

# Frye Regional Medical Center

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August 30, 2011

North Carolina Division of Health Service Regulation  
Medical Facilities Planning Section  
2714 Mail Service Center  
Raleigh, North Carolina 27699-2714

**VIA E-MAIL TO:**

DHSR.SMFP.Petitions-Comments@dhhs.nc.gov

Re: Comments of Frye Regional Medical Center Responding to Meridian Senior Living, LLC's Petition to the State Health Coordinating Council for an Adult Care Home Demonstration Project in Alexander County

Dear Sir or Madam:

This letter is submitted on behalf of Frye Regional Medical Center ("Frye") and its component institutions, to offer comments in opposition to the *third* Petition filed by Meridian Senior Living, LLC ("Meridian") with the State Health Coordinating Council, seeking an Adult Care Home Demonstration Project in Alexander County in the 2011 State Medical Facilities Plan. The proposed project seeks once again to develop an adult care home demonstration project to be located at the former Alexander Hospital for patients with organic brain illness who are combative or otherwise unmanageable. This project is depicted by Meridian as a bridge to the gap between long term care and hospitalization in a psychiatric facility.

Frye filed comments to Meridian's prior Petitions to the SHCC, filed in August 2010 and March 2011. Copies of those comments are attached as Exhibits 1 and 2. Both Petitions sought the same service and presented essentially the same arguments. Both Petitions were rejected by the SHCC. This Petition raises no new grounds which would support a new conclusion. The comments previously filed by Frye and the SHCC's findings are discussed below.

## **August 2010 Petition**

In recommending rejection of the August 2010 Petition, the Long Term Care Committee Agency Report provided as follows:

*Given that the petition seeks to establish a demonstration project that would affect need projection methodologies, and the deadline for submission of such petitions for the 2011 SMFP has passed, the Agency recommends the petition be denied.*

See Agency Report, Exhibit 3 hereto. The Petition was rejected by the SHCC on these grounds.

Meridian's current Petition also would affect need projection methodologies, and consequently is untimely filed. Meridian's current Petition argues that this is not the case, and that its Petition fits within the parameters for petitions for adjustments to need determinations for "[p]eople who believe that unique or special attributes of a particular ... institution give rise to resource requirements that differ from those provided by application of the standard planning procedures and policies..." 2011 SMFP, p. 9. This



characterization is incorrect. Meridian's Petition argues that a particular patient *population* within the State has need of the services proposed.<sup>1</sup> Meridian is not even currently offering the services proposed.

Further, as Frye as previously argued, the Petition's limitation of the demonstration project to a location in Alexander County is unfair and improper. As proposed, the project is like a "private act" to create a need that only Meridian and Alexander Hospital can fill in Alexander County. They are the only potential applicants/existing health care providers that can meet the requirements to even file a Certificate of Need Application in Alexander County. "Private acts" are forbidden in legislation, and to allow a similar practice in state health planning is contrary to the principles of the SHCC, the Medical Facilities Planning Section and the transparency that Governor Perdue has demanded in the health planning process.

As acknowledged by the SHCC last fall, this Petition will affect the need projection methodologies for adult care home beds in the State. Therefore, only a Petition filed in March can be considered for such a service, and this Petition must be rejected as untimely.

#### **MARCH 2010 PETITION**

Meridian's March 2011 Petition raised many of the same arguments as raised here. Frye again filed comments which detailed a number of substantive problems with the proposed service. See Exhibit 2 hereto. Meridian's August 2011 Petition does not address or respond to these comments, or adequately explain why they are any less valid now.

In addition, the Medical Facilities Planning Section staff Agency Report recommended that the Petition be rejected. See Exhibit 4. In making that recommendation, the Agency staff addressed and noted the flaws in a number of Meridian's representations, as follows:

- The petitioner did not provide specific information as to the number and location of where their residents, current and/or former, whom petitioner proposes this demonstration project is for, have been discharged to, and/or are from, (i.e., home with or without family, psychiatric hospital, another Meridian Senior Living Facility, or a competitor's facility) over any period of time.
- The Petition did not explain its admission criteria or evaluative tools for determining what diagnosis would be appropriate for its service, which is required under current licensure rules.
- The Petition did not provide any data to quantify or support broad statements such as: (1) the contention that there is too large a gap between Special Care Units and Psychiatric Hospitals; and (2) the belief that that the Adult Care home population would continue to suffer from the problem created by violent Alzheimer's patients.
- The Agency questioned the appropriateness of the closed Alexander Hospital for this project. They noted that Meridian had not provided any information concerning potential code compliance and building systems issues, in reference to project feasibility of only utilizing this facility for the demonstration project, versus any other facilities in Alexander County, or in any other facility or other county throughout North Carolina.

