Attachment F

North Carolina State Health Coordinating Council
May 28, 2008

Petition from The Carolinas Center for Hospice and End of Life Care

Agency Report on the Petition
Petition
Comment submitted by Petitioner

AGENCY REPORT:

Proposed 2009 Plan

Notes related to **Petition** from **The Carolinas Center for Hospice and End of Life Care**

Request

The Carolinas Center for Hospice and End of Life Care submitted a petition requesting a modification of the existing hospice home care methodology for the 2009 State Medical Facilities Plan and that a task force be convened to fully evaluate the hospice home care and hospice inpatient bed need methodologies for the 2010 Plan.

Background Information

The hospice home care office methodology projects future need using a statewide average percent of deaths served by hospices to project deaths in each county. County mortality statistics and mortality rates for a five year period are used as the basis for projections.

Utilization data used in the Plan is compiled from Annual Data Supplements to License Applications as submitted to the Division of Health Service Regulation. A need determination is made for a county if: the deficit is 50 or more and the county projected population is 50,000 or fewer persons and the deficit index is 10% or more; or, the deficit is 75 or more and the county projected population is more than 50,000 persons and the deficit index is 10% or more.

A Hospice Methodology Task Force was appointed to consider issues for the 2006 Plan. Task Force recommendations with regard to the Hospice Home Care Methodology were to clarify when the placeholder is applied and to introduce a deficit index of 10% as a factor in making need determinations.

Application of the standard methodology would have resulted in need determinations in several counties in the 2008 Plan. However, there was an adjusted determination of no need for additional hospice home care offices. The adjustment was made as a result of numerous new hospice home care offices established in 2005 preceding the effective date of changes in the hospice home care Certificate of Need legislation of 2005. The Plan noted that limited or no data is available regarding these new offices. The same type of adjustment was made for the 2007 Plan.

Analysis of Petition

The petitioner proposes changes to the hospice home care methodology for use in the Proposed 2009 Plan and that a Task Force be convened for the 2010 Plan to evaluate the hospice home care and inpatient bed methodologies.

The hospice home care methodology projects the number of patients in need (deficit or surplus) by subtracting the projected number of hospice deaths for each county from the reported number of hospice deaths plus any adjustments for new hospice offices. Therefore, there are two components to the equation for projecting need.

The petitioner proposes that the component for projecting the number of hospice deaths for each county be modified to use the statewide median rather than the statewide average to calculate the projected number of hospice deaths for each county. The statewide average used in the 2008 Plan was 30.46%. In comparison, the statewide median would have been 27.02%. Therefore, use of the median rather than the average would have resulted in a reduction in the number of projected hospice deaths.

With regard to the other component for projecting need, the petitioner proposes to apply a three-year compound annual growth rate to the number of deaths served by existing hospices. Given the growth in the number of hospice deaths served in the state over the past several years, this would increase the number of projected deaths to be served by hospice agencies. If this methodology were applied to the 2008 Plan, the three year compounding would have used data for 2003 and 2006 which are reflected in the 2005 and 2008 Plans. In the 2005 Plan, the number of hospice deaths was 16,889 compared to 22,653 in the 2008 Plan. This represents a growth of 34.13% in the number of hospice deaths reported.

In summary, application of the proposed methodology would introduce compounded growth over a three year period to one component of the methodology but not to the other. The component of the methodology which projects the number of hospice deaths would not be adjusted to reflect the growth in the percent of deaths served by hospice which has been substantial. The statewide average used in the 2005 Plan was 23.53% compared to 30.46% in the 2008 Plan which represents a growth of 29.45%. The statewide median in the 2005 Plan would have been 20.86% compared to 27.02% in the 2008 Plan which represents a growth of 29.53%.

With regard to the methodology to project need for new Medicare-Certified Home Health Agencies or Offices, it is noted that average annual rate of change over the previous three years is a factor in projecting both potential total people served and projected utilization.

Agency Recommendation

The Agency recommends that the Petition be approved in part. The Agency recommends that a Hospice Methodology Task Force be convened to fully evaluate the hospice home care and hospice inpatient bed need methodologies for the 2010 Plan. The Agency also recommends, as proposed by the petitioner, that the statewide median be used to project the number of hospice deaths for each county. The use of the median is viewed as a reasonable alternative to the use of the average. The Agency recommends that the proposed modification of the hospice home care methodology regarding application of a three-year compound annual growth rate to the number of deaths served by existing hospices be denied. The Agency views its recommendations to be reasonable in light of the Task Force to fully evaluate the methodologies. Attached is a modified "Table 13B: Year 2010 Hospice Home Care Office Need Projections for Proposed 2009 Plan," reflecting use of the median rather than the average.

