




STATE HEALTH PLANNING AND DEVELOPMENT AGENCY

100 NORTH UNION STREET, SUITE 870
MONTGOMERY, ALABAMA 36104

January 20, 2009

MEMORANDUM

TO: Recipients of the *Alabama State Health Plan 2004-2007*

FROM: Alva M. Lambert
Executive Director 

SUBJECT: Amendment for Home Health 410-2-4-.07

Enclosed is an amendment that was approved by the SHCC at the December 11, 2008 meeting. Governor Bob Riley approved this amendment on January 9, 2009. Please substitute pages 130 through 147. The amendment is effective **January 20, 2009.**

AML/pcm

Enclosure: As stated



STATE HEALTH PLANNING AND DEVELOPMENT AGENCY

100 NORTH UNION STREET, SUITE 870
MONTGOMERY, ALABAMA 36104

January 6, 2009

Honorable Bob Riley, Governor
State of Alabama
State Capitol
Montgomery, Alabama 36130

Dear Governor Riley:

The Statewide Health Coordinating Council (SHCC), at the December 11, 2008 meeting, adopted the attached amendment to the 2004-2007 *Alabama State Health Plan* by unanimous vote regarding section 410-2-4-.07 Home Health.

This amendment was processed in accordance with the *Alabama Certificate of Need Program Rules and Regulations*. Per rule 410-2-5-.04 (4) (e), *Alabama State Health Plan*, a plan amendment shall be deemed disapproved by the Governor if not acted upon within fifteen (15) days.

You have the approval/disapproval authority for the *Alabama State Health Plan* and all amendments/adjustments thereto. I recommend your approval.

Call me at (334) 242-4103 if you have questions regarding this proposed amendment.

Sincerely,

Alva M. Lambert
Executive Director

Attachment

APPROVED 
Bob Riley

Date 1/9/09

DISAPPROVED _____
Bob Riley

Date _____

410-2-4-.07 **Home Health**

(1) **Definitions**

(a) **Home Health Agency.** A home health agency is an organization that is primarily engaged in providing skilled nursing services and other therapeutic services. Services are provided on an intermittent basis. Each visit must be less than four hours in duration. Any visit made to or procedures performed on a patient at their home must only be made upon a physician's written order. Home health providers shall provide at least the following services, including, but not limited to, skilled nursing care, personal care, physical therapy, occupational therapy, speech therapy, medical social services, and medical supplies services.

(b) **Home Health Care.** Home health care is that component of a continuum of comprehensive health care whereby intermittent health services are provided to individuals and families in their places of residence for the purpose of promoting, maintaining or restoring health, or of maximizing the level of independence, while minimizing the effects of disability and illness, including terminal illness. Services appropriate to the needs of the individual patient and family are planned, coordinated, and made available by providers organized for the delivery of home health care through the use of employed staff, contractual arrangements, or a combination of employed staff and contractual arrangements. There is no licensure requirement for home health agencies in Alabama.

(c) **Home Health Services.** Home health services are made available based upon patient care needs as determined by an objective patient assessment administered by a multidisciplinary team or a single health professional. Centralized professional coordination and case management are included. These services are provided under a plan of treatment certified by a physician that may include, but are not limited to, appropriate service components, such as medical, nursing, social work, respiratory therapy, physical therapy, occupational therapy, speech therapy, nutrition, homemaker home health aide service, and provision of medical equipment and supplies.

(d) Section 22-21-265, Code of Alabama 1975, allows an existing home health agency to accept referrals from a county which is contiguous to the county where the CON is held (see the referenced section above for restrictions as provided in the section with regards to contiguous counties; also this information is posted on the SHPDA website at <http://www.shpda.alabama.gov>.)

(2) **Inventory of Existing Resources**

The State Health Planning and Development Agency annually compiles several home health agency reports and identifies counties which are in need of an additional agency. These publications are available for a fee upon request. A current listing of home health agencies is located at <http://www.shpda.alabama.gov> or <http://www.adph.org>.

