Methodologies from Contiguous States

Attached are:

Attachment A – Georgia – Rules – refer to (3) Standards (a), (b), (c)
Attachment B – South Carolina – refer to page II –119 Standard item 4, page II-120 Standard item 7 and page II – 123.
Attachment C – Tennessee – refer to items 1-4.

RULES
OF
DEPARTMENT OF COMMUNITY HEALTH

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http://rules.sos.state.ga.us/pages/DEPARTMENT_OF_COMMUNITY_HEALTH/index.html.

111-2
HEALTH PLANNING

111-2-2
Certificate of Need

111-2-2-.32 Specific Review Considerations for Home Health Services.

(1) **Applicability.** A Certificate of Need for a home health agency will be required prior to the establishment of a new home health agency or the expansion of the geographic service area of an existing home health agency unless such expansion is a result of a non-reviewable acquisition of another existing home health agency.

(2) **Definitions.**

(a) "Home health agency" means a public agency or private organization, or a subdivision of such an agency or organization, which is primarily engaged in providing to individuals who are under a written plan of care of a physician, on a visiting basis in the place of residence used as such individual's home, part-time or intermittent nursing care provided by or under the supervision of a registered professional nurse, and one or more of the following services: physical therapy, occupational therapy, speech therapy, medical-social services under the direction of a physician, or part-time or intermittent services of a home health aide.

(b) "Horizon year" means the last year of the three-year projection period for need determinations for a new or expanded home health agency.

(c) "Geographic service area" means a grouping of specific counties within a planning area for which the home health agency is authorized to provide services to individuals residing in the specific counties pursuant to an existing or future certificate of need. For purposes of establishing a service area for a new home health agency, the geographic service area shall consist of any individual county or combination of contiguous counties

which have an unmet need as determined through the numerical need formula or the exception. For purposes of an expansion of an existing agency, the geographic service area shall consist of an individual county or any combination of counties which have an unmet need and which are within any planning area in which the home health agency already provides service; however, in no case may an existing home health agency apply to provide services outside the health planning areas in which its current geographic service area is located.

(d) "Nursing care" means such services provided by or under the supervision of a licensed registered professional nurse in accordance with a written plan of medical care by a physician. Such services shall be provided in accordance with the scope of nursing practice laws and associated Rules.

(e) "Official state component plan" means the document related to home health services developed by the Department established by the Health Strategies Council and adopted by the Board of Community Health.

(f) "Planning area" for all home agencies means the geographic regions in Georgia defined in the State Health Plan or Component Plan.

(3) **Standards.**

(a) The need for a new or expanded home health agency shall be determined through application of a numerical need method and an assessment of the projected number of patients to be served by existing agencies.

1. The numerical need for a new or expanded home health agency in any planning area in the horizon year shall be based on the estimated number of annual home health patients within each health planning area as determined by a population-based formula which is a sum of the following for each county within the health planning area:

(i) a ratio of 4 patients per 1,000 projected horizon year Resident population age 17 and younger;

(ii) a ratio of 5 patients per 1,000 projected horizon year Resident population age 18 through 64;

(iii) a ratio of 45 patients per 1,000 projected horizon year Resident population age 65 through 79; and

(iv) a ratio of 185 patients per 1,000 projected horizon year Resident population age 80 and older.

2. The net numerical unmet need for home health services shall be determined by subtracting the projected number of patients for the current calendar year from the projected need for services as calculated in (3)(a)(1). The projected number of patients for the current calendar year is determined by multiplying the number of patients having received services in each county, as reported in the most recent survey year, by the county population change factor. The county population

change factor is the percent change in total population between the most recent survey year and the current calendar year.

(b) 1. The Division shall accept applications for review as enumerated below:

(i) If the net numerical unmet need in a given planning area is 250 patients or more, the Division shall authorize the submission of applications for an expanded home health agency; or

(ii) If the net numerical unmet need in a given planning area is 500 patients or more, the Division shall authorize the submission of applications for a new home health agency as well as an expanded home health agency.

