

STATE HEALTH PLANNING AND DEVELOPMENT AGENCY

2024-2027
STATE HEALTH PLAN
ADMINISTRATIVE CODECHAPTER 410-2-4
FACILITIES410-2-4-.03 Nursing Homes.

(1) Definition. A Nursing Home is a business entity engaged in providing housing, meals and care to sick or disabled individuals who require medical care, nursing care, or rehabilitative services on a daily or more frequent basis. Hospital swing beds are included in Section 410-2-4-.09.

(2) Analysis of Existing Facilities

(a) As of October 2019, there were 232 licensed nursing homes, excluding state owned and operated facilities, totaling 27,383 beds operating in the state of Alabama. Average occupancy for the 228 facilities was approximately 84.8% for Fiscal Year 2018. Currently, there are approximately 32.9 beds per one thousand persons age 65 and older.

(b) Approximately 84.6 % of nursing home beds in Alabama are occupied by persons age 65 and older. This aged population represents 16.5% of the state's total population and is projected to increase during the coming years.

(c) Nursing homes provide various levels of care for those needing their services. These include:

1. Short-term post hospital care (PAC) for those who require specialized rehabilitation after their acute care hospital episodes. Most of these PAC admissions return home.
2. Long term care for those with complex chronic conditions requiring care and supervision unavailable in a home setting through available supports and services.
3. Palliative care for hospice patients unable to remain in a home environment.
4. Memory care in a secured environment for those with complex chronic conditions requiring care and supervision unavailable in a home setting through available supports and services and suffering from Alzheimer's disease and other forms of dementia.

(3) Long Term Supports and Services

(a) Efforts should be made to maintain an optimum quality of life for long term care residents in their home for as long as possible. The types and amounts of services needed for long term care residents vary. In order to enhance opportunities for residents needing long term care services, which would allow them to remain in their homes for as long as possible, the health care and social needs of these residents should be evaluated by an independent multidisciplinary team prior to nursing home admission. This team should also evaluate the ability of resources within the local community to meet the needs of these residents.

(b) To foster the ability of Medicaid beneficiaries needing long term care and supports to remain and thrive in their homes, the Alabama Medicaid Agency implemented a home and community-based services (HCBS) program. After consultation with consumers, consumer advocates, and a wide range of health care providers, Medicaid has further enhanced the HCBS program by developing and implementing the integrated care network (ICN) program. The ICN program focuses on bringing medical case management to the home and community-based services (HCBS) population to permit better medical risk assessment of those in the HCBS program which promotes their ability to thrive at home. The ICN also case manages Medicaid beneficiaries in nursing facilities through the existing minimum data set (or MDS) assessments, which includes a return to home assessment. Individuals who might otherwise require admission to a nursing home are now able to remain in their homes because of the home and community-based services provided through this program. Currently, there are nearly 8,200 residents whose long term care needs can be met through the program.

(4) Financing

(a) The Alabama Medicaid program was started in 1970, and as a result, the nursing home industry grew rapidly during the 70s. Since the 1980 adoption of a more restrictive bed need methodology, the number of beds added have tapered off considerably. Also, with the containment of health care costs as a primary concern, a moratorium on additional nursing home beds was established in August of 1984, and lifted in June of 1989, and was reinstituted in 2005. Medicaid patients account for 53.7% of patient days, private pay patients 20.7%, and Medicare 14.5% as of FY 2018.

(5) Availability

(a) The 232 licensed nursing homes located in Alabama are generally geographically well distributed and are accessible to the majority of the elderly population within thirty (30)

minutes normal driving time. Every Alabama county has a least one nursing home.

(6) Continuity

(a) Discussion

1. Nursing homes should provide care appropriate to resident needs. To ensure that comprehensive services are available and to ensure residents are at a proper level of care, nursing homes should provide, or should have agreements with other health care providers to provide, a broad range of care. When providing these services, or a part of any agreement to provide these services, transfer of residents and support service should be provided as necessary.

