

**Long-Term and Behavioral Health Committee
Agency Report
Adjusted Need Petition for
Medicare-certified Home Health Office in Randolph County
2019 State Medical Facilities Plan**

Petitioner:

Touched by Caring Hands of North Carolina
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Contact:

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Request:

Touched by Caring Hands of North Carolina (Touched by Caring Hands) requests an adjusted need determination be included in the *North Carolina 2019 State Medical Facilities Plan (SMFP)* for one Medicare-certified home health agency or office in Randolph County.

Background Information:

Chapter Two of the State Medical Facilities Plan (SMFP) provides that “[a]nyone who finds that the North Carolina State Medical Facilities Plan policies or methodologies, or the results of their application, are inappropriate may petition for changes or revisions. Such petitions are of two general types: those requesting changes in basic policies and methodologies, and those requesting adjustments to the need projections.” The annual planning process and timeline allow for submission of petitions requesting adjustments to need projections in the summer. It should be noted that any person might submit a certificate of need (CON) application for a need determination in the Plan. The CON review could be competitive and there is no guarantee that the petitioner would be the approved applicant. Touched by Caring Hands has submitted this Petition to adjust the need determination to address a special population they believe is underserved in Randolph County.

The home health need methodology projects future need based on trends in historical data, including the “Average Annual Rate of Change in Number of Home Health Patients” over the previous three years and the “Average Annual Rate of Change in Use Rates per 1,000 Population” over the previous three years. The average annual rate of change is compiled based on Council of Governments (COG) regions.

Patient origin data used in the SMFP is compiled from Home Health Agency Annual Data Supplements to Licensure Applications submitted to the Division of Health Service Regulation. The data supplements request data for a 12-month period using a start date of July or October. The methodology aggregates patient origin data by the following four age groups: under age 18, 18-64, 65-74, and over 75.

The methodology utilized in development of the SMFP does not project future need based on the number of home health agencies in any given county or on the capacity of existing agencies. Rather, it projects need based on the number of patients served during the reporting years from each county within each COG region.

A basic assumption of the current methodology is that a new agency or office is needed if the projected unmet need in a single county is 325 patients or more. Therefore, the threshold for a need determination is a projected unmet need of 325 patients in a given county.

Analysis/Implications:

By application of the standard methodology, the *Proposed 2019 SMFP* identified a projected deficit of 49.09 patients in Randolph County. This County has historically been well served by Home Health agencies. In the 2018 SMFP, Randolph County had a deficit of 20.09 patients and a deficit of 19.02 patients in the 2017 SMFP.

Based on information reported on Home Health 2018 Annual Data Supplement (Supplement) to License Renewal Applications (LRA), 19 agencies reported serving patients who are residents of Randolph County. In addition to the two agencies located in Randolph County, three agencies from Davidson County, five agencies from Guilford County, and one agency each from Alamance, Chatham, Cleveland, Davie, Durham, Montgomery and Moore counties served residents of Randolph County. The three highest volume providers were the two agencies in Randolph County and one of the agencies in Guilford County, which is contiguous to Randolph County.

Touched by Caring Hands “plans to respond to other critical population[s] of medically underserved persons regardless of disability or language” in Randolph County. The Agency was not able to accurately evaluate whether Randolph County has medically underserved persons in need of home health services. The Supplements and LRAs do not collect data that would allow for Agency analysis of providers who may provide services to non-English speaking patients or patients with disabilities. Furthermore, the Petitioner provided no specific client or population data to support the claim that Randolph County needed additional services, especially for these populations.

The Agency and the State Health Coordinating Council (SHCC) acknowledge the importance of reducing barriers and making healthcare more accessible to all residents. However, the Petitioner presented no clear evidence that the needs of the residents Randolph County are not being currently met by the existing licensed Medicare-certified Home Health providers.

Agency Recommendation:

The Agency supports the standard methodology for Medicare-certified home health agencies or offices. Given available information and comments submitted by the August 9, 2018 deadline, and in consideration of factors discussed above, the agency recommends denial of this Petition.