

Long-Term and Behavioral Health Committee
Exhibit 3
Changes in Methodology, Assumptions, Application of Method
and/or Policy History, Nursing Home Beds
SMFP 1990-2011 Proposed

NOTE #1: Exhibit 2, copy of January 6, 2010 Work Group Request Letter for creation of this Work Group states; *“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.”*

NOTE #2: Review of the 1990 SMFP to Proposed 2011 SMFP displays changes to Chapter 10 Methodology, Assumptions, Application of Method and Policies which pertain to this Chapter of the SMFP, per review and approval of the SHCC from 1990 to 2011 Proposed SMFP.

- 1990; need projected 2 years in advance & 41-59 beds need determination results in allocations of 60 beds.
- 1991; new life care beds (CCRC’s), & exclusions review re: wording and policies.
- 1992; review and policy wording changes regarding exempt beds in CCRC’s.
- 1993; three policies revised governing patient transfer & discharge (C.1, C.2 & C.2A). C.5 policy deleted. Methodology re: nursing bed ratios now based on patient data received by License Renewal Application, 2 more exemptions revised. Deficit threshold re: allocations increased to 71 beds and deficit of 71-90 beds = 90 bed allocation.
- 1994; no changes.
- 1995; need projected 3 years in advance. New policy C.6— only 1 NF in county below 80 beds, can apply via CON to increase to 80 capacity.
- 1996; update to 1994, 1995 to 1996 use rates via update in data regarding utilization trends.
- 1997; 1 new policy of NH4 to allow non-profit, religious affiliated NF, if only facility in NC for that religious, to allow relocations via CON.
- 1998; Terminology updated to reflect saturation language changes, policy NH2 modified.
- 1999; Utilization rate change to calculating use rates per 1000 population. License Renewal Applications and data to update NF beds in Acute Care Facilities. Transition to combined trend line for 4 past years & utilization rates projected 18 months forward for each group.

- 2000; detailed data now included in inventory and combined with data from freestanding facilities in determining use rates. Exclusion change re: deaf and hard of hearing & Policy NH 2 modified & Policy NF 4 modified.
- 2001; policy NH 1 revised, NH 2 revised. New Policies of NH-5 and NH-6 incorporated.
- 2002; Proposed ratio projection utilization rates within the Methodology changed from 18 to 30 months in determining utilization rates for each group.

Factors considered in making this change included a continued decline in the occupancy rate statewide, growth in community alternatives to nursing facility utilization, a continued decline in utilization rates in the 65 and older population, over 2,000 beds at the time in the pipeline for development/pending licensure and 30 months more reflective of the time required to bring a new facility or expansion into service.

- 2003; Step 3 of methodology changed to clarify calculations made in inventory and need projection tables. Displays the planning inventory and CON exclusions along with basic assumption and policy exclusions.
- 2004; occupancy rates now part of the application of the Methodology in determining need Threshold of 90% average county occupancy rate established as part of Application of the Method. Rounding need determinations now part of application of the method.
- 2005; new Policy of NH-7 added.
- 2006; new Policy of NH-8 added.
- 2007; no changes.
- 2008; no changes.
- 2009; no changes.
- 2010; no changes.
- 2011 Proposed; no changes.
- 2012; to be determined.