Table 13B: Year 2010 Hospice Home Care Office Need Projections for Proposed 2009 Plan (Draft for May 16, 2008 Meeting Using Median %)

Column A	Column B	Column C	Column D	Column E	Column F	Column G	Column H	Column I	Column J	Column K	Column L
	2006 Number Of Deaths	2007 Reported # of Hospice Patient Deaths	% Deaths Served By Hospice	2002-2006 Death Rate/1000 Population	2010 Population (excluding military)	Projected 2010 Deaths	Projected Average Hospice Deaths	Place-holder for New Hospice Office	Projected Number of Additional Patients in Need Surplus (Deficit)	Deficit Index	Additional Hospice Office Need
Source or Formula =>	*2006 NC Vital Statistics*	*2008 Lic. Data Supplements*	*Median %*	*Deaths - NC Vital Statistics*	*Office of State Budget and Management*	*Col. E*(Col.F/1000)*	*Col. G *29.41%*		*Col. C + Col. I - Col. H*	*Shown if Col. J =>50 and pop <= 50,000 or Col. J => 75 and pop. > 50,000 and deficit index =>10%.*	*(Col. J =>50 and pop <= 50,000 or Col. J => 75 and pop. > 50,000 and deficit index =>10%)*
North Carolina	74,419	24,823	29.41%	8.5	9,399,781	79,898	23,498	316	1,641		
Alamance	1,343	566	42.14%	9.6	146,568	1,407	414		152		
Alexander	335	119	35.52%	8.5	37,931	322	95		24		
Alleghany	126	28	22.22%	12.6	11,335	143	42		(14)		
Anson	298	44	14.77%	11.1	24,719	274	81		(37)		
Ashe	276	67	24.28%	11.8	26,850	317	93		(26)		
Avery	181	64	35.36%	11	18,381	202	59		5		
Beaufort	566	147	25.97%	11.8	47,555	561	165		(18)		
Bertie	239	50	20.92%	12.4	18,871	234	69		(19)		
Bladen	362	111	30.66%	12	33,360	400	118		(7)		
Brunswick	917	302	32.93%	9.6	111,076	1,066	314		(12)		
Buncombe	2,190	944	43.11%	10.1	235,401	2,378	699		245		
Burke	849	267	31.45%	9.6	90,204	866	255		12		
Cabarrus	1,270	512	40.31%	8.3	177,879	1,476	434		78		
Caldwell	866	382	44.11%	10.1	81,127	819	241		141		
Camden	78	18	23.08%	7.9	10,560	83	25		(7)		
Carteret*	677	187	27.62%	11.3	65,646	742	218		(31)		
Caswell	221	47	21.27%	10.4	23,633	246	72		(25)		
Catawba	1,351	730	54.03%	8.9	158,930	1,414	416		314		
Chatham	497	167	33.60%	9	63,088	568	167		0		
Cherokee	318	45	14.15%	12.3	28,586	352	103		(58)	56%	1
Chowan	172	30	17.44%	12.8	15,207	195	57		(27)		
Clay	120	16	13.33%	12.1	10,968	133	39		(23)		
Cleveland	1064	467	43.89%	10.4	97,253	1,011	297		170		
Columbus	684	221	32.31%	11.6	55,616	645	190		31		
Craven*	905	200	22.10%	9.5	92,200	876	258		(58)		
Cumberland*	2094	638	30.47%	6.7	275,685	1,847	543		95		
Currituck	187	52	27.81%	8	26,493	212	62		(10)		
Dare	231	54	23.38%	7.8	36,619	286	84		(30)		
Davidson	1511	361	23.89%	9.5	160,876	1,528	449		(88)	20%	1
Davie	378	112	29.63%	9	43,354	390	115		(3)		
Duplin	512	109	21.29%	9.9	55,863	553	163		(54)		
Durham	1731	566	32.70%	7.1	263,177	1,869	550		16		
Edgecombe	573	143	24.96%	11.1	51,184	568	167		(24)		

Table 13B: Year 2010 Hospice Home Care Office Need Projections for Proposed 2009 Plan (Draft for May 16, 2008 Meeting Using Median %)

