

Agenda
Long Term Care & Behavioral Health Committee
 Friday-May 14, 2010
 10:00 AM – 12:00 PM
 Council Building – Room 201
 701 Barbour Drive
 Raleigh, N.C.

<ul style="list-style-type: none"> • Welcome and Announcements 	Jerry Parks-Vice Chairman
<ul style="list-style-type: none"> • Review of Executive Order No. 10 Ethical Standards for the State Health Coordinating Council 	Jerry Parks
<ul style="list-style-type: none"> • Introductions (Committee Members) 	Jerry Parks
<ul style="list-style-type: none"> • Approval of Minutes from September 25, 2009 	Jerry Parks
<ul style="list-style-type: none"> • Nursing Facilities (Chapter 10, pages 193-215) <ul style="list-style-type: none"> ◦ Nursing Care Facility Need Methodology Petition Review Discussion/Recommendations for the Proposed 2011 SMFP ◦ Nursing Care Facility Policies Review (pages 25-31, 2010 SMFP) ◦ Discussion/Recommendations for the Proposed 2011 SMFP ◦ Nursing Care Facilities Assumptions and Methodology Review (pages 193-195, 2010 SMFP) ◦ Discussion/Recommendations for the Proposed 2011 SMFP ◦ Issues Related to Nursing Care Facilities (None) ◦ Projected Nursing Care Facility Bed Need Determinations • Discussion/Recommendations for the 2011 SMFP 	Committee Members Gene DePorter
<ul style="list-style-type: none"> • Adult Care Homes (Chapter 11, pages 217-249) <ul style="list-style-type: none"> ◦ Petitions (None received) ◦ Adult Care Home Policies Review (pages 32-33, 2010 SMFP) ◦ Discussion/Recommendations for the Proposed 2011 SMFP ◦ Adult Care Homes Assumptions & Methodology Review (pages 218-219, 2010 SMFP) ◦ Discussion/Recommendations for the Proposed 2011 SMFP ◦ Issues Related to Adult Care Homes (None) ◦ Projected ACH Bed Need Determinations ◦ Discussion/Recommendations for the Proposed 2011 SMFP 	Committee Members Patrick Baker
<ul style="list-style-type: none"> • Home Health Services (Chapter 12, pages 251-286) <ul style="list-style-type: none"> ◦ Home Health Services Policy Review (page 33, 2010 SMFP) ◦ Discussion/Recommendation for the Proposed 2011 SMFP ◦ Home Health Services Assumptions and Methodology Review (pages 251-254, 2010 SMFP) 	Committee Members Victoria McClanahan

<ul style="list-style-type: none"> ◦ Discussion/Recommendations for the Proposed 2011 SMFP ◦ Petitions (None Received) ◦ Issues Related to Home Health Services (None) ◦ Projected Home Health Service Need Determinations ◦ Discussion/Recommendations for the Proposed 2011 SMFP 	
<ul style="list-style-type: none"> • Hospice Services (Chapter 13, pages 287-328) <ul style="list-style-type: none"> ◦ Hospice Petition Review ◦ Discussion/Recommendations for the Proposed 2011 SMFP ◦ Hospice Assumptions & Methodology Review (pages 290-293, 2010 SMFP) ◦ Discussion/Recommendations for the Proposed 2011 SMFP ◦ Other Issues Related to Hospice Services (None) ◦ Projected Hospice Service Need Determinations ◦ Discussions/Recommendations for the Proposed 2011 SMFP 	<p>Committee Members Gene DePorter</p>
<ul style="list-style-type: none"> • End Stage Renal Disease (ESRD) Dialysis Facilities (Chapter 14, pages 329-334) <ul style="list-style-type: none"> ◦ Petitions (None Received) ◦ ESRD Policy Review (pages 33-34, 2010 SMFP) ◦ Discussion/Recommendations for the Proposed 2011 SMFP ◦ ESRD Assumptions and Need Methodology Review (pages 331-334, 2010 SMFP) ◦ Discussion/Recommendations for the Proposed 2011 SMFP ◦ Issues Related to ESRD Facilities (None) ◦ Projected ESRD Station Need Determinations ◦ Discussion/Recommendations for the Proposed 2011 SMFP 	<p>Committee Members Patrick Baker</p>
<ul style="list-style-type: none"> • Psychiatric Inpatient Services (Chapter 15, pages 335-346) <ul style="list-style-type: none"> ◦ Petitions (None Received) ◦ Psychiatric Inpatient Service Policy Review (page 34, 2010 SMFP) ◦ Discussion/Recommendations for the Proposed 2011 SMFP ◦ Psychiatric Inpatient Service Assumptions and Need Methodology Review (page 336-339, 2010 SMFP) ◦ Discussion/Recommendations for the Proposed 2011 SMFP ◦ Issues Related to Psychiatric Inpatient Services (None) ◦ Projected Psychiatric Inpatient Bed Need Determinations ◦ Discussion/Recommendations for the Proposed 2011 SMFP 	<p>Committee Members Patrick Baker</p>
<ul style="list-style-type: none"> • Substance Abuse Inpatient and Residential Services (Chapter 16, pages 347-354) <ul style="list-style-type: none"> ◦ Petitions (None Received) ◦ Substance Abuse Inpatient & Residential Services Policy Review (page 34, 2010 SMFP) ◦ Discussion/Recommendations for the Proposed 2011 SMFP ◦ Substance Abuse Inpatient & Residential Services Assumptions and Need Methodology Review (page 348-350, 	<p>Committee Members Patrick Baker</p>