(3) **Planning Policy – (Availability)**

Home health visits are scheduled on an intermittent basis and must be available seven days a week at such times as may be ordered by referring physicians. While availability must include provision for weekend and evening services, emergency services are not within the scope or purpose of home health providers.

(4) **Accessibility**

(a) Home health services must be obtainable by the general public in every county in the state.

(b) Because physicians and other referral sources are sometimes unfamiliar with the total scope of services offered by home health providers, patients' accessibility is also limited by failure to refer appropriately to home health services. Every agency should provide an active community information

program to educate consumers and professionals to the availability, nature, and extent of home health services.

(c) Because services are provided in patients' own homes, accessibility to services is not dependent upon physical or geographic accessibility to the home health provider's offices. The essential characteristics are location of home health visiting staff in proximity to patients' places of residence and telephone accessibility of the provider to patients, physicians, and other referral sources.

(5) Acceptability and Continuity

(a) Acceptability is the willingness of consumers, physicians, discharge planners, and others to use home health services as a distinct component of the health care continuum.

(b) Continuity reflects a case management approach that allows patient entry into the health care continuum at the point that ensures delivery of appropriate services. Home health care provides a balanced program of clinical and social services, and may serve as a transitional level of care between inpatient treatment and infrequent physician office visits. Home health also extends certain intensive, specialized treatments into the home setting.

(c) Planning Guides and Policies

1. Planning Guide

Home health providers shall maintain referral contacts with appropriate community providers of health and social services, to facilitate continuity of care and to coordinate services not provided directly by the home health provider.

2. Planning Policy

Home health providers must furnish discharge-planning services for all patients.

(6) Quality

(a) Quality is that characteristic, which reflects professionally appropriate and technically adequate patient services.

(b) The state home health industry, through development of ethical standards and a peer review process, can foster provision of quality home health care services. Each provider must establish mechanisms for quality assurance, including procedures for resolving concerns identified by patients, physicians, families or others involved in patient referral or patient care.

(c) Planning Policies

1. Planning Policy

The county will be the geographic unit for need determination, based upon population.

2. Planning Policy – (New Providers)

When a new provider is approved for a county, that provider will have eighteen months from the date of the Certificate of Need to meet the identified need in the county before a new provider may apply for a Certificate of Need to serve a county.

3. Planning Policy – (Existing Providers)

If an existing provider ceases to operate in a county, once the Certificate of Need is deemed null and void then a provider can apply under the current published statistical need.

4. Planning Policy – Favorable Consideration

Home health agencies that achieve or agree to achieve Charity Care plus Self Pay at the statewide average percent for all home health providers shall be given favorable CON consideration over home health applicants that do not achieve or agree to achieve the statewide average for Charity Care plus Self Pay, but not less than one (1) percent. The latest published SHPDA data report HH-11 shall be used to determine the statewide average percent for Charity Care plus Self Pay, which was 1.3 percent for 2005. Donations of assets to governmental and non-profit organizations at the individual county level may be considered. See section 410-2-2-.06 for the definition of charity care.

5. Planning Policy – CON Intervention/Opposition

No Home Health Agency or Hospice Agency filing an intervention notice or statement in opposition in any CON proceeding may cite or otherwise seek consideration by SHPDA of such facility's utilization data until, and unless:

- a. the intervenor or opponent has submitted all survey information requested by SHPDA prior to the application date; and
- b. the SHPDA Executive Director determines that the survey information is substantially complete.

3. Home Health Need Methodology

(i) Purpose. The purpose of this home health need methodology is to identify, by county, the number of home health agencies needed to assure the continued availability, accessibility, and affordability of quality home health care for residents of Alabama.

(ii) Basic Methodology.

In order to perform the calculations for this methodology, population data from the Center for Business and Economic Research (CBER) was used. All time frames are based on the year of the latest reported data.