Column A	Column B	Column C	Column D	Column E	Column F	Column G	Column H	Column I	Column J	Column K	Column L
	2006 Number Of Deaths	2007 Reported # of Hospice Patient Deaths	% Deaths Served By Hospice	2002-2006 Death Rate/1000 Population	2010 Population (excluding military)	Projected 2010 Deaths	Projected Average Hospice Deaths	Place-holder for New Hospice Office	Projected Number of Additional Patients in Need Surplus (Deficit)	Deficit Index	Additional Hospice Office Need
Source or Formula =>	*2006 NC Vital Statistics*	*2008 Lic. Data Supplements*	*Median %*	*Deaths - NC Vital Statistics*	*Office of State Budget and Management*	*Col. E*(Col.F/1000)*	*Col. G *29.41%*		*Col. C + Col. I - Col. H*	*Shown if Col. J =>50 and pop <= 50,000 or Col. J => 75 and pop. > 50,000 and deficit index =>10%.*	*(Col. J =>50 and pop <= 50,000 or Col. J => 75 and pop. > 50,000 and deficit index =>10%)*
Forsyth	2824	1018	36.05%	8.7	351,864	3,061	900		118		
Franklin	444	125	28.15%	8.3	60,271	500	147		(22)		
Gaston	1929	688	35.67%	10	205,760	2,058	605		83		
Gates	113	17	15.04%	10.6	12,553	133	39		(22)		
Graham	104	16	15.38%	12.3	8,265	102	30		(14)		
Granville	498	99	19.88%	8.7	56,856	495	145		(46)		
Greene	170	48	28.24%	9.3	21,645	201	59		(11)		
Guilford	3532	1147	32.47%	8.1	476,055	3,856	1,134		13		
Halifax	635	110	17.32%	11.6	54,560	633	186	110	34		
Harnett*	809	250	30.90%	7.8	109,832	857	252		(2)		
Haywood	658	222	33.74%	11.9	58,256	693	204		18		
Henderson	1300	737	56.69%	12.5	108,136	1,352	398		339		
Hertford	251	78	31.08%	12.1	24,090	291	86		(8)		
Hoke*	251	57	22.71%	6.7	47,046	315	93		(36)		
Hyde	53	29	54.72%	11.7	5,409	63	19		10		
Iredell	1284	437	34.03%	8.7	162,470	1,413	416		21		
Jackson	327	121	37.00%	9	38,163	343	101		20		
Johnston	1023	267	26.10%	7.3	171,639	1,253	368		(101)	28%	1
Jones	103	32	31.07%	10.7	10,529	113	33		(1)		
Lee	469	153	32.62%	9.1	59,421	541	159		(6)		
Lenoir	665	115	17.29%	11.9	58,007	690	203	110	22		
Lincoln	622	222	35.69%	8.8	77,277	680	200		22		
McDowell	471	116	24.63%	10.3	45,233	466	137		(21)		
Macon	420	135	32.14%	12.8	35,591	456	134		1		
Madison	209	75	35.89%	11	21,183	233	69		6		
Martin	307	84	27.36%	13.1	23,997	314	92		(8)		
Mecklenburg	4817	1866	38.74%	6.1	930,663	5,677	1,670		196		
Mitchell	219	72	32.88%	12.7	16,004	203	60		12		
Montgomery	249	59	23.69%	10.4	28,273	294	86		(27)		
Moore*	914	358	39.17%	11.7	87,588	1,025	301		57		
Nash	908	180	19.82%	10	95,712	957	281	96	(5)		
New Hanover	1517	675	44.50%	8.3	201,313	1,671	491		184		
Northampton	260	59	22.69%	13.2	21,517	284	84		(25)		
Onslow*	819	177	21.61%	5.1	134,415	686	202		(25)		
Orange	650	331	50.92%	5.7	129,689	739	217		114		
Pamlico	122	28	22.95%	11.2	13,292	149	44		(16)		
Pasquotank	345	91	26.38%	9.5	43,519	413	122		(31)		