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<sup>1</sup> Agency staff confirmed this conclusion in their Agency Report recommending disapproval of Meridian's March 2011 Petition. The Agency Report stated: "This demonstration project would change the Methodology in how adult care home need is determined for Alexander County and statewide." See Exhibit 4, p. 2.

Based on these and other concerns, the Agency staff gave the following recommendation:

*Given the petition lacks quantitative information defining the existence of the problem, lack of evaluative criteria that would be necessary to evaluate and measure the success of the project if approved, potential project feasibility of utilizing the only building/location mentioned and continued significant growth in the number Special Care Unit beds statewide which the Agency has continued to approve. The Agency recommends the petition be denied.*

The Long Term and Behavioral Health Committee and the full SHCC accepted the staff recommendations, and denied Meridian's Petition. Meridian's new Petition provides no substantive information which addresses these concerns or would warrant reversing that conclusion.<sup>2</sup>

#### **ADDITIONAL COMMENTS BY FRYE REGARDING THE CURRENT PETITION**

In addition to the prior comments filed by Frye and the Agency staff, Frye has the following observations regarding the current Meridian Petition.

- Alexander County and the physical location of the proposed project are in a rural area isolated from other medical services. Many (if not most) patients in the proposed group to be served are not only suffering from organic brain illness but many medical co-morbidities as well. Proximity to an emergency facility would appear to be important.
- Meridian repeatedly makes the point that this project would fill the gap between Special Care Units and psychiatric hospitalization and also emphasizes the cost differences. The fact is that persons who are violent, and who pose a threat to themselves or others (the self-described targets of this project) are the ideal candidates for hospitalization which, although costing more per day than adult care services, has an average length of stay of 10 days, compared to the average 4-24 weeks for Meridian's proposed facility.
- Staffing for this unique program still is not specified. In order to provide the stabilization and treatment planning as well as the "optimal," "extra training and resources," and innovative care proposed would require medical direction from a psychiatrist, consultation with neurology, access to ancillary services such as MRI and psychopharmacological intervention, activity therapies and social work. The staffing grid contained in last year's petition was meager- offering none of these services. The current petition did not contain a staffing grid but the staffing levels did not include the above disciplines. Clearly, this is not a higher quality of care than otherwise offered in Special Care Units.

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<sup>2</sup> The new Petition makes passing reference to the DHHS-run Longleaf Neuro-Medical Treatment Center and Black Mountain Neuro-Medical Treatment Center, and to one phone call with an admissions coordinator at the latter, who allegedly stated that the facility has had to turn away potential residents who do not qualify for nursing care. However, this one phone call certainly does not provide sufficient statistical data to justify a fundamental change in the adult care home bed need methodology. New and additional health services which will involve government funding should not be based on a few phone calls, but should be statistically established by hard data.

- In the proposal, Meridian uses the term “augment” the patients’ behaviors as a treatment strategy. However, Meridian offers no explanation of whether this means that Meridian intends to employ some new approach, or whether it simply would attempt to mitigate the patients’ behaviors.
- The proposal discusses the measurement of outcomes for this project by using a survey method, but does not define the outcome measures to be examined.
- Both Frye and the Agency staff have previously commented on the potential problems with the closed Alexander Hospital for the proposed facility’s location. In addition, it does not appear that the site is necessarily cost effect. Meridian’s budget proposes a capital investment of \$3.8 million for the facility alone. The investment proposed would purchase an all-new, 40,000 SF facility using current NC health care construction cost data. (See [Building Journal.com](http://BuildingJournal.com)). Thus, there simply is no basis to support the use of a physically isolated, closed hospital as the sole location for this proposed exception from the need determination.

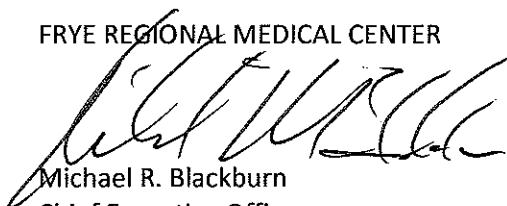
In summary, there are a number of reasons to dispute the claims made in the petition based on need, cost, accuracy of the information justifying the project, the lack of realistic staffing for the proposed project, and the absence of substantiated data.

