

**Long-term and Behavioral Health Committee
Agency Report
Adjusted Need Petition for
Medicare-certified Home Health Agency or Office in Buncombe County
in the 2022 State Medical Facilities Plan**

Petitioner:

BAYADA Home Health Care Inc.
4300 Haddonfield Road
Pennsauken, NJ 08109

Contact:

Lena Trejbal
Division Director
805 Trade St, NW
Concord, NC 28027
ltrejbal@bayada.com

Request:

The Petitioner requests an adjusted need determination for one Medicare-certified home health agency in Buncombe County in the *2022 State Medical Facilities Plan (SMFP or "Plan")*.

Background Information:

Chapter Two of the *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. Any person may 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.

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, the Average Annual Rate of Change in Use Rates per 1,000 Population over the previous three years, and the projected population. The average annual rate of change is compiled based on Council of Governments (COG) regions. The methodology uses patient origin data, aggregated by the following four age groups: under age 18, 18-64, 65-74, and 75 and over. The methodology does not project future need based on the number of home health agencies in any given county or 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. The “threshold” for a need determination is a projected unmet need of 325 patients in a given county.

The Proposed 2022 SMFP shows a deficit of 125.42 home health patients for Buncombe County. It would take an additional 199.58 home health patients for the standard methodology to calculate a need determination for a new Medicare-certified home health agency in Buncombe County.

Analysis/Implications:

The Petitioner’s rationale for requesting a need determination for a Medicare-certified home health agency in Buncombe County is based on the effects of the COVID-19 pandemic combined with exceptional factors of this service area. Specifically, the Petitioner claims that Buncombe County is uniquely vulnerable because it has only two home health agencies located in the county. Also, because Buncombe County is more populous than the other counties in COG Region B, the Petitioner states that the Agency should consider its data separately. Finally, the Petitioner cites the number of COVID-19 cases as a justification for an additional home health agency.

Number of Home Health Agencies in Buncombe County:

Home health services differ from most other services covered in the SMFP in that the people who provide direct patient services do not go to a single central location to do so. Home health agencies have no defined limits on the number of patients they can serve. They may serve as many patients as their staffing level or business model allows. Under 10A NCAC 13J .1107, the geographic service area for a home health agency is the county where the agency is located, its contiguous counties, or within 90 minutes driving time from the agency’s location, whichever is greater. Under this regulation, agencies routinely serve patients outside the county where the agency is located. Still, the two agencies in Buncombe County served almost 75% of the 7,560 Buncombe County residents who received home health services in 2020 (see Table 1). This utilization pattern is typical of Buncombe County; it does not appear to be unique to 2020. In summary, the number of home health agencies in a county is not indicative of the adequacy or quality of services provided to residents of that county.

Table 1. Home Health Data by County of Patient Origin – 2020 Data

License Number	Name	Facility County	Resident County	<18	18-64	65-74	75+	Total
HC0114	CarePartners Home Health Services	Buncombe	Buncombe	161	953	1012	1809	3935
HC2114	Kindred at Home	Buncombe	Buncombe	0	438	374	913	1725
HC0440	CarePartners Home Health Services	Henderson	Buncombe	17	126	135	264	542
HC0435	Encompass Health Home Health	McDowell	Buncombe	0	124	181	180	485
HC0279	CarePartners Home Health Services	Haywood	Buncombe	0	115	108	163	386
HC0911	AdventHealth Home Care Western North Carolina	Henderson	Buncombe	0	100	108	165	373
HC0419	Madison Home Care & Hospice	Madison	Buncombe	0	4	8	30	42
HC0323	PruittHealth @ Home - Yancey	Yancey	Buncombe	0	2	7	24	33
HC0201	Pardee Home Care	Henderson	Buncombe	0	12	9	2	23
HC0109	Home Care Services of Haywood Regional Medical Center	Haywood	Buncombe	0	5	2	6	13
HC0067	CarePartners Home Care & Hospice	Transylvania	Buncombe	0	0	0	2	2
HC0445	Encompass Health Home Health	Rutherford	Buncombe	0	0	0	1	1
Buncombe Totals				178	1,879	1,944	3,559	7,560

Source: [02-Ch12_PatientOrigin_P2022SMFP_draft.pdf \(ncdhhs.gov\)](#)

Examine Buncombe County Data Separately from COG Region B. Buncombe County is the most populous county in COG Region B, which also includes Henderson, Madison, and Transylvania counties. The Petitioner asserts that the standard methodology does not accurately project home health need in Buncombe County because the methodology calculates the average annual change in use rates per 1,000 population for the COG region as a whole. The calculations apply this result to the current use rates per 1,000 population for each county within the COG region to calculate changes in the number of patients projected to need home health services.

According to the Petitioner, counties in Region B that have lower populations and lower home health use rates are suppressing the need for home health services in Buncombe County. The Petitioner demonstrates this point by applying Buncombe County’s rates to the standard methodology. These calculations produce a projected deficit of 488.27 home health patients for 2023. Table 2 (below) reproduces the table from the Petition.

The unshaded columns mirror the calculations in Steps 4 and 5 of the methodology and presented Table 12D in the Proposed 2022 SMFP. The shaded columns show the Petitioner’s alternate calculations that apply Step 9 of the methodology to Buncombe County only. Column D shows the number of patients Buncombe County would be prepared to serve in 2023 adjusted only by the past three years’ average growth in patients by age group for the COG as a whole. The tacit assumption behind this growth rate is that each agency will respond to the natural growth (or decline) in the Region’s patient population by adjusting staffing levels. Column I applies other factors that affect home health use but that are outside the purview of the individual agency (three-year county use rates and projected population). These calculations yield the final projection of the number of patients to be served in 2023. The difference between Column D and Column I is the surplus or deficit of patients for the county. If Column I is larger than Column D, the result is a deficit; that is, the county would likely need to serve more patients than the agencies would be prepared to serve.

