

Final
**NOTICE OF REQUEST FOR CERTIFICATE OF PUBLIC NEED APPLICATIONS
FOR DEVELOPMENT OF ADDITIONAL NURSING HOME BEDS
PLANNING TARGET YEAR 2010**

**THE VIRGINIA STATE BOARD OF HEALTH and
THE VIRGINIA DEPARTMENT OF MEDICAL ASSISTANCE SERVICES**

Legal Notice of Request for Certificate of Public Need Applications.

Pursuant to the authority vested in the State Board of Health ("Board") and the Department of Medical Assistance Services ("DMAS") by § 32.1-102.3:2 of the Code of Virginia, notice is hereby given of the issuance of a proposed Request for Applications ("RFA"). This RFA is a request for certificate of public need ("COPN") applications for projects that will result in an increase in the number of beds in which nursing home services are provided in the Commonwealth of Virginia. The RFA process is outlined in 12 VAC 5-220-335 of the Virginia Medical Care Facilities Certificate of Public Need Rules and Regulations.

Eligible Planning District and Total Nursing Home Beds Available for Authorization.

In the review cycle established by this RFA, the Commissioner of Health will consider requests for COPNs that propose an increase in nursing home beds in the planning district ("PD") identified below and that propose an increase in beds no greater than the number of available beds shown below for that planning district. COPN requests that propose an increase in nursing home beds in any other planning district not identified below or propose an increase in beds greater than the number of available beds shown below for the eligible planning district will not be accepted for review.

Planning District 14, also known as Piedmont Planning District, consisting of the counties of Amelia, Buckingham, Charlotte, Cumberland, Lunenburg, Nottoway, and Prince Edward.

Total nursing home beds available for authorization: 30.

Evaluation of Need for Additional Nursing Home Beds.

The "Nursing Home Services" component of the *Virginia State Medical Facilities Plan* ("SMFP") contains a nursing home bed need forecasting method (12 VAC 5-360-40.C). This method has been employed by the Virginia Department of Health to compute a forecast of needed nursing home beds in 2010 in each of Virginia's twenty-two planning districts.¹

¹ For conduct of the certificate of public need program, the Virginia Department of Health continues to recognize the former Planning District 20, Southeastern Virginia, and the former Planning District 21, Peninsula, rather than Planning District 23, Hampton Roads, which combined the former PD 20 and PD 21.

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Consistent with the *Virginia State Medical Facilities Plan* (12 VAC 5-360-40.A), no planning district is considered to have a need for additional nursing home beds unless the estimated average annual occupancy of all existing non-federal, Medicaid-certified nursing home beds in the planning district was at least 95% for the most recent three years for which bed utilization has been reported to the Virginia Department of Health (through nursing home filings with Virginia Health Information, Inc.).²

For purposes of this document, reporting years 2003 through 2005 are considered to be the most recent three years. The estimated average annual occupancy rates of some planning districts were adjusted to take into account certain regulatory sanctions (i.e., denial of payment for new admissions) that could have affected the ability of some nursing homes to admit Medicare and/or Medicaid patients for varying periods of time during 2003 through 2005.

Also, no planning district will be considered to have a need for additional nursing home beds if there are uncompleted nursing home beds authorized for the planning district that will be Medicaid-certified beds. The following table displays, by planning district, the nursing home *gross* bed need forecast for 2010, the current licensed bed inventory and COPN-authorized additions of nursing home beds, and the *net* bed need forecast for 2010.

The table also shows the estimated average annual occupancy rate of Medicaid-certified nursing home beds for each planning district for the reporting years 2003 through 2005, adjusted for regulatory sanctions in some cases, and identifies the status of each planning district with respect to authorized but uncompleted nursing home beds. The final column of the table states whether the planning district qualifies for additional nursing home beds for 2010.

