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**Washington DOH Acute Care Bed Need Methodology
Presented at workshop # 7 on May 25, 2010
Group feedback indicated in **yellow****

Following are four categories of suggested changes to the methodology:

1. Technical Corrections to the Current Method

These changes streamline the method, clarify steps, eliminate redundancies, etc. They will have no impact on the outputs/results produced by the current method.

2. Other Corrections to the Current Method

This change supports the obvious intent of the current method, but can/will impact the outputs results.

3. Actual Modifications to the Current Method

These changes are intended to improve the predictive accuracy of the method. Each change may or may not by itself lead to significantly different outputs/results than those produced by the current method.

4. Modifications to Consider/Understand Impact of

While no specific approach or modifications are offered, these are other important issues that should be considered and agreed upon by the group.

5. 1. Technical Corrections to the Current Method (No Impact on Results)

Rationale

These changes streamline the method, clarify steps, eliminate redundancies, etc. They will have no impact on the outputs/results produced by the current method.

Steps 1 - 2

Do all exclusions at Step 1 (Currently MDC 19; all days at psychiatric hospitals). Eliminates Step 2 as redundant.

Officially use resident, never provider days.

(Group discussion – Be clear on use of resident days)

Steps 1 – 4

Include data, calculations for the HSA and State only. The calculations for the planning area are irrelevant to the current results of the methodology.

(Group discussion – eliminate use of HSAs)

Step 5

Clearly show calculation of the real out-of-state value that is used later (is not obvious currently):

The ratio of “out-of-state days” to “total less out of state”.

Steps 5 – 9

Eliminate all the calculations for “Other Washington” that do not directly involve planning area residents or providers. These are distracting and irrelevant to the results of the methodology.

Step 10

All values (population, use rates, days) should be taken from the previous steps where they were officially calculated, and not be recalculated here.

2. Other Corrections to the Current Method

2a.) Exclude all Newborns and All Bassinets

Rationale

Formally incorporates current Department practice.

All Steps:

Exclude MDC 15 patient activity (newborns).

Step 10:

Exclude all bassinets

2b.) Calculate and Apply Use Rate Trends by Age Group

Rationale

Currently, future days are projected for two age groups (0-64 and 65+), but the historical growth trend applied to these groups is based on the total population/all ages. This change supports the obvious intent of the current method, but can/will impact the outputs results.

Step 3:

Calculate historical use rates for the two age cohorts (0-64 and 65+)
(Group discussion –use only these two age groupings)

Step 4:

Calculate and select the most conservative use rate for each age cohort.

Issue:

Are we comfortable with the two trends being different? (for example, statewide trend for 0-64, but HSA for 65+).

Step 7:

Apply the actual age specific use rate trends from Step 4 to project future days by age.

2c.) Identify and Publish Bed Supply for All Planning Areas

Rationale

Brings certainty as the bed supply to be used is known in advance by all parties.

Step 10:

Uses the established bed supply for the planning area.

3. Actual Modifications to the Current Method

3a.) Meaningfully include the planning area in use rate trending.

Rationale

Currently, the use rate trending calculations for the actual local planning area are shown, but are not eligible to be used for future trending (only the HSA or statewide trend may be used). Including the planning area calculations, and

modifying the trend selection process, will ensure that the future use rate trending reflects actual local trends, while still remaining conservative.

Steps 1-3

As is done currently, continue to include data and calculations for the planning area.

Step 4

Calculate the historic use rate trend/slope for the Planning Area along with the HSA and state. Determine which of the 3 trends is smallest, and which is largest. Select the middle trend for use at Step 7 to trend/project future use rates.

3b.) Account for trends in market share for planning area providers

Rationale

Currently, market share for planning area providers is calculated only for the baseline year, and then is assumed to remain static into the future. Including the historic market share trend better accounts for how these changes are actually driving bed need in the planning area (or not).

Step 5

Calculate market shares for the most recent 10-years; planning area provider market shares of planning area residents. Determine the market share trend.

Step 9

Apply the market share trend to the baseline year market share to project future year market shares of planning area resident patient days.

3c.) Account for trends in out-of-area days to planning area providers

Rationale

Similar to market share of planning area residents, demand from out-of-area patients is calculated only for the baseline year, and then is assumed to remain static into the future. This is currently calculated separately as a percentage (market share) of Other Washington patients, as well as a ratio representing patients from out-of-state. Much simpler would be to calculate both of these as individual ratios, or as a single combined ratio. (Eliminating the need to perform historical and forecasting calculations for Other Washington). Like market share, this ratio(s) can then be trended to better account for how out-of-area patients are actually driving bed need (or not).

Step 5 (or new step)

For the most recent 10-years for planning area providers, calculate Other Washington days and Out-of-State days as ratios (or as a single combined Total Out-of-Area ratio), the denominator being planning area resident days to planning area providers (this is the way Out-of-State days are handled currently, but only for the baseline year).

Determine the trend/slope for the ratio(s).

Step 9 (or new step)

Apply the trend to the baseline year ratio to project future year out-of-area ratios, which are then applied to future projected planning area days to planning area providers, to get total days to area providers.

4. Modifications to Consider/Understand:

(Group discussion – acknowledge “full service versus limited access hospitals. Pull limited or critical access hospitals out of the supply)

4a.) Discount CAH beds.

(Group discussion – an availability / accessibility analysis would not count critical access beds)

4b.) Back out beds/patient activity at specialty hospitals. How do applicants justify expanding or creating services within excluded categories – NICU, psych, LTAC, etc.?

4c.)Exception language

4d.) Understand impact of trending when the planning area horizon moves to 10 years.

4e.) Understand that by do projections at the planning area level only, the “whole (state) is significantly less than the sum of its parts.”