Frye remains opposed to this project based on the above. It continues to be Frye’s position that *community psychiatric facilities* are the correct placement for patients with violent behavior who are at risk for harming others. Such hospitalizations tend to be short term with intense consultation from all specialties rendered promptly. Furthermore, the higher level of care offered by hospitals is needed to differentiate worsening behaviors due to metabolic or other physical illnesses vs. psychiatric illness. The existing hospital settings allow patients to be returned to their natural support system as early as possible. Adult care homes simply do not have the infrastructure to properly provide these services, especially in remote rural areas.

Frye appreciates the SHCC’s careful consideration of these comments.

Sincerely,

FRYE REGIONAL MEDICAL CENTER



Michael R. Blackburn  
Chief Executive Officer

cc: Members of the Long Term Care Committee

Frye Regional Medical Center

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Hickory, NC 28601  
tel: 828.315.5000  
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DFS Health Planning  
RECEIVED

SEP 22 2010

Medical Facilities  
PLANNING SECTION

September 21, 2010

North Carolina Division  
of Health Service Regulation  
Medical Facilities Planning Section  
701 Barbour Drive  
Raleigh, NC 27603

VIA HAND DELIVERY

Re: Comments of Frye Regional Medical Center Responding to Meridian Senior Living, LLC's Petition to the State Health Coordinating Council for an Adult Care Home Demonstration Project in Alexander County

Dear Sir or Madam:

This letter is submitted on behalf of Frye Regional Medical Center ("Frye") and its component institutions, to offer comments in opposition to the Petition filed by Meridian Senior Living, LLC ("Meridian") with the State Health Coordinating Council, seeking an Adult Care Home Demonstration Project in Alexander County in the 2011 State Medical Facilities Plan.

Frye realizes that the Comments are being submitted after the September 3, 2010 deadline. However, Frye did not learn of the nature of the Meridian Petition until after that deadline. The title of the Petition and the Agency's web site references only that the proposal is for an "Adult Care Home Demonstration Project for Alexander County" and does not reference the psychiatric nature of the project.

The proposed project by Meridian, to be located at the former Alexander Hospital, for patients with organic brain illness who are combative or otherwise unmanageable is depicted by Meridian as a bridge to the gap between long term care and hospitalization in a psychiatric facility. Such a program would surely have to include a wide array of medical professionals including experienced nurses, physicians, pharmacists, behavioral therapists and others. There was no explanation of how those services would be provided in the proposed project.

One should question the validity of such a program with violent patients, low staffing and in an isolated area without an emergency department.

More importantly, if such a program is truly needed in North Carolina, it should be adjacent or proximate to an existing medical facility and should only be undertaken after an evidence based evaluation, a full public hearing, input from psychiatric professionals and existing facilities, and after a definite community need was identified by the State Health Planning Section.



EXHIBIT

1

Medical Facilities Planning Section  
September 21, 2010  
Page 2

Finally, the Petition's limitation of the demonstration project to a location in Alexander County is unfair and improper. As proposed, the project is like a "private act" to create a need that only Meridian and Alexander Hospital can fill in Alexander County. They are the only potential applicants/existing health care providers that can meet the requirements to even file a Certificate of Need Application in Alexander County. "Private acts" are forbidden in legislation, and to allow a similar practice in state health planning is contrary to the principles of the SHCC, the Medical Facilities Planning Section and the transparency that Governor Perdue has demanded in the health planning process.

Frye thanks the SHCC for its careful consideration of these comments.

Very truly yours,

Frye Regional Medical Center

A handwritten signature in cursive script that reads "Michael R. Blackburn".

Michael R. Blackburn  
Chief Executive Officer

cc: Members of the Long Term Care Committee



April 20, 2011

North Carolina Division  
of Health Service Regulation  
Medical Facilities Planning Section  
2714 Mail Service Center  
Raleigh, North Carolina 27699-2714

**VIA E-MAIL TO: DHSR.SMFP.Petitions-  
Comments@dhhs.nc.gov**

Re: Comments of Frye Regional Medical Center Responding to Meridian Senior Living, LLC's Petition to the State Health Coordinating Council for an Adult Care Home Demonstration Project in Alexander County

Dear Sir or Madam:

This letter is submitted on behalf of Frye Regional Medical Center ("Frye") and its component institutions, to offer comments in opposition to the Petition filed by Meridian Senior Living, LLC ("Meridian") with the State Health Coordinating Council, seeking an Adult Care Home Demonstration Project in Alexander County in the 2011 State Medical Facilities Plan.

