirror overall growth of deaths. As a result, the percentage of deaths served by hospice dropped from 45.2% in 2019 to 38.3% in 2021, a decline of nearly 7 percentage points.

The gap between total deaths and hospice admissions is not a reflection of capacity or access failure, but of pandemic-era conditions that disrupted traditional end-of-life care patterns. The result is a temporary decline in hospice penetration that should not be interpreted as evidence of unmet need.

Recovery and Re-Equilibration (2022–2024)

Following the height of the pandemic, McDowell County's hospice utilization has begun to stabilize.

In 2022, total deaths decreased slightly (−3.2%) while hospice deaths declined by a comparable −2.3%. In 2023, overall deaths remained flat (+0.6%), but hospice deaths dropped by −6.2%, bringing hospice penetration to 36.1%.

However, by 2024, hospice utilization rebounded notably. While total deaths fell by −14.6%, hospice deaths increased by +9.0%, driving the hospice penetration rate up to 46.1%, its highest level since before the pandemic.

This pattern aligns closely with the concept of mortality displacement, where an early concentration of deaths among high-risk individuals during a public health crisis results in lower-than-expected mortality in the following years. The rebound in hospice penetration in McDowell County does not signal a new, unmet need, but rather a return to equilibrium after the extraordinary disruptions of 2020–2021.

Conclusion

The fluctuation in hospice penetration observed in McDowell County during the pandemic years is consistent with patterns of mortality displacement, not with structural deficiencies in access or service delivery. Hospice utilization has rebounded to pre-pandemic levels, confirming that the current system is responsive, resilient, and adequately meets local demand. These facts underscore that there is no compelling justification for a need determination based on artificially elevated benchmarks produced during this statistically anomalous period.

C. Local Availability of Hospice Services

McDowell County is not isolated, but rather, part of a broader and well-coordinated regional hospice service area that includes neighboring counties such as Burke, Rutherford, Mitchell, and Yancey. This regional system is characterized by shared clinical infrastructure, consistent referral patterns, and a mobile hospice workforce that provides seamless care across county lines. The hospice providers serving this area collaborate with local hospitals, skilled nursing facilities, and physician practices to ensure timely referrals and care continuity, regardless of jurisdictional boundaries.

Within McDowell County itself, residents have access to services from 11 licensed hospice home care offices, a remarkable level of provider availability for a rural county with a population of approximately 45,000. This saturation reflects both the responsiveness of the market and the longstanding commitment of providers to meet community needs.

AMOREM's entry into McDowell County further strengthens this system, adding both capacity and clinical depth. With a proven track record of compassionate, high-quality care in adjacent service areas, AMOREM's recent expansion into McDowell County signals a meaningful enhancement of access, particularly for underserved or hard-to-reach populations. Importantly, AMOREM has never turned away a patient with a terminal diagnosis, regardless of payer status or clinical complexity, underscoring its role as a reliable safety net for the region.

In short, the existing hospice delivery system in McDowell County is not only sufficient, it is strategically integrated, well-resourced, and capable of meeting current and future needs without the addition of a new hospice home care office.

D. Hospice Home Care Methodology Work Group

The hospice home care methodology currently in use was the result of a collaborative effort led by the State Health Coordinating Council beginning in 2008. That year, the Long-Term and Behavioral Health Committee established a dedicated Hospice Methodologies Task Force to modernize the approach used to assess hospice home care needs across North Carolina.

Over the past 15 years, however, significant developments have altered the environment in which hospice services are delivered. These include changes in population demographics, clinical care delivery models, and regulatory frameworks, as well as the far-reaching effects of the COVID-19 pandemic on patterns of mortality and hospice utilization. Despite these shifts, the methodology has not been re-examined or revised.

In light of these changes, it would be both timely and appropriate to initiate a structured review of the hospice home care methodology. A new work group, modeled after the 2008 Task Force, could provide an opportunity for stakeholders to assess the methodology's foundational assumptions and consider whether refinements are needed to better reflect current realities. A thoughtful and transparent process would enhance the methodology's credibility and help ensure that the State Medical Facilities Plan remains responsive to both present conditions and future needs.

III. Potential Effects If Petition Is Not Approved

If the need determination for an additional hospice home care office in McDowell County is not removed from the 2026 State Medical Facilities Plan, there are several potential

adverse effects that could result from introducing a new agency into a county that is already well-served by existing providers.

The introduction of a new hospice provider in a market with robust access prior to the pandemic and rebounding utilization rates in recent years could lead to unnecessary duplication of services. McDowell County is currently served by 11 licensed hospice home care offices, a significant number for a rural county with a population of approximately 45,000. Prior to the COVID-19 pandemic, McDowell County's hospice penetration was among the highest in the state, reaching 46.8% in 2017 and 45.2% in 2019, well above the statewide median. The subsequent decline in utilization during 2020 and 2021, caused by COVID-related hospital deaths and disruption of referral pathways, and the strong recovery observed in 2024 are consistent with mortality displacement and temporary system stress, not structural inadequacy or unmet need.

Adding another hospice agency under these circumstances is unlikely to meaningfully improve access. Instead, it may fragment the existing patient population across more providers, creating inefficiencies and jeopardizing care continuity. This fragmentation is particularly concerning in a rural county like McDowell, where patient volumes are moderate and hospice care requires a mobile, regionally coordinated response.

Moreover, introducing an additional agency could strain the already limited pool of qualified clinical personnel. Nurses, social workers, and chaplains are in high demand across the state, and unnecessary expansion in an already well-served market could exacerbate recruitment challenges, increase turnover, and reduce the overall stability of the hospice workforce.

These risks highlight the importance of disciplined planning in the allocation of new hospice resources. Removing the need determination for McDowell County would help preserve access, maintain care continuity, and uphold quality standards, ensuring that the growth of hospice services remains aligned with actual population needs and not distorted by short-term anomalies in the data.

