HEALTH SERVICES PERMIT AGENCY

SFY 2019 ANNUAL REPORT

SURVEY RESULTS FROM CY2018

Presented by: Tracy Steele, Director

SCOPE

Arkansas Code Ann. 20-8-101 et seq. creates and establishes the Health Services Permit Agency, which shall be under the supervision and control of the Department of Health. With direction from a nine (9) member Health Services Permit Commission, the Agency is responsible for implementing the State's Health Services Program that includes a Permit of Approval (POA) process.

The current POA process evolved from federal initiatives in the sixties resulting in passage of an Arkansas Certificate of Need (CON) law in 1975. Legislation in 1987 abolished the CON program and established the existing program. Arkansas Act 593 of 1987, as amended, created the Health Services Permit Commission and the Health Services Permit Agency to implement the State's long-term care planning and review program.

MISSION

The Commission/Agency mission is to ensure appropriate distribution of health care providers through the regulation of new services, protection of quality care and negotiation of competing interests so that community needs are appropriately met without unnecessary duplication and expense.

PUBLIC PURPOSE

The POA process is vital to the state to direct and implement state policy by promoting cost containment, ensuring appropriate distribution of health care providers, and preventing the unwise expenditures of the State's Medicaid dollar. Additionally, implementation of state policy can take the form of encouraging, or discouraging, the growth of certain services for which there may be less costly, or more appropriate alternatives.

COMMISSION

Commission membership is defined by the Legislature, appointed by the Governor and confirmed by the Senate. Commission members serve without pay for a maximum of two (2) four-year terms. By statute, Commissioners must be represented by a:

- retired or practicing physician;
- representative of the Department of Human Services or his or her designee;
- member from the Arkansas Hospital Association, Inc.;
- member from the Arkansas Health Care Association;
- member from the Arkansas Chapter, AARP, Inc.;
- member from the Arkansas HomeCare Association. of Arkansas;
- consumer knowledgeable in business health insurance;
- member from the Arkansas Residential Assisted Living Association;
- member from the Hospice and Palliative Care Association of Arkansas, Inc.

Directives for the Commission as assigned by Act 1800 of 2001:

- evaluate the availability and adequacy of health services
- designate those locales which, due to the requirements of the population or the geography of the area, the health service needs of the population are underserved
- (may) specify within locales or areas, categories of health services which are underserved and over served due to the composition or requirements of the population or the geography of the area

- develop policy and adopt criteria including time limitations for every review of an application to be followed by the Agency in issuing a POA

- (may) define certain underserved locales or areas or categories of services within underserved locales or areas to be exempt for specified periods of time from the POA requirement

- (may) set application fees for POA applications to be charged and collected by the Agency

- upon appeal conduct hearings on decisions by the Agency within 90 days of receipt of the Agency decision. The Commission shall render its final decision within 15 days of the close of the hearing. Failure of the Commission to take final action within these time periods shall be considered a ratification of the Agency decision and shall constitute the final decision of the Commission from which an appeal to Circuit Court may be filed.

AGENCY ADMINISTRATION

The agency has a full time staff of four (4), including the Agency Director, Tracy Steele, the Assistant Director, the Program Manager, and the Management Project Analyst.

Directives for the Agency as mandated by Act 1800 of 2001:

- possess and exercise such duties and powers as necessary to implement the policy and procedures adopted by the Commission

- review all applications for POAs and approve or deny the application within 90 days from the date the application is deemed complete and submitted for review, and

- assist the Commission in the performance of its duties.

Fiscal/Budget

Revenue from the Health Services Permit fees and copy fees are deposited into the State Treasury. The review fee is $3,000 per application. The Agency charges $0.25 a page for copying. The total deposit for FY 2019 was $51,493.99.

Arkansas Code 20-8-103 et. Seq. allows all proceeds from fees to be deposited into the State General Services Fund Account. Act 58 of 1997 allows the balance remaining at the close of each state fiscal year to be carried forward to the next state fiscal year to be used exclusively for the maintenance and operation of the Agency. The Agency's carry forward for 2019 was $79,761.18 and the budget for 2019 was comprised of 86% SGR and 14% POA fund balance.

Table 1. ***Health Services Permit Agency Fiscal Year 2019 Budget and Revenue***

844 – HSPA	FY 2019
APPROVED BUDGET	$508,323.00
GENERAL REVENUE	$495,481.00
POA & COPY FEES	$51,493.99
TOTAL REVENUE	$476,617.17
TOTAL EXPENSES	$473,232.67

PERMIT OF APPROVAL REVIEW PROCESS

Fiscal Year 2019 reviewable projects included Nursing Facilities, Assisted Living Facilities (ALF), Hospice Agencies and Facilities, and Home Health Services. The POA process includes the addition of beds, cost overruns, movement of existing beds, transfer of a POA and movement of site locations for POAs. Intermediate Care Facilities for the Intellectually Disabled (ICF/ID), Residential Care Facilities (RCF), and Psychiatric Residential Treatment Facilities (PRTF) remain under moratorium since 1987, 2005, and 2008, respectively.

Potential applicants are urged to schedule a pre-application conference with staff for assistance in understanding the POA process, including advising of the need for the proposed service, guidance in developing an application, and the timetable for review. After an application is accepted for review, the 90-day review cycle begins.

There are four 90-day review cycles per year. The quarterly application due dates are defined in the Rule Book and the review cycles are scheduled to allow the completed review and if needed, the appeal to be heard within the same review cycle to avoid delays and duplication of paperwork. Applications, which satisfy the requirements for expedited reviews, may be submitted at any time without regard to the established Review Schedule.

Table 2. ***POA Application Review Schedule***

Application Due Date	Application Under Review	Agency Decision
February 1	March 1	May 30
May 1	June 1	August 30
August 1	September 1	November 30
November1	December 1	February 28

In 2012 the application fee was increased from $1,500.00 to $3,000.00 in order to maintain the previously declining POA and copying fee fund balance that helps support the agency.

Applications are reviewed in accordance with the Commission's adopted criteria and standards, along with population projections and up-to-date utilization reports. Detailed objective findings are developed by Agency staff addressing four statutory criteria: need, staffing, economic feasibility, and cost containment. Agency findings include the criteria for the Agency decision. Agency decisions are final after 30 days, unless the Agency receives a request for an appeal from an applicant or interested party who has filed an objection in the first 30 days of the review cycle. These interested parties or unsuccessful applicants may then appeal to the Commission. When the Commission upholds the Agency decision, unsuccessful applicants may seek judicial review in an appropriate court. If no appeal request is received, the Agency issues the POA and the applicant may proceed with implementation and licensing of their project. A POA may be transferred to another party with approval of the Commission. Once implemented (licensed), a POA ceases to exist.

Agency rules, methodologies, applications under review and other information may be found on the Agency's web site: https://www.healthy.arkansas.gov/programs-services/topics/arkansas-health-services-permit-agency.

MEETINGS

The Commission meets at least quarterly; however, meetings may occur more frequently to respond to appeals and requests from the public. The Commission met four (4) times during FY 2019. Notice is given to the public at the time POA applications are received and at the time a decision is made by the Agency or Commission. Public hearings are held as recourse for affected parties. FY 2019, there was one appeal of an Agency decision and it resulted in the support of the Agency's original decision.

PROJECTS SUBJECT TO POA REVIEW

- Assisted Living Facilities (Act 1230 of 2001)
- Home Health Agencies (Act 956 of 1987)
- Hospice Agencies and Hospice Facilities (Act 396 of 1997)
- Intermediate Care Facilities for the Intellectually Disabled (Act 593 of 1987) (Moratorium since 1987)
- Nursing Facilities (Act 593 of 1987)
- Psychiatric Residential Treatment Facilities (Act 593 of 1987) (Moratorium since 2008)
- Residential Care Facilities (Act 593 of 1987) (Moratorium since 2005)

The above referenced services require a permit for new or expanded services. Any increase in cost in an approved project or cost of renovation, construction or alteration of a facility is deemed a cost overrun and must be documented and filed with the agency.

PROJECTS REQUIRING APPROVAL BY THE COMMISSION

- Movement of beds or site location change
- Transfers of Permits of Approval, legal title or right of ownership

POA APPLICATION VOLUME

In FY 2019, fifteen (15) applications were approved, one (1) was denied and one (1) was withdrawn or returned. Agency decisions resulted in the approval of $ 89,329,381.00 in capital projects.

Table 3. ***Fiscal Year 2019 Applications***

Type of Project	Number of Apps	Approved Capital Expenditures	Approved	Denied	Withdrawn/ Returned
RCF's (moratorium)	0	NA	0	0	0
Nursing Facilities	5	$ 25,728,425	4	0	1
PRTF's (moratorium)	0	NA	0	0	0
Home Health	1	NA	0	1	0
Assisted Living	11	$ 63,600,956	11	0	0
Hospice Agencies	0	$ 0	0	0	0
Hospice Facilities	0	$ 0	0	0	0
Totals	**17**	**$89,329,381**	**15**	**1**	**1**

Table 4 illustrates the total applications received from FY 2010 - FY 2019 that the POA applications are averaging 30 applications per year. The largest impact appears to have been new construction or adding beds for Assisted Living Facilities. There is still a large need in many counties for new Assisted Living beds.