The proposed project by Meridian, to be located at the former Alexander Hospital for patients with organic brain illness who are combative or otherwise unmanageable, is depicted by Meridian as a bridge to the gap between long term care and hospitalization in a psychiatric facility. Such a program would surely have to include a wide array of medical professionals including experienced nurses, physicians, pharmacists, behavioral therapists and others. There was no explanation of how those services would be provided in the proposed project.

One should question the validity of such a program with violent patients, low staffing and in an isolated area without an emergency department.

More importantly, if such a program is truly needed in North Carolina, it should be adjacent or proximate to an existing medical facility and should only be undertaken after an evidence based evaluation, a full public hearing, input from psychiatric professionals and existing facilities, and after a definite community need was identified by the State Health Planning Section.

As a practical matter, the people Meridian seeks to serve are psychiatric patients, who qualify for involuntary commitment to an inpatient psychiatric facility due to their violent behavior. Frye's psychiatric beds regularly treat elderly patients who engage in such violent behaviors. If there is a need for more beds to treat these patients, whether by demonstration project or otherwise, such a need determination should be based upon the need for adult inpatient psychiatric beds, not adult care home beds. Smoky Mountain LME (which includes Alexander County) had a need identified for 26 additional adult inpatient psychiatric beds in the 2011

**EXHIBIT**

**2**

SMFP. Conversely, there was no need determination for adult care home beds in Alexander County


The Meridian Petition states that the location is proximate to medical professionals specializing in the field of Alzheimer's disease, and references Dr. Donald Schmechel, an area neurologist. Although the applicant infers some form of relationship with Dr. Schmechel, none is actually proposed. Frye has contacted Dr. Schmechel about the project, to inquire as to his involvement. He advised that he has not been approached about the current project and that no relationship exists with Meridian. It is otherwise unclear from the Petition how medical supervision and directorship will be managed with the FTE analysis showing no physician, pharmacist or other expert clinicians involved in the care of such high acuity patients.

Finally, the Petition's limitation of the demonstration project to a location in Alexander County is unfair and improper. As proposed, the project is like a "private act" to create a need that only Meridian and Alexander Hospital can fill in Alexander County. They are the only potential applicants/existing health care providers that can meet the requirements to even file a Certificate of Need Application in Alexander County.<sup>1</sup> "Private acts" are forbidden in legislation, and to allow a similar practice in state health planning is contrary to the principles of the SHCC, the Medical Facilities Planning Section and the transparency that Governor Perdue has demanded in the health planning process.

Frye thanks the SHCC for its careful consideration of these comments.

Very truly yours,

FRYE REGIONAL MEDICAL CENTER



Michael R. Blackburn  
Chief Executive Officer

cc: Members of the Long Term Care Committee

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<sup>1</sup> Meridian's stated basis that using the existing Alexander Hospital facility would enable Meridian to take advantage of the "unique features" in the existing hospital are suspect. According to the Petition, the proposed capital costs of the project, most of which relate to construction costs and architect and engineering fees, total almost \$4.4 million. At that cost, it is likely that a new building could be constructed, therefore obviating the necessity of limiting the demonstration project to Alexander County.



Long-Term and Behavioral Health Committee  
Agency Report for  
Special Need Determination Petition  
Meridian Senior Living, LLC

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*Petitioner:*

Meridian Senior Living, LLC  
P.O. Box 2568  
Hickory, NC 28603  
Jordan Qualls  
[jjqualls@agemarkltc.com](mailto:jjqualls@agemarkltc.com)  
(828) 261-7345

*Request:*

The petitioner, Meridian Senior Living, requests inclusion in the 2011 State Medical Facilities Plan (SMFP) of a special need determination for an adult care home demonstration project for Alexander County. The project would be designed to address an unmet need for services to people with Alzheimer's disease who display violent behavior and require supervision beyond that which many adult care homes can provide.

*Background Information:*

The Proposed 2011 SMFP describes the basic assumptions underlying the methodology for determining need for adult care home beds in a county. Adult care homes are those facilities with seven or more beds; adult care homes with zero to six beds are family care homes and are not part of the SMFP. The standard need methodology takes into consideration each county's bed inventory, population and utilization of adult care beds by age group. Need is projected three years beyond the plan year; the Proposed 2011 SMFP projects adult care bed need for 2014. Each of the 100 counties in the state is a separate adult care bed service area.