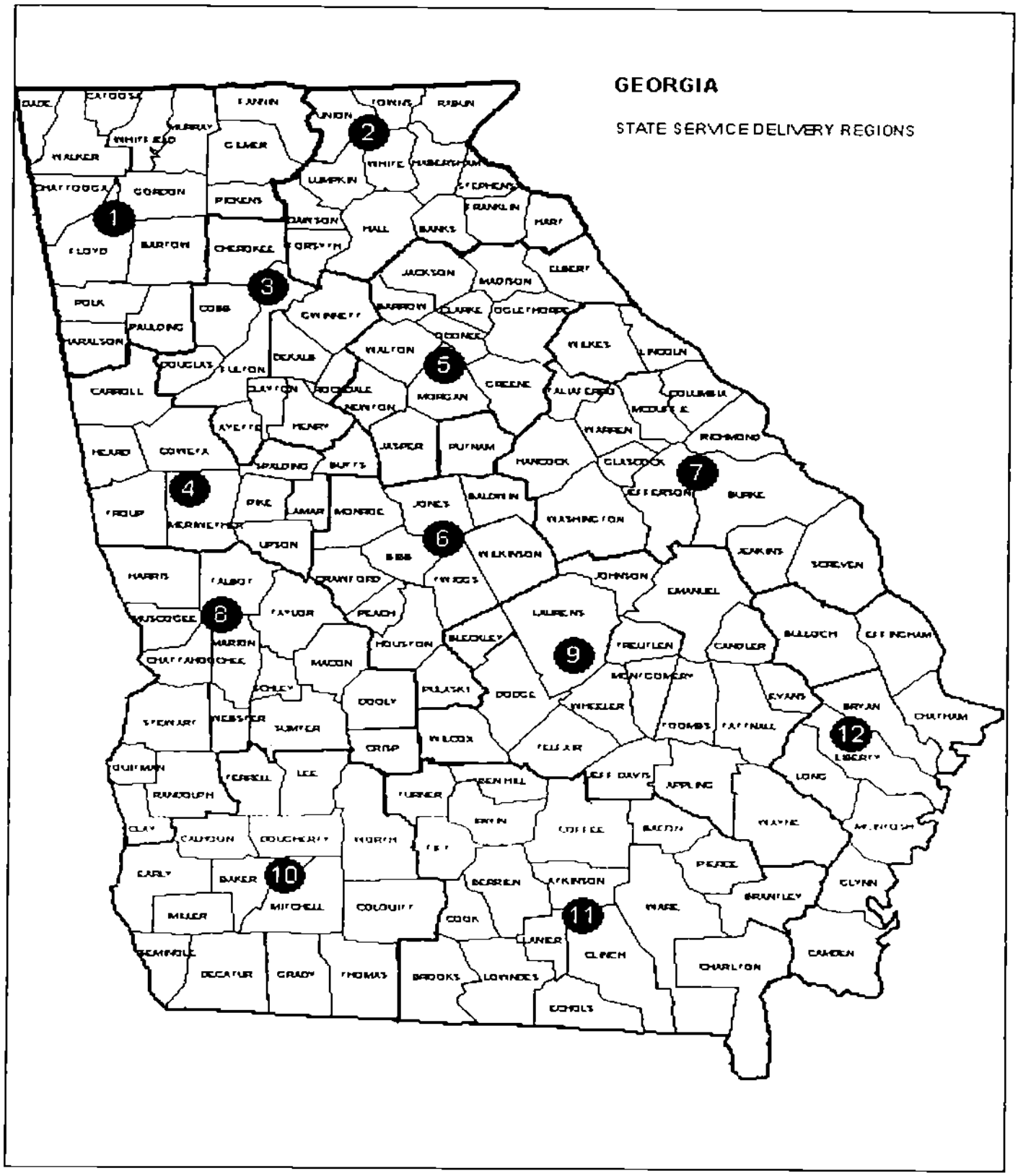
2. An applicant must propose to provide service only within a county or group of counties, each of which reflects a numerical unmet need, and contained within the given planning area for which the Division has authorized the submission of applications.

3. The Department shall only approve applications in which the applicant has applied to serve all of the unmet numerical need in any one county in which need is projected. The need within counties shall not be divided or shared between any two or more applicants.

(c) The Division may authorize an exception to 111-2-2-.32(3)(a) if:

1. the applicant for a new or expanded home health agency can show that there is limited access in the proposed geographic service area for special groups such as, but not limited to, medically fragile children, newborns and their mothers, and HIV/AIDS patients. For purposes of this exception, an applicant shall be required to document, using population, service, special needs and/or disease incidence rates, a projected need for services in the planning area of at least 200 patients within a defined geographic service area. A successful applicant applying under this section will be restricted to serving the special group or groups identified in the application within the county or counties stipulated in the application; or

2. a particular county is served by no more than two (2) home health agencies and either of the following conditions exists: (1) less than one percent of the county's population has received home health services, or (2) one of the two home health agencies has demonstrated a failure to adequately serve Medicaid patients as evidenced by a level of service to such individuals that is less than the statewide average within each of the past two years as reported on the Annual Home Health Services survey. For purposes of this exception, an applicant must already be approved to provide service in a contiguous county or be approved to provide service in a county that is no further than 15 miles from the county authorized through the exception. In all other aspects of the application process, the applicant shall be required to comply with provisions applicable to expanded home health agencies. For purposes of this exception, "served by" shall mean the agency(ies) are licensed to serve the county by the Office of Regulatory Services of the Department of Human Resources.