(b) Planning Policy. The rendering of complementary long term care services, such as home health care adult day care, senior citizen nutrition programs, hospice, etc., to long term care recipients should be fostered and encouraged. In areas where such services are sufficiently developed, health care facilities should be encouraged to have agreements that increase the availability of such services to residents. In areas where such services are not sufficiently available, facilities should be encouraged to develop and offer such services. The Alabama Department of Public Health, Bureau of Provider Standards, is encouraged to make the appropriate changes to the licensure requirements.

(7) Quality

(a) Quality care is an obligation of all nursing homes operating in Alabama. Each facility must meet standards of care as established by the federal government (Medicare and Medicaid Requirements of Participation) and the Alabama State Board of Health Rules and Regulations. The Bureau of Provider Standards of the Alabama Department of Public Health is responsible for determining compliance. Additionally, the Quality Improvement Organization (QIO) includes some nursing homes in its review.

(8) Nursing Home Bed Need Methodology

(a) Purpose. The purpose of this nursing home bed need methodology is to identify, by county, the number of nursing home beds needed to assure the continued availability, accessibility, and affordability of quality nursing home care for residents of Alabama.

(b) General. Formulation of this bed need methodology was accomplished by a committee of the Statewide Health Coordinating Council (SHCC). The committee which provided its

recommendations to the SHCC, was composed of providers and consumers of health care. Only the SHCC, with the Governor's final approval, can make changes to this methodology except that the SHPDA staff shall annually update bed need projections and inventories to reflect more current population and utilization statistics. Adjustments are addressed in paragraph (e).

(c) Basic Methodology. Considering the availability of more home and community-based services for the elderly in Alabama, there should be a minimum of 40 beds per 1,000 population 65 and older for each county.

1. The beds need formula is as follows:

$$(40 \text{ beds per thousand}) \times (\text{population 65 and older})$$
$$= \text{Projected Bed Need}$$

2. Due to budgetary limitations of the Alabama Medicaid Agency, additional nursing home beds cannot be funded by Medicaid funds; therefore, applications for additional nursing home beds to be funded by Medicaid should not be approved. Based upon the funding shortage, projects for additional nursing home beds would not be financially feasible. Until further action by the Statewide Health Coordinating Council, there shall be no need for additional skilled nursing beds in the State of Alabama.

(d) Planning Policies

1. The county's annual occupancy for the most recent reporting year should be at least 97% before additional nursing home beds are approved.

2. Conversion of existing hospital beds to nursing home beds should be given priority over new construction when the conversion is significantly less costly and the existing structure can be adapted economically to meet licensure and certification requirements. The conversion shall result in a decrease in the facility's licensed acute care beds equal to or greater than the number of beds to be converted.

3. Bed need projections will be based on a three year planning horizon.

4. Planning will be on a county-wide basis.

5. Subject to SHCC adjustments, no beds will be added in any county where that county's projected ratio exceeds 40 beds per 1,000 population age 65 and older.

6. No new free standing nursing home should be constructed having less than fifty (50) beds.

7. ICF/ IID facilities, state and privately owned, will not be included in the application of the SHCC adopted nursing home bed need methodology.

8. When any nursing home facility relinquishes its license to operate, either voluntarily or involuntarily other than by a Certificate of Need approved transfer, or by obtaining title by a foreclosure as specified in the opinion rendered by the Alabama Attorney General, November 17, 1980, the need for the facility and its resources will automatically be eliminated from the facilities portion of the State Health Plan. The new bed need requirement in the county where the facility was located will be that number which will bring the county ratio up to 40 beds per 1,000 population 65 and older.

(e) Adjustments. The bed need, as determined by the methodology, is subject to adjustments by the SHCC. The nursing home bed need may be adjusted by the SHCC if an applicant can prove that the identified needs of a targeted population are not being met by existing nursing homes in the county of the targeted population.

For a listing of Nursing Homes or the most current statistical need projections in Alabama contact the Data Division as follows:

MAILING ADDRESS STREET ADDRESS

(U.S.Postal Service)

PO BOX 303025

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(334) 242-4103

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effective September 18, 2012. **Amended (SHP Year Only):** Filed December 2, 2014; effective January 6, 2015. **Repealed and New**

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