

PETITION

**Petition for Adjusted Need Determination to the
State Health Coordinating Council
Regarding the Merging of Hyde County and Tyrrell County Adult Care Home Beds
into a Combined Service Area
2013 State Medical Facilities Plan**

State Health Coordinating Council
Medical Facilities Planning Section
Division of Health Service Regulation
2714 Mail Service Center
Raleigh, NC 27699-2714

August 6, 2012

Petitioners:

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Hyde County Board of Commissioners
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REQUESTED ADJUSTMENT

This petition requests an Adjustment to the Need Determination from 40 Beds to 50 Beds in the combined service areas of Hyde County and Tyrrell County.

A petition was filed on March 7, 2012 to combine service area need determinations, such that the projected 20 beds of Tyrrell County and the projected 30 beds of Hyde County would be able to be combined in a single 50-bed facility to be located within the combined service area of Hyde County and Tyrrell County. Such a combination would allow an adult care home to be built that would serve the residents of both counties and would be large enough to take advantage of economies of scale and therefore be financially feasible.

The March 7, 2012 petition requested that Table 11C would be adjusted to read as follows:

County	HSA	Number of New Adult Care Home Beds Needed	CON Application Due Date	CON Beginning Review Date
Combined Hyde-Tyrrell Service Area	VI	50	June 15, 2013	July 1, 2013

However, when the Need Determination was calculated for the combined service area of Hyde County and Tyrrell County, the proposed Need Determination is 40 beds. In Table 11B: Adult Care Home Need Determinations for 2016, the "Application of the Standard Methodology" for the combined service area calculated a Projected Bed Utilization Summary of 44 beds and was rounded down to 40.

REASONS FOR THE PROPOSED ADJUSTMENT

The 30 beds allocated to Hyde County and the 20 beds allocated to Tyrrell County have been in the State Medical Facilities Plan for many years. The petitioners expected that the Need Determination for the combined service area of Hyde County and Tyrrell County would be 50 beds.

The Petitioners felt that a 50-bed adult care home would have the economies of scale necessary to allow adequate profit margins for the operator, while providing excellent care for the facility's residents.

A 40-bed adult care home will not have the economies of scale necessary to allow adequate profit margins for the operator, while providing excellent care for the facility's residents.

CONCLUSION

The citizens of Hyde and Tyrrell Counties have gone a long time with an adult care home bed need that has not been met. Having only a 30-bed and 20-bed allocation, respectively, potential applicants for the beds have been discouraged by the high risk of taking on such a small number of beds. Combining them into a financially feasible single service area with a 50 Bed Need Determination will assure that the needs of the populations in both counties be met.