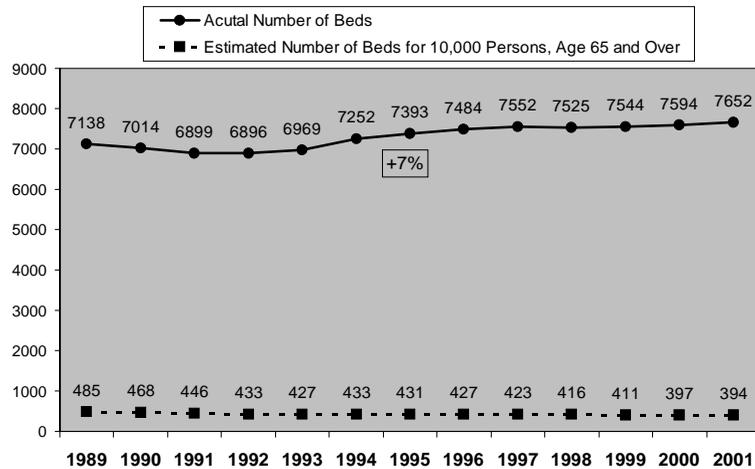


During the first six months of 2001, approximately 9,500 people were in the 183 long-term care (LTC) facilities in Utah. In response to growing changes and concerns in the LTC industry, the Health Data Committee evaluated one of the Utah Medicaid policies on nursing homes: Utah's Medicaid nursing home bed construction moratorium.

In 1989, the Utah Department of Health declared an emergency moratorium on Medicaid certification of new nursing home bed construction. By discouraging additional nursing facility beds, the moratorium was designed to stabilize the nursing home industry and give the State an opportunity to develop alternative solutions for a better long-term care system.

**Capacity Indicator - Medicaid/Medicare Beds**

Figure 1. Number of Medicaid/Medicare certified nursing home beds and beds per 10,000 population 65 years and over, Utah, 1989-2001.

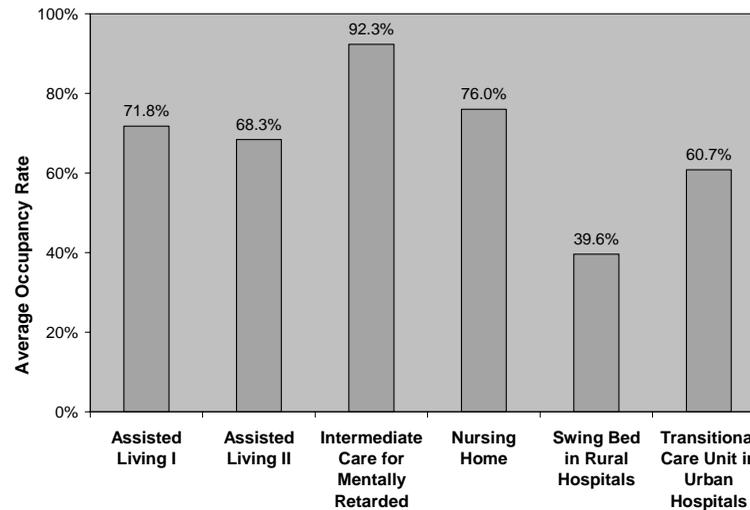


- The moratorium has slowed down construction of nursing home beds in Utah. There was a net growth of only 514 nursing care facility beds between 1989 and 2001 (Figure 1).

- However, Assisted Living (AL) beds grew dramatically in the late 1990s. Most of the assisted living growth occurred in the AL Level II facilities, which increased by 979% in beds and 740% in facilities between 1997 and 2001.

**Performance Indicator - Occupancy Rates**

Figure 2. Occupancy rates by type of facility: Utah, January - May 2001.

