

**Long-Term Behavioral Health Committee  
Agency Report  
Petition for an Adjusted Need Determination for 21 Nursing Home Beds in  
Davie County  
2018 State Medical Facilities Plan**

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***Petitioner:***

Bermuda Village Retirement Community  
142 Bermuda Village Drive  
Bermuda Run, NC 27006

***Contact:***

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***Request:***

Bermuda Village Retirement Community (Bermuda Village) requests an adjusted need determination for 21 additional nursing home (NH) beds in Davie County in the *North Carolina Proposed 2018 State Medical Facilities Plan (Proposed 2018 SMFP)*.

***Background Information:***

Chapter Two of the *Proposed 2018 SMFP* allows for “[a]nyone who finds that the North Carolina State Medical Facilities Plan policies or methodologies, or the results of their application, are inappropriate may petition for changes or revisions. Such petitions are of two general types: those requesting changes in basic policies and methodologies, and those requesting adjustments to the need projections.” The *SMFP* annual planning process and timeline allow for submission of petitions for changes to policies and methodologies in the spring and petitions requesting adjustments to need projections in the summer. It should be noted that any person might submit a certificate of need (CON) application for a need determination in the Plan. The CON review could be competitive and there is no guarantee that the petitioner would be the approved applicant.

Nursing bed need is calculated by: (1) multiplying the county bed use rates by each county’s corresponding projected civilian population (in thousands) for the target year (2021) to calculate the projected bed utilization, and (2) dividing each county’s projected bed utilization by a 95% vacancy factor. For each county, the planning inventory is determined based on the number of licensed beds adjusted for Certificate of Need (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.

For each county, the projected bed utilization with applied vacancy factor derived in Step 2 is subtracted from the planning inventory. The result is the county's surplus or deficit. If a county projects a deficit of beds, an adjusted occupancy of 90% will trigger a need. The number of beds to be allocated is determined by the amount of the deficit and is rounded to the nearest whole number. Using the standard need methodology, the *Proposed 2018 SMFP* shows that Davie County has a projected surplus of 64 NH beds for 2021. All NH beds in Davie County are located in nursing home facilities.

***Analysis/Implications:***

The Agency response focuses on three of the Petitioner's reasons to support the licensing of 21 additional NH beds in Davie County. They are:

- 1) not all NH beds in semi-private rooms are being considered by potential residents due to privacy preferences. The bed need methodology does not account for underused facility inventory due to semi-private rooms. Thus, occupancy appears artificially low;
- 2) because of a lack of private rooms in Davie County, nursing care patients from the County are leaving to seek skilled nursing care in other counties; and
- 3) quality of services may be negatively impacted when nursing care patients share rooms.

**Privacy Preferences and Occupancy Rates**

Based on data provided through '2017 License Renewal Applications to Operate a Nursing Home', the occupancy rate of licensed NH beds in Davie County is 71%. The Petitioner reasons that these beds are underutilized because individuals seeking nursing care are more likely to choose facilities that have available private rooms. In an effort to understand occupancy based on the actual number of beds available for use, the Agency communicated directly with each nursing facility administrator in Davie County and determined that 82% of licensed NH beds are operational. As shown in Table 1, approximately 71% of operational beds are located in semi-private rooms. If the occupancy rate calculation is adjusted to include only operational beds, the County's occupancy rate becomes 86%. Although none of the operational beds at Autumn Care of Mocksville are in private rooms and a little less than half the operational beds at Bermuda Commons Nursing and Rehab are private rooms, occupancy rates are similar. It is also noteworthy that while all of Bermuda Village's beds are in private rooms, it has the lowest occupancy rate.

**Table 1. Occupancy Rates of Licensed and Operational Beds, Davie County**

	# of licensed NH beds	# of Operational NH beds	% operational	% of operational NH beds in semi-private rooms	TOTAL Days of Care	Occupancy Rate, Licensed Beds	Adjusted Occupancy Rate, Operational Beds
<b>Autumn Care of Mocksville</b>	96	79	82.3%	100.0%	24,319	69.2%	84.1%
<b>Bermuda Commons Nursing &amp; Rehabilitation</b>	117	93	79.5%	57.0%	30,412	71.0%	89.3%
<b>Bermuda Village Retirement Center</b>	15	15	100.0%	0.00%	4,250	77.4%	77.4%
<b>DAVIE COUNTY</b>	<b>228</b>	<b>187</b>	<b>82.0%</b>	<b>70.6%</b>	<b>58,981</b>	<b>71.2%</b>	<b>86.4%</b>

