
CHAPTER 10

NURSING CARE FACILITIES

Introduction

G.S. 131E-176 (17b) defines a “nursing home facility” as “a health service facility whose bed complement of health service facility beds is composed principally of nursing home facility beds”

Definitions

A nursing care bed’s service area is the county in which the bed is located. Each of the 100 counties in the state is a separate service area.

The “reporting year” is October 1 through September 30. The current reporting year is October 1, 2016 through September 30, 2017.

The methodology projects bed need three years beyond the publication year of the current SMFP. The current “projection year” is 2022.

The “planning inventory” is the number of beds used in need determination calculations. It is the number of licensed beds plus any new beds approved by CON that are under development, minus any exclusions (see below) and beds to be relocated out of the county.

Changes from the Previous Plan

This chapter contains no substantive changes from the previous State Medical Facilities Plan . However, the chapter includes substantial technical edits.

Basic Principles

1. The methodology should project need three years beyond the current SMFP year because that is the least amount of time required to bring a new or expanded facility into service.
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, need determinations should be for at least 90 beds. However, such allocations do not always result in new entities.
3. Counties whose deficits represent at least 10 percent of their total needs (deficit index) and who report an occupancy rate of licensed beds in the county of at least 90 percent, excluding continuing care retirement communities, should receive need determinations even though such increments may be too small to encourage establishment of new facilities.
4. A goal of the planning process is a reasonable level of parity among persons in their geographic access to nursing home facilities.

Data Sources

The North Carolina Office of State Budget and Management provides projected numbers of North Carolina residents for the projection year by county.

Estimates of active duty military personnel come from the category of “Employment Status – Armed Forces” from the most recent American Community Survey 5-year Estimates.

Utilization data comes from the current and four immediately previous reporting years’ License Renewal Application to Operate a Nursing Home and the Nursing Care Facility/Unit Beds: Annual Data Supplement to Hospital License Applications, as submitted to the North Carolina Department of Health and Human Services, Division of Health Service Regulation.

Assumptions of the Methodology

1. Planning inventory and need determination calculations exclude all beds and days of care for:
 - a. nursing care beds converted to care for head injury or ventilator-dependent patients; .
 - b. nursing care beds developed pursuant to Policy NH-2; and
 - c. nursing care beds transferred from state psychiatric hospitals to the community pursuant to Policy NH-5.
2. The inventory excludes beds and the occupancy rate calculation excludes days of care for out-of-area patients served by facilities operated by religious or fraternal organizations.

The methodology excludes the estimated active duty military population from the county’s population for any county with more than 500 active duty military personnel.

3. The methodology uses the county bed use rate as the utilization measure in determining needs. Bed use rates are calculated per 1,000 population per county. Each county bed rate is calculated using a five year average annual change projected forward three years beyond the current SMFP publication year. For any county with an average annual change rate that is one-half of one standard deviation above or below the statewide average annual change rate , the bed use rate calculations substitute the statewide rate.
4. The methodology uses the higher of two different occupancy rate calculations to obtain the need determination with the greatest advantage. The adjusted occupancy rate for each county is calculated using the higher of the median of all facilities’ occupancy rates in a county or a countywide occupancy, whichever is higher. The calculations remove the equivalent days of care for the initial occupancy from calculations for beds that have been excluded from the inventory.

Application of the Methodology

Table 10A shows the inventory data and Table 10B shows the patient, population and bed use data that form the basis for the calculations discussed in the following steps. Table 10C shows projected bed utilization, bed surpluses/deficits and occupancy rates that are used to determine bed need.

- Step 1: Multiply the county bed use rates (*appears in Table 10B, Column G and Table 10C, Column B*) by each county's corresponding projected civilian population in thousands (*Table 10C, Column C*) for the projection year to calculate the projected bed utilization (*Table 10C, Column D*).
- Step 2: For each county, divide the projected bed utilization by a 95% vacancy factor (*Table 10C, Column E*).
- Step 3: For each county, calculate the planning inventory (*Table 10C, Column H*) by adjusting the licensed beds by the number of: CON-Approved/License Pending beds, beds available in prior Plans that have not been CON-approved (*Table 10C, Column F*), and by exclusions from the county's inventory, if any (*Table 10C, Column G*). For each county, subtract the projected bed utilization with applied vacancy factor derived in Step 2 (*Table 10C, column E*), from the planning inventory (*Table 10C, column H*). The result is the county's surplus or deficit (*Table 10C, Column I*).
- Step 4:
- a. For a county with a deficit of 71 to 90 beds, if the adjusted occupancy of licensed beds in the county is 90 percent or greater based on utilization data reported for the current reporting year (*Table 10C, Column K*), the need determination is 90 beds (*Table 10C, Column L*).
 - b. For a county with a deficit of 91 or more beds, if the adjusted occupancy of licensed beds in the county is 90 percent or greater based on utilization data reported for the current reporting year (*Table 10C, Column K*), the need determination is the amount of the deficit rounded to 10. The maximum need determination for each county is 150 beds (*Table 10C, Column L*).
 - c. For any other county with a deficit, calculate the county's deficit index by dividing the deficit by the result of Step 2 (*Table 10C, Column E*).
 - d. If any other county's deficit (deficit index) is 10 percent or more of its projected utilization (*Table 10C, Column J*), and the adjusted occupancy of licensed beds in the county is 90 percent or greater for the current reporting year (*Table 10C, Column K*), the need determination is the amount of the deficit rounded to 10. The maximum need determination for each county is 150 beds.
 - e. For purposes of rounding need determinations, numbers greater than 10 and ending in one to four round to the next lower number divisible by 10. Numbers ending in five to nine round to the next higher number divisible by 10.