

Nursing Home Methodology Workgroup

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Vacancy Factor

Additional Data Analysis: Calculated Need Determinations 0%, 93%, and 95% Vacancy Factor

County	0% Vacancy Factor	95% Vacancy Factor	93% Vacancy Factor
Buncombe	90 Beds	160 Beds	190 Beds
Rowan	N/A	90 Beds	90 Beds

Data: 2013 Data, 2015 SMFP;

Assumptions: ½ Standard Deviation smoothing; projection for 3 years; CCRC Exclusions at 50%; Higher of Median or Weighted Mean Occupancy

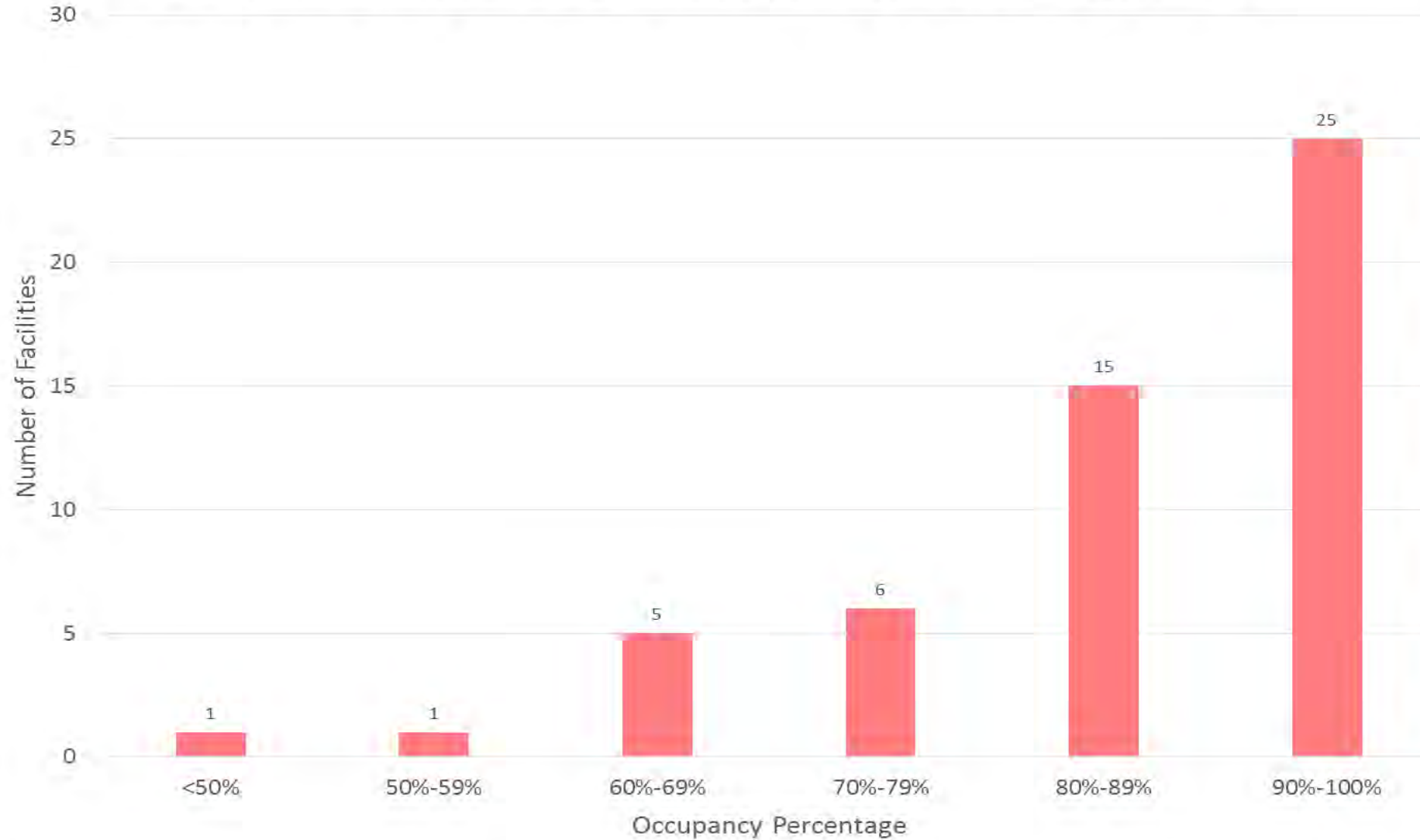
Exclusions

CCRC Exclusions 50% versus 15%

- 21 Counties have CCRCs with beds excluded through Policy NH-2.

