

Public Hearing Presentation
on Special Need Petition for
Nursing Beds in Wake County in the
Proposed 2011 SMFP

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Medical Facilities
PLANNING SECTION

- Introduction
- My purpose here today is to address a special need for additional nursing beds in Wake County—specifically, we are petitioning for a special need adjustment for 240 nursing beds in the 2011 State Medical Facilities Plan.

- As the members of the Council know, the methodology for nursing beds in the SMFP prevents additional beds from being allocated until the average occupancy of existing facilities is 90%.
- While this methodology is sound and effective for most counties, Wake County has a few chronically underutilized facilities that are preventing the allocation of much-needed capacity in the county – specifically, the methodology shows a deficit of 976 nursing beds in Wake County, much higher than the county with the next highest need, which is fewer than 100 beds.
- The current average occupancy of existing facilities in Wake County is 85%; if the three

least-utilized facilities were removed from the calculation, the average would be 90% and a need would be generated.

- The challenge in Wake County is not just the underutilized facilities, or even the tremendous size of the nursing bed deficit; if the average occupancy were able to reach 90%, even with the underutilized facilities, the deficit is so large that the need that the number of beds that would be allocated would be overwhelming—nearly 1,000 beds.
- We at Brookdale believe that a more thoughtful and rationale approach would be to allocate a portion of those beds through a special need adjustment. This will accomplish several goals:

- First, it will meet at least part of the critical need in Wake County without overwhelming the regulatory and reimbursement systems, which might occur if the entire 1,000 bed deficit were allocated all at once;
- Next, it will allow Wake County residents to have access to much-needed beds, while promoting competition and quality of care as existing providers with high utilization can apply for more beds and new providers can potentially add to the quality of care in the area.
- Finally, it will provide residents of Wake County, particularly the underserved, with additional options

for placing their family members in long term care facilities.

- We are filing our petition today and we hope that members of the Council and staff will agree with us that this petition addresses a special need in Wake County and should be approved.

Thank you.