PETITION FOR ADOPTION, AMENDMENT, OR REPEAL OF A STATE ADMINISTRATIVE RULE

In accordance with RCW 34.05.330, the Office of Financial Management (OFM) created this form for individuals or groups who wish to petition a state agency or institution of higher education to adopt, amend, or repeal an administrative rule. You may use this form to submit your request. You also may contact agencies using other formats, such as a letter or email.

The agency or institution will give full consideration to your petition and will respond to you within 60 days of receiving your petition. For more information on the rule petition process, see Chapter 82-05 of the Washington Administrative Code (WAC) at http://apps.leg.wa.gov/wac/default.aspx?cite=82-05.

CONTACT INFORMATION (please type or print)

Petitioner's Name  Lisa Butler/Deborah Jaques
Name of Organization  WA State Hospice and Palliative Care Organization
Mailing Address  P.O. Box 6352
City  Olympia  State  WA  Zip Code  98507
Telephone  253-661-3739  Email  

COMPLETING AND SENDING PETITION FORM

• Check all of the boxes that apply.

• Provide relevant examples.

• Include suggested language for a rule, if possible.

• Attach additional pages, if needed.

• Send your petition to the agency with authority to adopt or administer the rule. Here is a list of agencies and their rules coordinators: http://www.leg.wa.gov/CodeReviser/Documents/RClst.htm.

INFORMATION ON RULE PETITION

Agency responsible for adopting or administering the rule:  WA State Department of Health

☐ 1. NEW RULE - I am requesting the agency to adopt a new rule.

☐ The subject (or purpose) of this rule is:  

☐ The rule is needed because:  

☐ The new rule would affect the following people or groups:  

PETITION FOR ADOPTION, AMENDMENT, OR REPEAL OF A STATE ADMINISTRATIVE RULE 1
2. AMEND RULE - I am requesting the agency to change an existing rule.

List rule number (WAC), if known: 246-335

I am requesting the following change: Implement new hospice methodology based upon industry work group recommendations attached to this document.

This change is needed because: Current hospice methodology is outdated.

The effect of this rule change will be: Existing hospice agencies and new agencies trying to become a hospice agency under WA State Certificate of Need laws will have more accurate reporting of data.

The rule is not clearly or simply stated: Existing rule is outdated.

3. REPEAL RULE - I am requesting the agency to eliminate an existing rule.

List rule number (WAC), if known:

(Check one or more boxes)

- It does not do what it was intended to do.

- It is no longer needed because:

- It imposes unreasonable costs:

- The agency has no authority to make this rule:

- It is applied differently to public and private parties:

- It conflicts with another federal, state, or local law or rule. List conflicting law or rule, if known:

- It duplicates another federal, state or local law or rule. List duplicate law or rule, if known:

- Other (please explain):
1. Need Numeric Methodology Based On State Hospice Utilization Averages:
   Service area need will be determined based on state hospice utilization averages. Specifically, the following calculation will be used to determine hospice utilization averages using the two most recent years of available CMS and Medicaid data for each Washington County:

   \[
   \frac{\text{Sum of Medicare Beneficiary and Medicaid Recipient deaths in hospice}}{\text{Sum of Medicare Beneficiary and Medicaid Recipient deaths}}
   \]

   If a county two-year hospice utilization average is more than 10% below the state average two-year hospice utilization average, then that county demonstrates need and another hospice provider may apply to serve that county.

   Examples: Say Washington State reported 80,000 Medicare beneficiary deaths and 10,000 Medicaid recipient deaths during 2012-2013 (Medicare and Medicaid Total Deaths= 90,000). Further, say Washington State reported a total of 34,000 Medicare beneficiary deaths in hospice and 3,000 Medicaid recipient deaths in hospice during 2012-2013 (Medicare and Medicaid Total Deaths in Hospice= 37,000). Then the Washington State two-year hospice utilization average equals 41.1% (37,000 / 90,000 = 41.1%). Therefore, hospice need would be demonstrated in counties with two-year hospice utilization averages <31.1% (i.e., the state two year hospice utilization average minus 10%).