Table 4. ***Total Applications FY 2010 – FY 2019***

Type of Projects	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Nursing Facilities	10	7	8	13	13	7	5	8	3	4
RCF (Moratorium 07/05)	0	0	0	0	0	0	0	0	0	0
Assisted Living	13	16	29	17	17	27	9	20	8	11
Home Health	1	0	1	1	5	1	2	10	2	0
Hospice	6	0	1	6	1	0	0	0	0	0
Hospice Facility	1	3	1	0	0	0	7	0	0	0
PRTF (Moratorium 02/08)	0	0	0	0	1	0	0	0	0	0
ICF (Moratorium 03/94)	0	0	0	0	0	1	0	0	0	0
Total	**31**	**26**	**40**	**37**	**37**	**36**	**23**	**38**	**13**	**15**

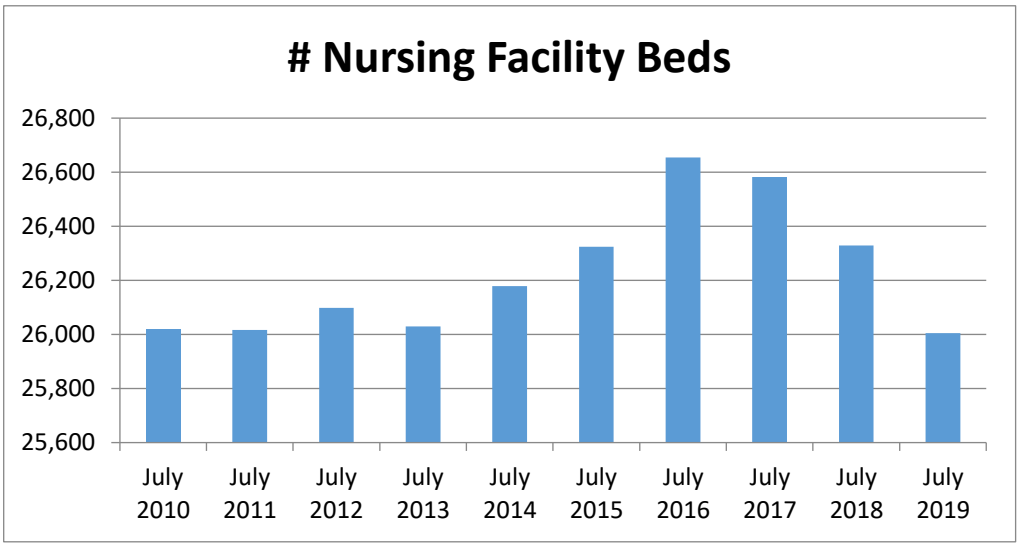
NURSING FACILITIES

Nursing Facilities are defined as an "institution, or other place for the reception, accommodation, board, care or treatment of more than three (3) unrelated individuals who because of mental or physical infirmity are unable to sufficiently or properly care for themselves, and for which reception, accommodation, board, care and treatment, a charge is made."

POA rules require a Permit of Approval for new, expanded, or renovated long term care facilities, movement of long term care beds and replacement of facilities. Replacement nursing facility applications require replacement of the entire facility with new construction. The Agency Rules allow replacement facilities to request and be approved for up to a 20% increase in current licensed capacity up to 140 beds. The applicant must acquire the additional beds from a facility that averaged less than 70% occupancy for the previous 12-month period according to the most recent 12-month occupancy data available from Department of Human Services as reflected in the current quarterly published Bed Need Book. POAs for nursing facility renovations are needed based on the cost of renovation. Any project requiring expenditure of $1,000,000 or more requires an application for a POA.

In July 2018, the Nursing Facility net need was (-1,895) and the bed need as of July 2019 is (-2,347).

Figure 1. ***Number of Nursing Facility Beds 2010-2019***



The formula for the Population based methodology is based on demand and the decreased demand has diminished the need for new beds under this methodology. Therefore, population based applications for nursing facilities are flat.

Replacement facilities were mentioned in a previous section. The Utilization Methodology allows facilities to acquire up to 25 additional beds if the county has no population based need and the applicant nursing facility had an occupancy that averaged at least 90% over the previous 12 months and the additional beds are acquired from a facility that has an occupancy of 70% or less for the previous 12 months.

The utilization of nursing facilities has changed over time on a national level as well as in Arkansas. National demographics show an increase in the growth of the aging population. However, as the population ages, they are healthier and are remaining independent longer. Those that enter nursing facilities, enter at an older age and with a greater need for assistance with daily living and a greater need for skilled nursing care. Information which is available on the internet from The Center for Disease Control's National Nursing Home Survey and from AARP studies provides useful statistical information on the aging population. The age and gender at which long term care is needed the typical diagnosis for uses of long term care and the level of care required.

These changes in nursing facility utilization may be due to healthier lifestyles and a shift in morbidity and wellness by the aging population. Some of the changes are also due to the introduction and growth of other services such as home health and other home based services as well as the growth of assisted living facilities (ALFs). Assisted Living Facilities were legislated in Arkansas in 2001 and will be covered in an upcoming section of this report.

Those reports and studies reflect the different characteristic or demographic of nursing facility residents that are composed of the older, very frail, long term residents who require skilled nursing care and a younger population of residents who are short term, post hospitalization, rehab, therapy, post-acute care residents.

Section Summaries

The following sections include information collected from the provider surveys for Assisted Living / Residential Care, Home Health, Hospice and Psychiatric Residential Treatment Facilities.

Residential Care / Assisted Living Summary

In 1987, Act 537 placed Residential Care Facilities (RCF) under the Permit of Approval process. Act 1230 of the 2001 Legislative session was enacted to create the Assisted Living Program with encouragement to develop innovative and affordable assisted living housing for low to moderate-income persons. The statute also allowed Residential Care Facilities (RCFs) to convert to Assisted Living Facilities (ALFs) without meeting physical plant requirements for assisted living. DHS drafted language for ALF licensure and in an effort to reach consensus, the Department of Human Services developed a split-level acuity with ALF Level I and ALF Level II. The ALF Level I was virtually identical to an RCF, therefore, in 2005, there was a moratorium placed on new construction of RCFs. The exception to this rule would be replacement applications for RCFs of sixteen (16) beds or less.

The current methodology, adopted in 2007 allows beds based on 30/1000 per persons 65 years and older in the county population.

According to Act 1271 of 2005 the Health Services Permit Agency is authorized to collect utilization statistics annually from health facilities requiring a permit of approval.

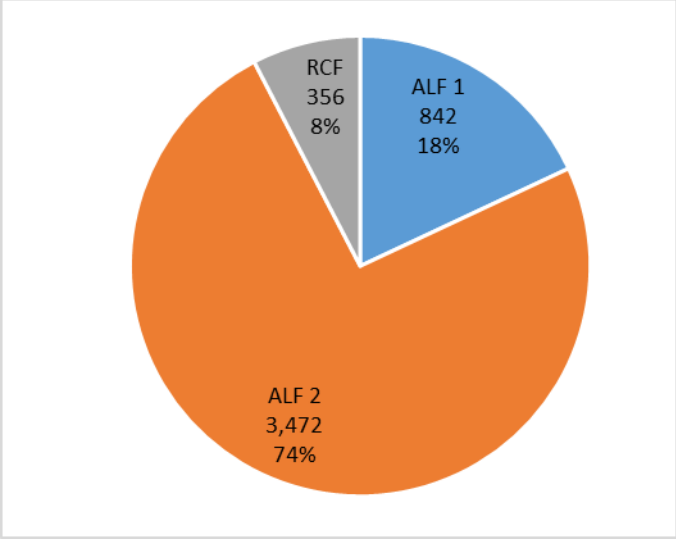
The report below represents 2018 data collected via an Internet based survey of all Assisted Living Facilities (ALF) and Residential Care Facilities (RCF) in each of Arkansas' 75 Counties. The purpose of the mandatory survey was to determine the basic characteristics of ALFs and RCFs in Arkansas.

According to Act 1271 of 2005 the Health Services Permit Agency is authorized to collect utilization statistics annually from health facilities requiring a permit of approval. This survey included 9 RCFs, 12 ALF Level 1, 47 ALF Level 2 Facilities, and 2 ALF Level 1 and 2 Facilities. Also included was one facility which reported having both RCF and ALF licensed beds. In order to protect the confidentiality of that facility's patients this data will be excluded any time the data is broken out into facility type. Overall there was total of 71 facilities who completed this year's survey, which is a lower participation rate than in the past.

Survey Results

There were 4,670 licensed ALF and RCF beds and 3,424 rooms reported for the 2018 Annual Survey. The average number of beds per facility was 65.8, with 1.36 beds per room. There were five facilities that had 20 or fewer beds, while 24 facilities had 80 or more beds. There was at least one RCF or ALF in 40 of Arkansas's 75 Counties.

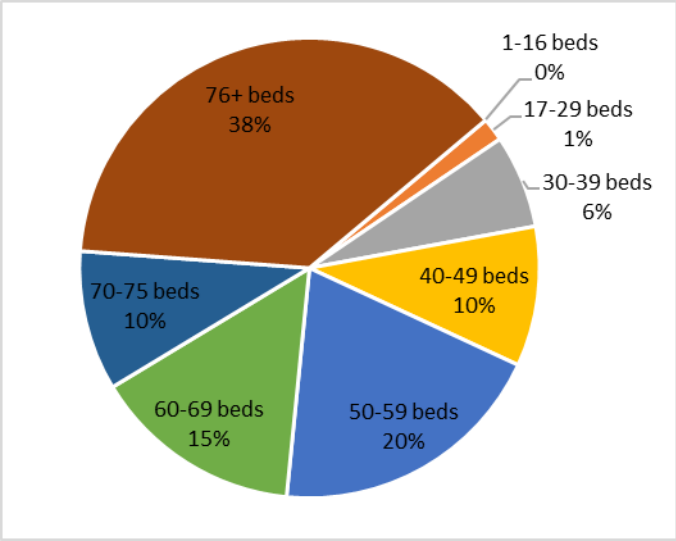
Figure 2. ***ALF and RCF Licensed Beds***



ALF

In 2018, there were 4,314 total ALF beds (842 ALF Level 1; 3,472 ALF Level 2). The average bed count for an ALF was 69.2 beds, with 1.33 beds per room. Overall the facilities were newly built with 57% of them being less than eight years old.

