



State Health Coordinating Council
Support for Need Determination for Additional Hospice Home Care in
Haywood County 2026 State Medical Facilities Plan
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Executive Summary

Hospice of North Carolina strongly opposes the petition seeking to remove the 2026 State Medical Facilities Plan (SMFP) hospice home care need determination for Haywood County, emphasizing that the projected need is both data-driven and reflective of long-standing service gaps. Contrary to claims of inflated projections, the evidence demonstrates a sustained increase in hospice utilization, an aging population with rising chronic care needs, and persistent access barriers in rural areas. The COVID-19 pandemic exposed systemic weaknesses and accelerated shifts in end-of-life care preferences, underscoring the urgency of expanding hospice infrastructure now—not after methodology reform. Removing the need determination would risk perpetuating inequities and under-serving a vulnerable and growing population.

Key Points:

Sustained Growth & Demographic Shifts: Hospice utilization in Haywood County has steadily increased despite declining total deaths, driven by an aging population and rising chronic illness burden. These trends are independent of COVID-19 and expected to continue.

Access Gaps & Infrastructure Strain: Current hospice services are insufficient to meet community needs, with delayed admissions, limited rural reach, and penetration rates below state and national benchmarks, indicating unmet demand.

Evidence-Based Planning & Equity: The SMFP methodology reflects real-world trends and aligns with state goals to improve access and care quality. Expanding hospice services now ensures equitable, timely, and compassionate care for all residents.

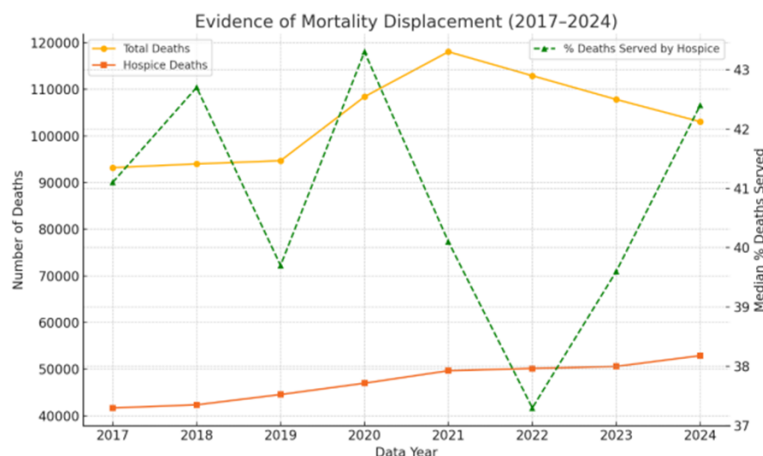
Rebuttal to Petitions Opposing Haywood County Hospice Need Determination

Hospice of North Carolina respectfully submits this rebuttal to the petitioner's request removal of the Proposed 2026 SMFP hospice home care need determination for Haywood County. Below are responses to the petitioners' arguments.

1. Sustained Growth in Hospice Utilization Reflects Real Demand

The assertion that the 2026 SMFP's hospice need determination for Haywood County is driven by "artificially elevated" projections fails to account for several critical factors that underscore a genuine and growing need for expanded hospice services in the region. The COVID-19 pandemic introduced temporary fluctuations in mortality data, but the broader trends and local realities support the conclusion that additional hospice capacity is both necessary and timely.

Chart 1



While the narrative attributes the 6.7% two-year trailing growth rate to statistical anomalies, the above chart clearly shows that hospice deaths have continued to rise steadily even as total deaths declined post-pandemic. This indicates that hospice utilization is not

merely a function of a shrinking denominator, but rather a reflection of increased acceptance and demand for hospice services.

Table 1 below supports this by showing that hospice deaths increased each year from 2022 to 2024, even as total deaths declined. This trend suggests a structural shift in end-of-life care preferences, not a temporary distortion.

