

Long-Term and Behavioral Health Committee
Exhibit 5
Basic Assumptions of the Method, Nursing Home Beds

Basic Assumptions of the Method

1. The principal determinant of nursing home use is the age of the population; the higher the age, the higher the use.
2. Any advantages to patients that may arise from competition will be fostered by policies which lead to the establishment of new provider institutions. Consequently, whenever feasible, allocations of 90 additional beds or more should be made. It is recognized, however, that such allocations do not always result in new entities.
3. Counties whose deficits represent a high proportion (10 percent or greater) of their total needs (deficit index) and who have an occupancy of licensed beds in the county, excluding continuing care retirement communities, that is 90 percent or greater based on utilization data reported on 2010 License Renewal Applications, should receive need determinations, even though such increments may be of insufficient size to encourage establishment of new facilities.
4. Need should be projected three years beyond the plan year because at least that amount of time is required to bring a needed facility or expansion into service.
5. To the extent that out-of-area patients are served by facilities operated by religious or fraternal organizations, beds so occupied will be excluded from a county's inventory.
6. When substantial blocks of nursing care beds have been converted to care for head injury or ventilator-dependent patients, these beds will be removed from the inventory.
7. One-half of the nursing care beds developed as part of a continuing care retirement community (under Policy NH-2) will be excluded from the inventory.
8. Nursing care beds transferred from state psychiatric hospitals to the community pursuant to Policy NH-5 shall be excluded from the inventory.
9. A goal of the planning process is a reasonable level of parity among citizens in their geographic access to nursing home facilities.

10. The following bed-to-population ratios were derived from combined patient utilization data as reported on 2010 Nursing Home License Renewal Applications and on Nursing Care Supplements to the 2010 Hospital License Renewal Applications, projected forward for 30 months based on trend lines reflecting the previous five years' data by age group.

<u>Age Group</u>	<u>Beds Per 1000 Population</u>
Under 65	0.66
65-74	11.18
75-84	29.05
85 and Over	105.09

Note all data for 2011 SMFP is subject to change and is continually updated.

Sources of Data

Population Data:

Projected numbers of residents, by county and age group, for 2014 were obtained from the North Carolina Office of State Budget and Management.

Estimated active duty military population numbers were excluded from the "Under 65 age group" for any county with more than 500 active duty military personnel. These estimates were obtained from the "Selected Economic Characteristics" portion of the 2000 Census, under the category of "Employment Status – Armed Forces."

Utilization Data:

Data on utilization of nursing facilities by age groups were compiled from the "2010 Renewal Applications for License to Operate a Nursing Home," combined with data from the "Nursing Care Facility/Unit Beds 2010 Annual Data Supplement to Hospital License Applications," as submitted to the North Carolina Department of Health and Human Services, Division of Health Service Regulation.