Table 2. Petitioner’s Deficit Calculations for Buncombe County

A	B	C	D	E	F	G	H	I
Age Groups	2020 Patients Served	COG Average Annual Rate of Change in # Patients	Projected # Patients Receiving Services in 2023	2020 Use Rate	Buncombe Average Annual Rate of Change in Use Rate	Buncombe Projected Use Rate per 1,000 in 2023	Projected Population in 2023	Projected Home Health Patients
Under 18	178	0.2246%	179.20	3.62	3.0139%	3.9517	48,256	190.69
18-64	1,879	0.4452%	1,904.10	11.73	3.2904%	12.8835	161,643	2,082.53
65-74	1,944	7.1284%	2,359.73	60.62	4.0461%	67.9749	33,292	2,263.02
75 and Over	3,559	3.3117%	3,912.59	154.89	2.1146%	164.7159	26,152	4,307.65
Totals	7,560		8,355.62				269,343	8,843.89
Adjusted Total Patients Served	8,355.62	Based on 2022 SMFP Home Health Need Methodology						
Projected Home Health Utilization	8,843.89	Based on 2022 SMFP Methodology with Buncombe County Use Rates instead of COG Use Rates						
Projected Surplus or Deficit	-488.27	Projected Deficit for 2023						

Source: 2021 Petition, BAYADA Home Health Care, Inc.

On its face, the Petitioner’s approach seems reasonable. However, it is the Agency’s position that a more internally consistent approach is to use the rate of change in patients served for Buncombe

County only. This approach logically follows from the Petitioner’s argument that Buncombe County should be treated differently from the other counties in the Region. Table 3 presents this analysis. The salient difference is that Column C uses the three-year average patient figures for Buncombe County only, rather than using the figures for the COG (as the Petitioner did in Table 2). This calculation results in different values in Column D. The values in Columns E-I are identical to the Petitioner’s data in Table 2. The result is a projected deficit of 146.57 home health patients for 2023 which is 178.43 home health patients short of the threshold for a need determination. Using Buncombe County data consistently throughout the methodology results in a larger deficit than in the Proposed SMFP, but still far below the level required to trigger a need determination.

Table 3. Healthcare Planning Calculation of Buncombe County Need Determination

A	B	C	D	E	F	G	H	I
Age Groups	2020 Patients Served	Buncombe County Average Annual Rate of Change in # Patients Served	Buncombe County Projected # Patients Receiving Services in 2023	2020 Use Rate	Buncombe County Average Annual Rate of Change in Use Rate	Buncombe County Projected Use Rate per 1,000 in 2023	Projected Population in 2023	Buncombe County Projected Home Health Patients
Under Age 18	178	2.3449%	190.52	3.62	3.0139%	3.9517	48,256	190.70
18-64	1,879	3.1518%	2,056.67	11.73	3.2904%	12.8835	161,643	2,082.49
65-74	1,944	6.9688%	2,350.42	60.62	4.0461%	67.9749	33,292	2,263.03
75 and Over	3,559	5.0651%	4,099.80	154.89	2.1146%	164.7159	26,152	4,307.77
Totals	7,560		8,697.42				269,343	8,843.99
Adjusted Projected Total Patients Served	8,697.42	Based on 2022 SMFP Home Health Need Methodology						
Projected Utilization in 2023	8,843.99	Based on 2022 SMFP Home Health Need Methodology calculated using all Buncombe County rates instead of COG rates.						
Projected Surplus or Deficit	-146.57	Projected Deficit for 2023						

Source: Proposed 2022 SMFP

Effects of COVID-19 in Buncombe County. The Petitioner claims that the deficit of 125.42 patients is understated due, in part, to the effects of COVID-19. The Petitioner points out Buncombe County has the highest number of COVID cases and deaths in western North Carolina. These observations are true, likely because Buncombe County has the largest county population in HSA I, which consists of western North Carolina (see Appendix A, 2022 Proposed SMFP). However, other measures do not support their claims. For example, Catawba County has the highest percentage of COVID cases per capita of any county in HSA I at 12.75%, compared to Buncombe County at 7.16%. Similarly, Rutherford County has the highest percentage of COVID-19 deaths per capita in HSA I, at 0.32% compared to Buncombe County at 0.12% In addition, based on data from North Carolina’s COVID-19 Vaccine Management System, Buncombe County leads HSA I with the largest percentage of the total population that is fully vaccinated at 58% (<https://covid19.ncdhhs.gov/dashboard>, retrieved August 5, 2021).

The county’s high percentage of fully vaccinated residents will, presumably, contribute to reducing the spread of COVID and its impact on the county. The Acute and Home Care Licensure and Certification Section has received reports that services have been delayed due to staffing shortages, but these problems occur statewide. Moreover, the Section has received no information that patients in Buncombe County or COG Region B have been unable to receive home health services due to COVID-19. Finally, the Petition did not include any data to show that Buncombe County is relatively more disadvantaged than any other county in COG Region B. Given the totality of

information, it does not appear that Buncombe County is suffering a relatively greater burden due to the pandemic than other counties in HSA I.

Agency Recommendation:

The Agency supports the standard need determination methodology for a Medicare-certified home health agency or office as presented in the *Proposed 2022 Plan*. The Agency considered the available information and comments submitted by the August 11, 2021 deadline, and in consideration of factors discussed above, recommends denial of this Petition.