

**Long-Term Behavioral Health Committee
Agency Report
Adjusted Need Petition for
Medicare-certified Home Health Need Determinations
Proposed 2014 State Medical Facilities Plan**

Petitioner:

Granville Vance District Health Department
P.O. Box 367
101 Hunt Drive
Oxford, North Carolina 27565

Contact:

Ms. Linda Macon Harrison, MPH
Health Director

Request:

Granville-Vance District Health Department requests removal of the need determination for one Medicare-certified home health agency or office in Granville County in the Proposed 2014 State Medical Facilities Plan (SMFP).

Background Information:

Granville-Vance Home Health Agency, a division of the Granville-Vance District Health Department has provided home health services to the residents of Granville and Vance counties for the last 39 years. In January 2007, the Granville-Vance Home Health Agency physically relocated their office from Granville County to Vance County because of need for space. The move proved to be a very cost-effective and efficient move for the Home Health Agency that did not affect access to clients or client care. The move relocated the Home Health Agency 3.5 miles from the Granville County line and only 10 minutes from the old office location.

In the summer of 2008, the Long-Term and Behavioral Health Committee considered a petition from the Granville-Vance District Home Health Agency to amend Policy HH-3 to allow District Health Department home health agencies to be considered as located in each county served regardless of physical location. The committee recommended the petition be denied. There was a need determination in Granville County in the Proposed 2009 Plan based on Policy HH-3. The Committee recommended the need determination for Granville County be removed. A statement was included in the Proposed 2009 Plan indicating that while there would have been a need determination for Granville County based on Policy HH-3, there was an adjusted determination of no new need for a Medicare-certified Home Health Agency or Office for the Proposed 2009 Plan.

The Proposed 2014 SMFP reflects a need determination for one Medicare-certified home health agency or office established through Policy HH-3 which states:

“When a county has no Medicare-certified home health agency office physically located within the county’s borders, and the county has a population of more than 20,000 people... The “need determination” shall be reflected in the *next* annual North Carolina State Medical Facilities Plan that is published following determination that a county meets the criteria indicated above. (Population is based on population estimates/projections from the North Carolina Office of State Budget and Management for the plan year in which the need determination would be made excluding active duty military for any county with more than 500 active duty military personnel.).”

It should be noted that any person may submit a certificate of need (CON) application for a need determination in the SMFP. Therefore, should there be a need determination in the 2014 SMFP the CON review could be competitive and there is no guarantee that the petitioner would be the approved applicant.

Analysis/Implications:

The Agency supports the home health standard methodology. In the last ten years (2002-2011) there have been only nine need determinations by the standard methodology, six of which were in Mecklenburg and Wake counties, large counties that experienced significantly high growth in the past decade.

The home health need methodology projects future need based on trends in historical data, including the “Average Annual Rate of Change in Number of Home Health Patients” over the previous three years and the “Average Annual Rate of Change in Use Rates per 1000 Population” over the previous three years. Average annual rates of change are compiled based on “Council of Governments (COG)” regions.

Patient origin data used in the SMFP is compiled from Home Health Agency Annual Data Supplements to License Renewal Applications as submitted to the Division of Health Service Regulation. The data supplements request data for a twelve-month period using a start date of July, August, September or October. The methodology aggregates patient origin data by four age groups: under age 18, 18-64, 65-74, and over 75.

The methodology utilized in development of the SMFP does not project future need based on the number of home health agencies in any given county or on the capacity of existing agencies. Rather, it projects need based on the number of patients served during the reporting years indicated in the SMFP.

While Granville County does not have a Medicare-certified home health agency office located in the county, its residents are well served by home health providers. Based on information reported on Home Health 2013 Annual Data Supplement to License Renewal Applications, 13 agencies reported serving a total of 797 patients residing in Granville County (Durham-3;

Franklin-2; Person-1; Vance-2; Wake-5). The three highest volume providers were agencies in Vance, Durham and Wake counties, which are contiguous to Granville County.

The standard methodology would have generated a need determination for a home health agency office if the needs of patients in the county were not being met.

Agency Recommendation:

The agency supports the standard methodology for Medicare-certified home health agencies or offices as presented in the Proposed 2014 SMFP. Given that a need determination was generated for one new home health agency or office in Granville County in the Proposed 2014 SMFP based on Policy HH-3 and not the standard methodology, it is reasonable and appropriate to recommend the need determination be removed. Based on the information and comments submitted by the August 15, 2013 deadline, and in consideration of factors discussed above, the agency recommends approval of the request for removal of the need determination for one Medicare-certified home health agency or office in Granville County.

Furthermore, the agency suggests that next Spring the Committee review the effect Policy HH-3 has on home health agency offices that serve a multi-county area as a single geographic entity.