Inter-county Relocation of Long Term Care Beds
Applications Submitted July 2, 2012 through July 30, 2012
Ohio Revised Code Section 3702.593
(Revised June 7, 2012)

Revisions have been made to the Certificate of need application instructions which are effective immediately. The significant changes are required in order to make the application compatible with current law and to update certain sections to be more in line with current business models. A brief summary of the changes include:

- Elimination of the projected financial performance ratios of the applicant. (10.19)
- Elimination of the requirement for a financial feasibility study by an independent accounting firm. (10.21)
- Notice that the site of a project may be revised prior to the application being declared complete in accordance with Section 3702.523 of the ORC.
- Elimination of the estimated cost projections on Exhibit I related to personnel and staffing.
- The Statewide long-term care bed need rate is 46.5 beds per 1000 population of people 65 years of age and greater. This figure is based on a statewide occupancy rate of 82.85% of long term care beds in facilities that filed a 2010 Medicaid cost report and is the bed need rate that was used to determine the number of beds needed in each county on the tables that have been posted to this webpage. There have been no changes to the posted tables.

The inter-county relocation of qualified long term care beds between some counties was approved by the Ohio General Assembly in the 2010 budget, House Bill 1. The Director of Health was authorized to identify counties that are projected to experience an increase in the population of individuals aged 65 and older in the coming years which is disproportionate to the number of available long term care beds. The tables presented here list the counties with the numbers of beds that have been authorized for relocation. Counties with excess beds have been identified with the maximum number of beds that may be relocated to one or more counties identified as having a projected need. Details for Certificate of Need (CON) filing and review criteria can be found in Chapter 12 of the Ohio Administrative Code which is available on the CON page of the Ohio Department of Health Website.

The following information is related to the tables of counties and the determination of the numbers of beds needed:

- Ohio and county population projections are provided to the public by the Ohio Department of Development. The population projections used for calculating the statewide bed need rate are required to be for a year that is five years from the date of the calculation. This cycle, the population projections used are for the year 2020, the next projection available that meets that requirement.

- The long term care bed supply for the purpose of determining the number of beds that may be relocated into or out of a county includes those beds identified in rule 3701-12-23 (B)(1).

- For the purpose of calculating the statewide occupancy rate, bed need rate and county occupancy rates, the number of beds considered include only those beds that are located in facilities that filed a Medicaid cost report for 2010.

- An applicant may apply for a CON to relocate beds from counties having a surplus of qualified beds to a county with a projected need up to the numbers of beds published in the tables and subject to certain exceptions.

    - A minimum of 100 surplus beds must be left in any county from which beds are being relocated. The 100 surplus beds have been recognized in the tables.

    - A county with an occupancy rate (based on 2010 cost report data) of less than 85% is ineligible for an increase in bed capacity during this review cycle even though a bed deficit may be calculated by the formula.

    - A county with an occupancy rate of greater than 90% may increase the bed supply by 10% of the current bed supply, even if a need for additional beds is not indicated by the formula. Those counties during this cycle are Fayette, Holmes and Monroe. Any surplus beds located in counties that are authorized an increase, may not be relocated out of the county in this review cycle.

    - Paragraph (G)(2) of section 3702.593 applies to this cycle. In summary, a facility from which beds are relocated shall reduce the number of beds operated in the facility by at least 10% of the number of beds being relocated.

- The Statewide long-term care bed need rate is <u>46.5 beds per 1000 population of people 65 years of age and greater</u>. This figure is based on a statewide occupancy rate of 82.85% of long term care beds in facilities that filed a 2010 Medicaid cost report.

- No new long term care beds are to be authorized under any circumstances.

- CON applications will continue to be accepted at any time for projects involving the intra-county relocation of beds pursuant to section 3702.592 and the relocation of beds from contiguous counties pursuant to section 3702.594 of the Ohio Revised Code.

The following information concerns the filing of Certificate of Need applications pursuant to section 3702.593 during the 2012 cycle:

- **CON applications for capacity increases based on the inter-county relocation of beds may be subject to comparative review and will be accepted by the Ohio Department of Health only from July 2, 2012 through July 31, 2012.**

- **Revisions to applications after they have been accepted for review and revised applications due to a change in the site will be accepted only in accordance with section 3702.523 of the revised code and rule 3701-12-08 of the administrative code.**

- **Applications will be accepted for the inter-county relocation of long term care beds only. If a project includes the intra-county relocation of long term care beds, a separate application must be filed.**

- **To demonstrate compliance with section 3702.593 (E)(4) of the revised code, the applicant must provide credible evidence that sufficient long term care beds will remain in the service areas of all source facilities. If the service area of any source facility is defined as a 15-mile radius, the applicant must demonstrate that the long term care beds listed as remaining in the service area are within the 15-mile radius.**