

**ADULT CARE HOME METHODOLOGY
MEETING 1
OF INTERESTED PARTIES**

November 2, 2017

Andrea Emanuel, Planner

CURRENT POLICIES ADULT CARE HOME METHODOLOGY

- LTC-1: Plan Exemption for Continuing Care Retirement Communities – Adult Care Home Beds
- LTC-2: Relocation of Adult Care Home Beds

CURRENT METHODOLOGY STEP 1

Multiply the adopted age-specific rates (left) by each county's corresponding projected age-specific civilian population (in thousands) for the target year (2020).

Age Group	Beds Per 1,000 Population
Under 35	0.08
35-64	1.43
65 – 74	5.53
75 – 84	19.22
85 and Over	75.87

County	Projected 2020 Population					Projected 2020 Bed Utilization (Rounded)				
	Under Age 35	Age 35-64	Age 65-74	Age 75-84	Age 85 up	Under Age 35	35-64	65-74	75-84	85+
Greene	8,858	8,757	2,256	1,040	399	1	13	12	20	30

x 1.43



CURRENT METHODOLOGY

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 2020 Bed Utilization (Rounded)					Projected Bed Utilization Summary					
	<35	35-64	65-74	75-84	85+						
Greene	1	+	13	+	12	+	20	+	30	=	76

CURRENT METHODOLOGY

STEP 3

For each county, the planning inventory is determined based on licensed beds adjusted for: CON-Approved/License Pending beds, beds available in prior plans that have not been CON-Approved, and exclusions from the county's inventory, if any.

STEP 4

For each county, the projected bed utilization derived in Step 2 is subtracted from the planning inventory derived in Step 3. The result is the county's surplus or deficit.

	Currently Licensed	+	License Pending	-	Exclusions	=	Planning Inventory	-	Projected Bed Utilization	=	Surplus/ " "- = Deficit
Greene	57	+	0	-	0	=	57	-	76	=	-19

CURRENT METHODOLOGY STEP 5

	Surplus/ “-” = Deficit	Deficit Index	Occupancy Rate	Beds Needed
Greene	-19	-25.00%	94.74%	?
		-19/76	54/57	

CURRENT METHODOLOGY

STEP 5

a. For a county with a deficit of 50% or more of its total projected utilization, the need determination is the amount of the deficit rounded to 10.

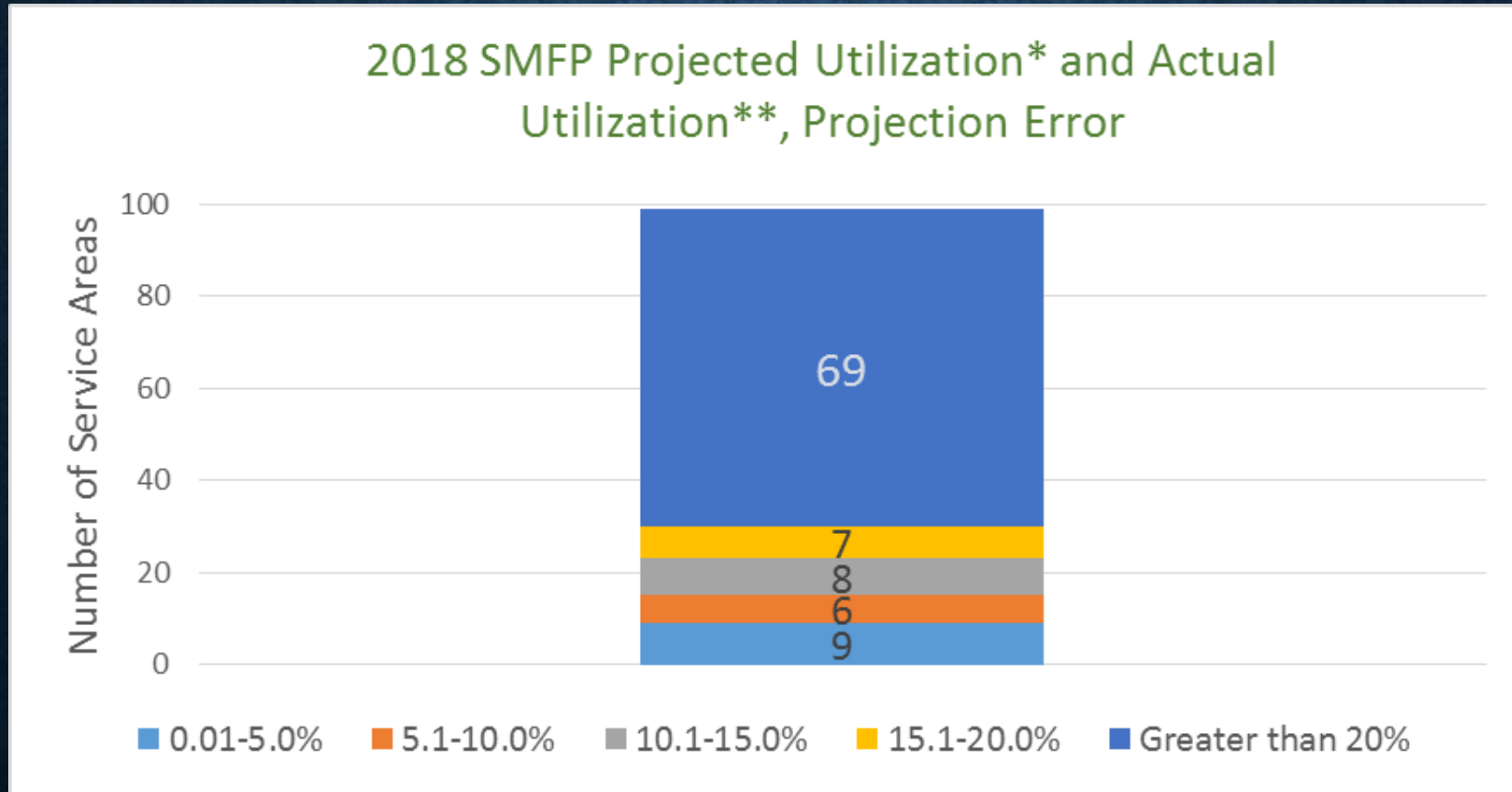
b. For a county with a deficit that is 10% to 50% of the total projected bed utilization AND the average occupancy of licensed beds in the count is 85% or greater, the need determination is the amount of the deficit rounded to 10