Step 1:

- 1. Data required to perform the calculations in this methodology are: population data for the current reporting year, the two reporting years immediately prior to the current reporting year, and the projected data for three years immediately following the current reporting year.
- 2. Persons served data for the current reporting year, and the two reporting years immediately prior to the current reporting year, are required to perform the calculations in this methodology. This information can be gathered off of the HH-2 report as generated by SHPDA.
- 3. The ratio for the change in population for two age cohorts, Population under 65 and Population age 65 and over, needs to be determined per county. The ratio for the change will be for a three year period. Therefore, the current reporting year will be compared to the year three years following the current reporting year. The year immediately prior to the current reporting year will be compared to the year two years following the current reporting year. The year two years prior to the current reporting year will be compared to the year immediately following the current reporting year. To show this another way:

Current Reporting Year	--	Current Reporting Year + 3
Current Reporting Year -1	--	Current Reporting Year + 2
Current Reporting Year -2	--	Current Reporting Year + 1

4. Projected patients served under the age of 65 for future reporting years are calculated on a county basis by: multiplying the year's total persons served by 25% (0.25) to determine the approximate number of persons served under the age of 65. This number is divided by the county population under the age of 65 to determine a utilization rate. To determine the *projected patients served under the age of 65*, this total is then multiplied by the total projected population for the target year for each county.
5. Projected patients served age 65 and older for future reporting years are calculated on a county basis by: multiplying the year's total persons served by 75% (0.75) to determine the approximate number of persons served age 65 and older. This number is divided by the county population age 65 and older to determine a utilization rate. To determine the *projected patients served age 65 and older*, this total is then multiplied by the total projected population for the target year for each county.
6. To determine the *total number of projected persons served per county*, add the totals from steps 4 and 5.
7. Add the total number of *projected persons served*, by county, to determine the *statewide projected total persons served*.
8. Multiply the target year's *projected total persons served* for the target year by 25% (0.25) to reflect the *projected statewide total persons served* under the age of 65.
9. Divide the total statewide population under the age of 65 for the target year by 1000.
10. Divide the numeric result from step 8 by the numeric result in step 9.
11. Multiply the target year's *projected total persons served* by 75% (0.75) to reflect the projected statewide total persons served ages 65 and over.
12. Divide the total statewide population age 65 and over for the target year by 1000.
13. Divide the numeric result from step 11 by the numeric result in step 12.
14. Add the results from steps 10 and 13. This is the *projected average statewide persons served per 1000 population*, by county, for the target year.
15. Repeat steps 4 through 14 for the second target year.
16. Repeat steps 4 through 14 for the third target year.
17. To determine the *projected weighted statewide average persons served*, perform the following calculation: multiply the *projected statewide average persons served per 1000 population* for 3 years after the current reporting year by 3; multiply the *projected statewide average persons served per 1000 population* for 2 years after the current reporting year by 2; and multiply the *projected statewide average persons served per 1000 population* for 1 year after the current reporting year by 1.
18. Add the three results determined in step 17 and divide the total by 6 for the *projected statewide average persons served per 1000 population*.
19. To determine the *Current Home Health Comparative Value*, multiply the number derived in step 18 by 85% (0.85). This is the value that will be utilized in the comparisons in step 2.

Step 2:

1. Using the data created above for the target year (the year three years after the current reporting year), follow the steps below to determine the future projected need for Home Health Services by county.
2. Multiply the target year's total persons served by 25% (0.25) to reflect the *county wide total persons served under the age of 65*.
3. Divide the total county wide population under the age of 65 by 1000.
4. Divide the numeric result from step 2 by the numeric result in step 3.
5. Multiply the current year's total persons served by 75% (0.75) to reflect the *county wide total persons served ages 65 and over*.
6. Divide the total county wide population age 65 and over by 1000.
7. Divide the numeric result from step 5 by the numeric result in step 6.
8. Add the results from steps 4 and 7. This is the *projected total persons served per 1000 population* used to determine need for Home Health Services in a county.

