

**Long Term & Behavioral Health Committee  
Agency Report  
Adjusted Need Petition for  
16 Adult Care Home Beds in Montgomery County  
NC 2017 State Medical Facilities Plan**

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***Petitioner:***

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***Request:***

The petitioner requests an adjusted need determination for 16 adult care home (ACH) beds in Montgomery County be included in the *NC 2017 State Medical Facilities Plan (SMFP)*.

***Background Information:***

Chapter 2 of the *2016 SMFP* describes the purpose and process for submitting petitions to amend the *SMFP* during its development. Petitions may be sent to Healthcare Planning twice during the course of plan development. Early in the planning year, petitions related to basic *SMFP* policies and methodologies that have a statewide impact may be submitted. The *SMFP* defines changes with the potential for a statewide impact as “*the addition, deletion, and revision of policies and revision of the projection methodologies.*”

Later in the planning cycle, when need projections are identified in the *Proposed SMFP*, petitions seeking adjustments to the projected need determination in any service area may be submitted if the petitioner believes the needs of a service area are not fully addressed by the standard methodology.

Adult Care Home bed 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 county-specific service area (“service area”) in North Carolina. 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 and ACH beds in the service area have reached a minimum average occupancy threshold of 85%.

***Analysis/Implications***

The Petition provides reasons for an additional 16 ACH beds in Montgomery County that include: (1) ACH occupancy rates are linked to special care unit (SCU) bed occupancy rates in nearby counties; (2) high occupancy rates for Montgomery County are skewed due to consistent low occupancy of one of the county’s ACH facilities; and (3) rates of use by age cohorts most affected by Alzheimer’s and dementia are high in Montgomery County.

*Special Care Unit bed occupancy impacts ACH occupancy rates.* The agency reviewed SCU and ACH occupancy rates using data collected from 2013 - 2016 License Renewal Applications for Adult Care Homes. As shown in Table 1, in comparison to nearby counties, Montgomery County’s SCU occupancy rates tend to mid-rank or top the others. Fluctuations in the county’s SCU bed occupancy rates reflect the temporary closure of Brookstone Haven of Star Assisted Living in 2013 to add 13 SCU beds and the conversion of an additional 19 SCU beds in August 2014.

**Table 1. Montgomery and Contiguous Counties, Ranked by SCU Occupancy, 2012-2015**

<b>County</b>	<b>Rank (% occupancy ) 2012</b>	<b>Rank (% occupancy ) 2013</b>	<b>Rank (% occupancy ) 2014</b>	<b>Rank (% occupancy ) 2015</b>
Montgomery	3 (88.6%)	5 (69.2%)	1 (96.6%)	4 (75.8%)
Stanly	2 (91.7%)	1 (95.8%)	2 (95.8%)	2 (87.5%)
Davidson	5 (82.3%)	2 (78.8%)	3 (87.5%)	1 (88.3%)
Rowan	4 (83.3%)	4 (72.2%)	4 (86.1%)	5 (75.0%)
Moore	6 (73.2%)	3 (75.6%)	5 (77.4%)	6 (63.3%)
Randolph	1 (96.9%)	6 (68.5%)	6 (73.1%)	3 (80.6%)
Richmond	7 (27.8%)	7 (00.0%)	7 (51.8%)	7 (50.0%)

*Note: Percentages are based on the utilization of SCU beds by any individual, regardless of dementia-related diagnosis  
Source: 2013 through 2016 License Renewal Applications for Adult Care Homes*

*High occupancy rates for Montgomery County are skewed due to low occupancy of one of the county’s ACH facilities.* As shown in Table 2, Brookstone Haven has steadily increased its ACH bed occupancy rates since 2013. Likewise, Montgomery County’s rates have varied alongside Brookstone Haven’s. Thus, it is reasonable to expect that ACH occupancy rates for the county will climb to previously high levels as Brookstone Haven continues to increase its occupancy.

**Table 2. Montgomery County Adult Care Home Occupancy Rates by Facility, 2012-2015**

Facility	2012 Occupancy Rate	2013 Occupancy Rate	2014 Occupancy Rate	2015 Occupancy Rate
Sandy Ridge Assisted Living	88.46%	94.23%	96.15%	89.42%
Brookstone Haven of Star Assisted Living	85.19%	0.00%	14.81%	37.04%
Poplar Springs Assisted Living	100.00%	0.00%	100.00%	100.00%
Autumn Care of Biscoe	40.00%	50.00%	60.00%	60.00%
Montgomery County	85.56%	57.22%	70.00%	72.78%

*Source: 2013-2016 License Renewal Applications for Adult Care Homes; Occupancy Rate is calculated using annual patient total rather than days of care.*

*In Montgomery County, rates of use by age cohorts most affected by Alzheimer’s and dementia are high. Using utilization data provided in 2013-2016 License Renewal Applications for Adult Care Homes and population data from the NC Office of State Budget Management, the agency reviewed average bed use rates in Montgomery County, surrounding counties and the State, with a focus on bed utilization by patients 65 and older. As shown in Table 3, Montgomery County historically has served close to 50% more of its 65-84 age cohort than has been served on average across the State.*

**Table 3. ACH Bed Use Rate by Age Cohort in the State and Montgomery County’s Contiguous Counties\***

Area**	Age Cohort		
	65-74	75-84	85 and over
State	5.33	18.76	74.81
Montgomery County	7.76	27.20	68.66
Davidson County	4.71	16.52	76.75
Moore County	4.41	16.86	72.41
Randolph County	4.04	18.48	77.61
Rowan County	8.06	19.92	71.67
Stanly County	3.64	17.68	81.95

*\*Four year average of bed use rates (beds per 1,000 population), 2012-2015*

*\*\*Anson and Richmond counties were excluded because they had fewer than 20 patients for most age cohorts across the four years.*

*Source: NC Office of State Budget Management; 2013 – 2016 License Renewal Applications for Adult Care Homes*

***Agency Recommendation:***

The petitioner requests an adjusted need determination for 16 ACH beds in Montgomery County in the *NC 2017 SMFP*. The agency supports the state health planning process identified in the *Proposed 2017 SMFP*. The standard methodology has identified that there is no need for new ACH beds in Montgomery County. However, a review of the utilization and occupancy rates specific to Montgomery County shows that applying the standard methodology may underestimate the need for individuals who require the level of care provided by SCUs.

Given the available information and comments submitted by the August 12, 2016 deadline and in consideration of factors discussed above, the agency recommends approval of this request, with a preference for the addition of SCU beds.