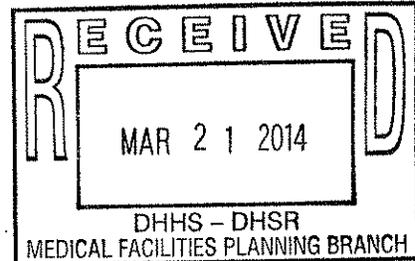




*Celebrating Life in Your Community*

March 21, 2014

Elizabeth K. Brown  
Planner, Medical Facilities Planning Branch  
Division of Health Service Regulation  
N.C. Department of Health and Human Services  
809 Ruggles Drive  
Raleigh, NC 27603



Via electronic mail to: [elizabeth.brown@dhhs.nc.gov](mailto:elizabeth.brown@dhhs.nc.gov)

Dear Ms. Brown:

Please accept this letter as comments from Hospice of Wake County regarding the Petition for Change in Methodology regarding Hospice Inpatient Beds submitted by Health Law Firm (HLF), PLLC on January 31, 2014 as drafted by Joy Heath and Ruth Levy. For purposes of simplicity, I will refer to this petition as the HLF Petition.

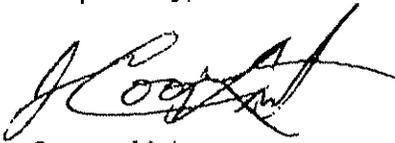
We have substantive and material objections regarding the HLF Petition and its impact on the providers and consumers in North Carolina for two reasons. Our first concern is based on procedural grounds and addresses the disruptive impact of the HLF petition to the existing process as established by the State Health Coordinating Council (SHCC). Our second concern is more practical in nature as it concerns the HLF petition's negative impact on the SHCC's ability to make long-term predictions in the best interest of consumers.

1. First, The State Health Coordinating Council has asked the two state associations representing North Carolina hospice care providers, The Association for Home and Hospice Care of North Carolina (AHHC) and The Carolinas Center for Hospice and End of Life Care (TCC), to work collaboratively in 2014 to form an internal hospice workgroup to review the current hospice inpatient methodology, review recent hospice petitions and comments, and determine the direction and approach regarding how to potentially adjust the methodology. The HLF Petition circumvents the process established by the SHCC and would interrupt the orderly and existing review of the hospice inpatient methodology. Additionally, by not allowing the established SHCC process to work, the HLF Petition does not include a discussion of the SHCC workgroups recommendations and therefore cannot fully explore all potential alternatives. In short, approving this petition now would be premature and disruptive in light of the need to review the entire hospice inpatient methodology and make a coordinated recommendation to the SHCC in accordance with their request and direction.

2. Our second concern is based on the flawed assumptions and methodology proposed in the HLF Petition. The county Average Length of Stay (ALOS) is a volatile number that varies across counties and varies from year to year within the same county. Because the county ALOS is a volatile and unpredictable number year over year, it is not a good predictor of future healthcare needs. Such volatility could lead to a duplication of hospice inpatient services and, therefore, an unnecessary increase in healthcare costs. The hospice inpatient methodology has to forecast hospice days 3 years into the future. (For example, 2013 data is used to forecast the expected 2016 need.) The statewide average is a much more reliable and less volatile variable for predicting future need. The HLF Petition did not examine the potential long-term negative consequences of their proposed change and, therefore, should be denied.

In summary, because there is an existing workgroup established by the SHCC which is studying the methodology and because there could be long term negative consequences from the proposed change, we recommend that the petition be denied. Our recommendation for denial would not, however, preclude the SHCC workgroup from considering the HLF Petition in its work.

Respectfully,



Cooper Linton  
Vice-president of Marketing and Business Development