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SHARON PRIEST
SECRETARY OF STATE
STATE OF ARKANSAS

Transmittal Sheet



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

For Office

Use Only:

Effective Date 11/17/96 Code Number 049.00.96--007

Name of Agency HEALTH SERVICES AGENCY

Department N/A

Contact Person Orson Berry or Nancy Richardson Dunlap Phone 661-2509

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

Date

Intended Effective Date

Legal Notice Published Oct. 15-17, 1996

☐ Emergency

Final Date for Public Comment October 17, 1996

☒ 10 Days After Filing

Filed With Legislative Council October 4, 1996

☐ Other

Reviewed by Legislative Council November 7, 1996

Adopted by State Agency October 17, 1996

CERTIFICATION OF AUTHORIZED OFFICER

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


Signature

(501)661-2509

Phone Number

Director

Title

November 7, 1996

Date



Mike Huckabee - Governor
Orson Berry - Director

ARKANSAS HEALTH SERVICES AGENCY

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96 NOV -7 PM 1:48

SHARON PRIEST
SECRETARY OF STATE
STATE OF ARKANSAS

BY _____

November 7, 1996

Tonya D. Springer
Editor, *Arkansas Register*
Office of Secretary of State
256 State Capitol
Little Rock, Arkansas 72201-1094

RE: *Arkansas Register* Filing
Residential Care Facility (RCF) Methodology
(HSC Regulation 200M.A1)

Dear Tonya:

Attached please find two copies of the attached rule along with the *Arkansas Register* Transmittal Sheet.

Please let me know if you need anything else.

Many thanks!

Sincerely,

A handwritten signature in cursive script that reads "Nancy Richardson Dunlap".

Nancy Richardson Dunlap
Management Project Analyst

Attachment

96 NOV -7 PM 1:48

SHARON PRIEST
SECRETARY OF STATE
STATE OF ARKANSAS

HSC Regulation 200M.A1. Residential Care Facility (RCF) Methodology

(As amended.)

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 i.e. 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 licensure category.

II. Service Area will be the county.

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, e.g., 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" 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; or
 - (3) the existing facilities in the county are operating at an average occupancy rate of less than 80.0% for the previous calendar year.
 - 3. The Commission may exceed "need", when a need exists and is less than ten (10) beds in order to approve one applicant for up to a ten (10) bed facility.
- 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 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

DEPARTMENT HEALTH SERVICES AGENCY
PERSON COMPLETING THIS STATEMENT Nancy Richardson
TELEPHONE NO. FAX (501) 661-2509 FAX NO. (501) 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 Facility (RCF) Methodology
(Amendment A.1)

1. Does this proposed, amended, or repealed rule or regulation have a financial impact? Yes X No
2. If you believe that the development of a financial impact statement is so speculative as to be cost prohibited, please explain.

Additional beds, if occupied by Medicaid patients, could increase Medicaid expenditures.

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 Does not implement federal rule or reg.

1995-96 Fiscal Year

1996-97 Fiscal Year

General Revenue
Federal Funds
Cash Funds
Special Revenue
Other
Total

General Revenue
Federal Funds
Cash Funds
Special Revenue
Other
Total

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

1995-96 Fiscal Year

1996-97 Fiscal Year

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?

1995-96 Fiscal Year

1996-97 Fiscal Year

No additional funds.

No additional funds.