

CERTIFICATE OF NEED REVIEW STANDARDS FOR HOSPITAL BED (HB) SERVICES  
**SUMMARY OF PROPOSED AMENDMENTS**

*Highlights of Proposed Changes*

**Section 2- Definitions**

- (b) (II) - Added the term *exclude psychiatric patient days*, to clarify adjusted patient days calculation.
- (d) - Added a new definition for “average adjusted occupancy rate” which is used in multiple sections. The definition has been modified as the previous calculation determined adjusted daily census.
- (n) - Modified definition to update the new Licensing and Regulatory Affairs Department.
- (kk)- Defined replacement beds in a hospital to ensure consistency among other bed standards.
- (nn)- Revised to read as *Emergency Room services*.

**Section 6- Requirements for approval of new beds in a hospital**

- 6(3)(b), (c) and (d) - Re-written to simplify the language including technical edits, e.g., removed the phrase “in order to be approved” as this is a given for the application to be approved.
- 6(3)(c)(i) - Added clarifying language to read : “As of the date of application....”
- 6(3)(c)(iii) - Added clarifying language to read: “licensed beds and approved beds.”
- 6(3)(e) - Added clarifying language to read: Subsection (3)(b), (c), and (d) shall not apply to excluded hospitals.

**Section 7- Requirements for approval to replace beds**

- 7(2) - Added language similar to the Nursing Home Bed standards for consistency throughout bed standards.
- 7(4) - Re-written to simplify the language including technical edits, e.g., removed the phrase “in order to be approved” as this is a given for the application to be approved.
- 7(4)(b) - Simplified language clarifying when beds will be reduced.
- 7(4)(b)(i) - Added clarifying language to read : “As of the date of application....”
- 7(4)(c) - Added clarifying language to read: Subsection (4)(a) And (b) shall not apply to excluded hospitals.

## **Section 8- Requirements for approval of an applicant proposing to relocate existing licensed hospital beds**

- 8(2) - Identified “source hospital.”
- 8(3) - Re-written to simplify the language including technical edits, e.g., removed the phrase “in order to be approved” as this is a given for the application to be approved.
- 8(3)(b) - Simplified language clarifying when beds will be reduced.
- 8(3)(b)(i) - Added clarifying language to read : “As of the date of application....”
- 8(3)(c) - Added clarifying language to read: Subsection (3)(a) and (b) shall not apply to excluded hospitals.

## **Section 15- Requirements for approval - acquisition of a hospital**

- 15(2) - Re-written to simplify the language including technical edits, e.g., removed the phrase “in order to be approved” as this is a given for the application to be approved.
- 15(2)(b)(i) - Replaced *average* with *annual* to correctly identify the annual adjusted occupancy calculation.

## **Staff Analysis**

The Program and Policy staff met to review the final draft of the proposed Hospital Bed Standards. In reviewing the standards, the Department discovered some substantive and technical issues.

- The term “average adjusted occupancy rate” is utilized multiple times within the standards. This calculation, as drafted, takes the adjusted patient days of care divided by the time period of the data. This results in an adjusted daily census, not an adjusted occupancy rate. Adjusted occupancy rate is calculated by taking the adjusted patient days of care for the time period, divided by the total number of licensed bed days for the same time period, and then multiplied by 100 to give a percentage. Therefore, the Department is recommending that the standard definition and calculation for average adjusted occupancy rate be added to the definitions.
- Section 6(3) - New beds criteria as the receiving hospital has been modified to only allow hospitals to receive the number of beds that would decrease the 36-month adjusted occupancy rate to 40%. Thus, non-excluded hospitals at 40% or below would not be able to receive beds. Excluded hospitals are not held to the criteria and could receive any amount of beds.
- Section 7(2) - Replacement Beds criteria has been modified to require hospitals to have a 36-month adjusted occupancy rate of 40% to replace all currently licensed and approved beds. However, hospitals with an adjusted occupancy rate of less than 40% could replace the number of beds to bring their occupancy rate to 60%. Excluded hospitals with an adjusted occupancy

rate below 40% would not qualify for the criteria and thus could not replace beds. The modified language would allow excluded hospitals to replace beds.

- Section 8(3) - Relocation of Beds criteria has been modified to require hospitals to have a 36-month adjusted occupancy rate of 40% to relocate beds. If the hospital has an adjusted occupancy rate of less than 40%, the criteria requires enough beds be relocated to bring their occupancy rate to 60%. Relocation of beds to multiple locations would be allowed to achieve this 60% adjusted occupancy rate. Excluded hospitals with an adjusted occupancy rate below 40% would not qualify for the criteria and thus could not relocate beds. The modified language would allow excluded hospitals to relocate beds.
- Section 15(2) - Acquisition criteria requires the hospital have a 36-month adjusted average occupancy above 40%. If the hospital's adjusted average occupancy is below 40%, then the facility must agree to a project delivery requirement that the facility will achieve 40% adjusted occupancy rate for a consecutive 12-month period at the 3<sup>rd</sup> anniversary of the acquisition date. Should the facility not achieve this, then it must relinquish enough beds to bring the hospital to 60% adjusted occupancy rate. Excluded hospitals are not subject to the criteria.

#### **Department Recommendation**

The above-mentioned amendments are being proposed to help with the administration of the proposed standards. If the proposed amendments are accepted, the standards will need to have a second Public Hearing as some of the amendments are deemed substantive, i.e., the addition of a definition and the calculation for "average adjusted occupancy rate" for use in those sections of the standards that address new hospital beds (Section 6), replacement beds (Section 7), relocating beds (Section 8), and acquiring a hospital (Section 15).