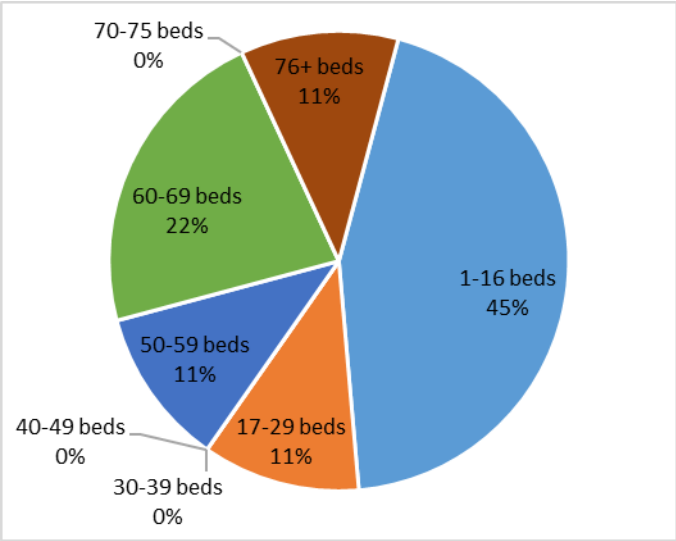
Figure 3. ***ALFs by Number of Beds***



RCF

There were 346 RCF beds reported in 2018. RCFs as a whole are smaller than ALFs. The average number of beds per RCF facility was 38.4. RCFs also house more residents per room than an ALF. The average number of beds per room for a RCF was 1.98. RCFs are older than ALFs with more than half of them being built over 30 years ago.

Figure 4. ***RCFs by Number of Beds***



Occupancy Rates

The average estimated occupancy rate reported by the facilities was 69.3%. An occupancy rate was also calculated by dividing the number of resident occupancy days (RODs) by the number of days that residents are using beds or that beds are being held for residents. After removing the facilities that reported zero RODs, the average occupancy percentage for ALFs and RCFs (N=67) was 43.2%. The average calculated occupancy rate of those facilities with at least one day of residents using beds or where beds are being held was 50.2% (N=58).

County Bed Population Sizes

According to bed population, the five highest (Washington, Pulaski, Benton, Saline, Sebastian), six middle (Hot Spring, Columbia, Boone, Baxter, Ashley, Grant), and five lowest populated counties (Pike, Carroll, Arkansas, Little River, Miller) in the state were examined. The top five Counties accounted for 41% of all beds. The average facility size was larger for the middle counties compared to the higher and lower counties (77 beds vs. 72 beds vs. 19 beds).

Admissions by Age and Gender

There are significant differences between ALFs and RCFs in the admissions by age and by gender. The majority of ALF residents fall into the 75+ age group, with women outnumbering men in all age categories. The majority of RCF admissions fall into the less than 65 years old category and are higher amongst men than women in this age group as well as the 65-74 years and the75-84 years' age group. In the 85+ age group of RCFs women substantially outnumber men.

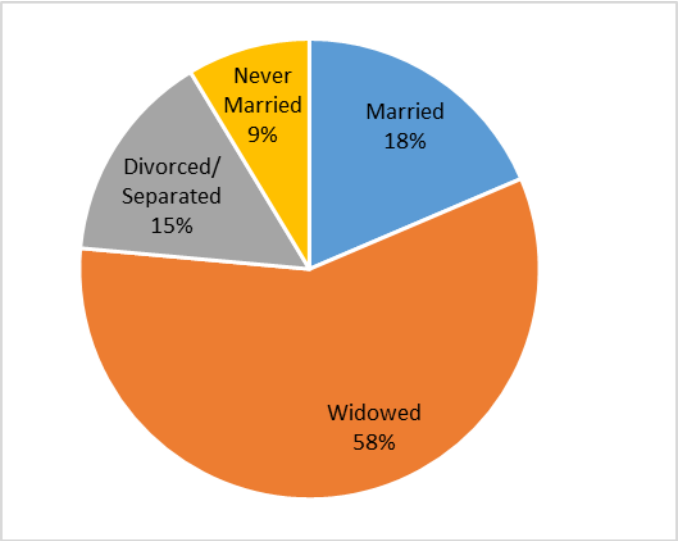
Table 7. ***Admissions by Age and Gender***

AGE	M ALF1	F ALF 1	M ALF 2	F ALF 2	M RCF	F RCF	Total
<65	2	4	15	27	52	34	**134**
65-74	12	19	45	90	14	2	**182**
75-84	21	32	120	316	5	4	**498**
85+	50	62	158	382	4	23	**679**
Total	**85**	**117**	**338**	**815**	**75**	**63**	**1493**

Admissions by Marital Status and Race

Approximately 58% of all admissions were widowed, 18% were married, 15% were divorced or separated, and 9% were never married. Residents were overwhelmingly white (93%) vs. African American (5%). Of the 40 counties with either an ALF and/or RCF, 29 counties had no African American admissions. The three counties with the highest number of African-American admissions accounted for 84 percent of all African-Americans admitted.

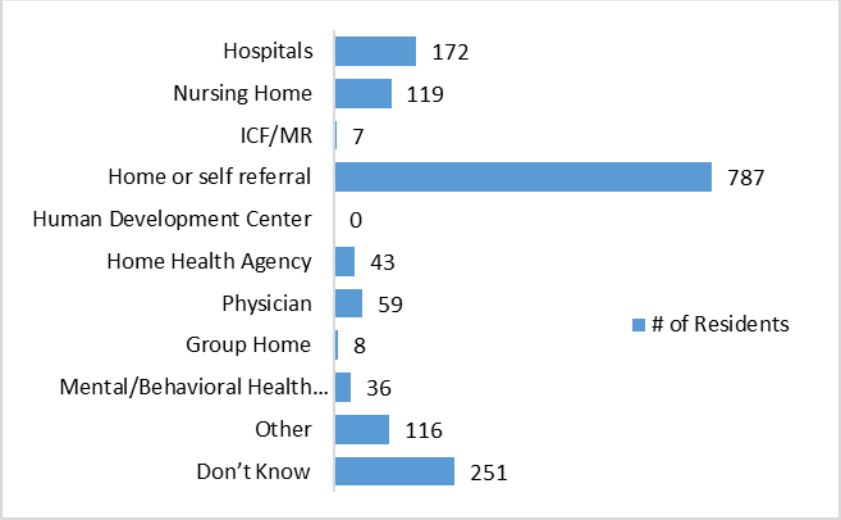
Figure 5. ***Number of Admissions by Marital Status***



Referral Sources and Residence Prior to Admission

Approximately 49% of referrals came from home or self-referrals, followed by hospitals at 11% (see Figure 6, below). Half of all residents were admitted from their own home. Patients are most often discharged to nursing homes (40%), death (19%), or their own home (12%).

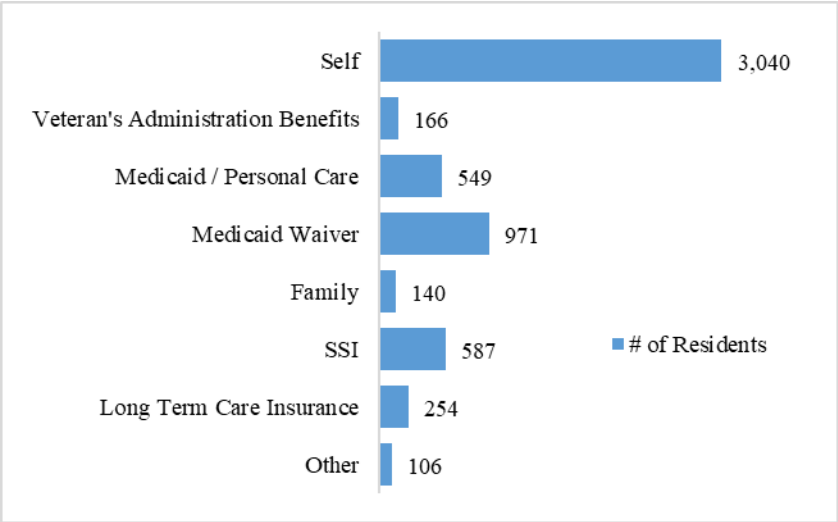
Figure 6. ***Referral Source of Residents***



Residential Reimbursement

The top methods of payment for residents of ALFs and RCFs are: Self pay (59%), Medicare Waivers (14%), Supplemental Security Income (7%), and Long Term Care Insurance (7%).

Figure 7. ***Source of Payment by Residents***



According to the survey results, mostly Assisted Living Level 2 Facilities reported Medicaid Waivers. Of the 47 ALF 2 facilities, 29 accepted Medicaid waivers. The average number of waivers per facility that reported Medicaid Waivers was 21, with a range between 1 and 69.

Table 8. ***Number of Medicaid Waivers by Facility***

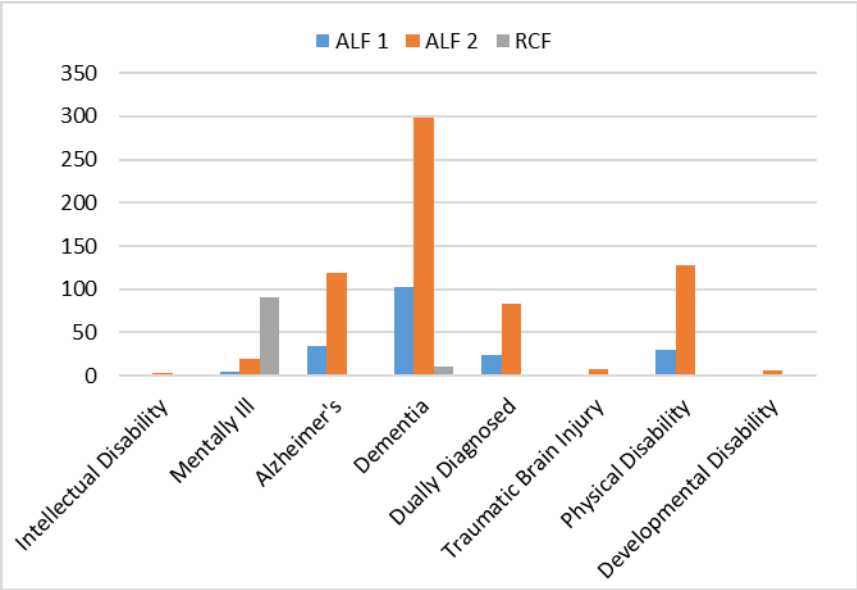
Facility Name	County	# Lic. Beds	# Medicaid Waivers
Forrest Manor Residential Care Facility	Arkansas	20	14
The Pillars... Of The Community	Ashley	75	29
Riverlodge Assisted Living	Baxter	75	25
Gardens At Osage Terrace	Benton	51	47
Green Acre Easy Living	Benton	30	11
Maple Esplanade Assisted Living	Boone	78	52
Holly House, Ltd	Carroll	22	12
Stonebridge Of Heber Springs	Cleburne	89	17
Dudneywood Retirement And Assisted Living	Columbia	80	7
St. Bernards Villa	Craighead	116	9
Hope's Creek Retirement & Assisted Living	Crawford	118	49
Van Buren Legacy LLC	Crawford	74	15
Grand Manor	Drew	55	12
Stonebridge Senior Living Of Conway	Faulkner	80	4
Crown Point Retirement	Grant	69	33
Hope Haven Assisted Living	Hempstead	52	11
The Crossing At Malvern	Hot Spring	84	35
Eagle Mountain Assisted Living	Independence	58	5
Trinity Village Assisted Living	Jefferson	54	5
Dalton's Place Assisted Living At Star City	Lincoln	53	24
Stonebridge Of Cabot	Lonoke	80	1
Countryside Assisted Living	Madison	101	53
Stonebridge Senior Living Blytheville	Mississippi	60	13
Montgomery County Assisted Living	Montgomery	42	13
Oak Park Village	Pike	32	16
Stonebridge Of Pocahontas	Randolph	60	10
Fox Ridge Bryant	Saline	130	25
Dalton's Place Of Waldron	Scott	58	24
Mercy Crest Assisted Living	Sebastian	102	69
Ella Manor Assisted Living Facility	Union	60	13
Providence Assisted Living Springdale	Washington	100	18
Providence Assisted Living	White	58	3
Total		**2,216**	**674**