The petitioner describes a lack of services in Alexander County for residents of special care units who exhibit violent behaviors, particularly toward other residents. The petitioner notes that

“Meridian Senior Living is North Carolina's largest provider of Special Care Units in adult care facilities. In this capacity we have discovered a unique subgroup of Special Care Unit residents. They have chronic behavioral problems resulting from the progression of their Alzheimer's disease. Addressing their needs is beyond the capabilities of normal Special Care Units. Because operators must consider the needs of all residents, members of this subgroup are either discharged to the care of their families, or, more often, committed to a Psychiatric Hospital because no other type of facility has the capability to take care of them. The subgroup is large enough to justify focused attention. Addressing their needs will help both them and other residents of adult care facilities from whom resources are drained as staff try to handle the group's special needs.”

The purpose of the requested demonstration project would be to create a level of care between adult care home special care units and psychiatric hospitals to meet a need within the

**EXHIBIT**

**3**

Alzheimer's community. The petitioner proposes using the following criteria for the demonstration project:

- Primary diagnosis of dementia;
- Current placement in a long term care facility with evidence of recent medical assessment (FL2, history, physical, hospital summaries);
- Documentation of difficult behavior not responsive to facility interventions (redirection, activities, front line medication trail);
- Current medication administration record;
- Resident information summaries (care plans, care plan addendums, Resident Register, other assessments);
- Comprehensive assessment to include interview of facility staff, family, other care takers, medical providers, and significant persons involved in the resident's life.

The proposed demonstration project would consist of 50 beds; and would "be located in a dedicated Adult Care Home as a Special Care Unit to care for persons with Alzheimer's and Related Disorders, and located in Alexander County on a campus that has been occupied by a licensed hospital; to be awarded to an applicant or co-applicants, one or more of which is an existing provider of Adult Care Home services in Alexander County that has an existing, operational Special Care Unit for Alzheimer's and Related Disorders as of January 1, 2011."

Currently, the methodology for adult care beds results in planning for only one type (level) of adult care home bed. The Agency acknowledges a need for additional study and analysis of services available to people with Alzheimer's disease whose disorder involves violent and disruptive behaviors; however, conduct of such a demonstration project requires significant preparation as well as investigation into the implications for the acute adult care bed methodology. In fact, the 2009 North Carolina General Assembly directed the North Carolina Institute of Medicine to create a Task Force to study short-term and long-term strategies to address issues within adult care homes that provide residence to persons who are frail and elderly and to persons experiencing mental illness (Section 10.78ff(s) of Session Law 2009-451). The Task Force will examine co-location of people with behavioral health disorders with frail elderly or other people with disabilities. A final report will be presented to the General Assembly in 2011.

As explained in Chapter Two of the 2011 Proposed SMFP,

"Anyone who finds that the North Carolina State Medical Facilities Plan policies or methodologies, or the results of their application, are inappropriate may petition for changes or revisions. Such petitions are of two general types: those requesting changes in basic policies and methodologies; and those requesting adjustments to the need projections... People who wish to recommend changes that may have a statewide effect are asked to contact the Medical Facilities Planning Section staff as early in the year as possible, and to submit petitions no later than **March 3, 2010**. Changes with the potential for a statewide effect are the addition, deletion, and revision of policies and revision of the projection methodologies."

Agency Report  
Meridian Senior Living  
September 2010

Demonstration projects such as the one proposed by the petitioner follow substantial study and review of related need determination methodologies. Therefore, in accordance with procedures set forth in Chapter Two of the SMFP, the petition has not been timely filed for inclusion in the 2011 SMFP.

*Agency Recommendation:*

Given that the petition seeks to establish a demonstration project that would affect need projection methodologies, and the deadline for submission of such petitions for the 2011 SMFP has passed, the Agency recommends the petition be denied.

Long-Term & Behavioral Health Committee  
Agency Report for Petition Regarding  
Adult Care Home Demonstration Project-Alexander County  
in the Proposed 2012 State Medical Facilities Plan

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*Petitioner:*

Meridian Senior Living, LLC  
PO Box 2568  
Hickory, NC 28603

*Request:*

As stated by the petitioner; "This petition requests inclusion of a special need for a multidisciplinary Adult Care Home demonstration project in Alexander County that will offer an alternative to psychiatric commitment for residents of Special Care Units with Alzheimer's disease who display violent behavior and require supervision beyond that which a normal Special Care Unit can provide."

