

HSC Regulation 100M Nursing Home Bed Methodology

All dates contained herein, (with one exception see below), will move forward one year each July 1st, e.g. on July 1, 1998, the date 2002 which is listed under "I. Population Based Methodology" will move forward to 2003.

The term licensed beds means the bed count as reflected on the current license issued by the Department of Human Services, Office of Long-Term Care.

I. POPULATION BASED METHODOLOGY (PROJECTED TO 2002)

In order to qualify for additional beds, counties showing a "need" under this section must have had an overall occupancy of at least 70% for the most recently available occupancy as reported by DHS. If a "need" is projected for additional nursing home beds in a county (based on the Commission's adopted formula) then the following would apply:

A. Applicants will be favored in the following ranked order:

1. Applicants whose facility had a 96.0% average occupancy rate or greater for the most recently available occupancy as reported by DHS. These applicants would be eligible for 10% increase in their licensed capacity or 10 beds, whichever is greater. Qualifying applicants will have a preference (for a total of up to 35 additional beds) over applicants proposing a new facility.
2. Applicants who proposed to replace facilities would be eligible for a 20% increase in their licensed capacity.
3. Applicants who have a facility proposing to expand to 70 beds would be eligible to expand to 70 beds. Applicant facilities with less than 70 beds and more than 60 licensed beds would be eligible for a 10 bed increase.

B. The Commission may exceed "need" when "need" is less than 10 beds in order to approve one applicant for a 10 bed increase (i.e., the 10 beds would not be spread over two (2) or more applicants).

C. The Commission may disregard the overall county occupancy one time in order to approve a 70 bed facility in a county where the projected need for the county exceeds the "existing" (i.e., licensed and approved) beds by 250 or more beds.

II. UTILIZATION BASED

- A. A nursing home may acquire up to 10% of its licensed bed capacity or 10 beds, whichever is greater, if the applicant nursing home:
1. averaged 90.0% or greater occupancy according to the most recent 12 month occupancy data available on record at DHS, and
 2. currently has no approved but unlicensed beds and had no approved but unlicensed beds during the previous 12 month period, and
 3. acquires beds from a facility that averaged 70% or less occupancy for the previous 12 month period, and
 4. is located in a county without a Population-Based need₂; and
 5. is not located in a county where the number of approved but unlicensed beds equals 10% or more of the county's licensed beds in the previous 12 month period, and
 6. has not acquired beds pursuant to this Subsection II.A. in the previous 12 month period.

Beds may not be transferred back or returned to the original facility unless all the requirements of this section Part II. A. are satisfied.

- B. Nursing homes with less than 60 licensed beds could be approved to expand to 70 beds, if the facility:
1. averaged 90.0% or greater occupancy according to the most recent 12 month occupancy data available on record at DHS.
 2. currently has no approved but unlicensed beds and had no approved but unlicensed beds during the previous 12 month period
 3. is located in a county without a Population Based "need"; and
 4. is not located in a county where the number of approved but unlicensed beds equals 10% or more of the county's licensed beds in the previous 12 month period.
- C. Nursing homes that first commenced operations in buildings constructed between August 1, 1996 and August 1, 2000 and which have unused bed capacity may add up to 10% of their licensed capacity or 10 beds, whichever is greater, notwithstanding any other provision of this methodology, if the facility:

1. averaged 96.0% or greater occupancy for the most recent 12 month occupancy data available by on record at DHS;
2. currently has no approved but unlicensed beds and had no approved but unlicensed beds during the previous 12 month period;
3. can add such additional beds without incurring additional capital expenditures related to construction;
4. is located in a county without a Population Based need; and
5. Is not located in a county where the number of approved but unlicensed beds equals 10% or more of the county's licensed beds in the previous 12 month period.

Section "C" shall expire on June 30, 2004.

- D. Notwithstanding the foregoing provisions of this section II but subject to section IV E and F herein, and subject to commission approval, an existing facility may relocate beds within the county where the facility is located. In doing so, the facility may either move all or some of its existing beds or the facility may acquire and move beds from another facility located within the same county.
- E. In any county where every nursing home facility in the county has an occupancy rate of at least 90.0%, and there is no population based need, an applicant may add 10% of their licensed capacity or 10 beds, whichever is greater, if the facility:
 1. currently has no approved but unlicensed beds and had no approved but unlicensed beds during the previous 12 month period, and
 2. is not located in a county where the number of approved but unlicensed beds equals 10% or more of the county's licensed beds in the previous 12 month period.

