

Presentation of Special Needs Petition

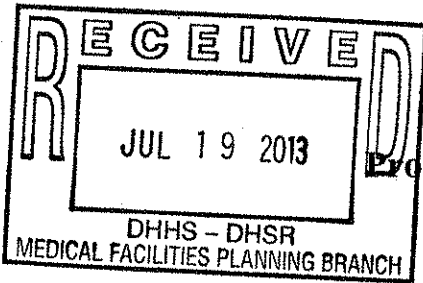
for

20 Adult Care Beds in Stanly County

Proposed 2014 State Medical Facilities Plan

Greensboro, North Carolina

July 19, 2013



Introduction

Thank you. Good afternoon, my name is Ted Goins. I am CEO of Lutheran Services Carolina. Our offices are located in Salisbury, North Carolina and we have facilities across the state from Arden to Wilmington. We are a not for profit, tax-exempt, and faith based organization, but we serve persons from all religious backgrounds. LSC has the capacity to serve over 1,100 residents daily and has a reputation for high quality care.

Today, I am here with a request for Stanly County in Health Service Area III. There, we operate Trinity Place (Lutheran Home – Albemarle), in Albemarle, NC. It is a 76- bed nursing home with 10 adult care beds. We would like to have 20 more adult care beds.

Request

I am here to ask members of the State Health Coordinating Council to modify the Proposed 2014 State Medical Facilities Plan (2014 SMFP) to include a “special need for 20 Adult Care beds in Stanly County.” This would be a modification to Chapter 11 of the SMFP, specifically addressing the Stanly County service area.

Reasons

Our primary reason for this request is efficiency and waiting list. If we have two beds unoccupied, we fall below the 85 percent threshold. And we often hold two beds open for our nursing home residents who fall in that zone between nursing home eligibility and adult care status. That makes us responsive on one hand, but it masks the need on the other.

The Proposed 2014 State Medical Facilities Plan shows no need for additional adult care beds in Stanly County. However, Table 11B shows a deficit of 12 beds in the county. The deficit does not generate a need because it is less than 10 percent of the current county inventory. We believe the calculated deficit is understated for 2016. We sustain a waiting list. One facility in the county periodically takes its beds out of circulation. Today, 17 are available. Last year, none were.

Indeed, use of adult care home beds has declined among younger age groups. But it is increasing in the group over age 85 and that group is growing. The methodology attributes all of the beds used in the county to county residents. However, our review of patient origin statistics shows that 22.5 percent of the adult care bed residents came from outside the county in 2011. With only 231 beds, 53 of those used by out-of-county residents, and 17 not available dependably, the county is short beds. When we hold even two beds for residents whose status is on the bubble, the true deficit grows even larger. As a result, persons who are also in need of care must go out of county to get it.

We are asking for 20 beds, because the true deficit is at least that large, and a unit with 30 beds is easier and more efficient to staff. Last year, the deficit in the Plan was 32 beds, making 20 clearly reasonable.

Alternatives

We considered waiting for the Plan to catch up, but we realized that this would never happen. We are at full capacity. Others are at full capacity. We cannot handle any more patients without more beds and full facilities will not generate a need.

Trinity Place is over 40 years old and we are looking at options for the building – one of which is to replace it. It is far more efficient to build all of the beds at one time than to do it in disjunctive increments.

A better alternative is to permit Lutheran Services to apply directly for 20 more adult care beds. This is efficient, cost effective, and will give us an opportunity to build a larger and more efficient facility. It is difficult to staff 20 adult care beds efficiently. We can get economies of scale with 30. The county has no dedicated special care unit for persons with Alzheimer's and dementia, and we are willing and have the resources and knowledge to provide an excellent memory care program. This provides better flexibility than a restricted Adult Care Special Care Unit and achieves outstanding results for persons who have memory and dementia related problems. If we rebuild, we would likely add a locked memory care unit to the nursing home beds.

Evidence of Non-Duplication

The proposal will not unnecessarily duplicate existing resources. The beds that routinely stay available are full. Some folks on our waiting lists have sustained now for over two years. And some current residents waited several years for admission to Trinity Place.

The number of persons over 75 in Stanly County will increase by almost 500 people by 2017, for a total of 4,840 over 75. This age group is growing at a rate of 2.0 to 2.5 percent a year. It will take us until at least 2016 to build a replacement facility. By then, even with current use rates, the need will have reached 26 more beds.