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Pender	451	179	39.69%	8.7	55,185	480	141		38		
Perquimans	147	34	23.13%	12.4	13,385	166	49		(15)		
Person	389	111	28.53%	10.3	38,775	399	117		(6)		
Pitt	1081	320	29.60%	7.6	156,531	1,190	350		(30)		
Polk	272	144	52.94%	14.6	19,776	289	85		59		
Randolph	1223	455	37.20%	8.6	145,072	1,248	367		88		
Richmond	538	164	30.48%	11.3	47,047	532	156		8		
Robeson	1208	306	25.33%	9.2	134,281	1,235	363		(57)		
Rockingham	1122	241	21.48%	11.5	92,256	1,061	312		(71)		
Rowan	1342	334	24.89%	9.9	139,253	1,379	405		(71)		
Rutherford	819	395	48.23%	12.2	63,660	777	228		167		
Sampson	570	159	27.89%	9.7	67,447	654	192		(33)		
Scotland	374	185	49.47%	9.9	37,574	372	109		76		
Stanly	655	230	35.11%	10.3	60,216	620	182		48		
Stokes	435	162	37.24%	9.4	47,608	448	132		30		
Surry	845	342	40.47%	11	74,749	822	242		100		
Swain	182	57	31.32%	12.7	14,805	188	55		2		
Transylvania	309	128	41.42%	12.1	31,617	383	113		15		
Tyrrell	25	6	24.00%	9.5	4,343	41	12		(6)		
Union	1044	286	27.39%	6.2	205,253	1,273	374		(88)	24%	1
Vance	422	93	22.04%	10.8	44,953	485	143		(50)	35%	1
Wake*	3735	1468	39.30%	4.9	906,136	4,440	1,306		162		
Warren	220	38	17.27%	11.4	19,996	228	67		(29)		
Washington	130	23	17.69%	11	13,185	145	43		(20)		
Watauga	321	78	24.30%	7	44,474	311	92		(14)		
Wayne*	1061	310	29.22%	9.2	113,351	1,043	307		3		
Wilkes	671	115	17.14%	10	67,849	678	200		(85)	42%	1
Wilson	822	193	23.48%	10.1	80,220	810	238		(45)		
Yadkin	377	107	28.38%	10.2	39,435	402	118		(11)		
Yancey	216	100	46.30%	10.8	19,061	206	61		39		

*population projections were adjusted to exclude active duty military personnel.

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PETITION

Petition for Changes to the Hospice Home Care Need Methodology

PETITIONER

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SUMMARY

The Carolinas Center for Hospice and End of Life Care respectfully petitions the State Health Coordinating Council to:

1) Modify the existing hospice home care methodology for the 2009 SMFP; and,
2) Convene a task force to fully evaluate the hospice home care and hospice inpatient bed need methodologies for the 2010 SMFP[1].

BACKGROUND

As a result of the numerous petitions related to the current hospice home care methodology and subsequent decisions by the SHCC to adjust need determinations to no need for new hospice home care agencies in the last two years, The Carolinas Center convened a provider group in the summer of 2007 to review the hospice home care methodology and develop recommendations for improvements to the methodology, with the expectation of petitioning for those changes in the 2009 SMFP. After reviewing each component of the existing methodology, making multiple adjustments to the existing methodology, and discussing these adjustments at numerous provider group meetings, The Carolinas Center recognized that its review and discussions had generated significant issues with the current methodology, more than could be addressed in time for the 2009 SMFP. However, The Carolinas Center identified a clear, recurring inequity in the methodology that could easily and equitably be made to the 2009 SMFP. Thus, The Carolinas Center is submitting this petition with its requests for minor modifications to the existing methodology for inclusion in the 2009 SMFP and the appointment of a task force to develop a new methodology for the 2010 SMFP.

[1] Although the hospice inpatient bed need methodology is not the subject of this petition, there are numerous interactive factors between the home care and inpatient methodologies that lead The Carolinas Center to strongly recommend that the proposed task force evaluate both methodologies simultaneously.

REQUESTED CHANGES

Modify the Methodology for the 2009 SMFP

Although The Carolinas Center is requesting that the SHCC appoint a task force to evaluate the methodology for the 2010 SMFP, it also believes that there are two changes to the existing methodology that would improve its application in the 2009 SMFP. Both modifications will require limited effort on behalf of MFPS staff, and The Carolinas Center is more than willing to share its files, which would further reduce the staff's workload to institute these changes.

1. **Use the median, rather than the average, for percent of deaths served by hospice.** The current methodology uses the North Carolina average (total North Carolina deaths served by hospice divided by total North Carolina deaths) to calculate the percent of deaths served by hospice. Because of the dramatic variances in penetration rates discussed below, The Carolinas Center believes the median, rather than the average, is a more appropriate statistic given the intent of the methodology to use what "typically" occurs in the state.

2. **Apply a three-year compound annual growth rate to the number of deaths served by existing hospices to then be subtracted from projected hospice deaths to determine unmet need.** Unlike the home health methodology (the only similar service/methodology in the SMFP), the current hospice home care methodology assumes that existing providers will serve the same number of hospice deaths four years later (e.g., the same number of deaths in 2009 [projection year for the 2008 SMFP] as in 2005 [base year for the 2008 SMFP]). This assumption of the current methodology is not substantiated by actual experience. Existing hospices, on average, have increased the number of deaths served by 10 percent ***per year*** since 2002. To continue under the current methodology does not credit existing providers for the services they actually render and creates need in service areas where need may not actually exist, particularly in areas of high population growth.

