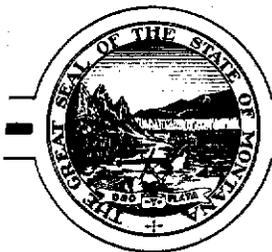


DEPARTMENT OF
PUBLIC HEALTH AND HUMAN SERVICES
DIVISION OF QUALITY ASSURANCE

SENATE PUBLIC HEALTH, WELFARE & SAFETY

EXHIBIT NO. 5
DATE: 1-28-05 GAIL GRAY, Ed.D. DIRECTOR
BILL NO. SB257



JUDY MARTZ
GOVERNOR

STATE OF MONTANA

(406) 444-2037
FAX: (406) 444-3980

2401 Colonial Drive
3rd Floor
PO Box 202953
Helena, Montana 59620-2953

September 3, 2004

TO: Kelly Williams, Administrator
SLTC

✓Rose Hughes, Executive Director
MHCA

Bob Olsen, Vice President
MHA

Kip Smith
MHREF

FROM: Mary E. Dalton, Administrator *Mary*
Quality Assurance Division

RE: Critical Access Hospital (CAH) Swing Beds

A few weeks ago I talked to each of you individually about CAH legislation that the Quality Assurance Division (QAD) will be bringing forward in the upcoming legislative session. We will be proposing to allow facilities to have a total of 25 CAH beds that can be used interchangeably as acute or swing beds.

As we previously discussed, during our research in preparation for the proposed bill, a question arose as to whether a CAH is required to go through Certificate of Need (CON). Our current practice has been to require a CON for a CAH if they wish to have more than 5 swing beds. The statute, however, is not clear in this area. On one hand, CAHs are a different facility type from hospitals and are not listed as a facility that must obtain a CON. On the other hand, a CAH swing bed is a long-term care bed and CAHs are not specifically excluded, as some facilities are, from CON.

I have done some very basic analysis of what the impact of allowing CAHs to have up to 25 swing beds might be. Attached are two spreadsheets. The first spreadsheet lists the 38 current CAHs and the 3 hospitals we believe will convert to a CAH within the next year. It also lists any nursing facilities located in the same town. The "total LTC bed" column is a combination of existing swing beds and nursing facility beds. The "state plan LTC need projection" column is the number of beds needed in the community according to the

existing CON methodology. You will note that Chester and Terry are the only communities that show a need for more beds. All other communities currently have beds in excess of the need indicated by the CON methodology. (As an example, Anaconda has 70 beds but only needs 68.) You can see that there is a potential that 750 new swing beds could be added if everyone went to the full 25 beds. That possibility doesn't really seem plausible, however, given the economic realities faced by both CAHs and nursing facilities and the demographics in Montana.

The second spreadsheet contains information I obtained from MHA (Carol Bischoff) on Average Daily Census. I excluded co-located facilities because of my assumption that if a facility increased the number of swing beds, there would be a corresponding bed for bed drop in the number of nursing facility beds. There are 19 facilities that are not co-located or that have another nursing facility in town in addition to the co-located facility. Swing bed average daily census is available for 12 of the 19. When I look at this data, it seems that the question of whether they have 5 or 25 swing beds is immaterial. They are unable to fill their existing swing beds. The average daily census ranges from a low of 0.04 days to a high of 2.8 days.

I still need to consult with Kelly since she has not had a chance to see any of this data as to whether there will be an impact to the Department. But given the information available to me, I am leaning toward not including any clarification of the CON in the proposed legislation and discontinuing our current practice of requiring a CAH to go through CON for swing bed services. (If one of the Associations is planning to bring legislation forward on CON, it would seem wise for QAD to continue to review CAH swing beds under CON until after the session.) I would like your feedback before I discuss with the Director and Deputy Director the scope of the legislative bill. Please get back to me by 9/9/04 so I have a chance to talk to them prior to your conventions.