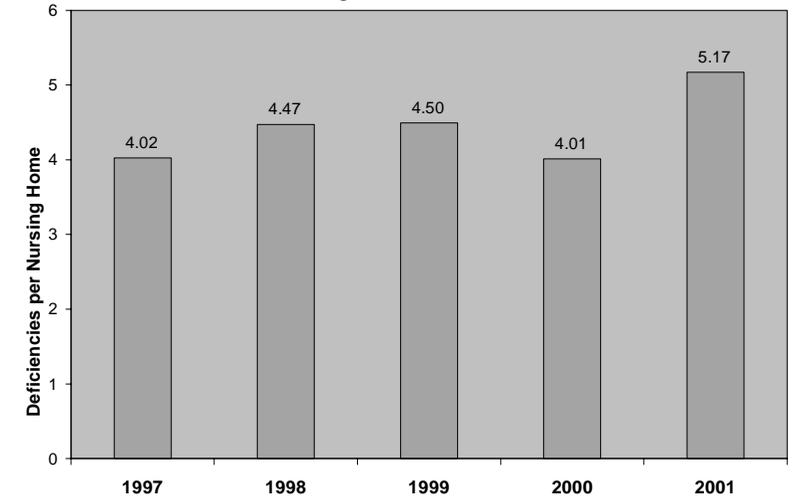


- One goal of the moratorium in reducing bed construction was to improve the performance of nursing facilities, measured by occupancy rates. National studies have shown that low occupancy rates can adversely affect nursing home performance and profitability.
- Utah nursing homes, Medicaid/Medicare-certified, had experienced a steady increase in occupancy rates from 74.6% in 1988 to 81.4% in 1997 then decreased to 76.0% in 2001.
- In 2001, Intermediate Care Facility for Mentally Retarded (ICF/MR) has the highest occupancy rate (92%) in Utah, followed by nursing homes (76.0%) and AL Level I facilities (71.8%) (Figure 2).

- Additional findings suggest that a facility must attract more private-pay patients in order to increase its occupancy rate.

**Quality Indicator - Deficiencies**

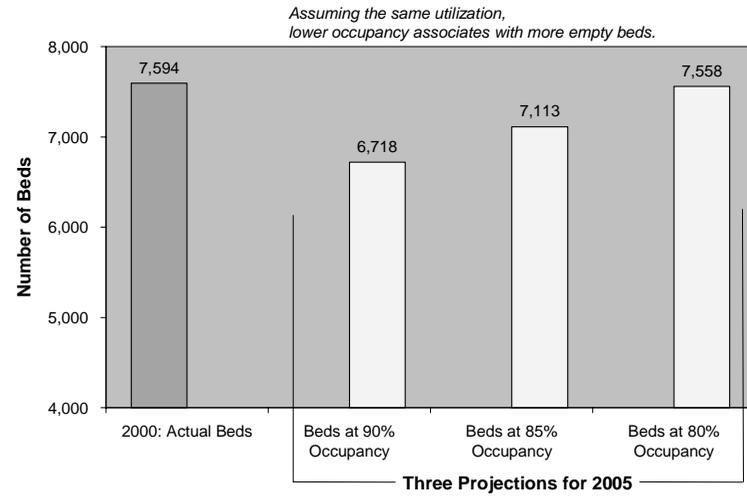
Figure 3. Average number of deficiencies per nursing home, Medicaid/Medicare certified nursing home facilities, Utah 1997-2001.



- Quality of care is a major concern for seniors and their families. In the report, nursing home quality was measured by the average number of deficiencies found in a nursing home in each annual survey.
- During the period from January 1997 through May 2001, the Bureau of Program Certification and Resident Assessment conducted a total of 319 certification surveys on Medicaid/Medicare nursing homes in Utah. Each survey tracked the number of deficiencies found in the nursing facility. Deficiencies per facility varied slightly during the period, reaching a peak of 5.17 deficiencies per facility in 2001 (Figure 3).

## Projected Need of Beds

Figure 4. Projected need of nursing home beds: Utah, 2005.



- The Committee assessed projected needs for nursing home beds in Utah, under three assumptions: (1) the utilization pattern remains the same as that in 2000; (2) the projected state-wide occupancy rate is 80% or higher; and (3) the growth rate of the population age 65 and over is 8% or lower between 2000 and 2005. Figure 4 indicates that the current number of nursing home beds should be adequate to meet the needs of nursing home patients in 2005, regardless of the scenario.
- However, the quality of care provided by the nursing homes can and should be improved.

*The Health Data Committee concludes* that the moratorium fulfilled its intended purpose in its initial years. Since the late 1990s, the LTC industry and market have changed. Today's environment requires policy makers to make slow and incremental changes with tailored long term care policies for different communities and patient populations, to maintain the balance between access, quality and costs of long term care in Utah.

## September 2002 Utah Health Status Update

Additional information about this topic can be obtained from the Office of Health Care Statistics, Utah Department of Health, P. O. Box 144004, Salt Lake City, Utah 84114-4004, (801) 538-7048, FAX (801) 538-9916, or the Office of Public Health Assessment, Utah Department of Health, P.O. Box 142101, Salt Lake City, Utah 84114-2101, (801) 538-6108, FAX (801) 536-0947 or (801) 538-9346, email: [phdata@doh.state.ut.us](mailto:phdata@doh.state.ut.us). To download a full report, go to <http://health.utah.gov/hda/Reports/NHM02.pdf>. For more information on nursing homes, go to <http://health.utah.gov/licensing/hf.htm> and <http://health.utah.gov/pcra>.

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