

**Long-Term Behavioral Health Committee
Agency Report
Adjusted Need Petition for
Hospice Inpatient Bed Need Determinations
Proposed 2014 State Medical Facilities Plan**

Petitioner:

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

Contact:

Ms. Denise Watson,
Executive Director

Request:

Mountain Valley Hospice & Palliative Care requests an adjusted need determination for three hospice inpatient beds in Surry County in the Proposed 2014 State Medical Facilities Plan (SMFP).

Background Information:

The need for additional hospice inpatient beds is addressed in Chapter 13 of the SMFP. The standard methodology used to project need for additional hospice inpatient beds begins with using the previous year's data for projections, then the two-year trailing average growth rate in statewide hospice admissions is calculated over the previous three years and it is applied to the current reported number of hospice admissions to project total hospice admissions.

Next, the total projected admissions and the lower of the statewide median average length of stay per admission and each county's average length of stay per admission are used as the basis for projecting estimated inpatient days for each county.

Six percent of the total estimated days of care in each county is used as a basis for estimating days of care in licensed inpatient hospice beds.

Chapter Two of the SMFP provides an opportunity for "...people who believe that unique or special attributes of a particular geographic area or institution give rise to resource requirements that differ from those provided by application of the standard planning procedures and policies may submit a written petition requesting an adjustment be made to the need determination given in the North Carolina Proposed State Medical Facilities Plan."

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

Analysis/Implications:

Mountain Valley Hospice & Palliative Care requests an adjusted need determination for three hospice inpatient beds in Surry County in the Proposed 2014 SMFP. Mountain Valley Hospice has a hospice facility in Surry County with 13 inpatient beds and seven residential beds. Based on the Hospice 2013 Annual data Supplement to License Renewal Application information (FY2012), the inpatient facility has an occupancy rate of 95.4% as indicated in the Proposed 2014 Proposed SMFP. According to the petition, there are often times when inpatient beds are full and patients are turned away. The petition has significant community support as shown by the 306 letters of support.

The Proposed 2014 SMFP identifies a surplus of three beds in Surry County and, as a result, does not identify a need determination for new hospice inpatient beds in the county.

Mountain Valley Hospice & Palliative Care highlighted Surry County's Average Length of Stay (ALOS) as "comparatively higher than the statewide median ALOS." In FY2012, Surry County's ALOS was 105.8 and the statewide median ALOS was only 73.5. While both Surry County's ALOS and the statewide ALOS have fluctuated, Surry County's ALOS has consistently been higher than the statewide ALOS the past five years.

Hospice Average Length of Stay per Admission

	Surry County ALOS	North Carolina Median ALOS
FY2008	116.4	77.2
FY2009	118.1	75.4
FY2010	113.9	80.5
FY2011	114.2	72.7
FY2012	105.8	73.5

Source: 2010-2013 SMFP, Proposed 2014 SMFP

Based on this trend and the fact that the statewide median ALOS does not come close to accurately reflecting what is occurring in the county, the agency recommends projecting 2017 days of care for the inpatient estimate utilizing 2017 days of care at the county ALOS for Surry County. This will result in a total projected hospice inpatient bed deficit of six beds as illustrated in the table below.

Table 13C: (showing 2017 DOC adjusted at the County ALOS)

County	Total Admissions	Days of Care	ALOS per Admission	Total 2016 Admissions	2017 DOC at County ALOS	Projected Inpatient Days (6%)	Total Projected Inpatient Beds	Currently Licensed	Existing Facility Occupancy Rate	Deficit/ (Surplus)
Surry	561	59,358	105.81	726	76,846	5,876	19	13	95.7%	6

Agency Recommendation:

The agency supports the standard methodology for hospice inpatient beds as presented in the Proposed 2014 SMFP. However, the standard methodology does not project an inpatient days of care figure that accurately reflects the actual hospice inpatient bed need in Surry County. This is because the county ALOS exceeds the statewide median ALOS. If the agency projects inpatient days of care using Surry County's ALOS, in a total projection of six hospice inpatient beds results.

By projecting inpatient days of care using Surry County's ALOS, the total projection of inpatient hospice beds is 6. However, the petition requests 3 inpatient hospice beds which the petition has demonstrated will meet the needs of the county.

Given available information and comments submitted by the August 15, 2013 deadline, and in consideration of factors discussed above, the agency recommends approval of an adjusted need determination for three hospice inpatient beds in Surry County.