<ul style="list-style-type: none"> ◦ Discussion/Recommendations for the Proposed 2011 SMFP ◦ Issues Related to Substance Abuse Inpatient & Residential Services (None) ◦ Projected Substance Abuse Inpatient & Residential Bed Need Determinations Discussion/Recommendations for the Proposed 2011 SMFP 	
<ul style="list-style-type: none"> • Intermediate Care Facilities for the Mentally Retarded (Chapter 17, pages 355-370) <ul style="list-style-type: none"> ◦ Petitions (None Received) ◦ Intermediate Care Facilities for the Mentally Retarded Policy Review (pages 35-36, 2010 SMFP) ◦ Discussion/Recommendations for the Proposed 2011 SMFP ◦ Intermediate Care Facilities for the Mentally Retarded Assumptions and Need Methodology Review (pages 358-359, 2010 SMFP) ◦ Discussion/Recommendations for the Proposed 2011 SMFP ◦ Issues Related to Intermediate Care Facilities for the Mentally Retarded (None) ◦ Projected Intermediate Care Facilities for the Mentally Retarded Bed Need Determinations ◦ Discussion/Recommendations for the Proposed 2011 SMFP 	<p style="text-align: center;">Committee Members Patrick Baker</p>
<ul style="list-style-type: none"> • Adjournment 	<p style="text-align: center;">Jerry Parks</p>

Long Term Care/Behavioral Health Committee
April 23, 2010-Agency Petition Reports for Policies, Methodologies and
Assumptions of the Proposed 2011 Plan

AGENCY REPORT

Petitions

Petition 2: Skilled Nursing Facility Need Methodology-Use Rates and 2020 Impact
Analysis

J. Craig Souza
North Carolina Health Care Facilities Association
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Petition 1: North Carolina Health Care Facilities Association. Skilled Nursing Facility Need

Methodology-Use Rates, 2020 Impact Analysis, Healthcare Alternatives for the Elderly, Geographic Distribution of Nursing Facility Beds.

Request:

Petitioner requests a review of the impact of the *historic use rate element* of the skilled nursing facility bed need methodology and projecting need with adjustments for senior care alternatives outside of skilled nursing facility beds. The petitioner therefore requests the establishment of a work group to review the current need methodology and the off setting of need through senior care alternatives.

Background Information:

Chapter 2 of the State Medical Facilities Plan describes the purpose and process for submitting petitions to amend the state medical facilities plan during its development. Petitions can be sent to the Medical Facilities Planning Section twice during the course of plan development. Early in the planning year petitions can be submitted that are related to basic plan policies and methodologies and assumptions that have a statewide effect. *“Changes with the potential for a statewide effect are the addition, deletion, and revision of policies and revision of the projection methodologies.”* The changes recommended by these petitioners is need methodology based. Late in the planning year petitions can be submitted that relate to adjustments to need determination in a proposed state medical facilities plan.

Analysis of the Petition for Work Group Review of The Skilled Nursing Facility Policies, Methodology, and Assumptions:

The petitioner is asking for an evaluation of; 1) the appropriateness of the methodology’s historic use rate, 2) the allocation of nursing facility beds where the need is the greatest and 3) the consideration of modifying the methodology need projections based upon *“other long term health care options available to today’s seniors.”*

In reference to historic use rates, the petitioner states the following;

“Based on the current need determination methodology, which is essentially a historical ‘use rate’ based on the population in a given county over the ages of 65, 75, and 85, we could see a projected need for 12,000 or more additional beds by 2020.”

There is an additional use rate used in the methodology that has limited impact, the age group 0-64.

In reference to the appropriateness of the Nursing Home methodology historic use rate; note that by definition, the utilization rate is a widely accepted metric for measuring the percentage of production capacity actually used over a defined period of time. The utilization rate is a standard metric in finance, production, healthcare and numerous other sectors of the economy. The relevancy of the word historic is based upon the defined time period applied; the further back in time the greater the need to define the circumstances and events that make the historic use rates relevant. Therefore it is standard practice when attempting to project further utilization and need to evaluate a retrospective time period of three to five years to have three to four data points to establish a trend line of recent past activity. However, this framework for projecting future Skilled Nursing Bed Need has not been reviewed in more than fifteen years. Given the significant shifting of patient site of care reflected by the tremendous growth in outpatient versus inpatient hospital services, the shift of services from hospitals to physician office settings, and the shift from Skilled Nursing Facilities to Adult Care Homes makes it apparent that market shifts and effecting the site of care.

Agency Recommendation:

Based upon the preceding transitions and other factors the Agency recommends that the Long-Term Care/Behavior Health Subcommittee appoint a Work Group to evaluate the appropriateness and accuracy of the Skilled Nursing Facility Bed Need Policies, Methodology, and Assumptions.

