

Long-Term and Behavioral Health Committee
Exhibit 2
Chapter 10 Work Group Request Letter

NCHCFA

North Carolina Health Care Facilities Association

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January 6, 2010

The Honorable Lanier Cansler
Secretary
Department of Health and Human Services
2001 Mail Service Center
Raleigh, North Carolina 27699-2001



Dear Secretary Cansler,

The State Health Coordinating Council (SHCC) makes annual determinations of the need for additional skilled nursing facility beds. The basic framework of the methodology used by the SHCC to make the allocations has not changed or undergone review in twenty years or more.

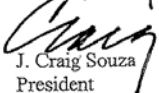
Based on the current need determination methodology, which is essentially a historical "use rate" based on the population in a given county over the ages of 65, 75, and 85, we could see a projected need for 12,000 or more additional beds by 2020. Is this number and our reliance on current use rates appropriate and accurate, will the beds be allocated where the need is the greatest, and are we properly considering in the methodology the long term health care options available for today's seniors? These are some of the issues in need of review before the 2011 State Medical Facilities Plan (SMFP) is finalized.

We are requesting that a small work group be established to review the current need determination methodology and report its findings and recommendations to the SHCC's Long Term and Behavioral Health Committee by March 1, 2010. This should allow ample time for the committee to consider any proposed changes to the nursing home bed need methodology before the 2011 SMFP development process is completed.

I don't anticipate that this will be a complicated or lengthy process. A group of 8-10 people, representing the Long Term and Behavioral Health Committee, staff from the Division of Health Service Regulation, and provider representatives could begin work soon and, barring any unforeseen issues, should be able to meet the SHCC's planning schedule for development of the 2011 SMFP.

I hope you will support the establishment of the work group and charge them with completing the task in a timely fashion. Thank you for your consideration.

Sincerely,


J. Craig Souza
President

cc: Allen Feezor
Jeff Horton