*2017 License Renewal Applications*

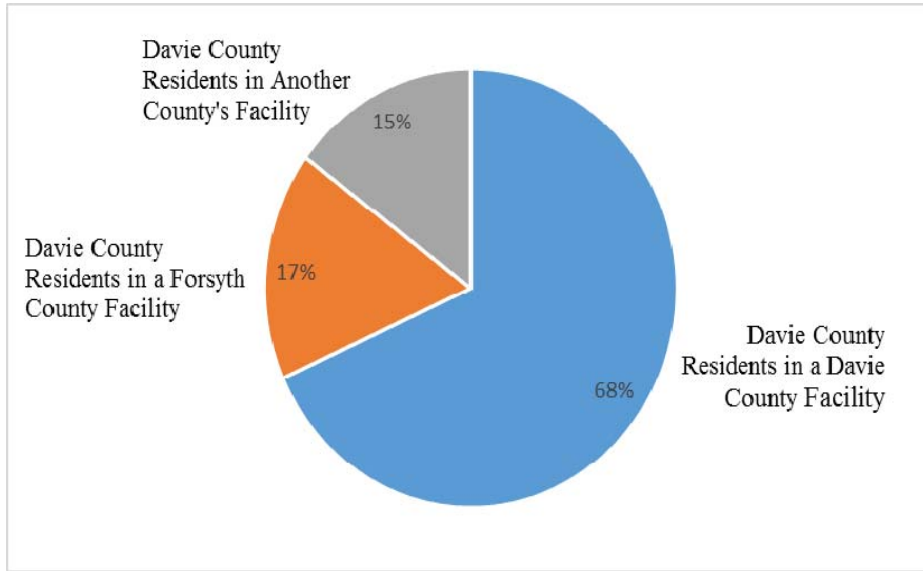
Impact on Quality of Care

The Petitioner also brought forth issues associated with quality of care. As described in the literature (Calkins & Cassella, 2007), there is an increased risk of influenza and gastroenteritis that occurs with room-sharing among aged populations. Lack of privacy also negatively impacts family visits with patients, disrupts patients’ sleep and may increase rates of distressed behaviors. These situations may also affect those providing care. Observations of semi-private room facilities have revealed greater risk of medical error rates among nursing care staff and consumption of staff time with roommate conflict mitigation.

Nursing Home Patient Origin

The Petitioner also states concerns that privacy preferences are driving nursing care patients from Davie County to seek services in other counties. The Agency reviewed the origin of nursing care patients that are served within Davie County. As noted in the petition, 68% of Davie County residents stay in the County for nursing care (Figure 1). In the State overall, a greater proportion of people remain in their home counties for nursing care (77%).

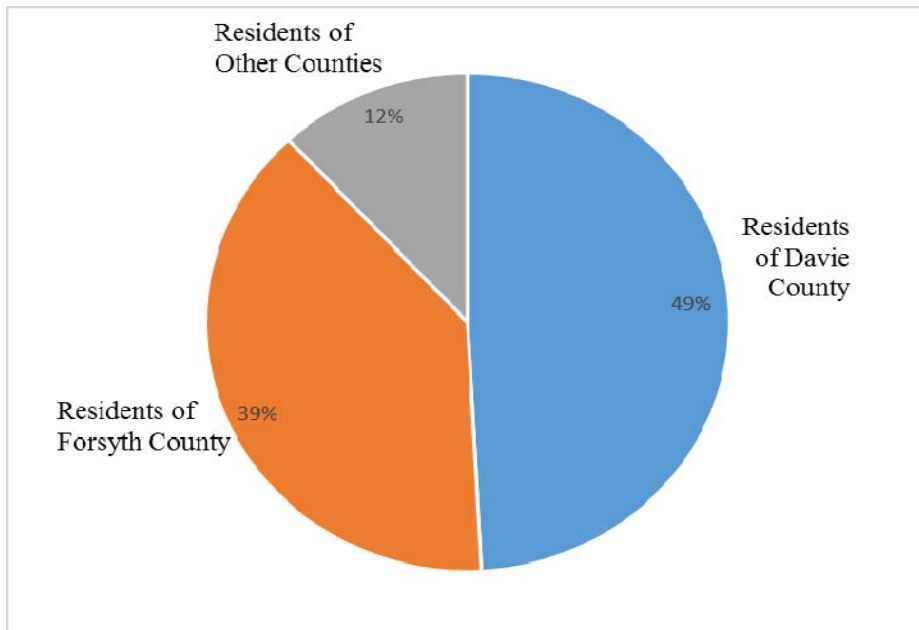
**Figure 1. Location of Nursing Care Residents Originally from Davie County**



*2017 License Renewal Applications*

As shown in Figure 2, the majority (51%) of the skilled nursing patients served by Davie County facilities come from outside the county, mostly from Forsyth County. Also, while Forsyth County serves 122 of nursing care residents originally from Davie County, Davie County serves 390 of nursing care residents originally from Forsyth County. However, the need methodology for nursing care beds assumes that all nursing care facility patients in a county will be residents of that county. Thus, it is relevant that a large amount of Davie County resources are not being allocated to serve the needs of Davie County residents.

**Figure 2. Origin of Nursing Care Residents Served in Davie County**



*2017 License Renewal Applications*

### Population Trends

According to projections published by the North Carolina Office of State Budget and Management, from 2017 – 2021, the 65 years and older cohort will grow at about the same rate as the State's (3.08% vs. 3.49%, respectively). However, in Davie County, the proportion of the population that will be 65 and older (21.9%) in 2021 is expected to be larger than in the State overall (17.2%).

### Impact If the Petition Were Approved

If the petition were approved, the number of licensed NH beds in Davie County would increase to 249. Based on current data, 208 of those beds would be operational with an adjusted operational percentage of 83.5%. Moreover, on August 25, 2017, a proposal submitted by Liberty Commons of Rowan County was approved to relocate 20 existing nursing home beds from Davie County to Rowan County pursuant to Policy NH-6. Assuming no appeal is filed and a certificate is issued effective September 26, 2018, the inventory of nursing home beds in Davie County will decrease from 249 to 229 beds.

### ***Agency Recommendation:***

Bermuda Village Retirement Community is requesting an adjusted need determination for 21 nursing care home beds in Davie County. The Agency agrees that if the high percentage of shared rooms, in-patient migration, and the growth and size of the aging population in Davie County are considered, additional beds may be warranted. The Agency supports the standard methodology for determining need for nursing homes as described in the *Proposed 2018 SMFP*.

Given the available information submitted by the August 10, 2017 deadline date for comments on petitions and comments, and in consideration of the factors discussed above, the agency recommends adjusting the need determination in Davie County to include 21 additional nursing home beds.

Calkins, M., & Cassella, C. (2007). Exploring the cost and value of private versus shared bedrooms in nursing homes. *The Gerontologist*, 47(2), 169-183.