Table 1

Statewide Hospice Data, 2017-2024						
DATA YEAR	DEATHS	% CHANGE	HOSPICE DEATHS	% CHANGE	STATEWIDE MEDIAN DEATHS SERVED	% CHANGE
2017	93,202		41,685		41.1%	
2018	94,005	0.9%	42,352	1.6%	42.7%	4.0%
2019	94,686	0.7%	44,556	5.2%	39.7%	-7.0%
2020	108,398	14.5%	46,982	5.4%	43.3%	9.0%
2021	118,040	8.9%	49,660	5.7%	40.1%	-7.3%
2022	112,906	-4.3%	50,148	1.0%	37.3%	-7.1%
2023	107,820	-4.5%	50,585	0.9%	39.6%	6.2%
2024	103,054	-4.4%	52,891	4.6%	42.4%	7.1%

Source: 2019 SMFP –Proposed 2026 SMFP

Haywood County, like many rural areas, has historically faced barriers to hospice access, including geographic isolation, limited provider presence, and transportation challenges. The current methodology, even if influenced by short-term trends, is finally catching up to long-standing unmet needs. The increase in the projected median to 51.5% as shown in Table 2 may appear steep, but it aligns with national benchmarks and reflects a course correction rather than an overcorrection.

The hospice methodology used in the SMFP has been in place since 2015 and has consistently demonstrated a strong correlation between projected medians and actual service needs. As shown in Table 2, years with higher projected medians (e.g., 2013, 2015, 2018) corresponded with accurate need determinations. The 2026 projection, while higher than average, is not without precedent and is supported by the *Evidence of Mortality Displacement* chart, which shows a clear upward trajectory in hospice penetration over time.

Table 2

Statewide Hospice Data, 2008-2024

SMFP YEAR	PROJECTED STATEWIDE MEDIAN % OF DEATHS SERVED [^]	# OF HOSPICE HOME CARE OFFICE NEED DETERMINATIONS
2010	34.3%	0
2011	33.7%	0
2012	42.0%	0
2013	42.5%	2
2014	39.6%	0
2015	47.1%	1
2016	39.2%	0
2017	44.7%	1
2018	49.2%	2
2019	40.6%	0
2020	44.5%	1
2021	38.0%	0
2022	44.6%	0
2023	41.2%	0
2024	29.8%	0
2025	39.0%	1
2026	51.5%	9

[^]Calculated in Step 8 of hospice home care office methodology
Source: 2010 SMFP – 2025 SMFP, Proposed 2026 SMFP

Haywood County’s population is aging, with a growing proportion of residents over 65. This demographic trend is independent of COVID-19 and will continue to drive demand for hospice services. According to NC OSBM Vintage 2024 estimates, Haywood County’s population increased from 61,850 in 2022 to 63,900 in 2024 (+3.3%).

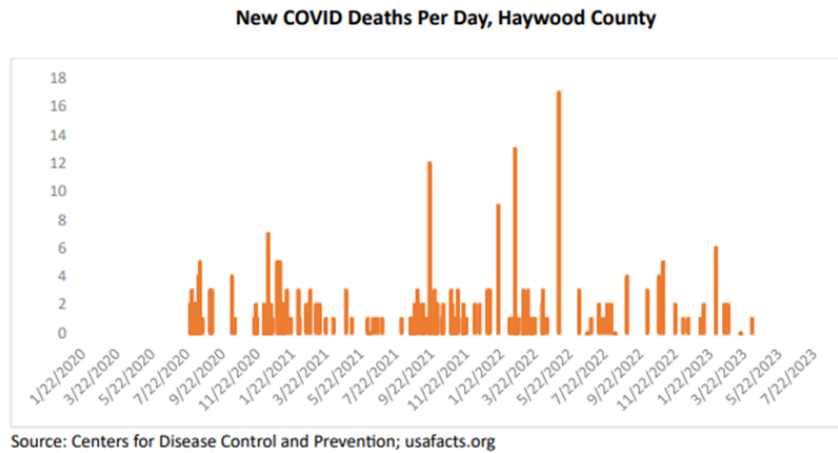
Seniors now make up 23.5% of the total population, up from 21.8% in 2022. This growth has been accelerated in part by in-migration following hurricane-related damage in the Carolinas. Hospice-appropriate deaths have grown proportionately, and penetration rates remain below state averages (49% vs. 51.3%).