Note: Counties are listed as reported in the survey results.

Diagnosis

The respondents were asked to identify residents based on certain diagnoses. The diagnoses were: intellectual disability, mentally ill, Alzheimer's, dementia, dually diagnosed, traumatic brain injury, physical disability, developmental disability. The ALF facilities had fewer residents that had a mental illness (25), vs. RCF (91). However, the ALFs had more residents with Alzheimer's or Dementia (153 and 401) than the RCFs (0 and 11).

Figure 8. ***Type of Diagnosis by Facility Type***



	Intellectual Disability	Mentally Ill	Alzheimer's	Dementia	Dually Diagnosed	Traumatic Brain Injury	Physical Disability	Developmental Disability
ALF 1	1	5	34	103	24	2	30	0
ALF 2	3	20	119	298	83	7	128	6
RCF	1	91	0	11	1	0	0	0

Home Health

Act 956 of 1987 placed Home Health services under the Permit of Approval process and defined home health as the provision and coordination of acute, restorative, rehabilitative, maintenance, preventive or health promotion services through professional nursing or by other therapeutic services such as physical therapy, occupational therapy, speech therapy, home health aide or personal services in a client's residence. Home Health (HH) agencies were defined as agencies licensed to provide the above referenced services. A HH agency can be defined as a person, partnership, association, corporation or other organization that is public or private, proprietary or nonprofit.

Many of the existing HH agencies were "grandfathered" into the system at the time of the above referenced Act 956. These agencies were either licensed by the Arkansas Department of Health or they had a license application or intent to apply in progress. This group of "grandfathered" HH agencies had geographic service areas that were not defined by county lines as is required by the Permit of Approval. Because the Department of Health's license requirement allowed a maximum service area of 50 miles, these HH agencies had service areas of either the county or a geographic radius of up to 50 miles. By Agency calculation, a 50-mile radius can cover 7,850 square miles. Therefore, many of these agencies overlap several counties and will serve complete county areas and small to large portions of multiple counties. In fact, one HH agency can cover as many as twenty (20) partial counties.

Of the four surveys conducted by the Health Services Permit Agency, the Home Health Survey is the most difficult to conduct and analyze. There are several reasons for this, but a large portion of the difficulty is related to the number of HH agencies and the joint effort of the Agency and providers to collect county specific data and information for agencies that are licensed to cover geographic areas that overlap multiple counties.

Another difficulty is the wide range of service types and professions that are involved in the delivery of home health services. Collection of this data by payor source, staffing and types of services as well as data on patients makes this survey the largest volume of data to be collected and analyzed.

Although the HH Survey is quite large and there are a variety of ways in which to look at it, the Agency has chosen to analyze the survey from the following perspectives, as shown below.

Age

Proportionally speaking, the age of admission for HH patients appears to be fairly similar regardless of whether the patient is a personal care or intermittent admission. The largest differences occur amongst 19-64 year olds where personal care admissions are higher than intermittent (30% vs. 27%), while the opposite is true for 75-84 year olds (28% intermittent vs. 24% personal care).

In comparison to personal care, the percentage of 0-1 year olds amongst intermittent admissions is larger at 0.7%. In personal care admissions, this age group accounted for none of the total admissions.

Table 9. ***Intermittent Admissions by Age***

	0-1	1-18	19-64	65-74	75-84	85+	Total
State Total	494	373	19,131	16,624	19,501	13,960	70,083
	0.70%	0.53%	27.30%	23.72%	27.83%	19.92%	**100.00%**

Table 10. ***Personal Care Admissions by Age***

	0-1	1-18	19-64	65-74	75-84	85+	Total
State Total	0	29	846	727	670	507	2,779
	0.00%	1.04%	30.44%	26.16%	24.11%	18.24%	**100.00%**

Professional Discipline and Payor Source

There were 916,363 skilled nursing visits in Arkansas in 2018 and 2,588 Registered Nurses and Licensed Practical Nurses (1,937 and 651, respectively) that worked for the Home Health Agencies in the state. That averages to 354 nursing visits per nurse per year or 0.97 visits per nurse per day.

Home Health Aide visits account for the second largest number of visits to patients' homes. There were 501,402 Home Health Aide visits in 2018. There were 790 Home Health Aides and 2,874 Personal Care Aides for a total of 3,664 employees. That represents 43% of the Home Health employees in the state. Of the 3,664 Aides, 2,205 (60%) were part time or contract employees and 40% were full time employees. By contrast, 73% of the RNs were full time employees.

Table 11. ***Professional Discipline by Payor Source***

State Totals	Medicare	Medicaid	3rd Party	Self-Pay	Charity	Total
Skilled Nursing Visits	625,166	77,887	211,186	1,310	814	**916,363**
Physical Therapy Visits	418,797	27,077	130,364	493	204	**576,935**
Speech Pathology Visits	39,774	497	9,500	63	16	**49,850**
Occupational Therapy Visits	118,148	738	36,247	100	40	**155,273**
Medical Social Services Visits	6,045	17,925	3,164	439	258	**27,831**
Home Health Aide Visits	130,097	311,416	32,556	21,144	6,189	**501,402**
Other	10,748	68,601	3,026	503	122	**83,000**
Total	**1,348,775**	**504,141**	**426,043**	**24,052**	**7,643**	**2,310,654**

Table 12. ***Professional Discipline by Payor Source Percentage***

State Totals	Medicare	Medicaid	3rd Party	Self-Pay	Charity	Total
Skilled Nursing Visits	68.22%	8.50%	23.05%	0.14%	0.09%	**100.00%**
Physical Therapy Visits	72.59%	4.69%	22.60%	0.09%	0.04%	**100.00%**
Speech Pathology Visits	79.79%	1.00%	19.06%	0.13%	0.03%	**100.00%**
Occupational Therapy Visits	76.09%	0.48%	23.34%	0.06%	0.03%	**100.00%**
Medical Social Services Visits	21.72%	64.41%	11.37%	1.58%	0.93%	**100.00%**
Home Health Aide Visits	25.95%	62.11%	6.49%	4.22%	1.23%	**100.00%**
Other	12.95%	82.65%	3.65%	0.61%	0.15%	**100.00%**
Total	58.37%	21.82%	18.44%	1.04%	0.33%	**100.00%**

Referral Source

Most of the Home Health referrals were from hospitals (45%) and physicians (28%). The remaining 26% are spread out among five other categories.

Among Intermittent admissions, hospital referrals account for 47% of the admissions and physician referrals account for 30%. This closely mirrors the overall figures above, with the intermittent admissions accounting for 95% of the admissions.

Personal Care admissions are distributed with the Family/Friend/Self category accounting for nearly half of the admissions, "Other" 30%, and both Hospital and Physician at 8%.

Table 13. ***Referral Source by Type of Admission***

State Totals	Hospital	Rehab Facility	Physician	Payor (HMO, PPO, etc.)	Family/ Friend/ Self	Nursing Home	Other	Total
Intermittent	32,744	6,727	20,433	91	390	4,818	3,905	**69,108**
Personal Care	297	12	292	240	1,734	26	1,097	**3,698**
Extended Care	26	0	0	0	11	0	48	**85**
Total	**33,067**	**6,739**	**20,725**	**331**	**2,135**	**4,844**	**5,050**	**72,891**

Table 14. ***Referral Source by Type of Admission Percentage***

State Totals	Hospital	Rehab Facility	Physician	Payor (HMO, PPO, etc.)	Family/ Friend/ Self	Nursing Home	Other	Total
Intermittent	47.38%	9.73%	29.57%	0.13%	0.56%	6.97%	5.65%	**100.00%**
Personal Care	8.03%	0.32%	7.90%	6.49%	46.89%	0.70%	29.66%	**100.00%**
Extended Care	30.59%	0.00%	0.00%	0.00%	12.94%	0.00%	56.47%	**100.00%**
Total	45.36%	9.25%	28.43%	0.45%	2.93%	6.65%	6.93%	**100.00%**

Staffing

Home Health staffing is distributed among full time, part time, and contract labor (54%, 34%, and 12%, respectively). The percentage of staff in a particular field can vary widely from each of the categories. Examples of this can be seen among the RNs, Aides, and Clerical Staff.

Overall, RNs account for 23% of the total population of Home Heath employees, but compose 31% of all full time employees. Seventy-three percent of the RNs are employed full time.

The personal care aides are comprised of 36% full time employees. The remainder of the personal care aides are employed part time (49%) and 14% are contract workers.

The vast majority of the clerical staff (86%) is made up of full time employees, with only 11% being part time, and 3% being contract. Overall 9% of the home health staff are clerical.