GEORGIA
STATE SERVICE DELIVERY REGIONS
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ATTACHMENT B

DRAFT
2008-2009
South Carolina Health Plan

Staff Recommendation to the

South Carolina State Health Planning Committee

South Carolina Department of Health and Environmental Control

E. Home Health Agencies

Home Health Agency means a public, nonprofit, or proprietary organization, whether owned or operated by one or more persons or legal entities, which furnishes or offers to furnish home health services. Home health services means those items and services furnished to an individual by a home health agency, or by others under arrangement with the home health agency, on a visiting basis and except for (f) below, in a place of temporary or permanent residence used as the individual's home as follows:

Part-time or intermittent skilled nursing care as ordered by a physician or podiatrist and provided by or under the supervision of a registered nurse and at least one other therapeutic service listed below: (a) physical, occupational, or speech therapy; (b) medical social services; (c) home health aide services; (d) other therapeutic services; (e) medical supplies as indicated in the treatment plan, and the use of medical appliances, to include durable medical equipment and (f) any of the above items and services provided on an outpatient basis under arrangements made by the home health agency with a hospital, nursing home or rehabilitation center and the furnishing of which involves the use of equipment of such a nature that the items/services cannot readily be made available to the individual in his/her home, or which are furnished at one of the above facilities while the patient is there to receive such items or services. Transportation of the individual in connection with any such items or services is not included.

The average mix of home health visits by type of service during FY 2006 for the home health agencies in South Carolina were:

Total Visits	1,530,519
Nursing Visits	44.4%
Home Health Aide Visits	10.7%
Physical Therapy Visits	34.6%
Medical Social Worker Visits	1.5%
Speech Therapy Visits	1.6%
Occupational Therapy Visits	7.1%
Other	0.1%

Nursing visits includes all visits provided by a nurse including IV therapy and chemotherapy.

Under the Balanced Budget Act of 1997, Medicare changed to a Prospective Payment System (PPS) for home health services. Patients are assessed and assigned to one of 80 Home Health Resource Groups (HHRGs); agencies then receive a fixed payment for a 60-day episode of care, regardless of the number of visits provided. As a result, the number of visits per patient has decreased from 45.7 in 1997 to 18.5 in 2006. In 2007, CMS revised its policy on "case mix" which will make a nearly 12% reduction in the national 60-day standardized payment rate by 2011 and decrease home health expenditures by $7 billion over that time.

Of the current patients receiving home health services, approximately 37% are less than age 65 and 63% are age 65 and over. Some agencies are licensed to serve broad geographic areas, yet provide services to less than 50 patients annually in some counties in their licensed service area. Unless a need for another agency is indicated, the existing agencies should be able to expand their staff to meet any additional need.

Standards

1. An applicant must propose home health services to cover the geographic area of an entire county and agree to serve residents throughout the entire county.

2. A separate application is required for each county in which services are to be provided.

3. There should be documentation from physicians and discharge planners in the proposed service area substantiating the need and support for an additional home health agency. These need and support letters must be on letterhead and define which practice and specialty or facility the physician/discharge planner represents as well as the county from which their patient base will be drawn. They must clearly state the number of additional patients that will be referred to a new home health agency and why another home health agency is needed. The physician or discharge planner must also personally sign these letters. If there are problems with the existing agencies serving the area, the physicians and discharge planners should state the reasons.

4. The attached table indicates the counties where one additional home health agency could be approved or an existing home health agency expanded. This table is based on the number of persons served per thousand population and the maximum number of agencies needed per county based on the projected population (see below). Counties that are below 75% of the state average of patients served per thousand population and have less than the maximum number of agencies based on the projected population could accommodate one additional agency in order to assist the residents of the county in receiving services. Only these counties will be approved for an additional service. No additional agency will be approved in these counties until the approved agencies have been licensed and a year of utilization data are available and have been incorporated into the methodology.

Maximum Agencies Per Thousand Population

<30k pop.	=	2 HHA's
30-50k pop.	=	3 HHA's
50-75k pop.	=	4 HHA's
75-125k pop.	=	5 HHA's
125-175k pop.	=	6 HHA's
175-225k pop.	=	7 HHA's

225-275k pop.	=	8 HHA's
275-325k pop.	=	9 HHA's
>325k pop.	=	10 HHA's

5. The applicant should have a track record that demonstrates a commitment to quality services. There should be no history of prosecution, loss of license, consent order, or abandonment of patients in other business operations. The applicant must provide a list of all licensed home health agencies it operates and the state where it operates.