2. Continued Hospice Expansion in Haywood County is Justified Despite COVID-Era Mortality Displacement

Despite the petitioners suggesting a temporary mortality distortion due to COVID-19, the data and charts provided reveal persistent vulnerabilities in Haywood County’s hospice infrastructure that demand strategic investment and expansion.

Chart 2 clearly shows multiple, intense surges in daily COVID-19 deaths between 2020 and 2022. These surges were not isolated spikes but sustained waves, indicating prolonged pressure on healthcare systems. During these periods, hospice services were likely overwhelmed or inaccessible, leading to a sharp drop in hospice penetration (from 44.8% in 2019 to 33.9% in 2021).

Chart 2



The implication is that the system was underprepared for crisis-level mortality, and without investment, it remains vulnerable to future public health emergencies.

Table 3 (below) shows a gradual but incomplete recovery in hospice penetration, rising to 42.1% in 2024. While this is an improvement from the 2021 low, it still lags behind the 2019 baseline.

Table 3

Haywood County Death Data, 2017-2024					
DATA YEAR	DEATHS	% CHANGE	HOSPICE DEATHS	% CHANGE	% OF DEATHS SERVED
2017	821		384		46.8%
2018	843	2.7%	387	0.8%	45.9%
2019	831	-1.4%	372	-3.9%	44.8%
2020	959	15.4%	344	-7.5%	35.9%
2021	995	3.8%	337	-2.0%	33.9%
2022	1,034	3.9%	362	7.4%	35.0%
2023	939	-9.2%	349	-3.6%	37.2%
2024	905	-3.6%	381	9.2%	42.1%

Source: 2019 SMFP –Proposed 2026 SMFP

The implication is that the system has not fully rebounded, and the current level of hospice utilization suggests ongoing access or capacity issues. Without proactive investment, the county risks entrenching a lower standard of end-of-life care.

The data and charts confirm that Haywood County’s hospice system was disrupted, underutilized, and is still recovering. Rather than interpreting the recent decline in deaths as a reason to scale back, this should be seen as an opportunity to rebuild stronger, more resilient hospice services that can meet both current and future needs.

3. Five-Year Death Rate Reflects Real and Relevant Trends

While the petitioners argument claims that the five-year death rate is inflated due to the COVID-19 pandemic, this perspective overlooks the lasting impact of the pandemic on the health profile of the population. The elevated mortality rates from 2020 to 2022 are not statistical anomalies and reflect real, systemic vulnerabilities in the population, including:

- Increased prevalence of chronic conditions post-COVID
- Accelerated aging of the population, with many individuals now entering high-risk age brackets
- Long-term complications from COVID-19, which have increased the need for palliative and end-of-life care

Even if mortality rates declined in 2023 and 2024, the cumulative effect of the pandemic has reshaped the healthcare landscape. The five-year average provides a more comprehensive and realistic view of ongoing and future hospice needs.

Table 4 shows that while death counts may have declined slightly post-pandemic, the percent of deaths served by hospice continues to trend upward. This suggests:

- Increased awareness and acceptance of hospice care.
- Greater integration of hospice services into standard care pathways.
- A growing preference among patients and families for home-based end-of-life care.

This upward trend in hospice utilization supports the need for expanded capacity, not contraction.

The critique of the 6.7% Two-Year Trailing Growth Rate as “artificially high” fails to recognize that this growth reflects a realignment of care preferences and systemic improvements in hospice outreach and delivery. While historical averages (2.4%–2.6%) are useful for context, they do not capture the current acceleration in hospice adoption.