	Surplus/ “-” = Deficit	Deficit Index	Occupancy Rate	Beds Needed
Greene	-19	-25.00%	94.74%	20

ELEMENTS OF THE CURRENT ADULT CARE HOME METHODOLOGY

- State rates for age groups used to project utilization
- Census data used to calculate occupancy
- Deficit index of 10-50% and occupancy rate of 85% OR deficit index >50% used in need determination

PROJECTION ACCURACY OF CURRENT METHODOLOGY



* 2015 NC State Medical Facilities Plan

** 2017 License Renewal Applications for Adult Care Homes

2017 License Renewal Applications to Operate a Nursing Home

2017 Nursing Care Facility/Unit Beds Annual Data Supplement to Hospital Licensure Applications

PROJECTION ERROR IN COUNTIES WITH BED NEEDS IN 2015 SMFP

County	Bed Need*	Projected Utilization*	Actual Utilization**	Difference, % of Actual Utilization
Brunswick	340	656	151	334.4%
Jones	20	45	13	246.2%
Washington	10	63	42	50.0%

* 2015 NC State Medical Facilities Plan

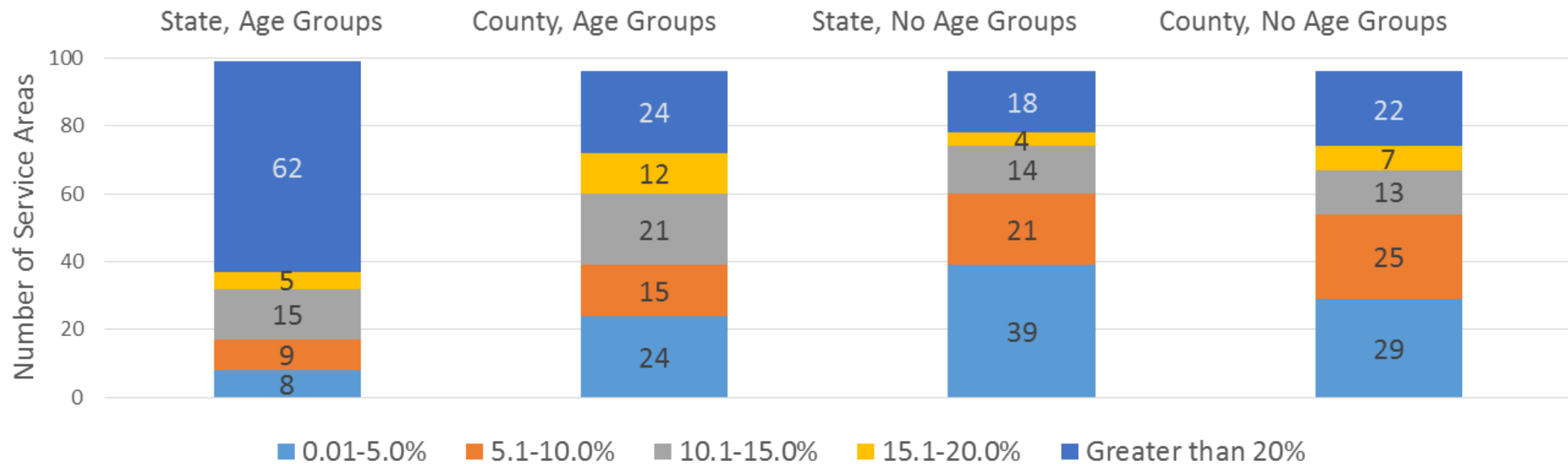
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NURSING HOME METHODOLOGY REVISIONS