Age Group	Increase by 2017	Five-Year Average Use Rate	Additional Beds Needed
64-74	310	6.29	7.3
75-84	1,165	21.52	6.7
85+	311	76.60	12.0
Total			26

Benefit

In a best case scenario, beds in the 2014 State Medical Facilities Plan will not be on line in 2016, the year on which need projections are based. With normal delays associated with CON and construction, beds would not actually be available for three years.

Stanly County is growing on its western side and all of its health care resources are in the east. With beds in the plan, if we relocate, we could build a more efficient unit and bring long-term care to an area that has none at this time.

Quality

LSC facilities provide quality care and people want access to that care. LSC was recognized on the cover of the most recent issue of *Provider* magazine for its culture change and its plan to survive in these most difficult financial times. LSC frequently receives grant funding for its innovative programs. Most recently, LSC was awarded a grant to fund dementia program training for all its facilities.

Access

LSC charges are reasonable. We do what we promise. We understand requirements to meet county or state averages on Medicaid beneficiaries and our history demonstrates

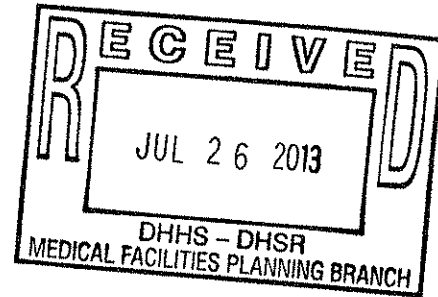
that we live up to those requirements. Our Medicaid average for the organization is nearly 60% today.

Value

The health care industry is concerned about appropriate resource use, minimizing hospital admissions and emergency room admissions. When the county has enough adult care beds in a quality facility, it has an alternative option to frequent emergency room and hospital admissions by people whose medications are out of balance, or whose family can no longer manage their care. This, and the exceptional quality reputation that Lutheran Services Carolinas treasures and strives to maintain will assure the state of a high value applicant for the requested beds.

I ask that you help us and approve this request. I will be submitting a formal petition in the required format later this month. Meanwhile, I will be happy to respond to any of your questions today.

**Presentation of Special Needs Petition for 20 Adult Care Beds,
Stanly County,
Proposed 2014 State Medical Facilities Plan
Charlotte, July 26, 2013**



Introduction

Thank you. Good afternoon, my name is Kesha Smith I am the Chief Operating Officer of Lutheran Services Carolina. Our offices are located in Salisbury, North Carolina and we have facilities across the state from Arden to Wilmington. We are not- for profit, tax- exempt and faith based organization, but we accept persons from any religious persuasion. LSC has the capacity to serve over 1,100 residents daily and have a reputation for high quality care. Today, I am here with a request for Stanly County in Health Service Area III. There, we operate Trinity Place (Lutheran Home – Albemarle), in Albemarle, NC. It is a 76- bed nursing home with 10 adult care beds.

Request

I am here to ask members of the State Health Coordinating Council to modify the Proposed *2014 State Medical Facilities Plan (2014 SMFP)* to include a **special need for 20 Adult Care beds in Stanly County**. This would be a modification to Chapter 11 of the *SMFP*, specifically addressing the Stanly County service area.

Reasons

We have a waiting list in Stanly County, but the methodology for adult care beds does not show it. The calculated need is 12 beds. However, most of the facilities in the county are small, with fewer than 20 beds. Trinity Place has 10. If we have two beds unoccupied, we

fall below the 85 percent threshold. Other small facilities have the same problem; and if the average occupancy in the county is less than 85 percent, the Plan shows no need, even if the calculations show a deficit.

We often hold two beds open for our nursing home residents who fall in that zone between nursing home eligibility and adult care status. That makes us responsive on one hand, but it masks the need on the other.

In the Proposed 2014 Plan, Table 11B shows a deficit of 12 beds in Stanly. The deficit does not generate a need because it is less than 10 percent of the current county inventory. We believe the calculated deficit is understated for 2016. Even if it were 10 percent, it would fail another test, the 85 percent occupancy. Yet, Trinity Place sustains a waiting list.

One facility in the county periodically takes its beds out of circulation. Today, 17 are available. Last year, none in this facility were open. Although use of adult care home beds has declined among younger age groups, it is increasing in those over age 85 and that group is growing.

The methodology attributes all of the beds used in the county to county residents. However, our review of patient origin statistics shows that 22.5 percent of the adult care bed residents came from outside the county in 2011. With only 231 beds and 53 used by out-of-county residents, and 17, not available dependably, the county is short beds. When we hold even two beds for residents whose status is on the bubble, the true deficit grows even larger. As a result, persons who are also in need of care and must go out of county to get it.

We are asking for 20 beds, because the true deficit is at least that large, and a unit with 30 beds is easier and more efficient to staff. Last year, the deficit in the Plan was 32 beds, making 20 clearly reasonable.

