

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

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.

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.