III. REPLACEMENT OF FACILITIES AND BEDS

- A. Qualified applicants would be applicants who propose to replace existing beds with "new construction" within the same county.

As used in this methodology, “new construction” means the replacement of an entire facility with a newly constructed facility, or the relocation of existing beds into a newly constructed facility.

This section prohibits the relocation of existing beds for purposes of “adding on” to an existing facility, irrespective of whether the “add on” is new construction.

- B. Applicants may be approved for up to a 20% increase of their present licensed capacity when replacing a facility under this Subsection. Except as otherwise provided in this Subsection, applicants cannot combine any criteria to increase existing licensure by more than 20%. The sole exception is the case of facilities expanding up to 70 beds. This does not affect applicants which qualify for approval under I.A.1. of this methodology.
- C. Qualified applicants may move the facility or beds to another county or counties if:
 - 1. the beds are located where “existing” (i.e. licensed and approved) beds exceed the projected county need by 100 or more beds;
 - 2. the county (or counties) to which the beds are being moved has a projected need which exceeds “existing” beds by 150 or more beds, and;
 - 3. the moved beds are used for “new construction.”

IV. UNFAVORABLE REVIEW

No application will be approved for additional beds that:

- A. does not agree to eliminate all three (3) or more bed units in the applicant facility. A facility may have three (3) or more beds units only in order to comply with specific regulations for intensive care, Alzheimer’s disease, and/or sub-acute care units (pertinent regulations to be promulgated by the Department of Human Services, Office of Long-Term Care),
- B. does not include a sprinkler system and generator under regulations promulgated by the Department of Human Services, Office of Long-Term Care. (This applies to new facilities only),
- C. is for an applicant home with current life threatening compliance issues that could not be corrected by the proposed construction, or

- D. is for any nursing home found to have had an H level deficiency or higher by the Office of Long Term Care in the twelve (12) months preceding the date the application is placed under review or from the date the application is placed under review until the final decision of the Commission.
- E. will cause a facility to exceed 140 beds, or create a facility with fewer than 70 beds. Any deviation will require special consideration by the Commission.
- F. would create an under-served area. The Commission will make this determination.
- G. No applicant will be approved for additional beds if it is located in a county where the number of approved but unlicensed beds equals 10% or more of the county's licensed beds in the previous state fiscal year. e.g. if in 1997 County "A" had 140 licensed beds with a 28 bed approval then the facilities in County "A" would not be eligible for additional beds under either the Population Based or Utilization Based methodology. The rationale is that an increase in beds would have affected occupancy.
- H. 1. In any one review cycle, for all applications submitted under sections I and III of this methodology, only one (1) application may be approved per county. For example, if there are two (2) applications submitted under section I and one (1) application submitted under section III, only one of the three applications may be approved in any one review cycle.
- H. 2. With respect to applications submitted under section II, one application per county may be approved per review cycle, in addition to the one (1) application to be approved as described in section IV.H.1.

NOTE: Occupancy data on Medicaid certified facilities will be based on the report supplied by the Department of Human Services, Division of Medical Services to the Health Services Permit Agency. Occupancy data on facilities that did not report to the Department of Human Services, Office of Long-Term Care will be based on the survey conducted by the Health Services Permit Agency. (Non-reporting facilities include facilities without Medicaid beds and those facilities which changed ownership during the previous calendar year.)

...[Life Care methodology omitted here]...

POPULATION BASED FORMULA

This methodology projects nursing home bed need using the 1998 estimated population in four age groups (see below) of a service area (county):

| AGE GROUP | BEDS PER 1000 POPULATION |
|--------------|--------------------------|
| Below 65 | 1.16 |
| 65 to 74 | 13.92 |
| 75 to 84 | 53.87 |
| 85 and above | 204.98 |

NOTE: The projection for a county represents the number of patients estimated to need beds. Since all nursing homes cannot be expected to operate at 100% occupancy year round, 5% additional beds are added to the initial projection to allow for patient fluctuation, i.e., the initial projection (using the above mentioned bed figures) represents 95% of the total beds needed.