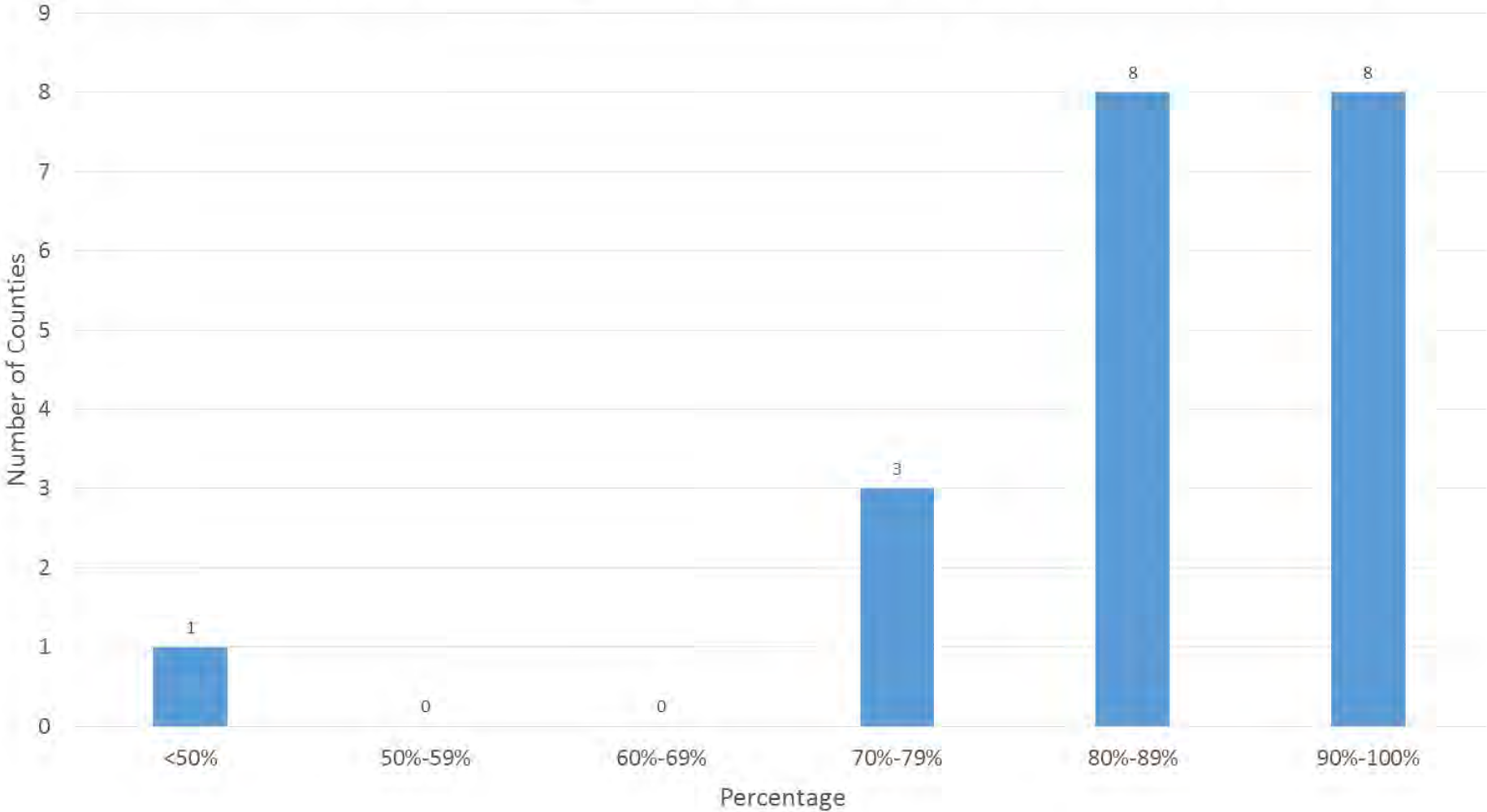
County	Total NH 2 Beds	50% Excluded	15% Excluded	Beds Added to Inventory
Totals	1,927	964	289	675

