Application of the Standard Methodology

Steps in applying the projection method are as follows:

Step 1: For each COG region, for each age group, calculate the "Average Annual Rate of Change in Number of Home Health Patients" over the previous three years.

Step 2: For each COG region, for each age group, calculate the "Average Annual Rate of Change in Use Rates per 1,000 Population" over the previous three years.

Step 3: For each county, for each age group, total the number of home health patients served in 2011 as reported from agencies' "Home Health Agency 2012 Annual Data Supplement(s) to License Application."

Step 4: For each county, multiply the "Average Annual Rate of Change in Number of Home Health Patients" for each age group from the affiliated COG region, times the number of patients for each age group from Step 3.

Step 5: Multiply the product from Step 4 by three (*to advance by three years*), and add that product to the base figure from Step 3 for each age group. The result is the anticipated number of patients who might be served by existing agencies in 2014 for each age group.

Step 6: For each county, for each age group, divide the number of patients served in 2011 by the county's population (*in 1,000's for each age group*). This produces use rates per 1,000 population for the county.

Step 7: Multiply the "Average Annual Rate of Change in Use Rate per 1,000 Population" for each age group from the affiliated COG region times the county use rates per 1,000 population for each age group from Step 6.

Step 8: Multiply the product from Step 7 by three (*to advance by three years*), and add that product to the base figure from Step 6 for each age group. The result is the anticipated use rate per 1,000 population in 2014 for each age group.

Step 9: For each age group, multiply the anticipated use rate per 1,000 population for 2014 times the projected 2014 population. The result is the potential number of home health patients in 2014.

Step 10: In counties for which additional home health agency office need determinations were made by the standard methodology or policy (*see the

seventh "Basic Assumption"), determine the difference between 325 and the number of patients actually served by each new agency in the county for which a need determination was made. If a new agency office served more than 325 clients, the agency's reported number of patients is not adjusted. If a new agency office served fewer than 325 clients, an adjustment "placeholder" equal to the difference between the reported number of home health patients and 325 is used.

Step 11:   For each county, sum the anticipated number of patients who may be served in 2014 (*from Step 5*) across all four age groups and the adjustment placeholder (*from Step 10*), if applicable. The result is an "Adjusted Potential Total People Served" for each county for 2014.

Step 12:   For each county, sum the potential number of home health patients in 2014 (*from Step 9*) across all four age groups. The result is the "Projected Utilization in 2014."

Step 13:   For each county, subtract the "Projected Utilization in 2014" from the "Adjusted Potential Total People Served." The remainder is the projected additional number of home health patients who will need home health services in 2014 (unmet need shows as a negative number of patients, *i.e.*, a "patient deficit"). A remainder including fractions of 0.50 or greater are rounded to the next highest whole number and a remainder including fractions of 0.50 or less are rounded to the next lowest whole number.

Step 14:   For each county, need for one new Medicare-certified agency office is determined for each projected deficit of 325 patients. (A Medicare-certified home health agency office's service area is the Medicare-certified home health agency office planning area in which the office is located. Each of the 100 counties in the state is a separate Medicare-certified home health agency office planning area.)