	Old NH Methodology	New NH Methodology
Need Calculation Changes	State rates: statewide census and population for each age group over the last five years	Average county change rate: county census and population (not based on age groups) over last five years
	No vacancy factor	95% vacancy factor
Policy Changes	NH-2: Half of the beds in CCRCs under policy excluded from inventory, but all days of care (DOC) for beds under policy removed from occupancy rate calculation	NH-2: All beds in CCRCs under policy excluded from the inventory and all DOC for beds under policy removed from occupancy rate calculation
	NH-6: Bed relocation from county with a surplus to contiguous county with a deficit	NH-6: Beds can be relocated from a county with a surplus to any county in the state with a deficit

IMPACT OF RATE TYPE AND USE OF AGE GROUPS ON PROJECTION ACCURACY

Use of Rates and Age Groups, Projection Error*



2015 NC State Medical Facilities Plan

2013 – 2017 License Renewal Applications for Adult Care Homes

2013 – 2017 License Renewal Applications to Operate a Nursing Home

2013 – 2017 Nursing Care Facility/Unit Beds Annual Data Supplement to Hospital Licensure Applications

* Rates based on previous four years of census data

DEFICIT INDICES AND OCCUPANCY RATES

COUNTY RATES WITH AGE GROUPS

Service Area	Deficit	Deficit Index (%)	Occupancy Rate (%)
Dare	-11	-9.66	70.6
Ashe	-7	-6.10	89.6
Union	-30	-4.75	73.0
Currituck	-4	-4.47	67.8
Greene	-2	-2.84	93.0
Lincoln	-9	-2.28	76.4
Iredell	-4	-0.38	80.0

DEFICIT INDICES AND OCCUPANCY RATES

STATE RATES WITH NO AGE GROUPS

Service Area	Deficit	Deficit Index (%)	Occupancy Rate (%)
Jones	-10	-33.22	65.0
Camden	-5	-18.32	41.7
Onslow	-82	-15.71	58.0
Union	-106	-15.06	73.0
Dare	-7	-6.80	70.6
Graham	-2	-6.63	30.4
Greene	-4	-5.86	93.0
Mecklenburg	-45	-1.36	66.7

DEFICIT INDICES AND OCCUPANCY RATES

COUNTY RATES WITH NO AGE GROUPS

Service Area	Deficit	Deficit Index (%)	Occupancy Rate (%)
Gates	-305	-79.23	63.8
Warren	-22	-16.02	69.0
Pamlico	-3	-3.80	79.2
Pender	-6	-3.01	80.7
Richmond	-6	-2.92	68.8
Macon	-3	-1.92	81.5