Table 4 illustrates that the growth in hospice penetration is not a temporary spike but part of a sustained upward trajectory. Using a lower historical average would underestimate future demand and risk under-resourcing the system.

Table 4

2-YR TRAILING GROWTH RATE MEDIAN PERCENT OF DEATHS SERVED	
SMFP YEAR	2-YR TRAILING GROWTH RATE MEDIAN PERCENT OF DEATHS SERVED
2010	4.9%
2011	2.7%
2012	7.2%
2013	6.4%
2014	3.1%
2015	6.0%
2016	1.7%
2017	2.6%
2018	5.8%
2019	-0.4%
2020	1.3%
2021	-1.5%
2022	1.0%
2023	0.9%
2024	-7.2%
2025	-0.5%
2026	6.7%
2010 – 2024 MEDIAN	2.6%
2010 – 2024 AVERAGE	2.4%

The methodology used in the SMFP appropriately accounts for both historical trends and recent shifts in healthcare needs. Rather than being inflated, the projections reflect a prudent, forward-looking approach to healthcare planning. Removing the need determination based on a narrow interpretation of recent mortality declines would risk undermining care quality and access for vulnerable populations.

4. Evidence-Based Justification for Expanding Hospice Services in Haywood County

While the petitioners assert that Haywood County’s hospice infrastructure is sufficient, an analysis of the data reveals several indicators that suggest otherwise.

As indicated in Table 5 , in 2024, Haywood County’s hospice penetration rate is 42.1%, which, although improved from pandemic lows, still falls significantly short of the national benchmark. According to the National Hospice and Palliative Care Organization (NHPCO), the national average hospice utilization rate is typically above 50%, with high-performing regions exceeding 60%.

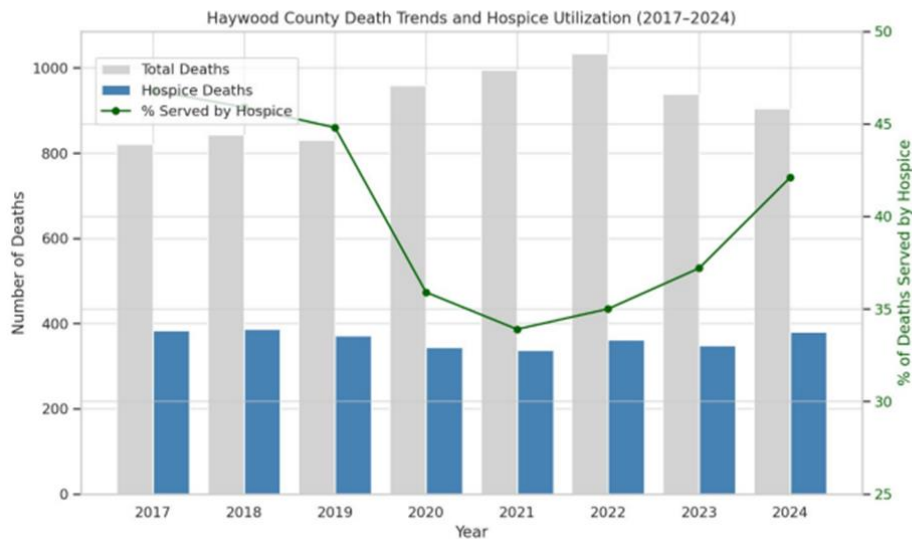
This persistent gap suggests that a substantial portion of eligible patients are not receiving hospice care, indicating unmet need rather than system adequacy.