IV. Removing the Need Determination Will Not Result in Unnecessary Duplication

AMOREM's request to remove the need determination for an additional hospice home care office in McDowell County will not result in unnecessary duplication of services. In fact, the very nature of this request reflects a deliberate commitment to preventing such duplication. Rather than pursuing expansion or seeking licensure in a county that is already well-served, AMOREM is working to preserve the balance and integrity of the current hospice system by avoiding the addition of capacity that is not justified by historical utilization or demonstrated need.

By petitioning for the removal of the need determination, AMOREM is not requesting approval to develop a new hospice office, nor is it attempting to compete with or displace other providers. On the contrary, this petition promotes the principles of efficiency, sustainability, and responsible growth, and urges the State to preserve the existing provider network in McDowell County, a network that was functioning effectively before temporary COVID-era mortality shifts created misleading utilization metrics.

In this way, AMOREM's petition reinforces the principle that healthcare planning should reflect long-term patterns and actual system capacity, rather than transient statistical distortions. Approving the request to remove the McDowell County need determination would support the intent of the State Medical Facilities Plan, i.e., to avoid unnecessary duplication and ensure that hospice resources are deployed in areas where true, data-driven need exists.

V. Alternatives To Removing Need Determination

In effect, the only meaningful alternative at this time is to take no action. AMOREM could have remained silent, allowing the need determination to stand unchallenged in the Final 2026 SMFP. However, choosing not to act would have amounted to tacit approval of a flawed planning outcome, one shaped by short-term, pandemic-driven data distortions rather than sustained trends or demonstrated gaps in access.

In the absence of corrective action, the state could move forward with authorizing a new hospice agency in a county that is already well-served, inadvertently fragmenting patient care, intensifying competition for scarce clinical staff, and reducing overall system efficiency. Filing this petition is therefore not only appropriate, but necessary to preserve responsible, data-informed planning and protect the long-term stability of hospice care in Burke County.

VI. SMFP Basic Principles

AMOREM's request to remove the McDowell County need determination is consistent with the Basic Principles of the SMFP.

Access

AMOREM has expanded its service area to include McDowell County, further strengthening access to compassionate, community-based hospice care. AMOREM provides in-home services throughout the county and maintains strong referral relationships with local hospitals, physician practices, and other care providers. McDowell County residents currently have access to hospice services through 11 licensed hospice home care offices, representing a robust provider network for a rural county of approximately 45,000 residents. AMOREM has never turned away a patient with a terminal diagnosis, regardless of ability to pay, ensuring that access is not limited by geography or financial status. Rather

than diluting the existing system, this petition seeks to preserve access by preventing unnecessary market fragmentation.

Quality

AMOREM's performance consistently reflects high standards of care and patient satisfaction. The organization is CHAP-accredited and maintains a 4-star CMS quality rating. For the 12-month period ending February 2025, AMOREM achieved a CAHPS caregiver satisfaction score of 22 out of 24, earning recognition as a 2025 Hospice CAHPS Honors Award recipient from HEALTHCAREfirst. Additionally, AMOREM earned a perfect 10 out of 10 on the Hospice Care Index based on CMS data from October 2023 through September 2024. These independent performance metrics confirm that AMOREM delivers high-quality care to patients and families in McDowell County and surrounding areas. Removing the need determination helps maintain this high standard by avoiding resource dilution and workforce strain that can result from unnecessary provider expansion.

Value

AMOREM's petition supports the SMFP's goal of achieving value by promoting efficient use of limited healthcare resources. The need determination for McDowell County was triggered by pandemic-era mortality distortions, not by a sustained shortfall in access or capacity. Hospice utilization in McDowell County, which dipped during 2020 and 2021 due to COVID-related disruptions, has since rebounded to pre-pandemic levels. The most recent data show hospice penetration rising to 46.1% in 2024, a level that exceeds the statewide median in many prior years. Authorizing a new provider in this context would not improve outcomes; instead, it may introduce redundancy, strain the local clinical workforce, and reduce the efficiency of existing providers. Removing the need determination avoids unnecessary costs and preserves system integrity.

By petitioning to remove the need determination, AMOREM is engaging directly and transparently with the SMFP process. Rather than passively accepting an inaccurate need determination or exploiting it for competitive advantage, AMOREM is proactively helping the SHCC correct a data-driven anomaly. This action reflects accountability not only to the regulatory framework but to the patients, families, and communities it serves.

In short, AMOREM's petition exemplifies responsible participation in the healthcare planning process. It seeks to ensure that SMFP determinations are rooted in accurate, relevant data and aligned with the long-term goal of preserving access, promoting quality, and supporting a stable and efficient hospice care system.

In every respect, access, quality, value, and accountability, AMOREM's petition aligns with the intent and spirit of the SMFP, ensuring that hospice development continues to reflect real needs rather than short-term statistical anomalies.

VII. Conclusion

In summary, AMOREM respectfully requests the removal of the need determination for one additional hospice home care office in McDowell County from the Proposed 2026 State Medical Facilities Plan. The current determination is not based on sustained need or structural gaps in access but is instead the product of temporary mortality distortions caused by the COVID-19 pandemic. Hospice utilization in McDowell County has rebounded to strong pre-pandemic levels, and the county is already well-served by a diverse and capable group of providers. Adding another agency risks fragmenting care, straining a limited clinical workforce, and undermining the quality and efficiency of existing services. This petition aligns fully with the SMFP's guiding principles of access, quality, and value, and reflects a responsible, data-driven approach to healthcare planning. We appreciate the SHCC's thoughtful consideration of this request and remain committed to ensuring that hospice care remains stable, responsive, and sustainable for McDowell County residents.