9. Subtract the result from step 8, by county, from the *Current Home Health Comparative Value*. If this number is negative, there is no need for a new Home Health provider in a county. If the number is positive, continue to step 10.
10. This number is then divided by the SUM of 0.75 (75%) times 1000 divided by the county population aged 65 and over AND 0.25 (25%) times 1000 divided by the county population under the age of 65. This number is the number of new persons required to be served in a county to bring the county persons served per 1000 value up to the statewide comparative value.
11. A threshold level of 100 new patients needed to be served is required for a determination of need in a county. If the number of new patients needed to be served is less than 100, there is no need for a new Home Health provider in a county. If the number is equal to or greater than 100, there is a need for a new Home Health Care provider in a county.

Step 1:

For each target year by county:

$(\text{reported year persons served} * 0.25) / (\text{reported year population under 65})$

= utilization rate population under 65

Utilization rate * target year population under 65 = projected persons served under 65

$(\text{reported year persons served} * 0.75) / (\text{reported year population age 65 and over})$

= utilization rate population age 65 and over

Utilization rate * target year population age 65 and over = projected persons served age 65 and over

Projected persons served under 65 + projected persons served age 65 and over

= Target year projected persons served by county

For each target year:

Sum of all Target year projected persons served by county = Target year projected total persons served

$(\text{Target year projected total persons served} * 0.25) / (\text{Projected population under 65} / 1000) + (\text{Target year projected total persons served} * 0.75) / (\text{Projected population age 65 and over} / 1000)$

= Projected Statewide Average Persons Served per 1000 Population

To Determine Current Home Health Comparative Value for Step 2:

$((3 \text{ Years after Current Reporting Year Projected Average Persons Served} * 3) + (2 \text{ Years after Current Reporting Year Projected Average Persons Served} * 2) + (1 \text{ Year after Current Reporting Year Projected Average Persons Served} * 1))$

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= Projected Weighted Average Persons Served per 1000 Population

Projected Weighted Average Persons Served per 1000 Population * 0.85

= Current Home Health Comparative Value

Step 2: *(Using population and persons served projections for 3 years after current reporting year)*

$$\frac{(\text{countywide total persons served} * 0.25)}{(\text{county population under 65}/1000)} + \frac{(\text{countywide total persons served} * 0.75)}{(\text{county population 65 and over}/1000)}$$

= County Persons Served per 1000 Population

Current Home Health Comparative Value - County Persons Served per 1000 Population

= County Projected Persons Per 1000 Population in Need of Home Health Services.

$$\frac{\text{County Projected Persons Per 1000 Population in need of Home Health Services}}{(0.75*1000/\text{Population age 65 and over}) + (0.25*1000/\text{Population under 65})}$$

= New persons required to be served in county to equal Current Home Health Comparative Value

If number is negative, there is no need in a county.

If number is less than 100, there is no need in a county.

If number is 100 or more, there is a need for a new Home Health provider in a county.

For a listing of Home Health Agencies or the most current statistical need projections in Alabama you may contact the Data Division as follows:

MAILING ADDRESS
(U.S. Postal Service)

PO BOX 303025
MONTGOMERY AL 36130-3025

TELEPHONE:
(334) 242-4103

E-Mail:
info@shpda.alabama.gov

STREET ADDRESS
(Commercial Carrier)

100 NORTH UNION STREET
STE 870
MONTGOMERY AL 36104

FAX:
(334) 242-4113

Website:
<http://www.shpda.alabama.gov>

Author: Statewide Health Coordinating Council (SHCC).
Statutory Authority: § 22-21-260(4), Code of Alabama, 1975.
History: Effective January 20, 2009

