

BEFORE THE ARKANSAS HEALTH SERVICES PERMIT AGENCY

In the Matter of:
Bridge of Faith Hospice
Mississippi County
File #HSPA (1263)-10

**FINDINGS OF FACT, CONCLUSIONS
OF LAW, AND ORDER**

Findings of Fact

The applicant, **Bridge of Faith Hospice – Mississippi**, is seeking a Permit of Approval (POA) for the purpose of providing Hospice Services to **Mississippi County** from an office located at 103 C E Hale St, Osceola (Mississippi County). There is an initial estimated capital cost of \$48,000.00. The Agency makes the following Findings of Fact:

NEED: According to the Hospice Methodology, Section A.2., hospice need exists when the number of patients to be served is 35 or greater. The projected number of hospice patients for Mississippi County is 70. The Methodology, Section C. states that “Regardless of numeric need, no new hospice agency will be approved unless hospice data from the last eight quarters for each hospice agency serving the proposed service area has been available for publishing by the Agency.” The most recent hospice agency in Mississippi County was licensed on July 03, 2007 and data for the county has been published by the Agency for at least eight quarters.

There is a need for one hospice agency, and there is one other application to provide service to Mississippi County.

STAFFING: This Agency has no objective reason to believe the hospice facility cannot be adequately staffed. The applicant provided a three (3) year staffing plan that reflects an incremental increase in average daily census. The applicant will hire staff from advertisements in local newspapers, local

universities and schools for nursing, Arkansas Employment Agencies, the Department of Human Services, and Temp Agencies.

ECONOMIC FEASIBILITY: There is an initial estimated capital cost of \$48,000.00. The first year annual operating cost is \$166,699.00. The applicant provided a letter from Raymond James Financial Services, Inc., stating the applicant has sufficient funds to cover the initial operating expenses. The application contains a three-year pro forma budget and cost per hospice day projections. The budget shows an initial cost per day total of \$111.13.

COST CONTAINMENT: The addition of new hospice service to Mississippi County allows the applicant to see patients in an underserved area. The applicant cites data to support the assertion that hospice care is less expensive than aggressive inpatient care. The average cost to Medicare between initiation of hospice and death is approximately \$7,318 compared to \$9,627 for non-hospice decedents over a comparable amount of time. The use of hospice, on average has been shown to reduce Medicare expenditures by an average of \$2,309 per beneficiary and to improve the quality of life for both the patients and families.

REQUIREMENTS: The applicant provided a business plan containing all the required items.

LETTERS OF OPPOSITION AND RESPONSES – There is one other applicant for hospice services in Mississippi County. There were no letters of opposition submitted against Bridge of Faith Hospice – Mississippi County.

Conclusions of Law

The application **DOES SATISFY** the statutory and regulatory requirements for the issuance of a Permit of Approval (POA). However, there is another applicant for hospice services to Mississippi County.

Bridge of Faith Hospice is not currently permitted or licensed to provide services in Arkansas. The other applicant, Lester Dierksen Memorial Hospice – Mississippi County is already licensed to provide hospice services in Greene and Craighead Counties which are contiguous to Mississippi County. Lester Dierksen can reduce administrative and overhead cost and provide earlier and timelier transition to hospice services in Mississippi County from an established office in Craighead County.

ORDER

Based on the above Findings of Fact and Conclusions of Law, the Agency hereby orders that the applicant, **Bridge of Faith Hospice - Mississippi**, be **Denied** a Permit of Approval (POA) to provide hospice services in Mississippi County. The Permit of Approval will be awarded to **Lester Dierksen Memorial Hospice – Mississippi County**, for the purpose of providing hospice services to Mississippi County from an office in Craighead County.

Appeals before the Health Services Commission are provided for under Section V.B. 15, Policies and Procedures for Permit of Approval Review, and will be conducted in accordance with the State Administrative Procedure Act, Act 434 of 1967, as amended. **All appeals must be filed in writing within 30 days of the receipt of these findings.** Appeals will be heard on March 10, 2010, at the AR Department of Environmental Quality on North Shore Drive in North Little Rock at 10:00 AM.

IT IS SO ORDERED THIS 15th DAY OF JANUARY 2010

DIRECTOR, HEALTH SERVICES PERMIT AGENCY