

**Long-Term Behavioral Health Committee
Agency Report
Adjusted Need Petition for
Hospice Inpatient Bed Need Determinations
Proposed 2015 State Medical Facilities Plan**

Petitioner:

Burke Hospice and Palliative Care, Inc.
1729 Enon Road
Valdese, North Carolina 28609

Contact:

Ms. Birgit Lisante, RN, BSN, MBA
President & CEO
(828)879-1601
birgit.lisanti@burkehospice.org

Request:

Burke Hospice and Palliative Care, Inc. (BHPC), requests an adjusted need determination for three hospice inpatient beds in Burke County in the *2015 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. BHPC 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

2015 SMFP, the CON review could be competitive and there is no guarantee that the petitioner would be the approved applicant.

Analysis/Implications:

BHPC requests an adjusted need determination for three hospice inpatient beds in Burke County in the Proposed 2015 SMFP. BHPC operates one hospice facility, Burke Palliative Care Center (BPCC), in Burke County with a total of eight inpatient beds and six residential beds. Based on Hospice 2014 Annual Data Supplement to License Renewal Application information (FY2013), the inpatient facility had an occupancy rate of 53.90% as indicated in the Proposed 2015 SMFP. According to the petition, there are often times when inpatient beds are full and, “decisions are made, in the field, to divert hospice inpatient(s) elsewhere, such as skilled facilities and/or the patient may remain in the acute care setting”. The petition has significant community support as shown by the 47 letters of support.

The standard methodology in the Proposed 2015 SMFP does not identify a deficit in Burke County and, as a result, does not produce a need determination for new hospice inpatient beds in the county.

The petition outlined several unique circumstances that BHPC believes exist and demonstrate the need for three additional inpatient beds in Burke County. The most notable of these made by BHPC is how the application of the standard methodology does not accurately project hospice days of care based on what is occurring in the county. The FY2013 data shows there were 579 Total Admissions and 49,045 total days of care reported in Burke County and based on the calculations of the standard methodology, Table 13C in the Proposed 2015 SMFP shows 45,236 days of care projected for 2018 for Burke County, a total of 3,809 days of care less than the county actual reported for FY2013 as detailed in the table below.

Table 13C: Year 2018 Hospice Inpatient Bed Need Projection - Burke County												
County	Total Admissions (2013 Data)	Total Days of Care (2013 Data)	ALOS per Admission	2018 Total Admissions	2018 Days of Care at County ALOS	2018 Days of Care at Statewide ALOS	Projected 2018 Days of Care for Inpatient Estimates	Projected Inpatient Days (6%)	Projected Total Inpatient Beds	Currently Licensed Beds	Existing Facility Occupancy Rate	Deficit (Surplus)
Burke	579	49,045	84.71	684	57,969	45,236	45,236	2,714	9	8	53.90%	0
*Statewide Median ALOS per Admission 66.1%												
Proposed 2015 State Medical Facilities Plan												

To accurately reflecting what is occurring in the county, the agency recommends projecting 2018 days of care for the inpatient estimate utilizing 2018 days of care at the county average length of stay (ALOS) for Burke County. This will result in a total projected hospice inpatient bed deficit of three beds as illustrated in the table below.

Table 13C: (showing 2018 DOC adjusted at the County ALOS) - Burke County											
County	Total Admissions (2013 Data)	Total Days of Care (2013 Data)	ALOS per Admission	2018 Total Admissions	2018 Days of Care at County ALOS	Projected 2018 Days of Care for Inpatient Estimates	Projected Inpatient Days (6%)	Projected Total Inpatient Beds	Currently Licensed Beds	Existing Facility Occupancy Rate	Deficit (Surplus)
Burke	579	49,045	84.71	684	57,969	57,969	3,478	11	8	53.90%	3

The agency supports using the higher county ALOS instead of the statewide median ALOS for several reasons that are discussed in the petition. Despite small variations in population the county's DOC and ALOS have steadily increased over the last five reporting periods as shown in the Table 1 below.

Table 1: Hospice Inpatient Data - Burke County					
	FY2009	FY2010	FY2011	FY2012	FY2013
County Population	90,747	91,021	90,803	88,889	88,563
Total Admissions	431	602	635	589	579
Days of Care	30,336	39,258	42,375	45,722	49,045
Average Length of Stay (ALOS)	70.4	65.21	66.73	77.63	84.71

Population figures are from N.C. OSBM; Proposed 2015 SMFP and 2011-2014 SMFP

Tables 2 and 3 displayed below clearly illustrate the continuing rate increase Burke County has experienced in their ALOS over the past three reporting periods culminating with an overall rate of change of 27.9 percent for FY2010-2013. While for the same reporting periods the statewide median's rate of change experienced continuous decreases with an overall rate of change of -17.9 percent for FY2010-2013.

Table 2: Hospice Average Length of Stay (ALOS) per Admission					
	FY2010	FY2011	FY2012	FY2013	Overall Rate of Change 2010-2013
Burke County	66.2	66.7	77.6	84.7	27.9%
Rate of Change		0.8%	16.3%	9.1%	

Proposed 2015 SMFP; 2012-2014 SMFP

Table 3: Hospice Average Length of Stay (ALOS) per Admission					
	FY2010	FY2011	FY2012	FY2013	Overall Rate of Change 2010-2013
Statewide Median	80.5	73	74.3	66.1	-17.9%
Rate of Change		-9.7%	2.2%	-11.0%	

Proposed 2015 SMFP; 2012-2014 SMFP

The petitioner points out another unique and interesting trend setting BHPC apart from others in the state, “almost one-half of all deaths in Burke County are served by hospice (47.25%)”. A trend that has outpaced the statewide median percentage of deaths served by hospice as depicted in Table 4 below. Further, adding to the need for additional inpatient bed capacity.

Table 4: Percentage of Deaths Served by Hospice - Burke County				
	FY2008	FY2009	FY2010	FY2011
County Deaths	949	900	1012	1001
Hospice Patient Deaths	347	350	466	473
Percentage of Total Deaths Served by Hospice	36.56%	38.89%	46.05%	47.25%
Statewide Median Percentage	26.95%	30.91%	32.00%	40.42%
The Carolina Center for Hospice and End of Life Carem Hospice Data & Trends FY2009-2012				

Agency Recommendation:

The agency recognizes and supports the standard methodology for hospice inpatient beds as presented in the Proposed 2015 SMFP. However, the standard methodology dose not project an inpatient days of care figure that accurately reflects the actual hospice inpatient bed need for Burke County. This is because the county ALOS exceeds the statewide median ALOS (84.7 versus 66.1, respectively). If the agency projects inpatient days of care using Burke County’s ALOS, a deficit of three inpatient beds results.

Burke County’s total admissions, DOC, and ALOS have steadily increased on the last four reporting periods. Nearly one-half of all county deaths are served by hospice. However, when a hospice inpatient bed is not available patients are routinely diverted to other acute care settings. Given available information submitted by the August 15, 2014 deadline and in consideration of factors discussed above, the agency recommends approval of this petition.