



STATE HEALTH PLANNING AND DEVELOPMENT AGENCY

100 NORTH UNION STREET, SUITE 870
MONTGOMERY, ALABAMA 36104

December 13, 2016



Honorable Robert Bentley, Governor
State of Alabama
State Capitol
Montgomery, Alabama 36130

Dear Governor Bentley:

At the December 9, 2016 meeting of the Statewide Health Coordinating Council (SHCC), the SHCC adopted the attached adjustment to Section 410-2-4-.04(2)(e)(iii) of the *2014-2017 Alabama State Health Plan*. This proposed adjustment allows for the addition of thirty-two (32) specialty care assisted living facility (SCALF) beds in Madison County, Alabama.

This rule was processed in accordance with the *State Health Plan* and the Alabama Administrative Procedure Act. Rule 410-2-5-.04(4)(d) of the *State Health Plan* provides that a plan adjustment shall be deemed disapproved by the Governor if not acted upon within fifteen (15) days. Upon your approval, the adjustment will be added to Section 410-2-4-.04(2)(e)(iii) of the *2014-2017 Alabama State Health Plan*.

You have the approval/disapproval authority for the *Alabama State Health Plan* and all amendments/adjustments thereto. I recommend your approval.

Call me at 242-4103 if you have questions about this proposed adjustment.

Sincerely,

Alva M. Lambert
Executive Director

Attachment: as stated

APPROVED:
Gov. Robert Bentley

Date 12/14/16

DISAPPROVED: _____
Gov. Robert Bentley

Date _____

410-2-4-.04 Limited Care Facilities – Specialty Care Assisted Living Facilities

(1) Definition. Specialty Care Assisted Living Facilities are intermediate care facilities which provide their residents with increased care and/or supervision which is designed to address the residents' special needs due to the onset of dementia, Alzheimer's disease or similar cognitive impairment and which is in addition to assistance with normal daily activities including, but not limited to, restriction of egress for residents where appropriate and necessary to protect the resident and which require a license from the Department of Public as a Specialty Care Assisted Living Facilities pursuant to Ala. Admin. Code § 420-5-20, et seq.

(2) Specialty Care Assisted Living Facility Bed Need Methodology

(a) Purpose. The purpose of this specialty care assisted living facility bed need methodology is to identify, by county, the number of beds needed to assure the continued availability, accessibility, and affordability of quality 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. Such updated information is available for a fee upon request. Adjustments are addressed in paragraph (E).

(c) Basic Methodology. Considering the availability of more community and home based services for the elderly in Alabama, there should be a minimum of 4 beds per 1,000 population 65 and older for each county.

The bed need formula is as follows:

$$(4 \text{ beds per thousand}) \times (\text{population 65 and older}) = \text{Projected Bed Need}$$

(d) Planning Policies

1. Projects to develop specialty care assisted living facilities or units in areas where there exist medically underserved, low income, or minority populations should be given priority over projects not being developed in these critical areas when the project to develop specialty care assisted living facilities in areas where there exists medically underserved, low income or minority populations is not more costly to develop than other like projects.

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

3. Planning will be on a countywide basis.

4. Subject to SHCC adjustments, no beds will be added in any county where that county's projected ratio exceeds 4 beds per 1,000 population 65 and older.

5. When any specialty care assisted living 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 4 beds per 1,000 population 65 and older.

6. Additional need may be shown in situations involving a sustained high occupancy rate either for a county or for a single facility. An applicant may apply for additional beds, and thus the establishment of need above and beyond the standard methodology, utilizing one of the following two policies. Once additional beds have been applied for under one of the policies, that applicant shall not qualify to apply for additional beds under either of these policies unless and until the established time limits listed below have passed. All CON authorized SCALF beds shall be included in consideration of occupancy rate and bed need.