*Background Information:*

Adult care homes are those facilities with seven or more beds; adult care homes with zero to six beds are Family Care Homes and are not part of the State Medical Facilities Plan, (SMFP). Inventory and utilization information first appeared in the 2002 North Carolina State Medical Facilities Plan, (SMFP).

The methodology for adult care home beds results in planning for only one type (level) of adult care home bed, regardless of level of care. Per 10A NCAC 13F .1301, Special Care Units/Beds were created to provide services for residents diagnosed with Alzheimer's and/or related disorders concerning dementing or memory impairing conditions characterized by irreversible memory dysfunction. Special Care Unit Beds means an entire facility, or any section, wing or hallway within an adult care home separated by closed doors from the rest of the facility, or a program provided by an adult care home, that is designated or advertised especially for special care of qualified residents.

Rules for Special Care Unit Beds were established in 1999 and made permanent in 2000. Special Care Unit Beds were established to provide services to residents whom by diagnosis(s) and evaluation require a higher level of care. Medicaid is primary payer of Special Care Unit Beds. Special Care Unit Beds are reimbursed by Medicaid at a higher rate than non-Special Care Unit/Beds. Reimbursement by Medicaid for Special Care Unit Beds began October 1, 2006.

Diagnosis requirements of residents entering a Special Care Unit Bed, as all are licensed by the North Carolina Division of Health Service Regulation, are the same regardless of pay source, (i.e., Medicaid, Private Pay, and Private Insurance). The number of Special Care Unit Beds Licensed in North Carolina has increased from 2,505 as of May 2006 to 5,857, as of October, 2010. This includes, but is not limited to, facilities which are currently 100 percent Special Care Unit Beds.

**EXHIBIT**

**4**

Special Care Unit Beds made up approximately six percent of adult care home beds in the fall of 2007 to 14 percent of adult care home beds in fall of 2010, and continue to increase.

Reimbursement level, as level of care, is not part of the current methodology in determining need.

Need is determined on an individual county basis by calculating bed to population ratios of the number of adult care home patients per Age Group, as compared to the certified population per Age Group. The utilization per county is then calculated into a five-year average combined statewide utilization rate, which is then applied to the projected population going forward three years, for each county.

Amount of need per each county is then established in two ways. First, if any county's bed deficit is 10 percent to 49 percent of its total projected bed need and if the average occupancy of licensed beds in that county, minus exclusions, is 85 percent or greater, the need determination is the amount of the deficit rounded to 10. Second, if any county's total projected bed deficit, minus exclusions, is 50 percent or greater, average occupancy does not apply, and the need determination is the amount of the deficit rounded to 10.

The purpose of the requested demonstration project would be to create a level of care between adult care home Special Care Units and psychiatric hospitals. The petitioner requests "a special adjusted need determination for 50 additional Adult Care Home beds to be awarded to an applicant or co-applicants, one of more of which is an existing provider of Adult Care Home services in Alexander County that has an existing, operational Special Care Unit for Alzheimer's and Related Disorders as of January 1, 2012. The 50 additional beds would be operated in a dedicated Adult Care Home as a Special Care Unit to care for persons with Alzheimer's and Related Disorders, and located in Alexander County on a campus that has been occupied by a licensed hospital."

The petitioner states; "this demonstration project's staff will either augment the resident's violent behavior or create a plan of care such that the originating facility's staff may safely care for the resident. The residents will stay at this facility for an average of six (6) months before being transferred back to a facility close to their families." The petitioner also states; "the project would be able to handle the low end (8 residents per month) frequency of incidents within the Meridian Senior Living facilities. This facility, however, would be available to residents coming from unaffiliated facilities," and, "the project facility will accept both private pay residents and residents relying on Medicaid." The petitioner states that "this demonstration project can be operated within the current Special Care Unit reimbursement structure."

This demonstration project would change the Methodology in how adult care home need is determined for Alexander County and statewide.