Physical and occupational therapists are employed mainly on a full-time basis, while speech therapists are mostly contract workers. Of the therapists, physical therapists account for over double the number of speech and occupational therapists (10% vs. 2% and 4%). Contract labor accounts for 38% of the physical therapists, 49% of the speech therapists, and 32% of the occupational therapists.

Table 15. ***Staffing Information***

State Totals	RN	LPN	Physical Therapist	Speech Therapist	Occupational Therapist	Medical Social Worker	Home Health Aide	Personal Care Aide	Clerical Staff	Total
Full Time	1,419	456	385	42	132	28	419	1,040	675	**4,596**
Part Time	460	192	154	54	94	35	347	1,420	87	**2,843**
Contract	58	3	326	92	104	12	24	414	21	**1,054**
Total	**1,937**	**651**	**865**	**188**	**330**	**75**	**790**	**2,874**	**783**	**8,493**

Table 16. ***Staffing Information Percentage***

State Totals	RN	LPN	Physical Therapist	Speech Therapist	Occupational Therapist	Medical Social Worker	Home Health Aide	Personal Care Aide	Clerical Staff	Total
Full Time	30.87%	9.92%	8.38%	0.91%	2.87%	0.61%	9.12%	22.63%	14.69%	**100.00%**
Part Time	16.18%	6.75%	5.42%	1.90%	3.31%	1.23%	12.21%	49.95%	3.06%	**100.00%**
Contract	5.50%	0.28%	30.93%	8.73%	9.87%	1.14%	2.28%	39.28%	1.99%	**100.00%**
Total	22.81%	7.67%	10.18%	2.21%	3.89%	0.88%	9.30%	33.84%	9.22%	**100.00%**

Unduplicated Admissions

Table 17. ***Unduplicated Admissions***

State Totals	Medicare	Medicaid	3rd Party	Self-Pay	Charity	Total
Intermittent	44,013	4,859	16,979	234	97	**66,182**
Personal Care	22	2,907	461	382	88	**3,860**
Extended Care	0	30	4	4	0	**38**
Total	**44,035**	**7,796**	**17,444**	**620**	**185**	**70,080**

Table 18. ***Unduplicated Admissions Percentage***

State Totals	Medicare	Medicaid	3rd Party	Self-Pay	Charity	Total
Intermittent	66.50%	7.34%	25.66%	0.35%	0.15%	**100.00%**
Personal Care	0.57%	75.31%	11.94%	9.90%	2.28%	**100.00%**
Extended Care	0.00%	78.95%	10.53%	10.53%	0.00%	**100.00%**
Total	62.84%	11.12%	24.89%	0.88%	0.26%	**100.00%**

Hospice Services and Facilities

Act 396 of 1997 required separate Permits of Approval for hospice facilities and hospice agencies and required the Health Services Permit Agency to develop criteria for granting POAs for each category of service. The methodology for hospice services was adopted in 2001 and the methodology for hospice facilities was not adopted until 2002.

Hospice care as defined by state statute means an autonomous, centrally administered, medically directed, coordinated program providing home and outpatient care for the terminally ill patient and family, and which employs an inter-disciplinary team to assist in providing palliative and supportive care to meet the special needs arising out of the physical, emotional, spiritual, social and economic stresses which are experienced during the final stages of illness and during dying and bereavement. The care shall be available twenty-four (24) hours a day, seven (7) days a week, and provided based on need, regardless of the ability to pay.

A hospice program is defined as an agency or organization that is primarily engaged in providing care to terminally ill individuals. A hospice facility is defined as a facility that houses hospice beds licensed exclusively to the care of terminally ill patients but not beds licensed to a hospital, nursing home or other assisted living or residential facilities. It can provide any of the four levels of hospice care. For purposes of this application, terminally ill patients are defined according to the Social Security Act as those individuals with a terminal diagnosis and a prognosis of six months or less if the diagnosed condition runs its normal course.

The initial hospice methodology used a formula that was based on a percentage of cancer deaths (55%) and a much smaller percentage (13-15%) of non-cancer deaths. The total of these percentages were subtracted from the total number of county deaths to determine a county's hospice need. Over time, national data reflected that hospice services were being utilized by a growing number of non-cancer patients with a prognosis that fit the hospice definition. The Agency survey of Arkansas hospice services reflected this same trend. Therefore, the methodology was changed in 2005 to reflect a percentage of all deaths. The percentage of hospice deaths for the determination of need is changed periodically to reflect national and statewide utilization and trends.

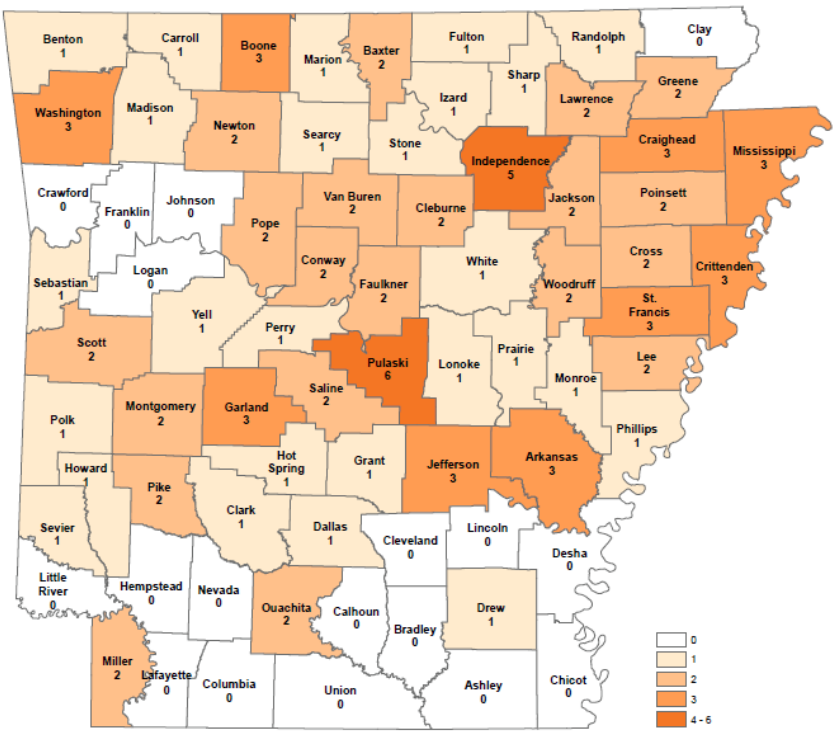
Nationally, hospice has grown significantly. Arkansas has seen a similar growth trend in that 30.5% of deaths were served by hospice in 2007 and by 2017 46.6% of deaths in Arkansas were served by hospice. The percent of deaths served by hospice was calculated by dividing the sum of the number of deaths in hospice care (not limited to inpatient facilities) from the quarterly hospice reports and by the total number of deaths in Arkansas reported by the Department of Health. According to the *Facts and Figures: Hospice Care in America* report by the National Hospice and Palliative Care Organization, 48% of U.S. deaths were served by hospice in 2016. This shows that Arkansas has a very similar utilization rate to the nation.

Although the number of deaths served by hospice was beginning to grow in Arkansas, there is an uneven distribution of the number served. In some areas of the state there appears to be a slower willingness to accept hospice services or to accept a death diagnosis that defines hospice. In some cases, there are perhaps cultural or religious reasons that hospice has not been widely accepted. This is reflected in the number of deaths served even when hospice providers are licensed and available in the community.

The current hospice methodology is based on 30% of all deaths in the county as reported by the Arkansas Department of Health, Center for Health Statistics. Licensed hospice agencies report quarterly hospice deaths to the agency and these deaths are subtracted from the total deaths reported; this figure is the projected need. Numeric need for the county is demonstrated if the projected number of hospice patients for the previous four (4) quarters is 35 or greater in the county. Shown below in figure 9 is a map of Arkansas with the number of hospice agencies serving each county.

