

## **Hospice Services**

### **Hospice Home Care Petitions 1 through 3 Regarding the Proposed 2009 State Medical Facilities Plan**

Attached is the Agency Report on the following Petitions:

- \*Hospice Home Care - 1: Hospice of Davidson County
- \*Hospice Home Care - 2: Community Home Care and Hospice
- \*Hospice Home Care - 3: Hospice of Union County

**NOTE: The Petitions and related comments follow:**



## **AGENCY REPORT:**

### **Proposed 2009 Plan**

- Notes related to Petition Hospice Home Care – 1 from Hospice of Davidson County.
  - Notes related to Petition Hospice Home Care – 2 from Community Home Care of Vance County, Inc. d/b/a Community Home Care and Hospice
  - Notes related to Petition Hospice Home Care – 3 from Hospice of Union County
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### **Request**

Petition Hospice Home Care - 1: Hospice of Davidson County submitted a petition requesting removal of the need determination for a new hospice home care agency in Davidson County.

Petition Hospice Home Care - 2: Community Home Care of Vance County, Inc. d/b/a Community Home Care and Hospice submitted a petition requesting removal of the need determination for a new hospice home care office in Johnston County.

Petition Hospice Home Care - 3: Hospice of Union County submitted a petition requesting removal of the need determination for a new hospice home care office in Union County.

### **Background Information**

The hospice home care office methodology projects future need using a statewide median 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 Proposed 2009 Plan is compiled from 2008 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. The methodology utilized in development of the State Medical Facilities Plan does not project future need based on the number of hospice agencies in or serving any given county.

The Proposed 2009 Plan identified need determinations for new hospice home care offices in five counties: Cherokee, Davidson, Johnston, Union and Wilkes. While there would have been need determinations in various counties in the 2008 and 2007 Plans based on the standard methodology, there were adjusted determinations of no need for additional hospice home care offices. The adjustments were 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.

Need determinations have been removed in the past in response to petitions. Need determinations for new hospice home care programs in Iredell and Wilson counties that were in the Proposed 2006 Plan were removed in response to petitions. The need determination for



a new program in Cabarrus County that was in the Proposed 2005 Plan also was removed in response to a petition. Petitions to remove need determinations have also been denied as was the case with petitions submitted by two hospice home care programs in 2001 to remove need determinations from the Draft 2002 Plan for hospice home care programs in their counties.

If there was a need determination in the 2009 Plan, it is possible for existing programs to apply for the CON.

The petitions were posted on the Division of Health Service Regulation's web site. One written comment was received by the September 9, 2008 date that was identified for submission of comments on petitions and comments to the Division's Medical Facility Planning Section. The comment was from Hospice of Wake County regarding the Johnston County petition. The comment is attached.

### **Analysis of Individual Petitions**

#### **Petition Hospice Home Care - 1: Hospice of Davidson County**

The Proposed 2009 Plan indicates a projected deficit of 86 patients and a deficit index of 19% in Davidson County. A deficit of 75 and a deficit index of at least 10% are needed to generate a need determination in Davidson County. Of the five counties with a need determination in the Proposed 2009 Plan, Davidson County has the lowest deficit index.

The petitioner indicates a discrepancy in the total number of deaths for the county as reported by three sources. It is our understanding that the State Center for Health Statistics records deaths based on county of residence regardless of the county in which the death occurred. Therefore, if a Davidson County resident died in a Forsyth County facility, the death would be recorded by the State Center for Health Statistics as a Davidson County death while the death certificate would be issued by Forsyth County.

As noted by the petitioner, the number of hospice deaths increased each year from 2004 to 2006. In 2007 there was a decrease from the prior year of 45 hospice deaths which appears to be due primarily to a decrease in the number of deaths reported by the petitioner. In the 2008 Plan the petitioner reported 257 deaths while in the 2009 Plan 191 deaths were reported.

The petitioner raises issues with the methodology for projecting need. It is noted that a Task Force has been authorized to make recommendations regarding the hospice home care and inpatient need determination methodologies for the Proposed 2010 Plan.

As indicated in the Proposed 2009 Plan, ten agencies reported serving patients in Davidson County. Of the ten, two were located in the County. A third agency, Continuum Home Care and Hospice of Davidson County is licensed in the County but did not report patients. Of the ten agencies that reported serving patients, it is interesting to note the agencies that reported the second and third highest numbers of hospice deaths are located in other counties.

The petitioner refers to the opening of a hospice inpatient facility in 2009. It has been observed that counties with inpatient and residential hospice beds have typically had higher percent of deaths served by hospice.



Letters of support for the petition were submitted by the Davidson County Health Department, Davidson County hospitals, physicians, and community leaders and organizations.

Agency Recommendation

The Agency supports the need determination based on the standard methodology. However, there appear to be factors that would warrant removal of the need determination for a new hospice home care office in Davidson County in the 2009 Plan. Factors include the Task Force to make recommendations for the Proposed 2010 Plan, the relatively lower deficit index for the County, the possible anomaly in the number of hospice related deaths for 2007 compared to prior years, the development of an inpatient and residential hospice facility, and the number of agencies reporting serving patients in the County. Therefore, the agency recommends that the need determination for Davidson County be removed from the 2009 Plan.