**Nursing Home Bed Need Forecast and
Whether a Planning District Qualifies for Additional Nursing Home Beds in 2010**

Planning District	Gross Bed Need Forecast For 2010	Existing and Authorized Beds	Projected Net Bed Need In 2010	Estimated Avg. Occupancy Medicaid Beds 2003-2005	Authorized But Uncompleted Medicaid Beds	Planning District Qualifies for Additional NH Beds
1	625	641	(16)	92.2%	no	no--no need
2	537	547	(10)	83.6%	no	no--no need
3	1,322	1,405	(83)	92.5%	no	no--no need
4	765	788	(23)	80.9%	no	no--no need
5	2,050	2,301	(251)	91.5%	no	no--no need
6	1,650	1,528	122	93.5%	no	no--low occu.
7	949	972	(23)	89.6%	no	no--no need
8	4,868	4,402	466	90.9%	no	no--low occu.
9	881	746	135	94.6%	yes	no--uncom. beds
10	1,083	1,007	76	94.2%	no	no--low occu.
11	1,509	1,550	(41)	93.6%	no	no--no need

²The inventory and utilization of the Virginia Veterans Care Center are excluded, by regulation, from consideration in the determination of nursing home bed need.

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Planning District	Gross Bed Need Forecast For 2010	Existing and Authorized Beds	Projected Net Bed Need In 2010	Estimated Avg. Occupancy Medicaid Beds 2003-2005	Authorized But Uncompleted Medicaid Beds	Planning District Qualifies for Additional NH Beds
12	1,847	1,869	(22)	92.3%	no	no--no need
13	803	851	(48)	92.1%	yes	no--no need
14	677	635	42	95.2%	no	yes--30 beds
15	3,976	4,089	(113)	92.9%	yes	no--no need
16*	910	787	123	94.1%	no	no--low occu.
17	388	342	46	83.5%	no	no--low occu.
18	592	575	17	93.1%	no	no-- low occu.
19	1,130	1,075	55	95.4%	yes	no--uncom. beds
20	4,488	4,421	67	91.7%	no	no--low occu.
21	1,966	1,875	91	90.8%	no	no--low occu.
22	491	389	102	90.9%	no	no--low occu.
Total VA	33,507	32,795	712			

Sources: *Virginia State Medical Facilities Plan* (12 VAC 5-360-40)
Virginia Employment Commission (population projections, 2007 edition)
2002 Virginia Nursing Home Patient Survey, Virginia Association of Regional Health Planning Agencies (for age-specific nursing home use rates)
Office of Licensure and Certification, VDH (for bed inventory)

*Note to table: There are 90 authorized but uncompleted nursing home beds in PD 16 that are expected to be Medicaid-certified. However, by virtue of provisions of H 267 of the 2006 General Assembly (Chap. 816, Acts of Assembly), the existence of these uncompleted beds is not to keep PD 16 from being the subject of an RFA, if PD 16 otherwise qualifies for an RFA. Therefore, PD 16 is shown above as having no uncompleted beds expected to be certified for Medicaid.

Basis for Review.

The Commissioner, in his review of COPN requests submitted pursuant to this RFA, will consider each of the twenty factors enumerated in § 32.1-102.3 B of the Code of Virginia, as applicable. He will also consider applicable standards of the State Medical Facilities Plan (12 VAC 5-360 et. seq.).

Projection of Potential Fiscal Impact.

The Department of Medical Assistance Services projects total additional expenditures for medical services provided to Medicaid recipients of approximately \$0.96 million for the fiscal year ending June 30, 2010, if all the beds included in this RFA are authorized and available for occupancy by June 30, 2009. This projection is based on the following principal assumptions:

Average proportion of beds filled during FY 2010	91.20%
Assumed Medicaid proportion of bed-days of service	63.82%
Average estimated payment rate per day (direct, indirect, and capital costs)	\$182.89
Estimated patient-pay portion	\$30.67

Schedule for Review.

COPN requests filed in response to this RFA shall be filed in accordance with the provisions of 12 VAC 5-220-355. The review schedules shown below will apply. Letters of intent and applications must be received by the Virginia Department of Health Division of COPN and by the Central Virginia Health Planning Agency by the dates shown below in order to qualify for consideration in the specified review cycle.

Letter of intent must be received by May 1, 2008.

Application must be received by June 2, 2008.

Review cycle will begin on July 10, 2008.

Application Fees.

The Virginia Department of Health shall collect fees for COPN applications filed in response to this RFA. No application may be deemed to be complete for review until the required application fee is paid. The fee is one percent of the proposed capital expenditure for the project, but not less than \$1,000 or more than \$20,000.