CCRC Nursing Care Bed Occupancy Percentage, 2014



Source: NC Department of Insurance

Percentage of CCRC Residents Receiving Care in Home County



Source: Proposed 2016 SMFP Nursing Home Database

Current Exclusions

Type	Beds	Occupancy
NH-2 CCRC	50%	100%
Ventilator and Head Injury	100%	0%
Religious/Fraternal	Changes Annually	0%
State and Federal Facilities*	100%	100%
NH-5 Transfer from Psychiatric Nursing Facilities to Community	100%	0%

Historical Occupancy Exclusions

- Exclude 0% or 100% from Occupancy (Days of Care), regardless of the number of beds excluded

- Original Solution
 - Assume 100% occupancy for every excluded NH-2 bed and subtract out the days of care accordingly (i.e. subtract 365 days of care for every excluded NH-2 bed).
- Proposal
 - Assume occupancy of NH-2 beds at the initial occupancy of the facility and then subtract days of care accordingly (i.e. if facility has initial occupancy of 40% then subtract 146 (40% of 365) days of care for every excluded NH-2 bed)

Example 1

- Original Solution

	Before Exclusion				After Exclusion*			
Licensed Beds	NH-2 Beds	Days of Care	Maximum Days of Care	Initial Occupancy	NH-2 Beds	Days of Care	Maximum Days of Care	Occupancy
40	40	7,294	14,640	49.82%	20	-26	7,320	-0.36%

Days of care removed: $20 * 366 = 7,320$

- Proposal

	Before Exclusion				After Exclusion*			
Licensed Beds	NH-2 Beds	Days of Care	Maximum Days of Care	Initial Occupancy	NH-2 Beds	Days of Care	Maximum Days of Care	Occupancy
40	40	7,294	14,640	49.82%	20	3,647	7,320	49.82%

Days of care removed: $20 * 366 * 49.82\% = 3,647$

*Excluded at current NH-2 percentage

Example 2

- Original Solution

	Before Exclusion				After Exclusion*			
Licensed Beds	NH-2 Beds	Days of Care	Maximum Days of Care	Initial Occupancy	NH-2 Beds	Days of Care	Maximum Days of Care	Occupancy
60	60	14,880	21,960	67.76%	30	3,900	10,980	35.52%

Days of care removed: $30 * 366 = 10,980$

- Proposal

	Before Exclusion				After Exclusion*			
Licensed Beds	NH-2 Beds	Days of Care	Maximum Days of Care	Initial Occupancy	NH-2 Beds	Days of Care	Maximum Days of Care	Occupancy
60	60	14,880	21,960	67.76%	30	7,440	10,980	67.76%

Days of care removed: $30 * 366 * 67.76\% = 7,440$

*Excluded at current NH-2 percentage

Question to Consider

- Should the percentage of the occupancy exclusions match the bed exclusion (e.g. 50% bed exclusion then 50% occupancy of NH-2 beds)?
- If the answer is yes, should this be applied to all types of exclusions? (e.g. religious/fraternal beds)
- What should the exclusion for bed and occupancy be for CCRCs?

Camden and Tyrrell

Camden and Tyrrell

- Problem: Suggested solution is to apply rates to Camden and Tyrrell from counties with highest out migration of patients; However, zero occupancy will result in zero needs.
- Proposed Solution: Add similar language to the methodology as in the Adult Care Home Methodology.
 - “...If any county’s deficit is 50 percent or more of its total projected bed need, the need determination is the amount of the deficit rounded to 10...”

Prevention of Large Deficits

- Problem: Large deficits without need being triggered to release beds (e.g. Wake County).
- Proposed Solution: Add language to the methodology that releases beds at a certain deficit number of beds
 - Bed deficit of 110 or 120
 - Other Considerations:
 - Minimum occupancy before beds can be released
 - Beds can be only released using this mechanism every two years

Updates to Policies

NH-2: Plan Exemption for Continuing Care Retirement Communities

- One half of the nursing care beds developed under this exemption shall be excluded from the inventory used to project nursing care bed need for the general population. Certificates of need issued under policies analogous to this policy in the North Carolina State Medical Facilities Plans subsequent to the 1985 State Medical Facilities Plan are automatically amended to conform with the provisions of this policy at the effective date of this policy.

Discussion