**Petition Hospice Home Care - 2: Community Home Care of Vance County, Inc. d/b/a Community Home Care and Hospice**

The Proposed 2009 Plan indicates a projected deficit of 104 patients and a deficit index of 28% in Johnston County. A deficit of 75 and a deficit index of at least 10% are needed to generate a need determination in Johnston County. Of the five counties with a need determination in the Proposed 2009 Plan, Johnston County has the third lowest deficit index.

As indicated in the Proposed 2009 Plan, 18 agencies reported serving patients in Johnston County. Of the eighteen, five are located in the County. Three other hospice offices are licensed in the County but did not report patients specifically for the offices on the license renewal applications. The three offices are Continuum Home Care and Hospice, Hospice of Wake County and Liberty Home Care and Hospice.

As noted by the petitioner, the number of hospice deaths increased over the past several years until 2006. In 2007 there was a decrease of 18 hospice related deaths from the prior year. Three of the five agencies located in Johnston County that reported deaths showed a decrease in the number of deaths from the prior year. It is also noted that one of the offices in Johnston County, United Hospice of Eastern Carolina, is relatively new to the market.

The petitioner raises issues regarding the age of the population and utilization of hospice services. Such an issue may be addressed by the Task Force that has been authorized to make recommendations regarding the hospice home care and inpatient need determination methodologies for the Proposed 2010 Plan.

The Agency notes that a Certificate of Need has been awarded for development of a hospice inpatient and residential facility in Johnston County. It has been observed that counties with inpatient and residential hospice beds have typically had a higher percent of deaths served by hospice.

Agency Recommendation

The Agency supports the need determination based on the standard methodology. However, there appear to be factors that would warrant removal of the need determination for a new hospice home care office in Johnston County in the 2009 Plan. Factors include the Task



Force to make recommendations for the Proposed 2010 Plan, the development of an inpatient and residential hospice facility in the county, the number of agencies located in the county and the number reporting serving patients in the County. Therefore, the agency recommends that the need determination for Johnston County be removed from the 2009 Plan.

**Petition Hospice Home Care - 3: Hospice of Union County**

The Proposed 2009 Plan indicates a projected deficit of 97 patients and a deficit index of 25% in Union County. A deficit of 75 and a deficit index of at least 10% are needed to generate a need determination in Union County. Of the five counties with a need determination in the Proposed 2009 Plan, Union County has the second lowest deficit index.

As indicated in the Proposed 2009 Plan, 10 agencies reported serving patients in Union County. Of the ten, four were located in the County. One of the four offices, Hospice of Northern Union County closed in 2008. One other hospice office, Continuum Home Care and Hospice, is licensed in the County but did not report patients for the Union office on its license renewal application.

The number of hospice deaths increased over the past several years until 2006 although there was a slight drop from 260 to 258 deaths between 2004 and 2005. In 2007 there was a decrease of 12 hospice related deaths from the prior year.

The petitioner raises issues regarding population growth and its effect on projecting the number of patients in need. Such an issue may be addressed by the Task Force that has been authorized to make recommendations regarding the hospice home care and inpatient need determination methodologies for the Proposed 2010 Plan.

The Agency notes that a Certificate of Need has been awarded for development of six new hospice inpatient beds and six additional residential beds in Union County. It has been observed that counties with inpatient and residential hospice beds have typically had a higher percent of deaths served by hospice.

Agency Recommendation

The Agency supports the need determination based on the standard methodology. However, there appear to be factors that would warrant removal of the need determination for a new hospice home care office in Union County in the 2009 Plan. Factors include the Task Force to make recommendations for the Proposed 2010 Plan, the development of inpatient hospice beds in the county, and the number of agencies reporting serving patients in the County. Therefore, the agency recommends that the need determination for Union County be removed from the 2009 Plan.





Partners in Caring

August 15, 2008

Mr. Floyd Cogley, Planner  
NC Division of Health Service Regulation  
Medical Facilities Planning Section  
2714 Mail Service Center  
Raleigh, NC 27699-2714

DFS Health Planning  
RECEIVED

AUG 18 2008

Medical Facilities  
PLANNING SECTION

Dear Mr. Cogley:

Please accept this letter of support submitted by Hospice of Wake County for the Petition filed by Community Home Care and Hospice ("Community") requesting an adjusted need determination to no need for a new hospice home care office in Johnston County ("Petition") in the 2009 State Medical Facilities Plan.

As Community points out in its Petition, Johnston County is currently served by 18 separately licensed hospice offices and inpatient facilities, more than any other North Carolina county with the exception of Wake and Harnett. Based on Johnston County's 2010 projected population, there will be one hospice office for every 9603 residents in Johnston County, compared to one hospice office for every 46,362 residents in Wake County. Hospice of Wake County believes that Johnston County is very well served by the existing hospice providers, and is concerned that yet another hospice provider in Johnston County will not only result in an unnecessary duplication of services in Johnston County, but will also create additional and unnecessary competition in its continuous counties, including Wake and Harnett, neither of which have a demonstrated need for an additional hospice office.

Hospice of Wake County opposes another hospice office in Johnston County and agrees with Community that there are special and unique circumstances in Johnston County that should be taken into account, including its age demographics. Thank you for considering Community's Petition and the opportunity to submit our comments in support of its Petition.

Sincerely,

A handwritten signature in black ink that reads "John Thoma". The signature is written in a cursive, flowing style.

John Thoma  
Chief Executive Officer  
Hospice of Wake County