   A. Say Pierce County reported 9,000 Medicare beneficiary deaths and 1,000 Medicaid recipient deaths during 2012-2013 (Medicare and Medicaid Total Deaths= 10,000). Further, say Pierce County reported a total of 3,500 Medicare beneficiary deaths in hospice and 300 Medicaid recipient deaths in hospice during 2012-2013 (Medicare and Medicaid Total Deaths in Hospice= 3,800). Then the Pierce County two-year hospice utilization average equals 38.0% (3,800 / 10,000 = 38.0%). Need for hospice in Pierce County would not be demonstrated in this example because its two-year hospice utilization averages is not lower than the state two year hospice utilization average minus 10% (i.e., lower than 31.1%).

   B. Say Grays Harbor County reported 1,300 Medicare beneficiary deaths and 200 Medicaid recipient deaths during 2012-2013 (Medicare and Medicaid Total Deaths= 1,500). Further, say Grays Harbor County reported a total of 300 Medicare beneficiary deaths in hospice and 25 Medicaid recipient deaths in hospice during 2012-2013 (Medicare and Medicaid Total Deaths in Hospice= 325). Then the Grays Harbor County two-year hospice utilization average equals 21.7% (325 / 1,500 = 21.7%). Need for hospice in Grays Harbor County would be demonstrated in this example because its two-year hospice utilization averages
is lower than the state two year hospice utilization average minus 10% (i.e., lower than 31.1%).

2. **Numeric Methodology Exception:**
   Washington State Department of Health recognizes some counties may have difficulty fully serving pediatric patients at the end of life, regardless of whether the above need numeric methodology criteria is met or not, particularly in rural counties. Exceptions to this methodology will be allowed when the applicant demonstrates evidence that pediatric patients are not being served in that service area.

3. **Need Must Be Demonstrated At Time Of Application:**
   The above need numeric methodology criteria must demonstrate need at the time of application. Historically the Washington State Department of Health has considered future projections of need, but this is no longer the case.

4. **File Dates:**
   Annual CMS data releases used in the above need numeric methodology calculation are typically released in 4Q. Therefore, Hospice Letter of Intent and Application filing dates will be adjusted accordingly (1Q annually recommended).

5. **Service Areas:**
   Service areas will continue to be defined by county lines.
Please contact Cordt Kassner, PhD, at Hospice Analytics with any questions, comments, feedback, or for additional information:
P: 719-209-1237
E: Info@HospiceAnalytics.com
W: www.HospiceAnalytics.com

Discuss Excel CON Methodology 4 – Based on State Hospice Utilization Rate
Discuss Excel CON Methodology 3 – Based on State Hospice Utilization Rate

Of the two options in Method 3, this one lets fewer new providers in, but is more responsive to change.

Discuss Excel CON Methodology 2 – Based on State Hospice Utilization Rate

Of the two options in Method 3, this one lets more new providers in, but is less responsive to change.
Discuss Medicaid Excel
Discuss Excel CON Methodology 1 – Based on Flat Hospice Utilization Rates

Methodology 1 Questions

- Method 1 calculates a 2-year mean hospice utilization rate with thresholds of 25%, 30%, and 35%.
- Is a 2-year mean hospice utilization rate appropriate?
- What is the right threshold to begin with?
- Should the threshold remain constant at a certain percentage, or change over time?
  - If changing over time, how often?
  - Is the change based on x% / year, or in relationship to WA state or national hospice utilization?
Information Discussed at March 2014 Meeting

2012 Demographics & Hospice Utilization

<table>
<thead>
<tr>
<th></th>
<th>Washington</th>
<th>National</th>
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<tbody>
<tr>
<td>Population</td>
<td>6,897,012</td>
<td>313,878,238</td>
</tr>
<tr>
<td>Total Deaths</td>
<td>49,551</td>
<td>2,512,991</td>
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<tr>
<td>Medicare Beneficiaries</td>
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<tr>
<td>Medicare Beneficiary Deaths</td>
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<td>Medicare Hospice Beneficiary Admissions</td>
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<td>Medicare Hospice Beneficiary Deaths</td>
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<td>Medicare Hospice Total Days of Care</td>
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<td>Medicare Hospice Mean Days / Beneficiary</td>
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<tr>
<td>Medicare Hospice Median Days / Beneficiary</td>
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<tr>
<td>Medicare Hospice Total Payments</td>
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<tr>
<td>Medicare Hospice Mean Payment / Beneficiary</td>
<td>$239,756,651</td>
<td>$14,882,743,293</td>
</tr>
</tbody>
</table>

2012 Hospice Utilization

(Medicare Hospice Deaths / Total Medicare Deaths)

National: 44.4%  WA #26: 43.2%