

Long-Term and Behavioral Health Committee
Exhibit 6
Application of the Method, Nursing Home Beds

Application of the Method

The steps in applying the projection method are as follows:

- Step 1: Multiply the adopted age-specific use rates (*see "Assumptions"*) by each county's corresponding projected age-specific civilian population (*in thousands*) for the target year (2014).
- Step 2: For each county, add the products of the age-specific projections of beds in Step 1. The sum is the county's projected bed utilization.
- Step 3: For each county, the "planning inventory" is determined based on licensed beds adjusted for: CON-Approved/License Pending beds, beds available in prior Plans that have not been CON approved, and, exclusions from the county's inventory, if any. For each county, the projected bed utilization derived in Step 2 is subtracted from the "planning inventory." The result is the county's surplus or deficit.
- Step 4:
- a. For a county with a deficit of 71 to 90 beds, if the average occupancy of licensed beds in the county, excluding continuing care retirement communities, is 90 percent or greater based on utilization data reported on 2010 Renewal Applications, the need determination is 90 beds.
 - b. For a county with a deficit of 91 or more beds, if the average occupancy of licensed beds in the county, excluding continuing care retirement communities, is 90 percent or greater based on utilization data reported on 2010 Renewal Applications, the need determination is the amount of the deficit rounded* to 10.
 - c. If any other county's deficit is 10 percent or more of its total projected bed need, and the average occupancy of licensed beds in the county, excluding continuing care retirement communities, is 90 percent or greater based on utilization data reported on 2010 Renewal Applications, the need determination is the amount of the deficit rounded* to 10.

*For purposes of rounding need determinations, numbers greater than 10 and ending in one to four would round to the next lower number divisible by 10, and numbers ending in five to nine would round to the next higher number divisible by 10.

(A nursing care bed's service area is the nursing care bed planning area in which the bed is located. Each of the 100 counties in the state is a separate nursing care bed planning area.)