(i) If the occupancy rate for a county is greater than 92% utilizing the census data in the most recent full year 'Annual Report(s) for Specialty Care Assisted Living Facilities (Form DM-1)' published by or filed with SHPDA, an additional need of the greater of either ten percent (10%) of the current total CON Authorized bed capacity of that county or sixteen (16) total beds may be approved for either the creation of a new facility or for the expansion of existing facilities within that county. However, due to the priority of providing the most cost effective health care services available, a new facility created under this policy shall only be allowed through the conversion of existing beds at an Assisted Living Facility currently in possession of a regular, non-probationary license from the Alabama Department of Public Health. Once additional need has been shown under this policy, no new need shall be shown in that county based upon this rule for twenty-four (24) months following issuance of the initial CON, to allow for the impact of those beds in that county to be analyzed. Should the initial applicant for beds in a county not apply for the total number of beds allowed to be created under this rule, the remaining beds would then be available to be applied for by other providers in the county, so long as said providers meet the conditions listed in this rule.

(ii) If the occupancy rate for a single facility is greater than 92% utilizing the census data in the last two (2) most recent full year 'Annual report(s) for Specialty Care Assisted Living Facilities (Form DM-1)' published by or filed with SHPDA, irrespective of the total occupancy rate of the county over that time period, up to sixteen (16) additional beds may be approved for the expansion of that facility only. Once additional beds have been approved under this policy, no new beds shall be approved for that facility for twenty-four (24) months following issuance of the CON, to allow for the impact of those beds at that facility to be analyzed.

7. No application for the establishment of a new, freestanding SCALF shall be approved for fewer than sixteen (16) beds, to allow for the financial feasibility and viability of a project. Because of this, need may be adjusted by the Agency for any county currently showing a need of more than zero (0) but fewer than sixteen (16) total beds to a total need of sixteen (16) new beds, but only in the consideration of an application for the construction of a new facility in that county. Need shall not be adjusted in consideration of an application involving the expansion of a currently authorized and licensed SCALF or for the conversion of beds at an existing Assisted Living Facility.

8. Any CON Application filed by a licensed SCALF shall not be deemed complete until, and unless:

(i) The applicant has submitted all survey information requested by SHPDA prior to the application date; and

(ii) The SHPDA Executive Director determines that the survey information is complete.

9. No licensed SCALF filing an intervention notice or statement in opposition in any CON proceeding may cite or otherwise seek consideration by SHPDA of such facility's utilization data until, and unless;

(i) The intervenor or opponent has submitted all survey information requested by SHPDA prior to the application date; and

(ii) The SHPDA Executive Director determines that the survey information is complete.

(e) Adjustments. The bed need, as determined by the methodology, is subject to adjustments by the SHCC. The specialty care assisted living facility bed need may need to be adjusted by the SHCC if an applicant can prove that the identified needs of a targeted population are not being met by existing specialty care assisted living facilities in the county of the targeted population. Consistent with this provision, coupled with Section 410-2-5-.04(2)(a), the SHCC has recognized the need for an additional twenty-six (26) specialty care assisted living facility beds in the City of Huntsville in Madison County.

(i) The SCALF bed need for Montgomery County shall be adjusted to provide for 32 additional SCALF beds for location in a multi-level senior living community defined as providing existing licensed Assisted Living beds and existing Independent Living Residences on a contiguous campus under the same ownership and same management.

(ii) Consistent with Ala. Admin. Code § 410-2-4-.04(2)(e), the SCALF bed need for Mobile County shall be adjusted to add thirty-two (32) specialty care assisted living facility beds converted from existing assisted living facility beds.

(iii) Consistent with Ala. Admin. Code r. 410-2-4-.04(2)(e) and 410-2-5-.04(2)(a), the SHCC has recognized a further need for an additional thirty-two (32) SCALF beds in Madison County.

(f) Notwithstanding the foregoing, any application for certificate of need for specialty care assisted living facility beds for which a proper letter of intent was duly filed with SHPDA prior to the adoption of the bed need methodology shall not be bound by this bed need methodology.

(g) The determination of need for specialty care assisted living facility beds shall not be linked to the number of existing assisted living beds in the county.

Author: Statewide Health Coordinating Council

Statutory Authority: § 22-21-260(4), Code of Alabama, 1975.

History: Effective November 22, 2004; Amended: Filed August 14, 2012; Effective September 18, 2012.