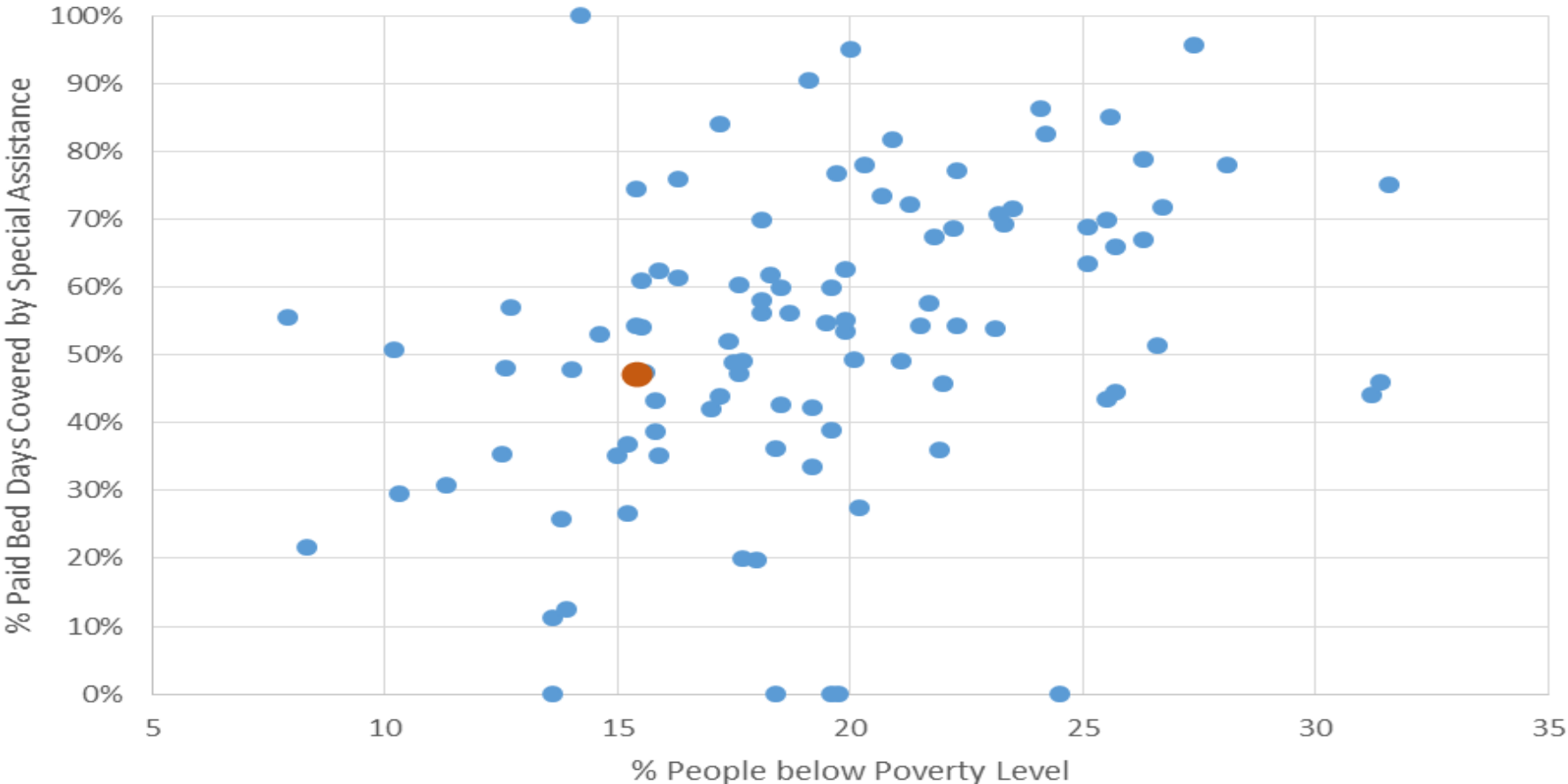
STAFF RECOMMENDATIONS

- Align ACH methodology with NH methodology
 - Bed use rates to be based on county rates without age group categories
 - Use paid bed days in occupancy rate calculations
- Align ACH policies with NH policies
 - Remove all beds from inventory that are licensed under the exemption for CCRCs and all associated paid bed days from occupancy rate calculation
 - Bed relocations from any county with a surplus to a county with a deficit

ADDITIONAL ELEMENTS FOR CONSIDERATION

- CCRC beds developed before policy LTC-1: Include or exclude from inventory?
- Projected bed utilization: Vacancy factor?
- Thresholds for generating need: Deficit index? Occupancy rate?
- How to increase access for special assistance population?

County Poverty Levels and Special Assistance Payor Mix



U.S. Census Bureau, 2011 – 2015 American Community Survey 5-Year Estimates, 2015 data, accessed 10/11/2017
2016 License Renewal Applications for Adult Care Homes
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PLANNING DATA COLLECTED THROUGH LRAs

- Gender and age (census)
- Diagnosis (mental illness, intellectual or developmental disability, Alzheimer's disease/related dementia) by age group (census)
- Admissions, discharges and deaths (data year)
- Number of residents using Medicaid, State/County Special Assistance, private pay
- Number of paid bed days paid using County Special Assistance (including Medicaid), private pay, or other means

ADDITIONAL ELEMENTS FOR CONSIDERATION

- CCRC beds developed before policy LTC-1: Include or exclude from inventory?
- Projected bed utilization: Vacancy factor?
- Thresholds for generating need: Deficit index? Occupancy rate?
- How to increase access for special assistance population?

NEXT STEPS

- Submit any comments to DHSR.SMFP.Petitions-Comments@dhhs.nc.gov
- Meet on December 13, 2017 at 10:00 a.m., Brown Building
- Questions/concerns?

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