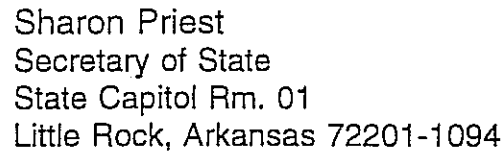


Transmittal Sheet



FILED
MR. ROBERT J. JIM
97 JUN -5 AM 10:31
SHARON F. WEST
SECRETARY OF STATE
STATE OF ARIZONA

FILED
AR. REGISTER DIV.
97 JUN -5 AM 10:31
JIMMY D. WEST
SECRETARY OF STATE
STATE OF ARKANSAS
BY _____

HSC Regulation 200M.A2. 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

RCF Methodology 200M.A2

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 facility(ies) in the county **is (are) operating at an average occupancy rate of less than 80.0% for the previous calendar year or the existing facility(ies) in the county is (are) operating at an average occupancy rate of less than 80.0% on the last date POA application forms may be submitted to the Agency in a quarterly review cycle.** Even if existing facilities were not at 80% occupancy, during the previous calendar year, additional beds may be approved where there is a "net", or unmet, need which is equal to, or

**greater than, fifty percent (50%) of
the county's projected need.**

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

RCF Methodology 200M.A2

surveys:

1. Residents Rights
2. Quality of Care
3. Abuse and neglect of residents

FILED
AR REGISTER DIV
97 JUN -5 AM 10:31
SHARON PRIEST
SECRETARY OF STATE
STATE OF ARKANSAS
BY _____

DEPARTMENT HEALTH SERVICES AGENCY
DIVISION _____
PERSON COMPLETING THIS STATEMENT NANCY RICHARDSON
TELEPHONE NO. 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 AMENDMENT TO RESIDENTIAL CARE FACILITY METHODOLOGY

1. Does this proposed, amended, or repealed rule or regulation have a financial impact? Yes _____ No x
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 _____	General Revenue _____
Federal Funds _____	Federal Funds _____
Cash Funds _____	Cash Funds _____
Special Revenue _____	Special Revenue _____
Other _____	Other _____
Total _____	Total _____

4. What is the total estimated cost by fiscal year to any party subject to the proposed, amended, or repealed rule or regulation? None.

<u>1995-96 Fiscal Year</u>	<u>1996-97 Fiscal Year</u>
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5. What is the total estimated cost by fiscal year to the agency to implement this regulation? NO ADDITIONAL FUNDS.

<u>1995-96 Fiscal Year</u>	<u>1996-97 Fiscal Year</u>
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THERE WILL BE NOTICE COSTS, HOWEVER, ADDITIONAL EXPENSES WILL BE COVERED WITH EXISTING FUNDS.

July 28, 1995