441—124.2(135) Long-term care.

124.2(1) *Purpose and scope.*

a. These standards are measures of criteria found in Iowa Code section 135.63(1)*"a"* through *"g."* Criteria that are measured by a standard are cited in parentheses following each standard.

b. Certificate of need applications that are to be evaluated against these standards include applications to:

(1) Construct, develop, offer new, modernize, replace, renovate, or relocate intermediate care or skilled nursing care beds in nursing homes or hospitals.

(2) Expand bed capacity in intermediate care or skilled nursing care facilities or designated units in hospitals.

124.2(2) *Definitions.* The following definitions apply to the terms used in this rule:

"Intermediate care facility" or *"ICF"* means any institution, place, building, or agency providing for a period exceeding 24 consecutive hours accommodation, board, and nursing services, the need for which is certified by a physician, to three or more individuals, not related to the administrator or owner thereof within the third degree of consanguinity, who by reason of illness, disease, or physical or mental infirmity require nursing services that can be provided only under the direction of a registered nurse or a licensed practical nurse.

"Skilled nursing facility" or *"SNF"* means any institution, place, building, or agency providing for a period exceeding 24 consecutive hours accommodation, board, and nursing services, the need for which is certified by a physician, to three or more individuals not related to the administrator or owner thereof within the third degree of consanguinity who by reason of illness, disease, or physical or mental infirmity require continuous nursing care services and related medical services but do not require hospital care. The nursing care services provided must be under the direction of a registered nurse on a 24-hour-per-day basis.

124.2(3) *Availability and need.* (Iowa Code section 135.63(1)*"c," "d," "e," "g,"* and *"h"*)

a. The following formula will be used as a means of projecting the approximate number of beds needed by level of care (intermediate or skilled nursing care) to serve the projected population one year into the future using county-level characteristics:

(1) County-level bed need = County-level bed-days / days in time period

County-level bed-days = exp(Linear Predictor)

Linear Predictor = Intercept

+ Weight for Log of Total Population × Log of Total Population

+ Weight for Percent age 65-74 × Percent age 65-74

+ Weight for Percent age 75-84 × Percent age 75-84

+ Weight for Percent age 85 plus × Percent age 85 plus

+ Weight for Level of care × Level of care

+ Weight for Time Trend × Time Trend

+ Weight for Level of care × Time Trend × Level of care × Time Trend

+ Month effect for applicable month

+ County effect for applicable county

(2) For the purposes of using this formula, the lower and upper bounds of the weights for each variable in this section can be found on the department's website at hhs.iowa.gov/certificate-need-con-program.

(3) Bed need formula projections will consider county of facility, seasonal variation in need, age range of population, future population change projections, and other relevant factors and controls.

(4) The department will review the bed need formula at least every three years.

b. For purposes of comparing "need" to "existing" beds in a given county, the following shall be considered in the calculation of "existing" beds:

(1) ICF and SNF beds licensed at freestanding facilities in the county.

(2) Additional ICF and SNF beds previously approved through certificate of need but not yet licensed.

(3) ICF and SNF beds in designated units in hospitals in the county.

c. The statistical calculation of bed need shall serve as a guideline for the department in reviewing need for the proposed long-term care beds. Other factors that may be considered by the department include but are not limited to:

(1) The availability and utilization of other ICF and SNF services in the county or within an applicant's service area.

(2) The availability and utilization of other long-term care services in nearby hospitals, such as skilled care available through the swing bed program.

(3) The availability of supportive living arrangements that may or may not be licensed as an RCF.

(4) The availability of home health and other in-home services.

(5) The availability of other services to the elderly.

(6) The availability of ICF and SNF services in neighboring counties.

(7) Utilization by out-of-state residents of facilities in counties bordering other states, where an applicant provides evidence that in-migration of long-term care patients exceeds out-migration to the bordering state.

(8) Programs and services directed at special populations whose needs cannot otherwise be met or whose needs cannot be met cost-effectively at other facilities.

d. In documenting need for a project, an applicant shall identify the service area and target population, including a description of the methodology used by the applicant in determining need for the requested beds and the expected sources of referrals. The applicant shall document that the number of beds requested is appropriate to address the identified need. The applicant shall also identify how the target population is currently being cared for and what hardship is being experienced by the absence of the proposed beds.

124.2(4) *Quality.* (Iowa Code section 135.63(1)*"i"* and *"k"*) An applicant shall document that the applicant has contacted the health and safety division of the department of inspections, appeals, and licensing to conform with physical standards, staffing requirements, and other licensing requirements to assess the potential for provision of quality care at the facility. When necessary, the applicant shall attempt to arrange an on-site visit to the facility to determine compliance with physical requirements and shall provide documentation of this site visit or attempts to arrange such a site visit.

124.2(5) *Continuity.* (Iowa Code section 135.63(1)*"g," "h,"* and *"k"*)

a. An applicant shall document the relationship of the facility's proposed services to other health and long-term care services in the community, such as physician and hospital services, habilitation, rehabilitation, transportation or other services. The facility should be capable of providing or arranging for the provision of a continuum of long-term care services.

b. A facility should be capable of providing or arranging for the provision of a comprehensive program of coordinated patient services. An applicant shall provide evidence of contracts for services, appropriate staffing patterns and ratios, and licensure of personnel as necessary.

124.2(6) *Accessibility and acceptability.* (Iowa Code section 135.63(1)*"c"* and *"d"*)

a. Population subgroups that have traditionally been underserved, such as adolescents, the elderly, women, racial minorities, mentally ill, intellectually disabled, and developmentally disabled, should be considered when planning for or reviewing long-term care facilities.

b. An applicant shall document to what extent Medicaid patients will be served by the proposed beds, using past Medicaid utilization as an indicator or, in the case of a new facility, projecting anticipated Medicaid utilization.

124.2(7) *Costs and financial feasibility.* (Iowa Code section 135.63(1)*"e," "f," "i,"* and *"p"*)

a. An applicant shall identify capital and operating costs associated with the project, identify sources of funding to cover those costs, and demonstrate that the project is financially feasible.

b. Construction costs shall be in line with construction costs of other similar projects.

c. An applicant shall provide budgets for the first three years of operation, including documentation of all assumptions used. The budget shall include anticipated sources of revenue, including the percentage of revenue from private pay, Medicaid, Medicare and other patient revenues.

d. Proposed charges per patient day should be justifiable when compared to current charges of other similarly licensed facilities in an applicant's service area or other similar facilities elsewhere in the state. If

charges are significantly higher or lower, the applicant shall provide a description of proposed programs or services that explain the difference in charges.

These rules are intended to implement Iowa Code section 135.71.

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