

# ARKANSAS REGISTER

AR. REGISTER DIV.

96 JAN -5 AM 9:38 Transmittal Sheet



SHARON PRIEST  
SECRETARY OF STATE  
STATE OF ARKANSAS

Sharon Priest  
Secretary of State  
State Capitol Rm. 01  
Little Rock, Arkansas 72201-1094

For Office Use Only: Effective Date 1/14/96 Code Number 049.00.96--001

Name of Agency HEALTH SERVICES AGENCY

Department N/A

Contact Person Orson Berry or Nancy Richardson Phone 661-2509

Statutory Authority for Promulgating Rules Arkansas Act 593 of 1987, as amended

	Date
Intended Effective Date	August 4-6, 1995
<input type="checkbox"/> Emergency	December 15, 1995
<input checked="" type="checkbox"/> 10 Days After Filing	December 21, 1995
<input type="checkbox"/> Other	January 4, 1996
Adopted by State Agency	December 15, 1995

## CERTIFICATION OF AUTHORIZED OFFICER

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

[Signature]  
Signature

661-2509  
Phone Number

Director  
Title

January 5, 1996  
Date

FILED  
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HSC Regulation 200M. Residential Care Facility (RCF) Methodology.

SHARON PRIEST  
SECRETARY OF STATE  
STATE OF ARKANSAS  
BY \_\_\_\_\_

Note: "No applicants will be approved for additional ~~beds~~ if the county in which the facility is located had at least a 10% increase in its licensed beds ie. if the 10% increase was approved but unlicensed during the previous calendar year. This applies only to Utilization Based Need."

I. Residential Care. Definition.

All references to "Residential Care" and "Residential Care facilities" refer to facilities that meet the definition contained in Act 1238 of 1993, which states:

"(14) 'Residential care facility' means a building or structure which is used or maintained to provide, for pay on a twenty-four hour basis, a place of residence and board for three (3) or more individuals whose functional capabilities may have been impaired but do not require hospital or nursing home care on a daily basis but could require other assistance in activities of daily living."

Residential Care facilities also include:

- A. Group Homes
- B. Retirement Centers or
- C. Any other facility which meets the statutory definition regardless of licensure category or the existence of a license category.

II. Service Area will be the county.

HSC Regulation 200M.

III. Bed need will be determined by a Population Based methodology and a Utilization Based methodology.

A. Population Based

- 1) Numerical Formula. At 90% optimum occupancy the following number of RCF beds are projected by Age group:

Age Group	Beds per 1000
Under 65	.5545
65-74	2.3014
75-84	5.1090
85+	17.4996

Bed need will be projected five years forward each July 1st, eg. in 1995 bed need will be projected for the year 2000.

- 2) Review Priorities. Applicants will be approved in the following ranked order:

- a. Applicants with high occupancy will have a priority for an increase of 10% or 10 beds whichever is greater. (For definition of "high" see "B, Utilization Based" below.)
- b. Applicants replacing "older" facilities will have a priority for a 20% increase.
- c. Applicants wanting to expand will have a priority for an increase of 5% or five beds whichever is greater.

The above priorities may not be combined i.e. an older facility with "high"

HSC Regulation 200M.

occupancy will be eligible for either a 10% or a ten bed increase or a 20% increase but not both.

No additional beds will be approved for a county showing a need under the Population Based Methodology where:

- 1) there is a valid POA for the first RCF in the county which has yet to be licensed; or
- 2) if the county has had its first and only RCF licensed within the last calendar year. After the initial RCF has been licensed for six months, the Commission will review the situation and determine if additional beds will be approved for the county.

B. Utilization Based. This methodology would apply in those service areas where a Population Based Need is not projected. Beds may be approved if a facility has had a "high" occupancy for the previous calendar year. "High" occupancy shall be at least an average of 85% for facilities of ten beds or less, 90% for facilities of 20 beds or less and 95% for facilities over 20 beds. Proof of occupancy is the applicant's responsibility and may be based upon either resident occupancy or "reimbursed" occupancy.

Eligible applicants may be approved for a ten bed

## HSC Regulation 200M.

increase.

### C. Size

While there is no minimum or maximum size, the suggested minimum size for new construction is 40 beds. Applicants proposing less will be held to a higher level of justification under the "Financial Feasibility" criterion. (See "Criteria" listed in the Commission's Policies and Procedures).

### D. Unfavorable Review

No application for additional beds will be approved for any residential care facility 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. Abuse and neglect of residents

## RESIDENTIAL CARE FACILITY BED NEED METHODOLOGY

Due to the potential number of applicants, applications may be proffered in the first review cycle following adoption of the rule for the counties listed below:

Calhoun	Jackson
Carroll	Jefferson
Clay	Lafayette
Cleveland	Lawrence
Garland	Lee

HSC Regulation 200M.

Hot Spring

Lincoln

Howard

Applications for the other 12 counties showing a need may be proffered no sooner than the second cycle following adoption of the rule. These counties are:

Little River

Perry

Madison

Pike

Miller

Prairie

Mississippi

St. Francis

Monroe

Washington

Newton

Ouachita

DEPARTMENT Health Services Agency  
DIVISION N/A  
PERSON COMPLETING THIS STATEMENT Orson Berry/Nancy Richardson  
TELEPHONE NO. 661-2509 FAX NO. 661-2399

FINANCIAL IMPACT STATEMENT

To comply with Act 884 of 1995, please complete the following Financial Impact Statement and file with the questionnaire and proposed rules.

SHORT TITLE OF THIS RULE Residential Care Need Methodology Revision

1. Does this proposed, amended, or repealed rule or regulation have a financial impact? Yes X No           
Additional beds, if occupied by Medicaid patients, could increase Medicaid expenditures.
2. If you believe that the development of a financial impact statement is so speculative as to be cost prohibited, please explain.
3. If the purpose of this rule or regulation is to implement a federal rule or regulation, please give the incremental cost for implementing the regulation. N/A

<u>1995-96 Fiscal Year</u>	<u>1996-97 Fiscal Year</u>
General Revenue <u>                    </u>	General Revenue <u>                    </u>
Federal Funds <u>                    </u>	Federal Funds <u>                    </u>
Cash Funds <u>                    </u>	Cash Funds <u>                    </u>
Special Revenue <u>                    </u>	Special Revenue <u>                    </u>
Other <u>                    </u>	Other <u>                    </u>
Total <u>                    </u>	Total <u>                    </u>

4. What is the total estimated cost by fiscal year to any party subject to the proposed, amended, or repealed rule or regulation?

<u>1995-96 Fiscal Year</u>	<u>1996-97 Fiscal Year</u>
Only applicants will have a cost, that being the one-time \$500 review fee.	

5. What is the total estimated cost by fiscal year to the agency to implement this regulation?

<u>1995-96 Fiscal Year</u>	<u>1996-97 Fiscal Year</u>
No additional funds.	