

BEFORE THE ARKANSAS HEALTH SERVICES PERMIT AGENCY

In the Matter of:

**Lester Dierksen Memorial Hospice
Mississippi County
File #HSPA (1264)-10**

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

Findings of Fact

The applicant, **Lester Dierksen Memorial Hospice – Mississippi County**, is seeking a Permit of Approval (POA) for the purpose of providing Hospice Services to **Mississippi County** from an office in Jonesboro (Craighead County) with a satellite office in Manila (Mississippi County). There is no initial capital cost. 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 local universities and training schools such as ASU and Mid South Community College. Applicant will also use local advertisements in newspaper and employment offices. The applicant expects to be licensed and operational immediately because they are licensed in an adjoining county (Craighead County).

ECONOMIC FEASIBILITY: There is no initial capital cost. The first year annual operating cost is \$247,890. The applicant provided a letter from Bank of America 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 business plan and budget shows an initial cost per day total of \$121.26.

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 applicant provided a chart that showed hospice care to one patient in the last 30 days will save Medicare approximately \$13k compared to a skilled nursing facility and \$160k compared to a hospital stay. The applicant expects significant cost savings to Medicare and Medicaid because hospice care will be less expensive than emergency room transport and care, hospitalization or other more expensive treatment options. The applicant provides analysis that if all patients are served the cost savings would be significant compared to hospitalization or skilled nursing care in the patients' last month of life.

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 Lester Dierksen Hospice.

Conclusions of Law

The application **DOES SATISFY** the statutory and regulatory requirements for the issuance of a Permit of Approval (POA). The published Net Hospice Need for Mississippi County at the time of this application cycle was 70, therefore, need is established per the rules and regulations. Although there is another applicant for Mississippi County, the other applicant is not licensed in Arkansas to provide services. Lester Dierksen is licensed in the adjoining Craighead County and can therefore provide an earlier and a more timely transition to hospice services in Mississippi County.

ORDER

Based on the above Findings of Fact and Conclusions of Law, the Agency hereby orders that the applicant, **Lester Dierksen Memorial Hospice - Mississippi County**, be **Granted** a Permit of Approval (POA), for the purpose of providing hospice services to Mississippi County from an office in Craighead County with a satellite office in Manila (Mississippi County).

IT IS SO ORDERED THIS 15th DAY OF JANUARY 2010

DIRECTOR, HEALTH SERVICES PERMIT AGENCY