6. The applicant must document that they can serve at least 50 patients annually in each county for which they are licensed within two years of initiation of services. The applicant must assure the Department that, should they fail to provide home health services to less than 50 patients annually for a county two years after initiation of services, they will voluntarily relinquish the license for that county. If an agency's license is terminated, another agency will be approved only if the methodology indicates the projected need for an additional agency.

7. Because of the limited number of home health providers available to treat children 14 years or younger, an exception to the above criteria may be made for a Certificate of Need for a Home Health Agency restricted to the service of pediatric home health skilled nursing. Only one Certificate of Need application will be required for an agency that proposes to provide this specialized service to pediatric patients in multiple counties. The applicant must document that no other agency offers this service in the county of application, and the agency will limit such services to the pediatric population. The license for the agency will be restricted to serving children 14 years or younger and will ensure access to necessary and appropriate home health services. Any such approved agency will not be counted in the county need projections.

Continuing Care Retirement Community Home Health Agencies

A licensed continuing care retirement community that also incorporates a skilled nursing facility may provide home health services and is exempt from Certificate of Need provided:

1. The continuing care retirement furnishes or offers to furnish home health services only to residents who reside in living units provided by the continuing care retirement community pursuant to a continuing care contract;

2. The continuing care retirement community maintains a current license and meets the applicable home health agency licensing standards; and

3. Residents of the continuing care retirement community may choose to obtain home health services from other licensed home health agencies.

Staff from other areas of the continuing care retirement community may deliver the home health services, but at no time may staffing levels in any area of the continuing care retirement community fall below minimum licensing standards or impair the services provided. If the continuing care retirement community includes charges for home health services in its base contract, it is prohibited from billing additional fees for those services. Continuing care retirement communities certified for Medicare or Medicaid, or both, must comply with government reimbursement requirements concerning charges for home health services. The continuing care retirement community shall not bill in excess of its costs. These costs will be determined on non-facility-based Medicare and/or Medicaid standards. Because these continuing care retirement community home health agencies serve only residents of the retirement community, these facilities are not counted in the county need projections.

Relative Importance of Project Review Criteria

The following project review criteria as outlined in Chapter 8 of Regulation No. 61-15 are considered to be the most important in reviewing CON applications for this service:

a. Need;
b. Acceptability;
c. Distribution (Accessibility);
d. Medically Underserved Groups;
e. Record of the Applicant; and
f. Financial Feasibility.

Because home health agencies provide services in every county and there are at least two providers per county, there is no justification for approving additional agencies beyond those shown as needed in this Plan. The benefits of improved accessibility do not outweigh the adverse affects caused by the duplication of any existing service.

The home health agency inventory follows. The persons served and visits are based on data from the Joint Annual Reports (JARs) for Home Health Agencies. The "cut-off" date for inclusion in the inventory was November 1, 2007.

HOME HEALTH UTILIZATION, 1980-2006

YEAR	PEOPLE SERVED	TOTAL VISITS	VISITS/ PATIENT
1980	17,120	---------	------
1981	18,021	---------	------
1982	19,751	---------	------
1983	24,013	427,759	17.8
1984	28,511	590,657	20.7
1985	30,360	631,498	20.8
1986	21,012	672,361	32.0
1987	30,004	673,346	22.4
1988	31,230	710,756	22.8
1989	32,727	843,514	25.8
1990	36,827	1,024,177	27.8
1991	41,912	1,307,371	31.2
1992	49,035	1,767,825	36.1
1993	55,551	2,417,241	43.5
1994	65,754	3,192,689	48.6
1995	77,214	3,755,027	48.6
1996	86,070	3,995,110	46.4
1997	88,711	4,055,843	45.7
1998	86,123	3,131,997	36.4
1999	83,969	2,472,078	29.4
2000	78,542	2,041,754	26.0
2001	77,869	1,427,436	18.3
2002	84,192	1,290,991	15.3
2003	81,708	1,235,335	15.1
2004	82,971	1,291,738	15.6
2005	81,754	1,454,745	17.8
2006	82,546	1,530,519	18.5

