

December 31, 2018

The Honorable Governor Jim Justice
Office of the Governor
West Virginia State Capitol
1900 Kanawha Boulevard E Charleston, WV 25305

Dear Governor Justice:

I am writing to ask that you reconsider the proposed formula change to the Certificate of Need calculation for hospice care. Raising the percentage of deaths that a hospice must serve in a county from 25% to 49% could hurt Hospice of Southern West Virginia (HSWV) and many other hospices in the state, resulting in less care rather than more care, especially in rural areas. Your intent with this change may be to ensure that more terminally-ill patients in WV are offered hospice care and that is good, but 49% of all deaths would even be higher than the national average of Medicare hospice deaths in 2016.

More hospice providers in a county does not necessarily result in better hospice penetration. This is evidenced by multiple counties in WV having more than one provider with lower penetration rates than some single provider counties. Moreover, 91% of families surveyed who were served by HSWV rate the quality of care as exceptional, exceeding the average national satisfaction scores by 10%. This change threatens the exceptional care provided by HSWV.

Additional providers inundating the market will not reduce the cost of hospice care for the State of West Virginia. Although competition in most industries improves quality and keeps prices low, this does not hold true in the hospice industry as rates are fixed and not determined by market demand. For HSWV, 96% of the services are reimbursed by Medicare and Medicaid. The reimbursement by these payers is a fixed per diem rate. Thus, the addition of providers in the market will not produce cost savings for the state.

There are many barriers to patients who are dying in electing hospice care. This includes the high numbers of overdoses from opioids and traffic accidents. According to the Centers for Disease Control and Prevention (CDC), WV in 2016 had the highest accident death rate in the country. Furthermore, hospices that have Veteran Administration Medical Centers in their counties, like HSWV, have constraints on our ability to serve veterans. Veterans have the option to use their Medicare benefits or to use their VA benefits. Those veterans serviced by the VA are often not eligible for community hospice. Please take this into consideration. These and many other factors such as patients who do not want to give up their regular Medicare coverage to elect hospice, and those who prefer to go to their local hospital for care, are all obstacles for a hospice not servicing a greater number of deaths.

The communities within the four counties served by HSWV have profoundly invested in the mission of providing "A Special Kind of Caring." The HSWV infrastructure, including the Bowers Hospice House and the Nancy Wickham Administrative Building, is a direct result of the generosity from our community. It has only been through community donations, grants, fundraisers and memorial gifts that has allowed our hospice to build this infrastructure and grow. A change in the certificate of need formula threatens our organization, and in turn threatens the investment made by the residents of the communities we serve. The corporations who are pushing for this formula change have deep pockets and resources that will allow them to promote their corporations far more than our non-profit hospice. No patients are turned away and hospices are all working hard in their communities to get referrals. The concern is greatest when hospices in rural areas with fewer patients, great distances to travel, and narrow margins close, and a county is left with no provider.

HSWV as well as other non-profit hospices in the state respectfully ask you to reconsider the Hospice Certificate of Need proposal. Please help preserve community-based hospices in rural communities. We want HSWV to continue its mission-driven philosophy of providing "A Special Kind of Caring" to patients and their families for many years to come.

Sincerely,