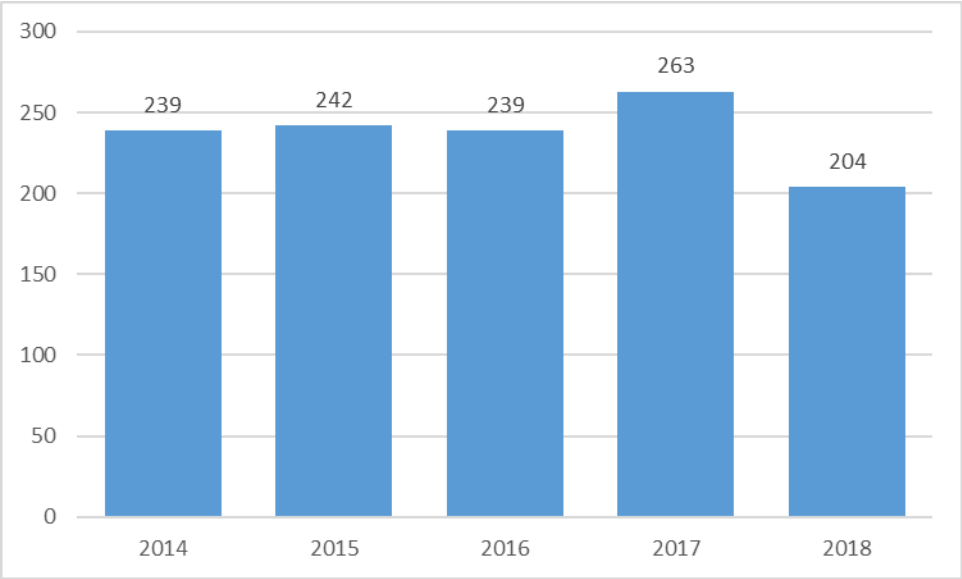
Arkansas Hospice Survey Results

Figure 9. ***Number of Hospice Facilities by County in Arkansas***



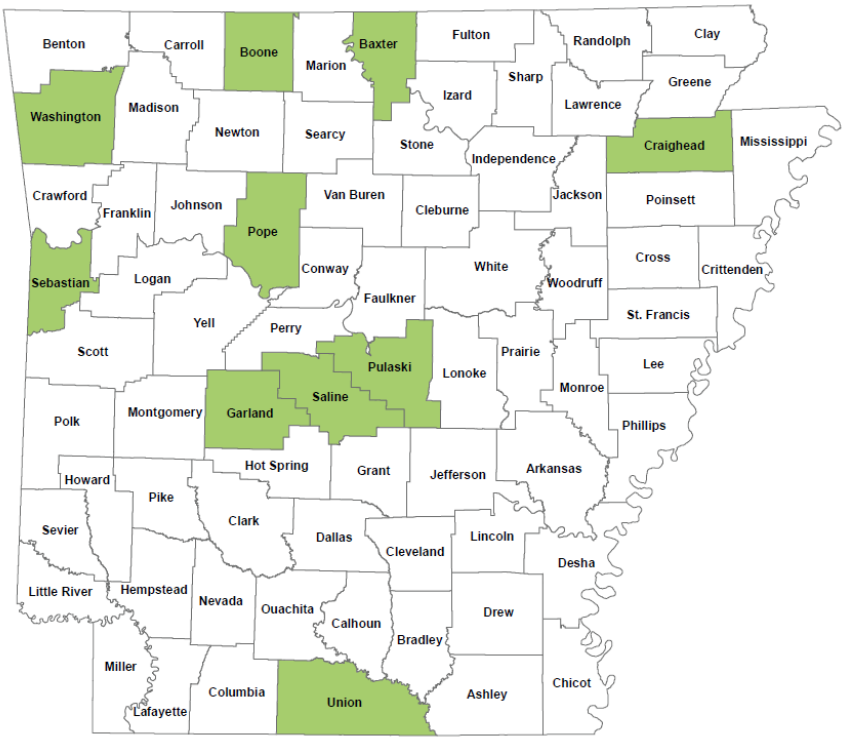
As illustrated on the graph below, the annual surveys show a consistent number of inpatient hospice beds from 2014-2016, then an increase in 2017 followed by a substantial decrease in 2018. From 2017-2018 there was a 22.4% decline in the number of beds reported.

Figure 10. ***Number of Survey Reported Licensed Hospice Inpatient Beds 2014-2018***



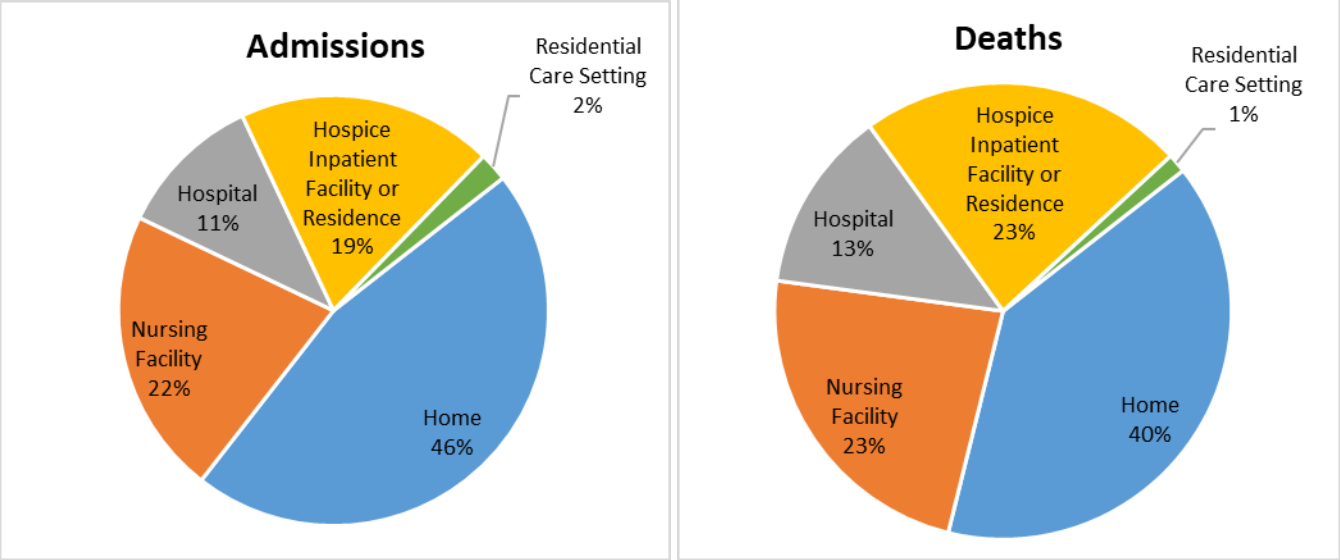
According to the 2018 survey, there are now hospice facilities with inpatient beds in 10 of Arkansas's 75 counties (see the map below). There were 204 licensed beds reported across the 12 facilities.

Figure 11. ***Counties with Hospice Inpatient Beds in Arkansas***



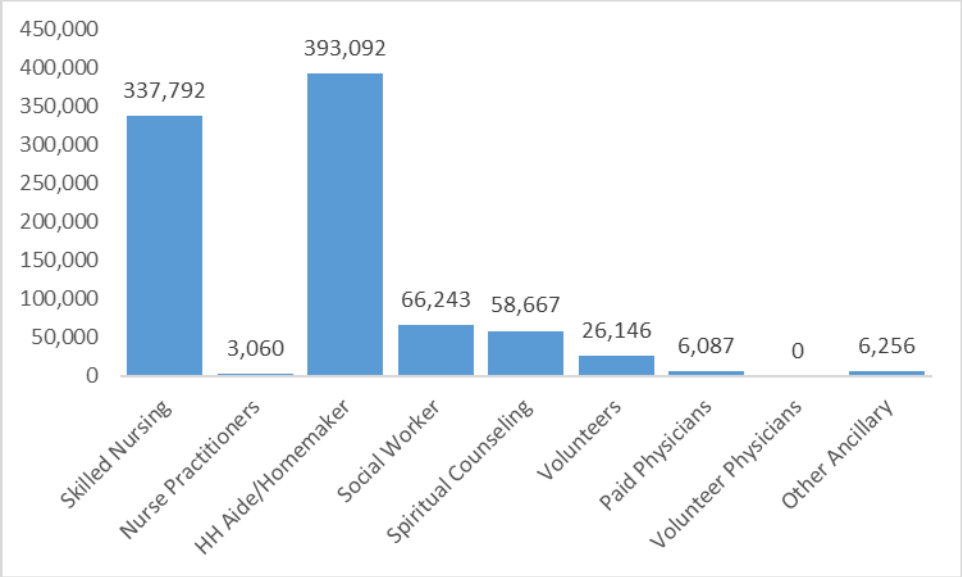
There is a slight difference in the percentage of admissions and deaths by location that is likely explained by post-admission transfers with hospice agencies. The largest difference is Home admissions and deaths. While Home accounts for approximately 46% of all admissions, it makes up 40% of the hospice deaths. Conversely Hospice Inpatient Facility, Nursing Facility, and Hospital had a larger share of deaths than admissions (see chart below).

Figure 12. ***Hospice Admissions and Deaths by Location***



A look at patient visits by discipline (see chart below) shows that home health aide and skilled nursing visits account for the majority of visits by hospice personnel. In fact, nurses and aides account for 81% of patient visits. The remainder of the visits is led by social workers (7%) and spiritual counselors (7%).

Figure 13. ***Patient Visits by Discipline***



PSYCHIATRIC RESIDENTIAL TREATMENT FACILITY (PRTF) SUMMARY

Act 596 of 1987 called for all specialized psychiatric facilities to have a POA and license. At that time there were 226 existing PRTF beds that were "grand-fathered" into the system. The Need Methodology for PRTFs was established in 1995. According to this methodology, Arkansas projects 1.001 beds per 1,000 persons between 6-17 years old and 0.78 beds for 1,000 persons between the ages of 18-21. As of February 1, 2008, there is a moratorium on the construction or addition of PRTF beds.

The Health Services Permit Agency conducts a mandatory annual PRTF Report. According to Act 1271 of 2005 the Health Services Permit Agency is authorized to collect utilization statistics annually from health facilities requiring a permit of approval.

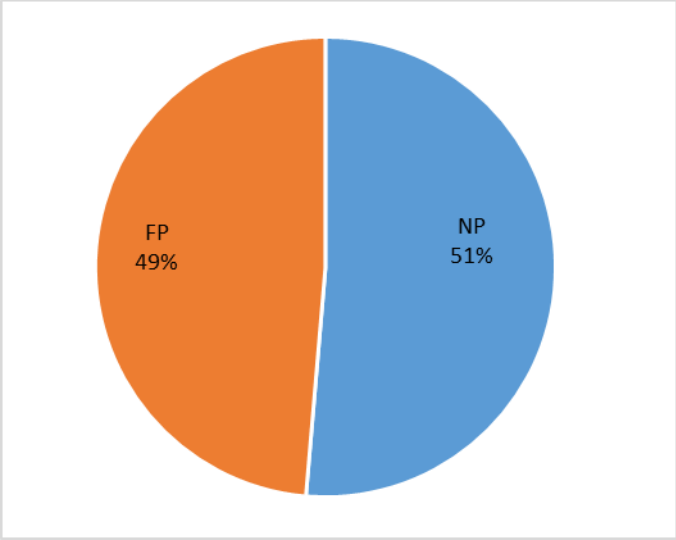
Survey Results

The respondents to the survey conducted in 2019 included four PRTFs, which were made up of two for profits (FP) and two nonprofits (NP). This survey reports on events occurring in 2018. There were 257 licensed beds and 134 resident rooms reported for 2018. The average number of beds per facility was 64.3, with 1.9 beds per room.

Licensed Beds

There were 257 licensed beds for 2018 reported in 2019's survey. The FPs accounted for 125 beds from two facilities, and the NPs had 132 beds from four facilities.