HOME HEALTH AGENCIES

County of Residence	2006 Total Patients	2006 Pop. (000s)	Patients Served/ 1000 Pop.	Below State Average	New Agency /P 1/1/06	Max. # of Agencies	# of Existing HHAs	New HHA Can Be Approved
Abbeville	812	26.88	30.21	---	---	2	4	---
Aiken	1,840	155.90	11.80	YES	---	6	5	YES
Allendale	29	11.82	2.45	YES	---	2	3	---
Anderson	3,081	173.71	17.74	---	---	6	6	---
Bamberg	372	16.09	23.12	---	---	2	2	---
Barnwell	259	24.56	10.55	YES	---	2	3	---
Beaufort	2,614	135.48	19.29	---	---	6	4	---
Berkeley	2,152	158.79	13.55	YES	---	6	7	---
Calhoun	250	15.77	15.85	---	---	2	5	---
Charleston	8,055	321.76	25.03	---	---	9	9	---
Cherokee	1,263	55.39	22.80	---	---	4	4	---
Chester	714	34.76	20.54	---	---	3	3	---
Chesterfield	887	43.34	20.47	---	---	3	2	---
Clarendon	692	33.58	20.61	---	---	3	2	---
Colleton	957	40.22	23.79	---	---	3	5	---
Darlington	1,217	68.22	17.84	---	---	4	4	---
Dillon	692	30.23	22.89	---	---	3	4	---
Dorchester	2,061	108.35	19.02	---	---	5	7	---
Edgefield	280	25.87	10.82	YES	---	2	4	---
Fairfield	406	24.42	16.63	---	---	2	3	---
Florence	2,165	131.02	16.52	---	---	6	4	---
Georgetown	1,506	58.97	25.54	---	---	4	6	---
Greenville	7,092	402.33	17.63	---	---	10	7	---
Greenwood	1,737	69.10	25.14	---	---	4	5	---
Hampton	412	22.04	18.69	---	---	2	4	---
Horry	5,559	220.48	25.21	---	---	7	6	---
Jasper	353	21.69	16.27	---	---	2	3	---
Kershaw	1,007	56.02	17.98	---	---	4	3	---
Lancaster	1,049	62.31	16.84	---	---	4	2	---
Laurens	1,500	73.65	20.37	---	---	4	6	---
Lee	356	20.68	17.21	---	---	2	4	---
Lexington	4,080	236.95	17.22	---	---	8	7	---
McCormick	265	10.77	24.61	---	---	2	3	---
Marion	808	36.06	22.41	---	---	3	3	---
Marlboro	547	27.96	19.56	---	---	2	4	---
Newberry	735	37.49	19.61	---	---	3	3	---
Oconee	1,731	71.85	24.09	---	---	4	4	---
Orangeburg	2,219	94.78	23.41	---	---	5	5	---
Pickens	2,036	120.65	16.88	---	---	5	6	---
Richland	5,187	334.57	15.50	---	---	10	8	---
Saluda	382	19.53	19.56	---	---	2	4	---
Spartanburg	4,831	270.04	17.89	---	---	8	5	---
Sumter	2,140	112.85	18.96	---	---	5	5	---
Union	1,035	29.72	34.83	---	---	2	2	---
Williamsburg	932	36.92	25.24	---	---	3	4	---
York	3,634	180.41	20.14	---	---	7	4	---
Totals	81,931	4,263.98	19.21				203	
	75% State Average		14.41					

ATTACHMENT C

Tennessee's Health

Guidelines For Growth

Criteria and Standards for Certificate of Need 2000 Edition

Prepared by the Health Planning Commission

HOME HEALTH SERVICES

1. The need for home health agencies/services shall be determined on a county by county basis.

2. In a given county, 1.5 percent of the total population will be considered as the need estimate for home health services in that county.

   The 1.5 percent formula will be applied as a general guideline, as a means of comparison within the proposed service area.

3. Using recognized population sources, projections for four years into the future will be used.

4. The use rate of existing home health agencies in the county will be determined by examining the latest utilization rate as calculated in the Joint Annual Report of existing home health agencies in the service area.

   Based on the number of patients served by home health agencies in the service area, an estimation will be made as to how many patients could be served in the future.

5. Documentation from referral sources:

   a. The applicant shall provide letters of intent from physicians and other referral sources pertaining to patient referral.

   b. The applicant shall provide information indicating the types of cases physicians would refer to the proposed home health agency and the projected number of cases by service category to be provided in the initial year of operation.

   c. The applicant shall provide letters from potential patients or providers in the proposed service area that state they have attempted to find appropriate home health services but have not been able to secure such services.

   d. The applicant shall provide information concerning whether a proposed agency would provide services different from those services offered by existing agencies.

6. The proposed charges shall be reasonable in comparison with those of other similar facilities in the service area or in adjoining service areas.

   a. The average cost per visit by service category shall be listed.

   b. The average cost per patient based upon the projected number of visits per patient shall be listed.