


May 14, 2020

MEMORANDUM

TO: Interested Parties

FROM: Robert A. K. Payne, JD Director 
Virginia Department of Health - Office of Licensure and Certification

SUBJECT: Requests for Certificate of Public Need Applications
for Development of Additional Nursing Home Beds

On January 3, 2020, the State Health Commissioner, acting on behalf of the Virginia State Board of Health, approved for release the enclosed Notice of Request for Certificate of Public Need Applications for Development of Additional Nursing Home Beds. This document relates to a request for applications ("RFA") issued pursuant to Va. Code § 32.1-102.3:2. The document was issued for public comment in the Virginia Register dated March 30, 2020.

The notice is an RFA for development of zero Medicaid-certified nursing facility beds in the Commonwealth of Virginia.

If you have any questions concerning this document please contact the Division of Certificate of Public Need at (804) 367-2126.

Enclosures: Final Notice of Request

**NOTICE OF NO NEED FOR CERTIFICATE OF PUBLIC NEED APPLICATIONS
FOR DEVELOPMENT OF ADDITIONAL NURSING HOME BEDS**

**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 requirements of Va. Code § 32.1-102.3:2, notice is hereby given for consideration of the need to issue a Request for Applications ("RFA") for the development of additional nursing home beds in Virginia. This notice reviews the qualification of Virginia's twenty-two health planning districts for the authorization of additional nursing home beds pursuant to applicable law and regulation (12VAC5-230-610).

Evaluation of Need for Additional Nursing Home Beds.

The "Nursing Home Services" component of the *Virginia State Medical Facilities Plan* ("SMFP") (12VAC5-230) contains a nursing home bed-need forecasting method (12VAC5-230-610). This method has been employed by the Virginia Department of Health to compute a forecast of needed nursing home beds in 2022 in each of Virginia's twenty-two health planning districts.¹

Consistent with the SMFP (12VAC5-230-610A), a health planning district is considered to have a need for additional nursing home beds when: (1) the *median* annual occupancy of all existing non-federal, Medicaid-certified nursing homes in the planning district was at least 93% and (2) the *average* annual occupancy of all existing non-federal, Medicaid-certified nursing homes in the planning district was at least 90% for the most recent year 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, 2017 is the most recent year of nursing home utilization data reported to Virginia Health Information.

Also, no planning district will be considered to have a need for additional nursing home beds if there are uncompleted nursing home beds that were authorized for the planning district within the last three years and that will be Medicaid-certified beds. The following table displays, by planning district, the nursing home *gross* bed need forecast for 2022, the current licensed bed inventory plus authorized additions of nursing home beds, and the *net* bed need forecast for 2022.

The table also shows the average annual percent occupancy and the median annual percent occupancy of Medicaid-certified nursing homes in each planning district for the 2017 reporting year. The final column of the table states whether the planning district qualifies for additional nursing home beds for the 2022 planning horizon year, and it identifies any planning district with uncompleted nursing home beds that are expected to be Medicaid-certified, when this determines the planning district's qualification for an RFA.

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 the current combined Planning District 23, Hampton Roads.

² The Veterans Care Centers are excluded by regulation from consideration in the determination of nursing home bed need.

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**Nursing Home Bed Need Forecast and
Whether a Planning District Qualifies for Additional Nursing Home Beds
for the 2022 Planning Year**

Planning District	Gross Bed Need Forecast For 2022	Existing plus Authorized Beds	Projected Net Bed Need In 2022 () = surplus	Median Occupancy of Medicaid NFs 2017	Average Occupancy of Medicaid NFs 2017	Plan. District Qualifies for Additional NH Beds
1	560	641	(81)	92.1%	90.8%	no--no need
2	490	509	(19)	86.5%	84.2%	no--no need
3	1,335	1,519	(184)	88.4%	89.7%	no--no need
4	772	773	(1)	88.7%	85.1%	no--no need
5	2,051	2,275	(224)	90.7%	87.6%	no--no need
6	1,588	1,504	84	92.8%	91.5%	no--low occu.
7	1,024	1,003	21*	92.6%	89.2%	no--no need
8	4,799	4,515	284	87.8%	84.5%	no--low occu.
9	790	766	24*	90.6%	88.6%	no--no need
10	1,115	1,064	51	90.0%	89.6%	no--low occu.
11	1,457	1,560	(103)	86.8%	85.1%	no--no need
12	1,881	1,929	(48)	89.4%	87.4%	no--no need
13	815	841	(26)	92.3%	85.1%	no--no need
14	567	662	(95)	89.7%	86.1%	no--no need
15	4,182	4,096	86	90.7%	87.6%	no--low occu.
16	900	875	25*	86.6%	79.5%	no--no need
17	252	268	(16)	83.8%	76.3%	no--no need
18	529	550	(21)	91.4%	88.8%	no--no need
19	943	1,055	(112)	87.0%	82.0%	no--no need
20	4,210	4,330	(120)	87.5%	86.0%	no--no need
21	1,838	1,828	10*	88.9%	87.5%	no--no need
22	292	281	11*	73.9%	77.7%	no--no need

*Per 12VAC5-230-610C, a projected net bed need of 1-29 beds rounds to zero.

Sources: *Virginia State Medical Facilities Plan (12VAC5-230-610)*
University of Virginia Weldon Cooper Center for Public Service (population projections, 2019 edition)
2014 Virginia Nursing Home Patient-Origin Survey, VDH Office of Licensure and Certification (for age-specific nursing home use rates)
VDH Office of Licensure and Certification (for bed inventory).

Conclusion.

The RFA for nursing home beds issued in 2019 is hereby issued as a notice that no need exists for additional nursing home beds. As shown in the preceding table, no planning district is identified by the standards of the SMFP as having a forecasted need for nursing home beds by 2022. No planning district in the Commonwealth currently meets the four-part test for qualification by:

- 1) Having a positive formula-generated need projection, and;

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- 2) Having a median annual occupancy percentage of Medicaid-certified nursing homes for the most recent reporting year of 93% or higher, and;
- 3) Having an average annual occupancy percentage of Medicaid-certified nursing homes for the most recent reporting year of 90% or higher, and;
- 4) Having no uncompleted nursing home beds authorized within the last three years that will be Medicaid-certified.

No person objected to this notice within fourteen days of publication of this notice in the *Virginia Register* on March 30, 2020.