

## **Long-Term & Behavioral Health Committee**

### Agency Report for Petition to Merge Hyde County & Tyrrell County Adult Care Home Beds into a Single Service Area

### **Proposed 2013 State Medical Facilities Plan**

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***Petitioners:***

Meridian Senior Living, LLC  
P.O. Box 2568  
Hickory, NC 28603

Hyde County Board of Commissioners  
P.O. Box 188  
Swan Quarter, NC 27885

Tyrrell County Board of Commissioners  
P.O. Box 449  
Columbia, NC 27925

***Contact:***

Amy Willis  
Meridian Senior Living, LLC  
P.O. Box 2568  
Hickory, NC 28603

***Request:***

As stated by the petitioners, "This petition requests an adjustment to the service areas of Hyde County and Tyrrell County to combine them into a single service area with regard to adult care home beds" that would "allow an adult care home to be built that would serve the residents of both counties and would be large enough to take advantage of economies of scale and therefore be financially feasible."

***Background Information:***

Chapter 2 of the State Medical Facilities Plan (SMFP) describes the purpose and process for submitting petitions to amend the SMFP during its development. Petitions can be sent to the Medical Facilities Planning Branch twice during the course of plan development. Early in the planning year petitions that are related to basic plan policies and methodologies that have a statewide effect can be submitted. *"Changes with the potential for a statewide effect are the addition, deletion, and revision of policies and revision of the projection methodologies."* The change requested by these petitioners affects the need methodology and should be considered before publication of the Proposed 2013 SMFP.

Later in the planning cycle when need projections are complete, petitions can be submitted seeking adjustments to the projected need determination in any service area based on

extenuating circumstances if the area believes its needs are not fully addressed by the standard methodology.

Currently, each of North Carolina's 100 counties is considered a separate service area when identifying Adult Care Home (ACH) utilization. Need is determined by calculating the statewide five-year average use rate per 1,000 population for each of five age groups based on data from annual license renewal applications. These use rates, or "beds per 1,000 population," are applied to the projected population going forward three years for each service area. The amount of need per service area is then established based on the size of the service area's projected surplus or deficit when the projected utilization is compared to the inventory of existing and approved beds.

***Analysis/Implications:***

For Hyde County, the need for 30 ACH beds existed in the North Carolina SMFPs from 2007 to 2011 for which no applications were received. The 2012 SMPF also shows a need determination for 30 ACH beds. The certificate of need (CON) application due date for this determination is June 15, 2012.

For Tyrrell County, the need for 20 ACH beds existed in the North Carolina SMFPs from 2007 to 2011 for which no applications were received. The 2012 SMPF also shows a need determination for 20 ACH beds. The CON application due date for this determination is June 15, 2012.

As the petitioners suggested and SMFPs have established, there is a pattern of unapplied for ACH bed need determinations for multiple counties, including but not limited to Hyde County and Tyrrell County, representing rural counties in the eastern part of North Carolina from 2007 to 2012.

The petitioners' request to combine the service areas of Hyde and Tyrrell Counties anticipates the previous years' need determinations remaining available for the 2013 SMFP and a facility being built in Tyrrell County to address the needs of residents from both counties. This petition has the support of the Boards of Commissioners for both Hyde and Tyrrell Counties. The agency notes that the continued availability of previous need determinations is not guaranteed. In the event that the need determinations in the 2012 SMFP are not applied for and the methodology for the 2013 SMFP shows a projected need determination in Hyde and Tyrrell Counties, the competitive CON application process will be followed without preference for a specific provider or a specific county within the combined service area.

***Agency Recommendation:***

The petitioners request a change in the methodology to merge the service areas of Hyde and Tyrrell Counties for ACH beds. The agency agrees with the requested change based on the pattern of need determinations and the lack of applications in this area of the state and recommends approval of this petition. The combined service area would provide the opportunity for residents of both rural counties to have their needs for ACH beds met.