Convene Task Force for 2010 SMFP

Given the numerous issues raised during its review of the current methodology, the Carolinas Center is requesting that the SHCC convene a task force to thoroughly examine planning policies that should drive the hospice home care methodology and the most appropriate method for incorporating those policies into a new hospice home care methodology.

The Carolinas Center's review of the existing methodology identified the following issues that it believes should be addressed by the proposed task force, recognizing that additional issues may be discovered by the task force:

1. **Definition of "met" need and saturation of hospice home care in a given service area.** At present, the median North Carolina hospice penetration rate (as measured by percent of total deaths in a county) is 27 percent. However, some counties within the state have penetration rates as high as 55 percent, with others as low as 10 percent. Based on its own brief investigation of other states, The Carolinas Center has discovered that other communities have penetration rates as high as 70 percent. In order to devise a methodology that assures the most appropriate access to hospice care for North Carolina citizens, The Carolinas Center believes the proposed task force should define the circumstances under which a service area's hospice home care need is met.

2. **Evaluate differences between need in urban versus rural service areas.** The current methodology (and the various alternatives The Carolinas Center explored) does not differentiate between urban and rural service areas. As a result, a county of 50,000 may generate a need for two (or more) hospice home care

agencies, while urban counties of 200,000 and more may never generate a need for more than one hospice home care agency. One alternative for addressing this issue may be the creation of multi-county service areas for rural communities.

3. **Consider chronically underutilized hospice service areas.** As noted above, counties in North Carolina experience significantly different rates of hospice penetration. Anecdotally, The Carolinas Center understands that in some counties, the lack of hospice penetration is not the result of insufficient hospice providers or existing providers' failed efforts to reach the community, but rather other factors beyond the control of the local providers. Such factors may include the unwillingness of local physicians to refer patients to hospice care or cultural beliefs that create reluctance on behalf of patients and families to accept hospice services.

4. **Consider the differences in approach to the provision of hospice home care services.** While the majority of hospices in North Carolina are currently Medicare certified, and thus must comply with Medicare's specific guidelines regarding the provision of hospice home care services, the approaches among hospice providers has diversified in recent years. For example, some hospice providers focus on service to patients residing in long-term care facilities, which may reduce their influence and impact on the general community population in contrast to "traditional" community-based hospice agencies. The Carolinas Center believes these differences should be considered with regard to the definition of "met" need discussed in (1) above.

5. **Account for age differences among hospice service areas.** Another quantitative factor that drives differences in penetration rates is the age of a particular community. Although the current methodology accounts for age differences to a degree by applying a penetration rate to the actual projected deaths in a given county, it fails to address the fact that counties with much younger populations experience deaths from different causes than those with much older populations. A higher proportion of the causes of deaths among younger populations are not foreseeable and therefore not appropriate for hospice care.

6. **Use non-adjusted death rate in calculating projected deaths**. Currently the methodology applies a county's age-adjusted death rate when projecting deaths. (An age-adjusted death rate "normalizes" the death rate between different populations, such that a higher number of deaths that result only from age differences in the population are excluded.) While adjusted deaths are useful in many circumstances (especially for comparison purposes between populations), For purposes of calculating an individual county's expected number of deaths, using adjusted death rates produces the opposite of the desired result. For example, the projected deaths for counties with older populations will be lower than the county actually experiences, while the projected deaths for counties with younger populations will be higher. The Carolinas Center believes the non-adjusted death rate would be the preferable statistic for calculating actual, expected deaths in a given county.

7. **Apply a growth factor for existing hospice home care providers**. (See above discussion regarding modifications to the 2009 SMFP methodology).

IMPACT IF PETITION IS NOT APPROVED

The Carolinas Center believes the impact of denying this petition is threefold: 1) providers will continue to seek more special need adjustments to the standard methodology (both for and against need determinations) than would be expected under a methodology that accurately reflects need for most of the state; 2) need may be generated in service areas for which a true need does not actually exist, thus negatively impacting both the existing and new providers; and 3) need may not be generated in areas for which a true need does exist, thereby depriving North Carolina citizens of access to needed health services.