Alternatives

We considered waiting for the Plan to catch up, but we realized that this would never happen. We are full. Others are full. We cannot handle any more patients without more beds and full facilities will not generate a need.

Trinity Place is over 40 years old and we are looking at options for the building – one of which is to replace it. It is far more efficient to build all of the beds at one time than to do it in disjunctive increments.

A better alternative is to permit Lutheran Services to apply directly for 20 more adult care beds. This is efficient, cost effective and will give us an opportunity to build a larger and more efficient facility. It is difficult to staff 20 adult care beds efficiently. We can get economies of scale with 30. The county has no dedicated special care unit for persons with Alzheimer's' and dementia, and we are willing and have the resources and knowledge to provide an excellent unit. This provides better flexibility than an restricted SCU and achieves outstanding results.

Evidence of Non-Duplication

The proposal will not unnecessarily duplicate existing resources. The beds that routinely stay available are full. Some folks on our waiting lists have sustained now for over 2 years. And residents have waited several years for admission to Trinity Place.

The number of persons over 75 in Stanly County will increase by almost 1,500 people by 2017, a total of 4,840 by 2017. This age group is growing at a rate of 2.0 to 2.5 percent a year. It will take us until at least 2016 to build a replacement facility. By then, even with current use rates, the need will have reached 26 more.

Age group	Increase by 2017	Five-Year Average Use Rate	Additional Beds needed
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Benefit

In a best case scenario, beds in the 2014 State Medical Facilities Plan, will not be on line in 2016, the year on which need projections are based. With normal delays associated with CON and construction beds would not be available for three years. Stanly County is growing on its western side and all of its health care resources are in the east. With beds in the plan, if we relocate, we could build a more efficient unit. Adult care beds cost Medicaid about one-fourth of what a nursing facility bed costs (\$40 compared to \$165). Adult care is a good value proposition.

Quality

LSC facilities provide quality care and people want access to that care at LSC. Our work on culture change was featured by Provider magazine as a cover story and CMS has awarded us a grant for training our facility staff in dementia care.

Access

We understand requirements to meet county or state averages on Medicaid beneficiaries and our history demonstrates that we live up to those requirements. Our Medicaid average for the organization is nearly 60% today.

Value

The health care industry is concerned about appropriate resource use, minimizing hospital admissions and emergency room admissions. When the county has enough adult care beds in a quality facility, it has an alternative option to frequent emergency room and hospital admissions by people whose medications are out of balance, or whose family can no longer manage their care. This and the exceptional quality reputation that Lutheran Services Carolinas treasures and strives to maintain will assure the state of a high value applicant for the requested beds.

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**Presentation of Special Needs Petition for 20 Adult Care Beds,
Stanly County,
Proposed 2014 State Medical Facilities Plan
Raleigh, July 31, 2013**

Introduction

Thank you. Good afternoon, my name is ~~Kesha Smith~~ ^{County Admins} I am the ~~Chief Operating Officer~~ ^{Admins} of ~~Lutheran Services Carolina~~ ^{Trinity Place}. ~~Our~~ ^{LSC's} offices are located in Salisbury, North Carolina and we have facilities across the state from Arden to Wilmington. We are not- for profit, tax-exempt and faith based organization, but we accept persons from any religious persuasion. LSC has the capacity to serve over 1,100 residents daily and have a reputation for high quality care. Today, I am here with a request for Stanly County in Health Service Area III. There, we operate Trinity Place (Lutheran Home – Albemarle), in Albemarle, NC. It is a 76- bed nursing home with 10 adult care beds.

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Today, nine of our ten adult care beds are full. Our average daily census in 2012 was 10.6 beds. When we have an available bed, which rarely occurs, we prefer to hold it for patients who will be transferred from our short-term rehabilitation wing. That makes us responsive on one hand, but it masks the need on the other. We looked at 15 people on our waiting list and determined that because we were unable to ~~accept~~ ^{admit} these people, 9 went to another ACF, 2 went to SNF level of care, 3 remained at home and 1 went to another facility. This trend is spread across Stanly County. Currently, three of the seven adult care homes, including Trinity, are at 100 per cent capacity. One is at 90 per cent, and another at 83 per cent.

In the Proposed 2014 Plan, Table 11B shows a deficit of 12 beds in Stanly. The deficit does not generate a need because it is less than 10 percent of the current county inventory. We believe the calculated deficit is understated for 2016. Even if it were 10 percent, it would fail another test, the 85 percent occupancy. Yet, Trinity Place sustains a waiting list.

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