Cc: Roy Kemp
Marjorie Vander Aarde
Cleve Johnson
Pamela Sourbeer

Med/budget/CAH swing bed legislation feedback

LONG-TERM CARE BEDS IN CAH COMMUNITIES

Town	Name of Facility	Co-Located		# CAH Beds	Possible New CAH Beds ¹	# Swing Beds	Possible New Swing Beds		LTC Facility Beds	Total LTC Beds ²	State Plan LTC Need Projections ³	Bed Need
		Y	N				Beds	Beds				
ANACONDA	COMMUNITY HOSP OF ANACONDA			23	2	8	17		66	70	68	0
ANACONDA	COMMUNITY NH OF ANACONDA											
BAKER	FALLON MEDICAL COMPLEX HOSP			19	6	13	12		33	46	41	0
BAKER	FALLON MED COMPLEX NE											
BIG SANDY	BIG SANDY MEDICAL CTR			8	17	6	19		22	28	19	0
BIG SANDY	BIG SANDY MEDICAL CTR											
BIG TIMBER	PONDERA MEDICAL CTR			8	17	5	20					
BIG TIMBER	PONDERA MEDICAL CTR								52	57	54	0
CHESTER	BERRY COUNTY HOSP			11	14	5	20					
CHESTER	BERRY CO H								47	50	52	2
CHOTEAU	TETON MEDICAL CTR			10	15	8	17					
CHOTEAU	TETON MEDICAL CTR								36			
CHOTEAU	TETON MEDICAL CTR		N						41	85	69	0
CIRCLE	TETON NH											
CIRCLE	MOON COUNTY HEALTH CTR			8	17	5	20					
CIRCLE	MOON CO NH								30	35	29	0
COLUMBUS	STILLWATER COMMUNITY HOSP			13	12	6	19					
COLUMBUS	STILLWATER COMMUNITY HOSP ECU								10			
COLUMBUS	BEARTOOTH MANOR		N						82	98	73	0
CONRAD	PONDERA MEDICAL CTR			20	5	8	17					
CONRAD	PONDERA MEDICAL CTR								67	75	67	0
CULBERTSON	ROOSEVELT MEMORIAL MEDICAL CTR			10	15	4	21					
CULBERTSON	ROOSEVELT MEMORIAL MEDICAL CTR								42	46	39	0
CUT BANK	NORTHERN ROCKIES MEDICAL CTR		Y ⁴	20	5	9	16					
CUT BANK	GLACIER CARE CTR		Y ⁴						39	48	35	0
DEER LODGE	POWER COUNTY MEDICAL HOSP			19	6	6	19					
DEER LODGE	POWER COUNTY MEDICAL HOSP								16			
DEER LODGE	POWER COUNTY MEDICAL HOSP		N						60	82	79	0
DILLON	BARRETT HOSP & HEALTHCARE		N	20	5	5	20					
DILLON	PARKVIEW ACRES CARE & REHAB CTR		N						108	113	84	0