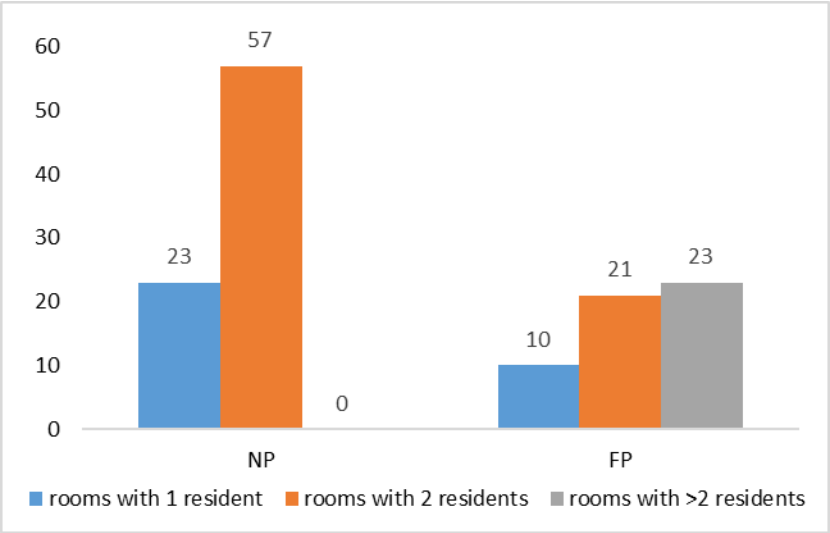
Figure 14. ***Licensed Beds by Type of Facility***



Average Number of Residents per Rooms

For all PRTFs, most of the rooms were utilized for one or two residents (25% and 58%, respectively.) The FPs had a larger percentage of rooms with three or more residents (43%) compared to NPs with none. The majority of rooms in the NPs had two residents (71%.)

Figure 15. ***Type of Resident Room by Facility Type***



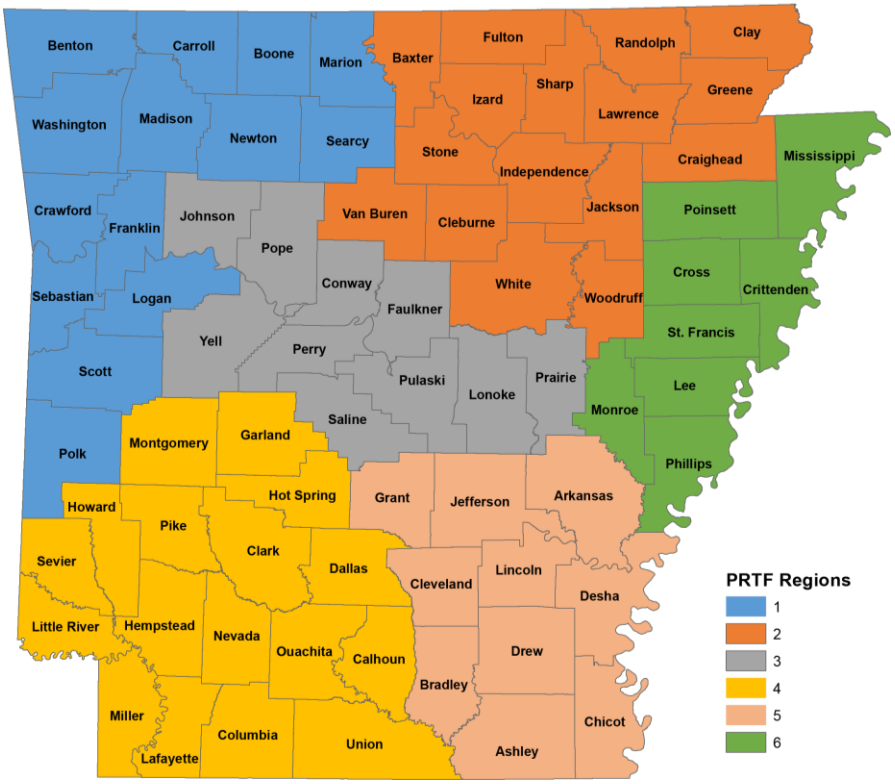
Payment Methods

In 2018, there were 90,540 total resident days and 480 admissions in the four PRTFs. Arkansas Medicaid paid for 70,284, or 77.6%, of those days. The Medicaid cap for PRTFs is $350 per child per day; based on this rate, the potential cost to Arkansas Medicaid is $24,599,400 in 2018**.** The remaining 22.4% was covered by Medicaid (from a state other than Arkansas), "other" (as listed on the survey) forms of payment, private insurance, and CHAMPUS.

PRTFs and Host Counties

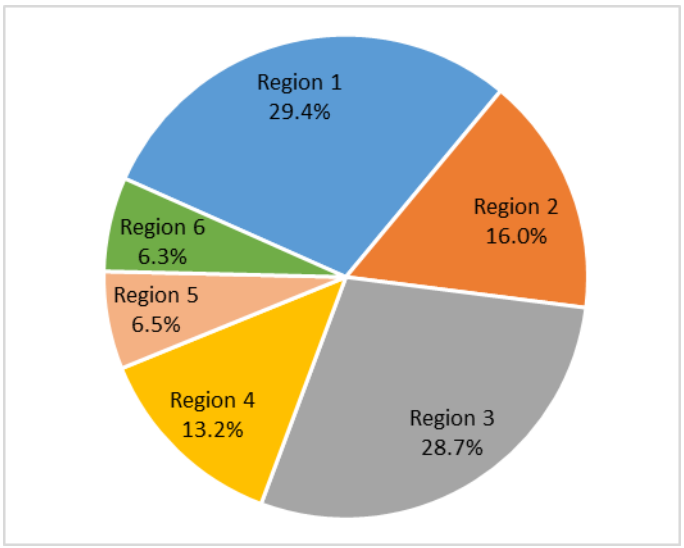
Arkansas is split into six PRTF regions (shown in the map below), which are serviced by the four responding PRTFs around the State. Region 3, which includes Pulaski County, houses two PRTFs. Regions 2, 4, and 6 have no PRTFs which responded to the survey; Regions 1 and 5 have one PRTF each.

Figure 16. ***PRTF Regions***



The six regions are not split evenly according to population. Regions 1 and 3 account for over half of the state's 2018 population estimate, while the smallest regions (5 and 6) each comprise less than 7% of the state's population.

Figure 17. ***Population by Region***



Occupancy Rates

Occupancy rate was calculated by taking the number of occupied beds divided by the number of licensed and available beds. The occupancy rates by region are as follows:

Region 1 – 98%
Region 2 – NA
Region 3 – 86%
Region 4 – NA
Region 5 – 91%
Region 6 – NA
State Total – 91%

Figure 18. ***Overall Percentage of Patients Served by Number of Patients Per County***

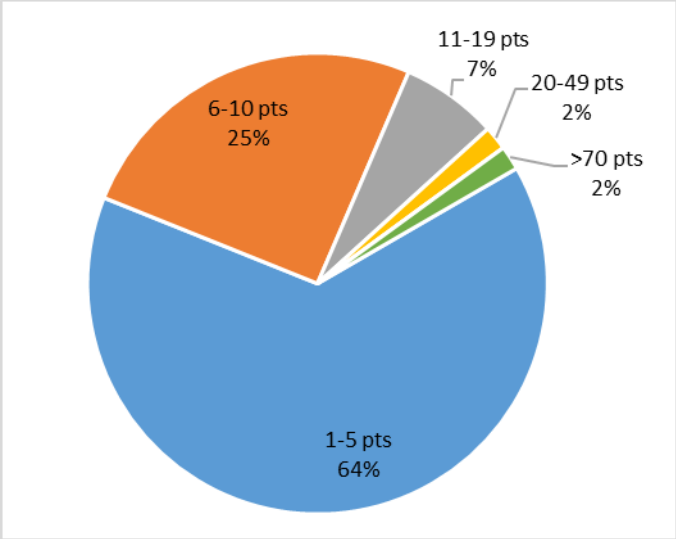


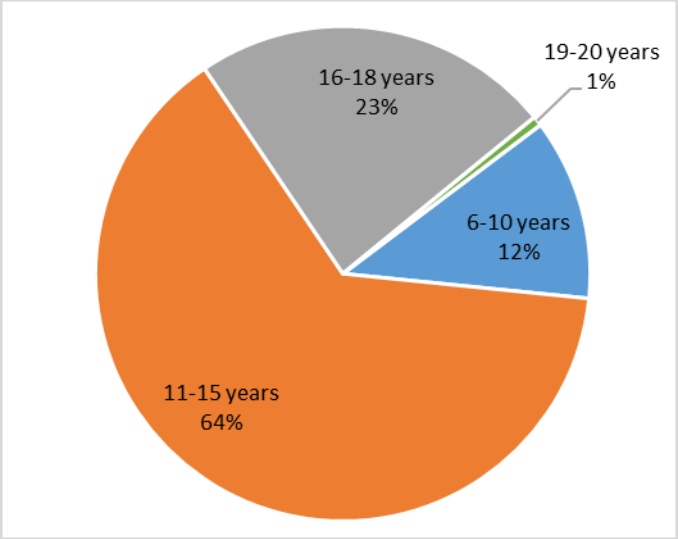
Table 19. Number of Patients Served Per County

Patients Per County		Total Patients Seen	County
>70 pts	(1)	119	Pulaski
50-70 pts	(0)	0	
20-49 pts	(1)	33	Garland
11-19 pts	(4)	62	Faulkner, Lonoke, Saline, White
6-10 pts	(15)	116	Arkansas, Benton, Bradley, Craighead, Crawford, Desha, Drew, Greene, Hot Spring, Jefferson, Miller, Poinsett, Polk, Sebastian, Washington
1-5 pts	(38)	84	Ashley, Baxter, Boone, Carroll, Chicot, Clark, Cleburne, Columbia, Conway, Crittenden, Dallas, Franklin, Grant, Howard, Independence, Jackson, Johnson, Lafayette, Lawrence, Lee, Logan, Mississippi, Monroe, Nevada, Ouachita, Perry, Pike, Pope, Prairie, Randolph, St. Francis, Scott, Sevier, Sharp, Stone, Union, Van Buren, Yell

Age

The 11-15-year-old range had the highest percentage of residents (64%), followed by 16-18 year olds (23%), 12% of the residents were 6-10 years old, and only 1% was in the 19-20-year-old age group.