Table 5

Haywood County Death Data, 2017-2024			
DATA YEAR	DEATHS	HOSPICE DEATHS	% OF DEATHS SERVED
2017	821	384	46.8%
2018	843	387	45.9%
2019	831	372	44.8%
2020	959	344	35.9%
2021	995	337	33.9%
2022	1,034	362	35.0%
2023	939	349	37.2%
2024	905	381	42.1%

Source: 2019 SMFP –Proposed 2026 SMFP

Chart 3



As indicated in Table 5 and Chart 3, the data from 2017 to 2024 shows only modest growth in hospice deaths relative to total deaths. Given the aging population in Haywood County, one would expect a more robust increase in hospice utilization if the system were truly responsive. The plateauing trend in hospice deaths, especially in the most recent years, may reflect capacity constraints or limited outreach, rather than a lack of demand.

The petitioners' argument highlights the addition of new staff, but it does not quantify whether this expansion is proportional to the growing needs of the community. Without transparent staffing ratios or caseload data, it is difficult to verify whether current resources are sufficient. Moreover, the emotional and logistical burden on existing staff during the pandemic may have lingering effects on service delivery and burnout, further straining capacity.

The data in the above charts does not support the conclusion that Haywood County's hospice system is fully meeting community needs. Instead, it reveals a lagging penetration rate, limited infrastructure expansion, and potential access disparities. These factors collectively point to a continued and growing need for additional hospice services, providers, and outreach efforts in the county.

5. Prior Hospice Petitions

While historical precedent shows that the State Health Coordinating Council has removed hospice home care office need determinations in response to utilization trends and provider capacity, the current situation in Haywood County warrants a different conclusion. The petition to remove the need determination for an additional hospice home care office overlooks several critical, data-driven factors that underscore the continued necessity of expanding hospice services in the region.

Comparisons to past decisions are specious. The underlying population characteristics, market dynamics, and future outlook for Haywood County are fundamentally different from those of Davidson, Johnston, and Union counties in 2009, as well as Cabarrus County in 2005

Rising Aging Population and Chronic Illness Burden:

Haywood County, like much of Western North Carolina, is experiencing a demographic shift with a growing elderly population. According to recent census data, over 25% of the county's residents are aged 65 or older and projected to increase over the next decade. This aging trend correlates with a higher prevalence of chronic and terminal illnesses, which directly increases the demand for hospice care services.

Access Challenges for Haywood County Residents:

Existing hospice providers in Haywood County are operating near or at capacity, leading to potential delays in service initiation and limited geographic reach, especially in rural or mountainous areas. Current hospice agencies based outside Haywood County create delays in admission (often 24–48 hours) and coverage gaps for patients in mountainous areas. Skilled nursing and assisted living facilities also report difficulty securing timely hospice admissions.

Utilization Trends Support Expansion:

Contrary to the petition's implication, utilization data from the past three years show a steady increase in hospice admissions and average daily census in Haywood County. This trend reflects both growing awareness of hospice benefits and a genuine rise in need. Removing the need determination now would ignore this upward trajectory and risk underserving the community.

Equity and Choice in End-of-Life Care:

Introducing an additional hospice home care office would enhance patient and family choice, foster healthy competition, and potentially improve service quality. It would also

ensure that underserved populations including those in remote areas or with limited transportation have equitable access to timely, compassionate end-of-life care.

