

Long-Term & Behavioral Health Committee
Agency Report for Petition Regarding
Adult Care Home Demonstration Project-Alexander County
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 hospitalization for residents of Special Care Units with Dementia who display violent or potentially harmful 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 1 to 6 beds are Family Care Homes and are not part of the State Medical Facilities Plan (SMFP). Inventory and utilization information for adult care homes first appeared in the 2002 State Medical Facilities Plan.

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 and increased to 14 percent of adult care home beds in fall of 2010, and continues to increase. Currently, approximately 180 facilities have Special Care Unit beds statewide. 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: "The length of stay at this facility will vary, as each plan of treatment will be individualized to the resident's unique presentation of symptoms. However, average lengths of stays are expected to be between 4 and 24 weeks." 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," and "would be available to residents coming from unaffiliated facilities," and "would be able to handle 16% to 21% of the estimated statewide need," and "one could assume that this facility might more likely draw from the Western part of the State. In that case, the facility would still only be serving 32% to 42% of the need."

The proposed facility would accept both private pay residents and residents relying on Medicaid, and would be operated within the current Special Care Unit reimbursement structure.

Analysis/Implications:

The petitioner states; "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 or Dementia. Addressing their needs is beyond the capabilities of normal Special Care Units."

Petitioner states: “will offer an alternative to psychiatric hospitalization for residents of Special Care Units with Dementia who display violent or potentially harmful behavior and require supervision beyond that which a normal Special Care Unit can provide.” The petitioner also states: “The goal of this demonstration project is to meet a need within the Alzheimer’s Community,” and “The demonstration project will provide persons with Dementia residing in Special Care Units who demonstrate violent behavior with a less traumatic and less costly alternative to Psychiatric Hospitals.”

The petitioner states: “As discussed earlier in this petition, the residents with Dementia taking advantage of this unique facility would be placed inappropriately in a Psychiatric Hospital for a lack of an alternative,” and “As a demonstration project, this facility would operate to demonstrate the best solution to the problem that these select residents with Alzheimer’s disease and Dementia represent.”

Petitioner states: “the staff, with the help of medical professionals, will incorporate innovative techniques to ensure the reintegration of the residents into the facilities from which they came,” and “Plan of care based on comprehensive history of resident, state of dementia, physical status and current identified resident and family needs.” The petition does not include Alzheimer’s disease within the reintegration techniques provided by the petitioner.

The petitioner states: “This demonstration project anticipates using the following criteria for admitting new residents: - Primary diagnosis of dementia.” The petition does not include Alzheimer’s disease within the criteria for admission provided by the petitioner.

Petitioner states: “Furthermore, although Psychiatric Hospitals provide a higher level of care than this project facility would, they do not specialize in Alzheimer’s disease, as this facility will. Specialization such as this enables a higher quality of care.”

Based on the above statements throughout the petition, the Agency is unable to ascertain if the petitioner understands there can be differences between “Alzheimer’s disease and Dementia.”

For example, 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. The petitioner is not including these specific diagnosis requirements in its admission criterion, or reintegration techniques and/or as an evaluative tool as would be required under current licensure rules as the reason for this proposed Demonstration Project.

The petitioner states: “In this facility, specially trained staff would work to augment the violent behaviors exhibited by the residents,” and “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.”

Based on the above statements, it is unclear if the petitioner understands the meaning of the word augment since the definition of augment is; “to increase or intensify, as in size, degree, or effect.” The Agency questions why any treatment plan, for any diagnosis, would plan to increase

violent and/or chronic problem behaviors to be considered appropriate and in the best interest of a patient in any type of residential treatment facility.

Petitioner states: “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. This is a very traumatic experience and many times causes further deterioration of the residents cognitive functioning. This subgroup is large enough to justify focused attention.”

The petitioner does not provide supportive data as to the number via specific location(s) of where their residents, current and/or former, whom petitioner proposes this Demonstration Project is for, have been discharged to, (i.e., home with or without family, psychiatric hospital(s), other Meridian Senior Living Facility(s), or a competitor’s facility), for any period of time, in order to demonstrate a need for a statewide Demonstration Project.

The 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. Furthermore, by providing an alternative to psychiatric hospitalization, this demonstration project will relieve some of the burden of psychiatric hospitals and crisis stabilization units which have long been faced with extensive waiting lists and overcrowding.”

Petitioner states: “The current system leaves a care gap between Special Care Units in Adult Care Homes and Psychiatric Hospitals. At certain stages in the progression of Alzheimer’s disease and other Dementia’s, 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 Dementia sufferer and their family; it also puts an unnecessary strain on the resources of Psychiatric Hospitals.”

The petitioner states: “This petition proposes a demonstration project that will meet an unmet need amongst Adult Care Homes and residents with Alzheimer’s disease and related dementia. This demonstration project not only meets a need within the Adult Care Home and Alzheimer’s communities, but it also provides a solution to a multidisciplinary problem: the improper use of Psychiatric Hospital beds by those would be better cared for under the regime provided by this demonstration project.”

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 statewide 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 in reference to current code compliance, building systems status and/or any inspection(s) in reference to current operating condition, as it pertains 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.

As explained in Chapter Two of the 2012 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 7, 2012**. Changes with the potential for a statewide effect are the addition, deletion, and revision of policies or projection methodologies.”

The petitioner notes “this petition in varying forms has been submitted twice to the SHCC on prior occasions.” First submittal was dated August 2, 2010. Second submittal was dated March 2, 2011. The State Health Coordinating Council (SHCC) denied both previous submissions.

Agency Recommendation:

As a “statewide demonstration project” this petition should be considered early in the year at the beginning of the planning cycle. As an adjusted need determination request for 50 ACH beds in Alexander County, the petition is timely. As noted by the petitioner, this request has been filed both ways.

However, the petition lacks quantitative information defining the existence of the problem and lacks evaluative criteria that would be necessary to measure the success of the project if approved.

The petition seeks to specify an existing building within a specific county as the project site. In general, statewide demonstration projects are available for competitive review.

Based on these factors, and acknowledging the significant growth in the number of Special Care Beds already approved statewide, the Agency recommends that the petition be denied.