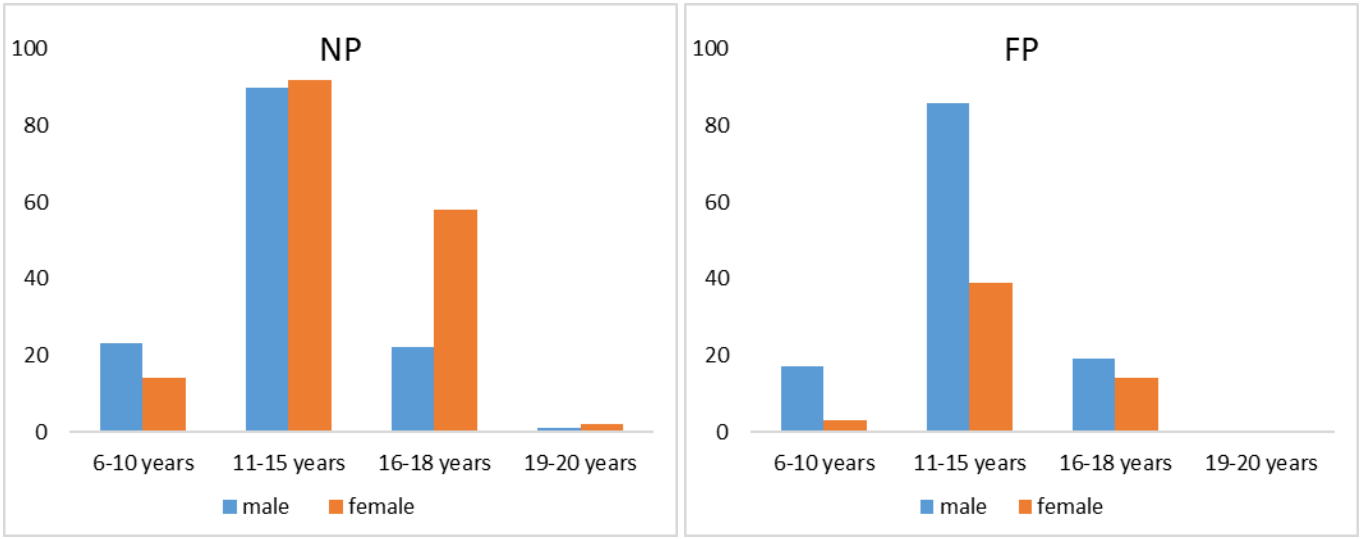
Figure 19. ***Residents by Age***



Gender

Overall, there were more males than females being served in PRTFs. There were 258 boys between the ages of 6-20 and 222 girls that were 6-20 years old. There were three facilities that had more female residents than males. Boys outnumbered girls across all age ranges in the FP facilities. In the NP facilities, girls outnumbered boys in the 11-15-year-old, 16-18-year-old, and the 19 to 20-year-old groups. The 16-18-year-old group saw the biggest difference with 36 more girls than boys.

Figure 20. ***Sex and Age by Facility Type***



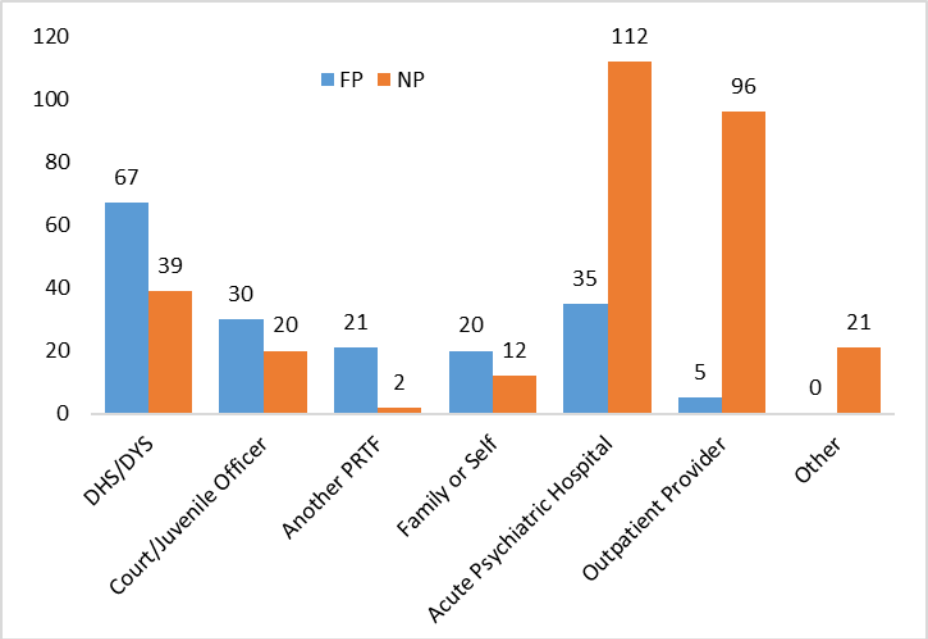
Race

According to the 2018 population estimates 75% of children, in Arkansas, between the ages of five and nineteen are white and 18% are black (see Table 20 below), with the remaining 7% from other races. However, black children constitute a disproportionate 27% of the residents in PRTFs. Region 5 saw the largest difference between the reported percentages of black residency compared to the black population (41.7% vs. 25.4%).

Table 20. Differences in race population percentages vs. PRTF residency percentages by Region

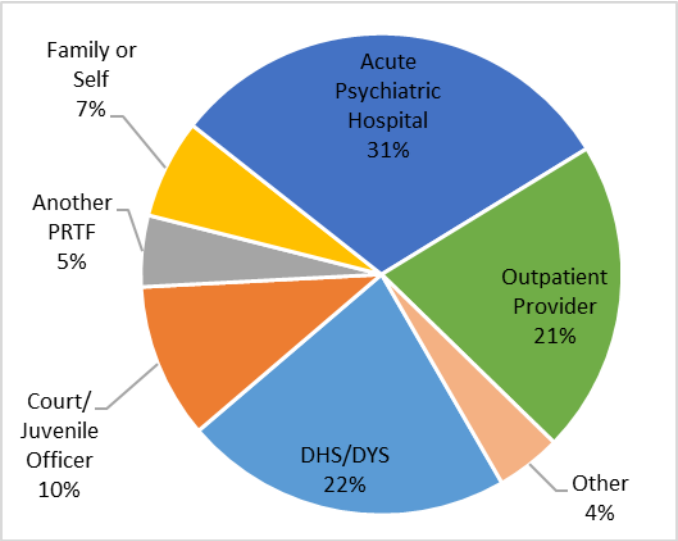
Area	% white pop 5-19	white PRTF residency %	% black pop 5-19	black PRTF residency %
Region 1	85.5%	70.6%	3.4%	15.1%
Region 2	86.5%	NA	8.7%	NA
Region 3	68.9%	61.3%	25.1%	31.8%
Region 4	70.2%	NA	23.7%	NA
Region 5	54.2%	64.4%	41.7%	25.4%
Region 6	48.1%	NA	48.1%	NA
Total	**74.6%**	**64.0%**	**18.2%**	**26.9%**

Figure 21. ***Resident Referral by Facility Type***



Note: Other is made up of Juvenile Detention Center, Emergency Shelter, Physician (other than PCP admitting physician), Schools, and "Other."

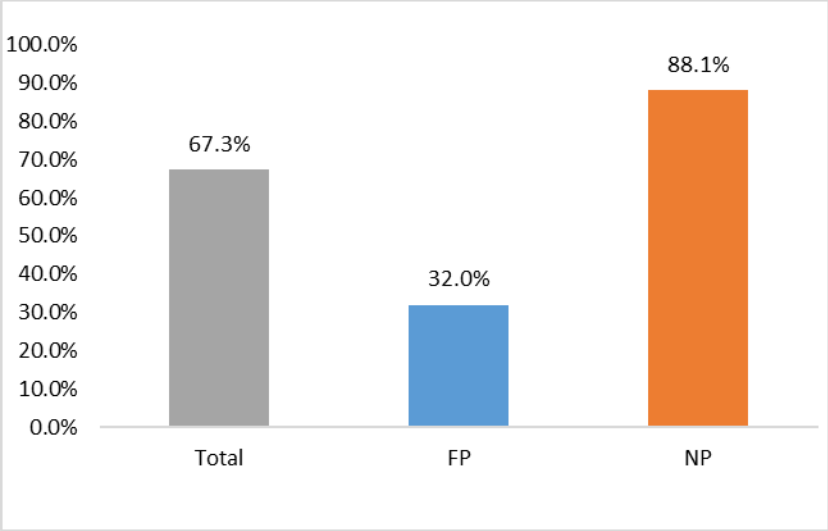
Figure 22. ***Percentage of Residents by Referral Source***



Readmissions

Of the 480 PRTF admissions reported in 2018, 323 (67.3%) of the children had previously been admitted to a PRTF or psychiatric hospital (see Figure 23 below). NPs had a higher level of readmission than FPs.

Figure 23. ***Percent Readmitted by Facility Type***



Discharged To

The survey examined where residents went after they were discharged from the PRTF. Ultimately, the long term goal may be to successfully integrate the child/adolescent into a supportive home like environment. The FP facilities returned 62.3% of their residents to their home, most of the remaining 38% of discharged residents went to foster care (20.8%), group home (9.1%), another PRTF (3.2%), or "other" (2.6%). The NP facilities returned 69.5% of their residents to their home, 15.1% to foster care, 8.5% to hospitals, 3.3% to another PRTF, and 2.6% to group homes, accounting for a majority of the remaining residents.

Average Length of Stay

The average length of stay for an Arkansas resident in a PRTF was 179 days, or almost 6 months (see Table 21 below). Two of the facilities had an average length of stay greater than six months. The FPs had the shortest average length of stay at 152 days. The NP residents stayed for over three and a half months longer (265 days).

Table 21. ***Average Length of Stay by Facility Type***

Facility Type	Facility Name	Average LoS (days)	Average LoS (months)
FP	Piney Ridge Treatment Center	133.4	4.4
FP	Delta Family Health and Fitness Center for Children, Inc.	178.7	5.9
FP Total		**152.3**	**5.0**
NP	Centers for Youth and Families - Little Rock	294.4	9.7
NP	Youth Home, Inc.	217.0	7.1
NP Total		**265.1**	**8.7**
All Facilities		**179.1**	**5.9**