CONCLUSION

As stated previously, it was The Carolinas Center original intent to petition the SHCC with comprehensive changes to the current methodology that would address many of the recent issues surfaced by hospice providers and that could be incorporated into the 2009 SMFP. However, the extensive analysis that went into that effort led The Center to the conclusion that the optimal, short-term solution would be to propose to easily adapted changes for the 2009 SMFP and, long-term, to establish a task force to thoroughly evaluate hospice home care need, both the policies that determine need and the subsequent methodology. The Carolinas Center is prepared to assist the SHCC, the MFPS staff, and the proposed task force in any way possible to develop hospice policies and need methodologies that promote the most appropriate utilization of, and access to, hospice services.

Thank you for your consideration.

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THE CAROLINAS CENTER FOR HOSPICE AND END OF LIFE CARE REMARKS TO THE SHCC REGARDING PETITION SUBMITTED:

MARCH 5, 2008

Dr. Myers and Members of the State Health Coordinating Council:

I am Judy Brunger, CEO of The Carolinas Center for Hospice and End of Life Care. For over 30 years our organization has worked to ensure high quality end of life care in North Carolina, primarily by supporting and promoting hospice and palliative care throughout the state. To this end, our organization was instrumental in the development of the original CON methodology for hospice homecare and inpatient beds. We continue to actively support the CON methodology as it is applied to hospice care.

As a result of numerous petitions related to the current hospice homecare methodology and subsequent decisions by the SHCC to adjust need determinations to no need for new hospice homecare agencies the past two plan years, The Carolinas Center along with the Association for Home and Hospice Care convened a provider group in mid 2007 to review the current methodology and develop recommendations for improvement to the methodology and we expected to petition for those changes in the 2009 State Medical Facilities Plan.

Our extensive analysis of the current methodology generated significant issues than could not be addressed with minor changes to the existing methodology in time for the 2009 Plan. However, once we identified a clear, recurring inequity in the methodology that could easily and equitably be made to the 2009 SMFP, The Carolinas Center appreciates this opportunity to submit this petition with a request for a short-term solution of these easily adapted changes. In addition, our petition requests a task force to develop a new methodology for the 2010 SMFP.

Some of the issues that we found in the current methodology that require an examination are that:

- In some counties when the penetration is below average for the state there is no demonstrated need yet in some counties when the penetration is above average, a need is generated. The current methodology seems to generate outcomes that may not make sense today. A need may be generated in service areas for which a true need does not exist, thus negatively impacting both the existing and new providers. A need may also not be generated in areas where a true need does exist.

- There are chronically underutilized hospice service areas with as many as 2-3 hospice providers serving the area yet, the current need methodology continues to generate a need. We believe there may be other factors beyond the control of local providers that should be addressed in the methodology.

- Using adjusted death rates produces the opposite of the desired results. Counties with older populations and theoretically the highest need for hospice services most likely have their death rates lowered by using an age adjusted rate.

Our work this past 8 months on the current methodology has led us to petition the State Health Coordinating Council to request two changes to the existing methodology that would improve its application in the 2009 SMFP. Both modifications will require limited effort on behalf of the planning staff and we would be more than willing to share our files to accomplish these changes.

1. **Use the median, rather than the average, for percent of deaths served by hospice.** There are dramatic variances in penetration rates and we believe that the median rather than the average is a more appropriate statistic given the intent of the methodology to use what "typically" occurs in the state.

2. **Apply a three-year compound annual growth rate to the number of deaths served by existing hospice to then be subtracted from projected hospice deaths to determine unmet need.** Unlike the current home health methodology – the only similar service in the SMFP—the current hospice home care methodology assumes that existing providers will serve the same number of hospice deaths four years later. This assumption is not substantiated by actual experience – existing hospices on average have increased the number of deaths served by 10% per year. To continue under the current methodology does not credit existing providers for the services they actually render and creates a need in service areas where needs may not actually exist, particularly in areas of high population growth.

In addition to these minor changes submitted for the 2009 SMFP, The Carolinas Center requests that the SHCC convene a task force to fully evaluate the hospice home care methodologies for the 2010 SMFP. Given the numerous issues raised during its review of the current methodology, such a task force would thoroughly examine planning policies that should drive hospice home care methodology and the most appropriate method for incorporating those policies into a new methodology. Without such an examination and recommendations, petitions will continue with issue after issue both for and against need determinations.

Thank you for this opportunity and we urge you to consider our petition for minor methodology changes for the 2009 SMFP and to convene a task force to develop the most appropriate methodology for hospice in the 2010 SMFP.

Respectfully submitted:

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President and CEO