

**Long-Term Behavioral Health Committee
Agency Report
Adjusted Need Petition for
Hospice Inpatient Bed Need Determinations
Proposed 2013 State Medical Facilities Plan**

Petitioners:

Mountain Valley Hospice & Palliative Care
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Suite 200
Mount Airy, North Carolina 27030

Contacts:

Ms. Denise Watson,
Executive Director

Request:

Mountain Valley Hospice & Palliative Care requests an adjusted need determination for six hospice inpatient beds in Yadkin County in the Proposed 2013 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 base on the standard methodology.

Chapter Two of the SMFP allows persons 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. Mountain Valley Hospice & Palliative Care – Yadkin County is seeking hospice inpatient beds for the first time.

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 2013 SMFP, the CON review could be competitive and there is no guarantee that the petitioner would be the approved applicant.

The petitions were posted on the Division of Health Service Regulation's web site. Written comments were received by the August 17, 2012 date that was identified for submission of comments on petitions and comments to the Division's Medical Facility Planning Branch. The comments were received from the Association of Home and Hospice Care of North Carolina.

Analysis/Implications:

Mountain Valley Hospice & Palliative Care requests an adjusted need determination for six hospice inpatient beds in Yadkin County in the Proposed 2013 SMFP. There is no licensed hospice inpatient or residential facility in Yadkin County.

The Proposed 2013 SMFP identifies a deficit of three beds in Yadkin County and, by application of the standard methodology, does not identify a need determination for new hospice inpatient beds in the county.

Three existing hospice inpatient facilities are in counties contiguous to Yadkin County. Kate B. Reynolds in Forsyth County is licensed for 30 inpatient beds. Gordon Hospice House in Iredell County is licensed for nine inpatient beds and has received a certificate of need to develop three inpatient beds and a conditional approval for three more inpatient beds. Mountain Valley Hospice & Palliative Care has a location in Surry County that is licensed for 13 inpatient beds. Based on the Hospice 2012 License Renewal application data, Mountain Valley Hospice – Surry County reported 753 days of care (DOC) for Yadkin County residents. This is the equivalent of two inpatient beds (i.e. $753 \text{ DOC} / 356 \text{ days} = 2 \text{ beds}$). While Kate B. Reynolds and Gordon Hospice House reported 83 and 40 days of care for Yadkin County residents respectively for the same reporting period.

The petitioner highlighted Yadkin County's Average Length of Stay (ALOS) as "comparatively higher than the statewide median ALOS." In FY2011, Yadkin County's ALOS was 92.7 and the statewide median ALOS was only 72.7. Yadkin County's ALOS has steadily increased over the last three years while the statewide ALOS has fluctuated.

Hospice Average Length of Stay per Admission

	Yadkin County ALOS	North Carolina Median ALOS
FY2008	80.6	77.2
FY2009	87.1	75.4
FY2010	89.9	80.5
FY2011	92.7	72.7

Source: 2010-2012 SMFP, Propose 2013 SMFP

Based on this trend the statewide median ALOS does not correlate with what is occurring in Yadkin County. Due to the “...unique or special attributes of a particular geographic area...that differ from those provided by application of the standard planning procedures and policies...” the petitioner suggests using the county ALOS to project need for hospice inpatient beds in Yadkin County instead of the statewide median ALOS. The result, using the county ALOS, is a total projected hospice inpatient bed deficit of four beds as illustrated in the table below.

Table 13C: (showing 2016 DOC adjusted at the County ALOS)

County	Total Admissions	Days of Care	ALOS per Admission	Total 2016 Admissions	2016 DOC at County ALOS	Projected Inpatient Beds (6%)	Total Projected Inpatient Beds	Currently Licensed	Existing Facility Occupancy Rate	Deficit/ (Surplus)
Yadkin	145	13,443	92.71	209	19,389	1,163	4.0	0	NA	4

Agency Recommendation:

The agency supports the standard methodology for hospice inpatient beds as presented in the Proposed 2013 SMFP. However, the methodology is not able to respond to nuances in a particular region such as Yadkin County. The agency acknowledges there is no licensed hospice inpatient or residential facility in Yadkin County and residents must travel to Forsyth, Iredell or Surry counties for hospice inpatient care. The agency has noted in FY2011 there were 753 days of care for Yadkin County residents in Surry County, which is the equivalent of 2 beds. The residents of Yadkin County would benefit greatly if hospice services are accessible in their county.

In addition, the agency acknowledges the steady increase the county has experienced in its ALOS for the last four years and how it has been consistently above the statewide median ALOS. Based on the standard methodology’s adjustment for large discrepancies, the agency recommends using Yadkin County’s ALOS to project 2016 DOC and the total projected inpatient bed deficit for Yadkin County

Given available information and comments submitted by the August 17, 2012 deadline, and in consideration of factors discussed above, the agency recommends approval of an adjusted need determination for four hospice inpatient beds in Yadkin County.