County	Total Projected Patients Served, 2009	Total Projected Population Under 65, 2009	Total Projected Population Over 65, 2009	Projected Patients Served, 2009		Projected Total Patients Served, 2009	Projected Statewide Average	For Statewide Average - 15%	Rounded Avg -15%	Difference to meet	Patients to Meet Total	Threshold	Reflects Need
				Projected Patients Served <65, 2009	Projected Patients Served >65, 2009								
Autauga	1,013	45,418	6,107	6	124	130	123	104.55	105	(25)	(195)	100	
Baldwin	4,126	145,787	29,899	7	104	111	123	104.55	105	(6)	(208)	100	
Barbour	904	27,145	4,181	8	162	171	123	104.55	105	(66)	(348)	100	
Bibb	711	21,027	3,020	8	177	185	123	104.55	105	(80)	(307)	100	
Blount	1,290	52,726	8,453	6	114	121	123	104.55	105	(16)	(167)	100	
Bullock	283	10,497	1,566	7	136	142	123	104.55	105	(37)	(74)	100	
Butler	861	17,368	3,554	12	182	194	123	104.55	105	(89)	(395)	100	
Calhoun	2,685	95,274	16,908	7	119	126	123	104.55	105	(21)	(450)	100	
Chambers	728	30,362	6,031	6	91	97	123	104.55	105	8	64	100	**
Cherokee	693	22,450	5,038	8	103	111	123	104.55	105	(6)	(37)	100	
Chilton	1,180	39,632	6,204	7	143	150	123	104.55	105	(45)	(355)	100	
Choctaw	371	13,121	2,723	7	102	109	123	104.55	105	(4)	(15)	100	
Clarke	708	24,025	4,320	7	123	130	123	104.55	105	(25)	(137)	100	
Clay	541	12,405	2,686	11	151	162	123	104.55	105	(57)	(190)	100	
Cleburne	322	12,832	2,328	6	104	110	123	104.55	105	(5)	(14)	100	
Coffee	1,081	38,911	7,070	7	115	122	123	104.55	105	(17)	(148)	100	
Colbert	1,725	47,668	9,255	9	140	149	123	104.55	105	(44)	(508)	100	
Conecuh	461	11,843	2,286	10	151	161	123	104.55	105	(56)	(160)	100	
Coosa	255	10,993	1,968	6	97	103	123	104.55	105	2	5	100	**
Covington	1,273	30,966	7,139	10	134	144	123	104.55	105	(39)	(345)	100	
Crenshaw	658	11,381	2,324	14	212	227	123	104.55	105	(122)	(363)	100	
Cullman	2,051	72,084	13,089	7	118	125	123	104.55	105	(20)	(323)	100	
Dale	1,001	43,200	7,083	6	106	112	123	104.55	105	(7)	(51)	100	
Dallas	1,216	38,810	6,518	8	140	148	123	104.55	105	(43)	(352)	100	
DeKalb	1,696	63,138	10,068	7	126	133	123	104.55	105	(28)	(358)	100	
Elmore	1,479	69,890	8,845	5	125	131	123	104.55	105	(26)	(291)	100	
Escambia	1,364	34,290	5,833	10	175	185	123	104.55	105	(80)	(591)	100	
Etowah	2,971	88,723	16,797	8	133	141	123	104.55	105	(36)	(759)	100	
Fayette	513	15,436	3,322	8	116	124	123	104.55	105	(19)	(79)	100	
Franklin	1,032	28,826	5,058	9	153	162	123	104.55	105	(57)	(363)	100	
Geneva	807	21,419	4,709	9	129	138	123	104.55	105	(33)	(193)	100	
Greene	343	8,250	1,488	10	173	183	123	104.55	105	(78)	(146)	100	
Hale	441	16,151	2,408	7	137	144	123	104.55	105	(39)	(119)	100	
Henry	495	13,981	2,885	9	129	138	123	104.55	105	(33)	(117)	100	
Houston	2,096	79,487	13,759	7	114	121	123	104.55	105	(16)	(275)	100	
Jackson	1,467	49,430	8,722	7	126	134	123	104.55	105	(29)	(314)	100	
Jefferson	15,132	583,790	87,425	6	130	136	123	104.55	105	(31)	(3,474)	100	
Lamar	492	13,318	2,763	9	133	143	123	104.55	105	(38)	(130)	100	
Lauderdale	2,290	78,783	14,922	7	115	122	123	104.55	105	(17)	(325)	100	
Lawrence	951	31,890	5,014	7	142	150	123	104.55	105	(45)	(284)	100	
Lee	1,636	124,364	11,598	3	106	109	123	104.55	105	(4)	(62)	100	

