

Nursing Home Methodology: Simplified

Table 10A. Inventory of Nursing Home and Hospital Nursing Care Beds – The Total Planning Inventory of Beds feeds into Table 10B.

Table 10B. Nursing Care Bed Need Projections for 2018— Projects three years out from Plan year.

2015 SMFP RATES

Age Group	Beds Per 1,000 Population
Under 65	0.63
65 – 74	7.05
75 – 84	24.20
85 and Over	86.92

Step 1. Multiply the adopted age-specific rates (left) by each county's corresponding projected age-specific civilian population for the target year (2018).

10B. Nursing Care Bed Need Projections for 2018

County	Projected 2018 Population				Projected 2018 Bed Utilization (Rounded)			
	Under Age 65	Age 65 – 74	Age 75 – 84	Age 85 up	<65	65-74	75-84	85+
Brunswick	92,433	24,503	11,360	2,748	58	173	275	239

Thus, the first calculation in the above example is the Under 65 rate of 0.63 multiplied by the population of 92,433 divided by 1000. This equals 58. This is repeated for each rate and age group.

County	Projected 2018 Population				Projected 2018 Bed Utilization (Rounded)			
	Under Age 65	Age 65 – 74	Age 75 – 84	Age 85 up	<65	65-74	75-84	85+
Brunswick	92,433 (0.63)	24,503 (7.05)	11,360 (24.20)	2,748 (86.92)	58	173	275	239

(Population x Rate) / 1000

Step 2. For each county, add the products of the age-specific projections in Step 1. This is the county's projected bed utilization. This total is the Projected Bed Utilization Summary.

Projected 2018 Bed Utilization (Rounded)				Projected Bed Utilization Summary
<65	65-74	75-84	85+	
58	173	275	239	745

(58 + 173 + 275 + 239 = 745)

Step 3. For each county, the planning inventory is determined based on licensed beds adjusted for: CON-Approved/License Pending beds, beds availability in prior Plans that have not been CON-Approved, and exclusions from the county's inventory, if any. For each county, the projected bed utilization derived in Step 2 is subtracted from the planning inventory. The result is the county's surplus or deficit.

Licensed Plus Previous Allocations	Exclusions	Planning Inventory	Projected Bed Utilization	Surplus/ "- " = Deficit
628	0	628	745	-117

$(628 - 0 = 628)$ $(745 - 628 = -117)$

Step 4.

a. For a county with a deficit of 71 to 90 beds, if the average occupancy of licensed beds in the county, excluding continuing care retirement communities, is 90 percent or greater based on utilization data reported on the 2014 Renewal Applications, the need determination is 90 beds.

Surplus/ "- " = Deficit	Deficit Index	Occupancy Rate	Beds Need
-117	-16%	80%	0

In order for a need to be generated by Step 4a, the bed deficit must be between 71 and 90 AND Occupancy Rate must be greater than or equal to 90%. The above example does not fit that criteria.

Surplus/ "- " = Deficit	Deficit Index	Occupancy Rate	Beds Need
-117	-16%	80%	0

b. For a county with a deficit of 91 or more beds, if the average occupancy of licensed beds in the county, excluding continuing care retirement communities, is 90 percent or greater based on utilization data reported on 2014 Renewal Applications, the need determination is the amount of the deficit rounded to 10.

In order for a need to be generated by Step 4b. the bed deficit must be equal to or greater than 91 beds AND Occupancy Rate must be greater than or equal to 90%. This example does fit that criteria, but the occupancy rate is too low to generate a need.

c. If any other county's deficit is 10 percent or more of its total projected bed need, and the average occupancy of licensed beds in the county, excluding continuing care retirement communities, is 90 percent or greater based on utilization data reported on 2014 Renewal Applications, the need determination is the amount of the deficit rounded to 10.

Surplus/ "- " = Deficit	Deficit Index	Occupancy Rate	Beds Need
-117	-16%	80%	0

In order for a need to be generated by Step 4c., the Deficit Index must be greater than 10% (Bed deficit is greater than the projected bed need by 10%) AND Occupancy Rate must be greater than or equal to 90%.

Note: Not all details of the standard methodology were presented in this simplified summary. The methodology excludes different types of beds and uses rounding in determining the bed need determinations. Please read the basic assumptions and methodology in Chapter 10 of the 2015 NC State Medical Facilities Plan for more detail.