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Transmittal Sheet



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BY

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Name of Agency HEALTH SERVICES AGENCY

Department n/a

Contact Person Nancy Richardson

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CERTIFICATION OF AUTHORIZED OFFICER

I Hereby Certify That The Attached Rules Were Adopted
In Compliance with Act 434 of 1967 As Amended.

Signature

Director
Title

Nov. 10, 1993
Date

NURSING HOME METHODOLOGY

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All dates contained herein, (with one exception see below), forward one year each July 1st, eg. on July 1, 1994, the date "1998" which is listed under I. Population Based Methodology forward to 1999. The sole exception is the defining date for facilities. That date will move forward each year until the date becomes "1974"*. At that point "1974" will remain as the defining date.

Note: No applicant will be approved for additional beds if the county in which the applicant facility is located had the equivalent of 10% or more of the county's licensed bed capacity approved but unlicensed in 1992. eg. if in 1992 County "A" had 140 licensed beds with a 28 bed approval then the facilities in County "A" would not be eligible for additional beds under either the Population Based or Utilization Based methodology. The rationale is that an increase in beds would have effected occupancy. This applies to both Population and Utilization Based Need.

I. POPULATION BASED METHODOLOGY (PROJECTED TO 1998)

In order to qualify for additional beds, Counties showing a "need" under this section must have had an overall occupancy of at least 94.5% for the previous calendar year (1992).

If a "need" is projected for additional nursing home beds in a county (based on the Commission's previously adopted formula) then the following would apply.

A. Applicants will be favored in the following ranked order:

1. Applicants whose facility had a 96.0% occupancy rate or greater for the previous calendar year. These applicants would be eligible for 10% increase in their licensed capacity or 10 beds whichever is greater.
2. Applicants who proposed to replace older facilities. These applicants would be eligible for a 20% increase in their licensed capacity.

*(A "older facility" is one which had 50% of its beds licensed before Jan. 1, 1966)

*1974 is the first year 8 ft. corridors were a construction requirement for nursing homes.

3. Applicants who have a facility proposing to expand to 70 beds would be eligible to expand to 70 beds. Applicant facilities with less than 70 and more than 60 licensed beds would be eligible for a 10 bed increase.

Applicants qualifying under I.A-1 who also propose to add more than 10% or 10 beds will have a preference (for up to 35 beds) over applicants proposing a new facility.

B. The Commission may exceed "need":

when "need" is less than 10 beds in order to approve one applicant for a 10 bed increase (ie. the 10 beds would not be spread over 2 or more applicants).

II. UTILIZATION BASED

- A. Nursing homes may add up to 10% of their licensed capacity or 10 beds whichever is greater, if the facility has:
 1. an average of 96% or greater occupancy for the previous calendar year,
 2. no approved but unlicensed beds,
 3. is located in a county without a Population Based "need"; and
 4. (See p. 1) introductory remarks
- B. Nursing homes with less than 60 licensed beds could be approved to expand to 70 beds, if the facility has:
 1. 96.0% or greater occupancy during the previous calendar year,
 2. no approved but unlicensed beds,
 3. is located in a county without a Population Based "need" and
 4. (See p. 1) introductory remarks

III. REPLACEMENT OF OLDER FACILITIES

- A. Qualified applicant would be facilities which had at least 50% of their present beds licensed before July 1, 1966 and would propose to replace their existing facility. Each applicant would be approved for up to a 20% increase of their present licensed capacity.

- 1. Priorities for review:

- a. facilities under 70 beds shall be a priority, regardless of occupancy.

- B. Larger facilities (over 140) beds may apply and receive the 20% increase if the 140+ bed facility is replaced by 2 or more facilities each 140 beds or less, but not less than 70 beds per facility.
- C. Qualified applicants may apply under the 10% criterion (96.0% O.R.) and the 20% criterion (Pre-1965) or the Population Based criterion and the 20% criterion (Pre-1965) but the criteria cannot be combined to increase existing licensure by more than 20% except in the case of facilities expanding up to 70 beds.

IV. UNFAVORABLE REVIEW

No application will be approved for additional beds that:

- A. does not agree to eliminate all three (3) or more bed units in the applicant facility. A facility may have units only in order to comply with specific regulations for intensive care and/or sub-acute care units said regulations to be promulgated by the Office of Long Term Care of the Arkansas Department of Human Services,
- B. does not include a sprinkler system under regulations promulgated by the Office of Long Term Care of the Arkansas Department of Human Services. (This applies to new facilities only),
- C. is for an applicant home with current life threatening compliance issues that could not be corrected by the proposed construction, or
- D. Any nursing home found out of compliance by the Office of Long Term Care in the following areas in its last two annual surveys:
 - 1. Residents Rights
 - 2. Quality of Care
 - 3. Quality of Life
 - 4. Behavior (Admissions, discharges, restraints)

- NOTE: - Occupancy data on Medicaid certified facilities will be based on the report supplied by the Office of Long Term Care to the Health Services Agency. Occupancy data on facilities that did not report to the Office of Long Term Care will be based on the survey conducted by the Health Services Agency. (Non-reporting facilities include facilities without Medicaid beds and those facilities which changed ownership during the previous calendar year).
- Any facility applying for additional beds because of a 96% occupancy rate will not be approved for the 10% increase if the facility presently has approved but unlicensed beds or in the last month of the previous calendar year had approved but unlicensed beds.
 - The preferred bed size is a range from 70 to 140 beds. Any deviation will require special consideration by the Commission.

V. Lifecare Nursing Facility

A duly licensed nursing facility owned and operated by a lifecare center* as defined in Act 787 of 1993 and utilized exclusively by bona fide residents of the lifecare center, complying with statutory provisions governing lifecare centers, may increase its bed size every two (2) years by twenty percent (20%) up to a total of seventy (70) beds provided it files an application for a Permit of Approval with the Arkansas Health Services Agency to be approved by the Arkansas Health Services Commission and complies with all statutory and regulatory provisions of the Health Facilities Act pertaining to the addition of new beds, and provided it has been ninety percent (90%) occupied over the previous calendar year at the time of the application and has not admitted and agrees not to admit any resident who is not a bona fide resident of the lifecare center.

However, beds in such a facility shall not be counted when computing any bed need for a county because beds in a duly licensed nursing facility in a Lifecare Center are not available to the public, and the bona fide residents of such a facility shall not be counted in the population of the county.

*Lifecare centers will be designated as such by the appropriate state agency which will not be the Health Services Agency or the Health Services Commission.

POPULATION BASED FORMULA

This methodology projects nursing home bed need using the 1998 estimated population in four age groups (see below) of a service area (county):

AGE GROUP		BEDS PER 1000 POPULATION
Below	65	1.53
65	to 74	16.30
75	to 84	59.40
85	and above	153.10

NOTE: The projection for a county represents the number of patients estimated to need beds. Since all nursing homes cannot be expected to operate at 100% occupancy year round, additional beds are added to the projection to allow for patient fluctuation ie. the projection represents 95% of the beds needed.