Limestone	1,315	65,674	8,806	5	112	117	123	104.55	105	(12)	(135)	100
Lowndes	315	12,020	1,937	7	122	128	123	104.55	105	(23)	(57)	100
Macon	424	20,156	3,369	5	94	100	123	104.55	105	5	23	100
Madison	5,244	266,067	37,252	5	106	110	123	104.55	105	(5)	(261)	100
Marengo	651	18,535	3,416	9	143	152	123	104.55	105	(47)	(200)	100
Marion	967	26,459	5,658	9	128	137	123	104.55	105	(32)	(228)	100
Marshall	2,559	78,454	13,480	8	142	151	123	104.55	105	(46)	(774)	100
Mobile	9,530	362,588	51,476	7	139	145	123	104.55	105	(40)	(2,649)	100
Monroe	643	20,736	3,675	8	131	138	123	104.55	105	(34)	(157)	100
Montgomery	4,835	206,989	27,532	6	132	139	123	104.55	105	(33)	(1,144)	100
Morgan	2,781	102,985	15,635	7	133	140	123	104.55	105	(35)	(697)	100
Perry	312	9,616	1,765	8	132	141	123	104.55	105	(36)	(79)	100
Pickens	810	17,836	3,366	11	180	192	123	104.55	105	(87)	(366)	100
Pike	620	27,326	4,080	6	114	120	123	104.55	105	(15)	(76)	100
Randolph	515	20,441	3,907	6	99	105	123	104.55	105	(0)	(1)	100
Russell	1,135	44,703	6,923	6	123	129	123	104.55	105	(24)	(214)	100
Saint Clair	1,682	67,027	9,933	6	127	133	123	104.55	105	(28)	(357)	100
Shelby	2,308	163,152	18,509	4	94	97	123	104.55	105	8	189	100
Sumter	353	12,063	1,955	7	135	143	123	104.55	105	(38)	(93)	100
Talladega	2,190	72,772	11,817	8	139	147	123	104.55	105	(42)	(621)	100
Tallapoosa	1,062	35,546	7,411	7	107	115	123	104.55	105	(10)	(92)	100
Tuscaloosa	4,102	153,842	19,588	7	157	164	123	104.55	105	(59)	(1,471)	100
Walker	2,021	60,953	11,608	8	131	139	123	104.55	105	(34)	(493)	100
Washington	458	16,947	2,604	7	132	139	123	104.55	105	(34)	(111)	100
Wilcox	260	11,204	1,798	6	109	114	123	104.55	105	(9)	(21)	100
Winston	844	22,838	4,205	9	151	160	123	104.55	105	(55)	(290)	100
Totals	109,281	4,114,020	647,071								(23,332)	1

Weighted Average

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*Designated as Rural by the Health Care Financing Administration.

**Under Section 410-2-4-.07(8) a county will be considered for an additional agency only when the number required to bring the county up to the set number of persons served per 1,000 population 65 and older equals, at a minimum, 100 new person.

Note: Counties below 105 persons served per 1,000 population are defined as underserved, utilizing the three year weighted average methodology.

Note: Methodology per Alabama State Health Plan 2004-2007 Section 410-2-4-.07.

Source: SHPDA HH-2 report for period ending September 30, 2006

20-Jan-09