

PDA

February 4, 2011

Thomas J. Pulliam, MD
Chairman, Long Term Care Committee
State Health Coordinating Council
1105 Fawnbrook Road
Lewisville, NC 27023

DFS Health Planning
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Medical Facilities
PLANNING SECTION

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RE: Home Health Agency Need 2011 State Medical Facilities Plan

Dear Dr. Pulliam:

We represent United Home Care, Inc., a division of United Health Services, Inc., which is a company with 2,500 North Carolina employees serving approximately 1,800 residents on any given day. In the course of preparing to compete for home health agency certificate of need allocations published in the 2011 State Medical Facilities Plan (Plan), we discovered a technical error in the methodology data tables. United Home Care called it to the attention of DHSR staff. The technical error involved incorrect cell references in Excel that resulted in the wrong home health utilization rate applied to the 75+ age cohort. When corrected, the calculations no longer support the health agency need allocations. To be very clear, we favor leaving the need for all four agencies in the Plan as published. United Home Care and others would like to compete for the Certificates of Need.

We understand that after considering the issues and confirming our findings, the Secretary has referred the issue to the State Health Coordinating Council for review and recommendations, which will bring it before the Long Term Care Committee. We are especially conscious of the need for and value of transparency in the state's processes and commend the Agency for thoughtfully considering concerns of all sides on this issue. That prompts us to put our thoughts in writing.

Chapter 2 (page 9) of the 2011 Plan establishes the mechanism by which the Plan "will be amended, as necessary to correct errors..." It calls for the SHCC to conduct a public hearing on proposed amendments and to recommend changes to the Governor for approval, if appropriate.

Chapter 12 (page 300), Table 12D, of the 2011 Plan reports "It is determined that the counties listed in the table below need additional Medicare Certified home health agency or office as specified:

Guilford	1	Due July 15, 2011
Mecklenburg	2	Due March 15, 2011
Cabarrus	1	Due September 15, 2011

It further notes "Need determinations shown in this document may be increased or decreased during the year pursuant to Policy GEN-2..."



Ltr., Thomas J. Pulliam, M.D.
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On pages 38 and 39, Policy GEN-2 lays out mechanisms by which changes in inventory may cause the need to increase or decrease. On page 39, it notes "However, need determinations in this document shall not be reduced if the relevant inventory is adjusted upward 60 days or less prior to the applicable "Certificate of Need Due Date."

This 60-day window has been applied on other occasions when errors in the Plan were discovered that would have eliminated a need. Thus, with 39 or fewer days remaining between the Committee meeting and the Mecklenburg County due date, it would be consistent with prior history, to at minimum, leave the need in Mecklenburg County as published. Applicants have, in good faith, already made significant investments in these applications.

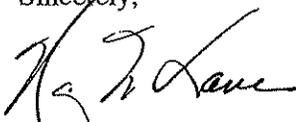
Arguably, the need for the other two counties could also remain in the 2011 Plan. The Proposed Plan was published in June 2010 and vetted through six public hearings conducted throughout the State in July and August and reviewed at the Long Term Care Committee in September. No petitions or comments were filed asking to remove the published need. Had such a need not been published, interested parties might have filed Special Need Petition. With a need in the Proposed Plan, such action was not required.

We urge you to seriously consider leaving all four need determinations in the Plan, and publishing the corrected data with public notice on the web and other locations as appropriate.

We understand that the Committee will conduct a special meeting by phone and would like to present our case at that meeting, understanding that you may wish to hear from others, too. If asked, we are also prepared to defend the need for these agencies.

Thank you for your time and attention to this important matter. Please do not hesitate to contact me should you have any questions.

Sincerely,



Nancy M. Lane
President

cc: Rep. William L. Wainwright, Chairman (2-8-2011)
Long Term Care Committee Members (2-8-2011)
Drexdal Pratt, Director DHSR (2-8-2011)
Nick Williams, UHC
Carol Potter, DHSR