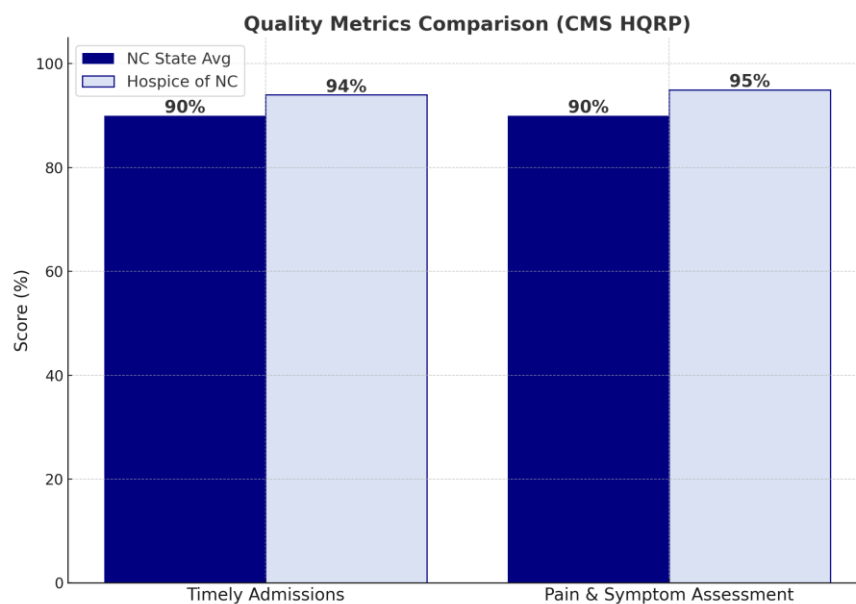
Alignment with Statewide Goals:

Expanding hospice services aligns with North Carolina’s broader healthcare goals of improving access, reducing hospital readmissions, and supporting aging in place. Maintaining the need determination for Haywood County supports these objectives and ensures that the healthcare infrastructure evolves in step with community needs.

Hospice of North Carolina Quality Metrics:

As indicated in the below chart, Hospice of North Carolina, operating in Murphy and Hayesville, consistently exceeds state averages on CMS quality measures for the other counties served: timely admissions (94%), pain assessment (95%), and family satisfaction (4.8 stars vs. statewide 4.2 stars). Establishing a Haywood County office would directly improve access and quality.

Chart 4



Source: Centers for Medicare & Medicaid Services (CMS), *Hospice Quality Reporting Program (HQR)*. Data retrieved from the CMS Care Compare website or Hospice of North Carolina internal quality reports.

Addressing the Gap: The Need for Expanded Hospice Access Ahead of Methodology Reform

While the petitioners’ proposal to revisit and revise the hospice home care methodology is commendable, it is critical to emphasize that the need for more hospice services is already evident and urgent. There is no reason to hold back CONs while considering or developing new methodology to determine need.

Demographic Pressures Are Mounting:

As previously indicated, North Carolina's aging population is growing rapidly. According to the U.S. Census Bureau, the number of residents aged 65 and older is projected to increase by over 50% between 2020 and 2040. This demographic shift alone will significantly increase demand for end-of-life care, particularly in rural and underserved areas where hospice access is already limited.

Hospice Utilization Remains Uneven:

Despite the growth in hospice awareness, many counties still report low utilization rates. Barriers such as geographic isolation, lack of provider presence, and cultural hesitancy continue to prevent equitable access. Expanding hospice services now would help close these gaps and ensure that all North Carolinians can receive compassionate, high-quality care at the end of life.

COVID-19 Exposed Systemic Weaknesses:

The pandemic highlighted the fragility of our healthcare infrastructure, especially in home-based care. Families increasingly turned to hospice as hospitals became overwhelmed. This shift in care preference reflects a broader trend toward home-based, patient-centered care that must be supported with adequate infrastructure and staffing.

Delaying Expansion Risks Underserving Communities:

Waiting for a new methodology to be developed and adopted could take years. In the meantime communities, including rural and economically disadvantaged areas, will continue to suffer from inadequate access to hospice care. Proactive expansion is not just a policy decision; it is a moral imperative.

Conclusion:

Hospice of North Carolina requests that the SHCC deny petitions seeking to remove the Haywood County need determination. The petitions overlook compelling, evidence-based indicators of sustained and growing demand for hospice services. These data show that hospice utilization is rising, access remains uneven, and the county's aging population will continue to drive need well into the future.

The current need determination reflects a prudent and necessary response to demographic realities, systemic gaps, and evolving care preferences. There is no overestimation. Removing it would risk entrenching disparities and delaying critical investments in compassionate, community-based end-of-life care. The time to act is now.