Montana Long-Term Care Facilities Plan
2021

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Preface

The Montana Long-Term Care Facilities Plan, written by the Department of Public Health and Human Services with guidance from the Statewide Health Coordinating Council to meet the requirements of the Montana Certificate of Need (CON) Law, provides need projections and guidance in determining need for long-term care facilities and services covered by the CON law. The plan should be used as a guideline along with more recent data or additional information, when available, in the review of CON applications. With final approval of Governor Greg Gianforte, the plan becomes the official Montana Long-Term Care Facilities Plan.

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Long-Term Care Facilities Plan

Definition of Long-Term Care Facility

A "long-term care facility" [50-5-301(2)(b) Montana Code Annotated (MCA)] means an entity that provides skilled nursing care, intermediate nursing care, or intermediate developmental disability care, as defined in 50-5-101, MCA, to a total of two or more individuals.

The term does not include residential care facilities, as defined in 50-5-1-1, MCA, community homes for persons with developmental disabilities, licensed under 53-20-305; community homes for persons with severe disabilities, licensed under 52-4-203, MCA; boarding or foster homes for children, licensed under 52-2-622, MCA; hotels, motels, boarding houses, or similar accommodations providing for transients, students, or individuals not requiring institutional care; or juvenile correctional facilities operating under the authority of the department of corrections. [50-5-301(2)(b) (ii) MCA]

Nursing homes provide both skilled nursing care and intermediate nursing care. Skilled nursing care is defined as "the provision of nursing care services, health-related services, and social services under the supervision of a licensed registered nurse on a 24-hour basis"(50-5-101(56) MCA). Intermediate nursing care is defined as "the provision of nursing care services, health-related services, and social services under the supervision of a licensed nurse to patients not requiring 24-hour nursing care"(50-5-101(35), MCA). Intermediate developmental disability care is defined as "the provision of intermediate nursing care services, health-related services, and social services for persons with a developmental disability, as defined in 53-20-102, MCA, or for persons with related problems (50-5-101 (34) MCA).

Discussion

History: The nursing home bed need methodology used by the Department of Public Health and Human Services (DPHHS) since 1982 did not effectively determine unmet need. While the methodology was utilization-based, growth was only made possible by applying a standard occupancy factor of 85 percent (85%) to each community and by adding five percent (5%) to the bed need in communities with consistently high occupancies. The 85% multiplier assumed to permit reasonable growth beyond current utilization (not necessarily over current beds). In 1996, DPHHS contracted with Abt Associates Inc. to explore the implications of the growing industry of subacute care, particularly as it affected Montana. Specifically, DPHHS asked whether subacute care should be recognized as a separate level of care, either for Certificate of Need (CON) or for licensure purposes, where that type of care could be provided, and what, if any, CON guidelines might be appropriate for that level of care. While the study did not recommend that subacute care be recognized separately, it stated CON decisions for skilled nursing beds should take bed use into account. In response to the study and to various provider concerns at the time, DPHHS incorporated new guidelines that allowed for an applicant to distinguish types of service they proposed to provide. Categories of care could include subacute

care, rehabilitation, Alzheimer's, traumatic brain injury, as well as any other services designated by the applicant.

As long-term care evolved to include a wide range of services, the utilization of nursing homes as part of that continuum needed to be addressed. DPHHS encouraged moderate, rational growth of nursing home beds as part of the long-term care continuum. DPHHS also recognized that the evolution of the long-term care industry continues to compel providers to develop new and creative ways of delivering care.

The current trend nationwide is toward aging in place. In the past several years, the unmet need for nursing home beds in Montana deceased every year. Data also showed occupancy rates were lower. Numerous nursing home closures also occurred. Little to no growth was happening and unmet bed need remained difficult to determine at times due to inconsistent data or no data being reported by facilities. Only communities with nursing homes or hospital swing bed use more than 1825 days were included in projections. The projections for unmet bed need were untimely due to poor reporting. Given these considerations, a new approach to determining unmet bed need is merited.

The Statewide Health Coordinating Council looked at factors used by several other CON states that review long-term care and the methodologies those states used for determining unmet need. Of the many factors contemplated by the statewide health coordinating council in considering what data should be used in the methodology to determine unmet bed need, the following were considered most important:

- Obtaining utilization data from facilities to arrive at an accurate unmet bed need number
- Consequences for non-reporting by facilities
- Occupancy rate percentages considered in addition to bed utilization
- Nursing home closures and high use of swing beds
- County versus community as the service area
- Utilization time frame one year versus three years
- Consideration of the current population aged 65 and older and five years into the future, as well as beds per 1000 population aged 65 and over
- Programs and services directed at special populations whose needs cannot be met otherwise or cannot be met cost-effectively at other facilities

The following goal, objectives, and guidelines were developed to use as a method of determining if a need exists for long-term care beds in Montana.

