

**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
Suite 200
401 Technology Lane
Mount Airy, North Carolina 27030

Contacts:

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 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 based on the standard methodology.

Chapter Two of the SMFP allows people 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 – Surry County is requesting new beds in addition to their existing licensed beds.

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 three hospice inpatient beds in Surry County in the Proposed 2013 SMFP. Mountain Valley Hospice has a hospice facility in Surry County with 13 inpatient beds and seven residential beds. Based on Hospice 2012 Annual Data Supplement to License Renewal Application information (FY2011), the inpatient facility has an occupancy rate of 110.75% as indicated in the Proposed 2013 SMFP.

By application of the standard methodology, the Proposed 2013 SMFP identified a surplus of three beds in Surry County which would not create a need determination for new hospice inpatient beds in the county. The standard methodology also identified hospice inpatient bed surpluses in the 2010 SMFP, 2011 SMFP and the 2012 SMFP for Surry County. (See table below.)

Hospice Inpatient Data – Surry County

	FY2008	FY2009	FY2010	FY2011
County Population	72,860	73,336	73,715	73,575
Total Admissions	446	407	412	488
Days of Care	51,915	48,005	46,925	55,750
Average Length Of Stay (ALOS)	116.40	118.10	113.90	114.24
Hospice Inpatient Bed	Surplus of 4	Surplus of 6	Surplus of 5	Surplus of 3

Data Source: Population figures are from N.C. Office of State Budget and Management; SMFP Years 2010, 2011, 2012, Proposed 2013.

According to data prepared by The Carolinas Center for Hospice End of Life Care using the Hospice 2012 Annual Data Supplement to Licensure Application, Mountain Valley Hospice (Joan and Howard Woltz Hospice Home) in Surry County reported for their 13 inpatient beds that they had 5,255 inpatient days of care and 186 inpatient deaths (i.e. 5,255 days of care / 186 deaths = 28.2 day ALOS). The statewide figure for this same timeframe was only 10.2 average length of stay (ALOS) days (i.e. 93,245 days of care / 9,094 = 10.2 day ALOS). In comparison, Mountain Valley Hospice ALOS days for inpatients who die was almost three times greater than the statewide figure. The hospice inpatient facilities in the state with the second and third highest ALOS days are Hospice House of Rutherford County (i.e. 3,139 days of care / 229 deaths = 13.7 day ALOS) and Wendover - The Kathleen Dover Hamrick Hospice House in Cleveland County (i.e. 1,825 days of care / 104 deaths = 17.5 day ALOS). For their seven

residential beds, Mountain Valley Hospice (Joan and Howard Woltz Hospice Home) reported 158 residential days of care and zero residential deaths.

To provide comparison of hospice inpatient facilities in the region, CarePartners Hospice and Palliative Care in Buncombe County reported for their 20 inpatient beds that they had 6,459 inpatient days of care and 517 inpatient deaths (i.e. 6,459 days of care / 517 deaths = 12.5 day ALOS) and Kate B. Reynolds Hospice Home in Forsyth County reported for their 30 inpatient beds that they had 8,765 days of care and 828 inpatient deaths (i.e. 8,765 days of care / 828 deaths = 11 day ALOS).

Agency Recommendation:

The agency recognizes and supports the state health planning process and policies as identified in the SMFP and approved by the SHCC and the governor. The agency recognizes the average length of stay (28.2 days) for inpatients at Mountain Valley Hospice in Surry County is almost three times the statewide average length of stay (10.2 days) for inpatients. The petitioner provided no explanation for the atypical length of stay for their hospice inpatient beds. The agency also notes the petitioner's lack of utilization of their seven licensed residential beds with only 158 residential days of care reported. The standard methodology has consistently identified a surplus of beds in Surry County that would not create a need determination for new hospice inpatient beds in the county.

Given available information submitted by the August 17, 2012 deadline and in consideration of factors discussed above, the agency recommends denial of the petition.