*Analysis/Implications:*

The petitioner notes "Meridian Senior Living is North Carolina's largest provider of Special Care Units in adult care facilities. In this capacity we have discovered a unique subgroup of Special Care Unit residents. They have chronic behavioral problems resulting from the progression of their Alzheimer's disease. Addressing their needs is beyond the capabilities of

normal Special Care Units. Because operators must consider the needs of all residents, members of this subgroup are either discharged to the care of their families, or, more often, committed to a Psychiatric Hospital because no other type of facility has the capability to take care of them. The subgroup is large enough to justify focused attention. Addressing their needs will help both them and other residents of adult care facilities from whom resources are drained as staff try to handle the group's special needs."

The petitioner did not provide specific information as to the number and location of where their residents, current and/or former, whom petitioner proposes this demonstration project is for, have been discharged to, and/or are from, (i.e., home with or without family, psychiatric hospital, another Meridian Senior Living Facility, or a competitor's facility) over any period of time.

Petitioner states; "Primary diagnosis of dementia" is the condition of admittance to the proposed demonstration project facility. The diagnosis requirements for admission to any Special Care Unit Bed in North Carolina are the following diagnoses/ICD-9-CM Code(s): Alzheimer's disease 331.0, Vascular dementia (Multi-Infarct Dementia) 290.4, Jakob-Creutzfeldt disease 294.10, Pick's Disease 331.11, Dementia with Lewy bodies 331.82, Parkinson's disease 332.0 and Huntington's chorea 333.4. It is unclear if petitioner is including these requirements in its admission criteria or not and/or as an evaluative tool as would be required under current licensure rules.

Petitioner states; "The purpose of this demonstration project is to create a level of care between Special Care Units and Psychiatric Hospitals. There is currently too large a gap between the two; many find the former to provide too little care, while finding the latter to provide a much higher level of care than necessary."

The petitioner states; "If the requested adjustment is not made, the Adult Care Home population will continue to suffer from the problem created by violent behaviors brought on by Alzheimer's disease. Facility administrators will be left with little choice but to either continue discharging residents exhibiting these behaviors or continue getting them committed to Psychiatric Hospitals. Neither of these existing options truly solves the problem at hand. Discharging residents with these behaviors puts unnecessary pressure on the family, and, more often than not, these residents end up in another Adult Care Home that is equally unable to care for them. Committing residents to Psychiatric Hospitals may prove helpful in augment violent behaviors, but it is more care than is necessary, leading to a waste of resources at the very least."

The petitioner did not provide specific information as to the number and location of where their residents, current and/or former, whom petitioner proposes this demonstration project is for, have been discharged to, and/or are from, (i.e., home with or without family, psychiatric hospital, another Meridian Senior Living Facility, or a competitor's facility) over any period of time. The Agency is unable to ascertain from the petition how the above statement is quantified by the petitioner and measurable for evaluation of necessity and success of the project, if approved.

The petitioner states; "At certain stages in the progression of Alzheimer's disease, it may be necessary for a resident to seek treatment at a Psychiatric Hospital. However, more often than not, inpatient psychiatric care is too extreme and inappropriate for residents of Special Care

Units. Not only is psychiatric commitment traumatic for the Alzheimer's sufferer and their family, but it also puts an unnecessary strain on the resources of Psychiatric Hospitals."

The petitioner states; "As for the residents transferred to the demonstration project facility, they will be provided with a higher quality of care than would have otherwise been provided at the originating facility or a Psychiatric Hospital. Psychiatric Hospitals certainly provide a higher level of care than this project facility would. However, they do not specialize in Alzheimer's disease; this facility will. Specialization such as this enables a higher quality of care." The petitioner states; "While, in theory, staff at all Special Care Units in North Carolina could be trained to a level at which the problem could be alleviated, that alternative would be much too costly, especially for those facilities relying heavily on Medicaid."

The Agency is unable to ascertain from the petition how the above statements are quantified by the petitioner and measurable for evaluation of necessity and success of the project.

The proposed facility to be utilized for this Demonstration Project, if approved, is the currently closed Alexander County Hospital. This facility has been closed for a number of years. The petitioner has not provided any information concerning potential code compliance and building systems issues, in reference to project feasibility of only utilizing this facility for the demonstration project, versus any other facilities in Alexander County, or in any other facility or other county throughout North Carolina.

*Agency Recommendation:*

Given the petition lacks quantitative information defining the existence of the problem, lack of evaluative criteria that would be necessary to evaluate and measure the success of the project if approved, potential project feasibility of utilizing the only building/location mentioned and continued significant growth in the number Special Care Unit beds statewide which the Agency has continued to approve. The Agency recommends the petition be denied.