Nursing Home Methodology Workgroup

April 10, 2015

Paige Bennett, Planner

The Charge

Long-Term and Behavioral Health Committee

Chapter 10 Long Term Care Nursing Home Beds Workgroup Charge Statement

Upon the recommendation of the Long Term Behavioral Health Committee and as ratified by the vote of the full State Health Coordinating Council, a Nursing Home Methodology Workgroup has been appointed by the Chairman. The Workgroup is charged with the following:

1) To review and recommend changes to the nursing home bed need methodology

   a. Review each variable in the need methodology formula (i.e. Projected Bed Utilization, Occupancy Rates) and consider whether changes are needed.
   b. Address any other issues with the methodology

2) If changes in the methodology are needed, prepare recommendations to the Long Term Behavioral Health Committee

   a. Ensure that all recommendations are consistent with the three Basic Principles (Quality and Safety, Access, and Value) governing the development of the NC State Medical Facilities Plan.
   b. Base any recommendations on a data driven process in which verifiable data can be obtained.
   c. Include in the recommendations how data would be collected and verified.

3) Report all Workgroup recommendations to the Long Term Behavioral Health Committee at the last meeting of 2015 so that recommendations can be sent to the SHCC for the 2016 State Medical Facilities Plan.

Current Methodology

Nursing Home Methodology: Rates

Chapter 10. Basic Assumption #10.

The following bed-to-population ratios were derived from combined patient utilization data as reported on 2014 Nursing Home License Renewal Applications and on Nursing Care Supplements to the 2014 Hospital License Renewal Applications, projected forward 30 months based on trend lines reflecting the previous five years' data by age group. (p. 190)

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. Nursing Home Methodology

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

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

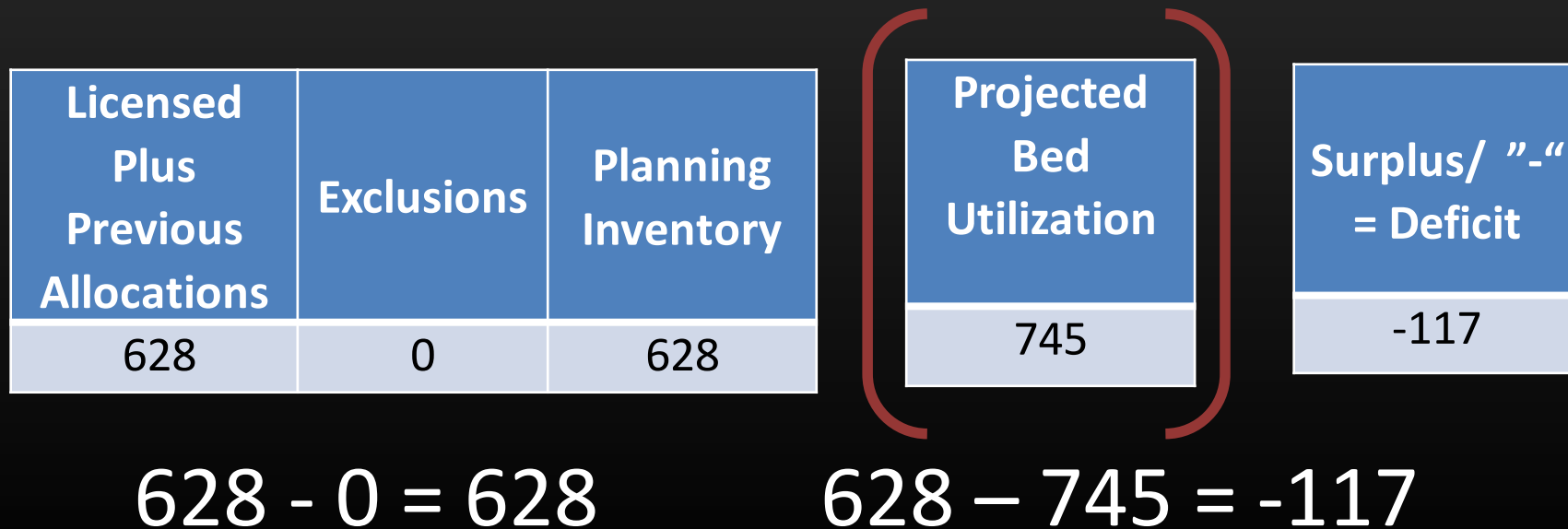| County	Projected 2018 Population				Projected 2018 Bed Utilization (Rounded)			
	Under Age 65	Age 65 – 74	Age 75 – 84	Age 85 up	<65	65-74	75-84	85+
Brunswick	92,433	24,503	11,360	2,748	58	173	275	239

Step 2. Nursing Home Methodology

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+**	745
58	173	275	239	

58 + 173 + 275 + 239 = 745

Step 3. Nursing Home Methodology

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

$$628 - 0 = 628 \qquad 628 - 745 = -117$$

Step 4: Nursing Home Methodology

- 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

Step 4: Nursing Home Methodology

- 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.

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

Step 4: Nursing Home Methodology

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

- 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.

Bed Need Determinations: Rounding

- For purposes of rounding and need determinations, numbers greater than 10 and ending in one to four would round to the next lower number divisible 10, and numbers ending in five to nine would round to the next higher number divisible by 10.

The Methodology: Exclusions

- Continuing Care Retirement Communities (CCRC)
  - 50% of beds developed under policy NH-2

- Religious or Fraternal
  - Percent of total changes annually
  - Basic Assumption #5: "To the extent that out-of-area patients are served by religious or fraternal organizations, beds so occupied will be excluded from the inventory."

Problem 1: Projected bed utilization is not accurate

Rowan County: Current Methodology

Projected 2017 Bed Utilization Summary	Planning Inventory	Surplus/ "-" = deficit		One Day County Census Total from LRAs*
580	853	273		820

*Data not shown in Tables 10A or 10B. *2014 SMFP*

Wake County: Current Methodology

Projected 2017 Bed Utilization Summary	Planning Inventory	Surplus/ "-" = deficit	One Day County Census Total from LRAs*
3003	2459	-544	1929

*Data not shown in Tables 10A or 10B. *2014 SMFP*

Problem 2: Occupancy rate is not effectively triggering bed need determinations

Wake County: Current Methodology

Surplus/ "-" = deficit	Deficit Index	Occupancy Rate	Beds Needed
-544	-18%	85%	0

2014 SMFP

Other Concerns:

- 10% Inventory Allocation
- Vacancy Standard
- CCRC Beds Exclusions
- Counties with high cross-county migration of patients
- Operational versus licensed beds
- Ability to provide measured growth

Discussion