Goal:

Given the belief that people are best served in their local communities, Montanans in need of comprehensive long-term care, including nursing home services, should have these services readily available and accessible and provided at the closest proximity possible.

Objectives:

1. To promote the provision of nursing home services in facilities that provide residents with a level of care in accordance with all licensure and certification standards and that provide care to all residents, regardless of the resident's source of payment

2. To encourage the continued development and maintenance of services by nursing homes and the viability of those existing homes

3. To approve additional beds when a local need is determined as well as to consider bed availability within an applicant's service area when appropriate

4. To advocate for the development of nursing home services as only part of the larger long-term care continuum, including personal care homes, adult foster care homes, home health services, assisted living, palliative care, home-based and community services, waivers, and other programs

Guidelines:

As outlined in 50-5-304 MCA, any applicant seeking to provide long-term care or nursing home services should address the review criteria in the CON application, including an evaluation of the proposal with the guidelines established in this section. The review criteria consider consistency with this Long-Term Care Facilities Plan (LTCFP) but also allow consideration of additional data and other information. The statistical calculation of bed need shall serve as a guideline in reviewing the need for long-term care beds. However, the following and other factors may be considered in addition to the standard methodology when applications are submitted:

1. **Bed need methodology**: these projections are to be used only as a guideline and will not be the basis for automatic approval or disapproval of an application. The numbers may be modified during the review, either increased or decreased, based on evidence available at the time of review

2. **Continued high occupancy**: a 5% increase in unmet bed need if a community is over 95% occupancy

3. **Lack of existing services/new locations**: proposed projects in counties with no nursing homes will require use of an alternative method. The applicant should include utilization rates of both the nursing homes in any areas adjacent to the proposed area and of any facilities that may serve similar populations, as well as patient origin data, and any other information the applicant considers pertinent

4. **Service specificity**: consideration should be given to an application that proposes to develop a particular type of long-term care or nursing home service. Such as projects and services directed at special populations whose needs cannot otherwise be met or cannot be met cost-effectively at other facilities. The applicant should demonstrate unmet need, not only for

nursing home services within a specified community, but also for the specific type of service proposed, as well as a profile of the type of resident proposed to be served

5. **Long-term care alternatives**: applicants should address any appropriate existing or potential long-term care services within that community, including personal care homes, retirement homes, adult foster care homes, home health services, and other services

6. **Swing bed use**: in any community in which swing bed days exceed 1825 bed days (5 beds x 365 days), usage should indicate that nursing home beds are needed. DPHHS recognizes that swing beds are designed as "temporary" nursing home beds and are only to be used when there is no appropriate nursing home bed available (ARM 37.40.401 and 42 USC 1395tt)

7. **Small projects**: counties with a small number of beds may clearly need expansion, but the method may not permit enough beds to be feasible. Exceeding the projection should be considered in these cases

8. **Rapid change in use**: an increase in the use of nursing home services that is sustained for at least a year is not adequately covered by the proposed method. If evidence is presented that there is a local trend of changing service use, an adjustment to unmet need can be made

9. **Service migration**: in situations where beds are added and a nursing home in an adjacent community has been serving patients from that area and operating near capacity, the latter nursing home may need less beds than projected in the methodology

10. **Population projections**: current county population for persons aged 65 and older and projections five years into the future will be considered

Methodology:

The following information will be used to calculate the bed need for each community which contains at least one nursing home. These calculations will be revised annually.

1. Data on the number of licensed beds and patient bed days for each community for the last year as determined by the data reported by individual nursing homes in the Annual Certificate of Need Long-Term Care Reports submitted by facilities

2. Divide the total patient days (TPBD) by 365 to determine the average daily census (ADC)

3. Divide the ADC by an occupancy factor of 85% to determine the projected total bed need (PBN)

4. Compute the unmet bed need (UBN) by subtracting the number of licensed beds in the community from the PBN (**where a negative number shows there is no unmet need)*

The following formula is to determine unmet bed need:

TPBD/365 = ADC

ADC/.85=PBN

PBN - # licensed beds = UBN