LONG-TERM CARE BEDS IN CAH COMMUNITIES

Town	Name of Facility	Co-Located		# CAH Beds	Possible New CAH Beds ¹	# Swing Beds	Possible New LTC Facility		Total LTC Beds ²	State Plan LTC Need Projections ³	Bed Need
		Y	N				Beds	Beds			
EKALAKA	DALY MEMORIAL HOSP			8	17	8		23	31	19	0
EKALAKA	DALY MEMORIAL HOSP										
ENNIS	MADISON VALLEY HOSP		N	9	16	4					
ENNIS	MADISON VALLEY MANOR ⁵		N					40	44	36	0
FORSYTH	MADISON VALLEY HOSP			9	16	8		55	63	31	0
FORSYTH	MADISON VALLEY MANOR ⁵										
FORT BENTON	MADISON VALLEY HOSP			7	18	5					
FORT BENTON	MADISON VALLEY MANOR ⁵							45	50	48	0
GLASGOW	FRANCES MAHON DEACONESS HOSP		N	25	0	19					
GLASGOW	VALLEY VIEW HOME		N					96	115	84	0
GLENDIVE	GLENDIVE MEDICAL CTR			25	0	13					
GLENDIVE	GLENDIVE MEDICAL CTR							75			
GLENDIVE	EASTERN MT VETERANS' HOME		N					80	168	154	0
HAMILTON	MADISON VALLEY HOSP				25	5					
HAMILTON	MADISON VALLEY MANOR ⁵							5			
HAMILTON	THE DISCOVERY CARE CTR		N					53			
HAMILTON	VALLEY VIEW ESTATES HEALTH CARE CTR		N					98	161	152	0
HARDIN	WHEATLAND REGIONAL HOSP			16	9	5					
HARDIN	WHEATLAND REGIONAL HOSP							37			
HARDIN	HERITAGE ACRES NH		N					36	78	66	0
HARLOWTON	WHEATLAND REGIONAL HOSP			21	4	9					
HARLOWTON	WHEATLAND REGIONAL HOSP							33	42	36	0
JORDAN	WHEATLAND REGIONAL HOSP			4	21	2					
JORDAN	WHEATLAND REGIONAL HOSP							24	26	19	0
LIBBY	ST JOHNS LUTHERAN HOSP		N	23	2	8					
LIBBY	LIBBY CARE CTR		N					101	109	93	0
LIVINGSTON	LIVINGSTON HEALTHCARE		N	20	5	5					
LIVINGSTON	EVERGREEN AT LIVINGSTON		N					115	120	89	0
MALTA	PHILLIPS COUNTY MEDICAL CTR	Y ⁴		14	11	6					
MALTA	PHILLIPS CO GOOD SAMARITAN	Y ⁴						46	52	48	0

LONG-TERM CARE BEDS IN CAH COMMUNITIES

Town	Name of Facility	Co-Located		Possible New		# Swing		Possible New		LTC Facility		Total LTC		State Plan LTC		Bed Need
		Y	N	CAH Beds	CAH Beds ¹	Beds	Swing Beds	Beds	Beds ²	Beds	Beds ²	Need Projections ³				
PHILIPSBURG	PHILIPS COUNTY HEALTH CARE CENTER			5	20	5	20			28	33		21		0	
PLAINS	PLAINS COUNTY HEALTH CARE CENTER			16	9	6	19									
PLENTYWOOD	PLENTYWOOD COUNTY HEALTH CARE CENTER			19	6	13	12									
POLSON	ST JOSEPH HOSP		N		25	4	21									
POLSON	EVERGREEN POLSON HLTH & REHAB		N							110	114		48		0	
POPLAR	NE MONTANA HEALTH SERVICES INC		N	20	5	14	11									
RED LODGE	RED LODGE HEALTH CARE CENTER			22	3	6	19									
RED LODGE	CEDAR WOOD VILLA		N							30						
RONAN	ST. LUKE COMMUNITY HOSP			24	1	5	20									
RONAN	ST. LUKE COMMUNITY CH									75						
RONAN	WESTSIDE CARE CTR		N							23	103		103		0	
SCOBEE	DANIELS MEMORIAL HOSP				25	0	25									
SCOBEE	DANIELS MEMORIAL HOSP									48	48		45		0	
SHELBY	SHELBY COUNTY HEALTH CARE CENTER			20	5	5	20									
SHELBY	SHELBY COUNTY HEALTH CARE CENTER									68	73		54		0	
SHERIDAN	THE RUBY VALLEY HOSP		N	10	15	8	17									
SHERIDAN	TOBACCO ROOT MTNS CARE CTR ³		N							39	47		42		0	
SUPERIOR	SUPERIOR COMMUNITY HOSP			10	15	5	20									
SUPERIOR	SUPERIOR COMMUNITY HOSP									20	25		25		0	
TERRY	TERRY COUNTY HEALTH CARE CENTER			2	23	0	25									
TERRY	TERRY COUNTY HEALTH CARE CENTER									19	19		21		2	
TOWNSEND	TOWNSEND COUNTY HEALTH CARE CENTER			9	16	5	20									
TOWNSEND	TOWNSEND COUNTY HEALTH CARE CENTER									35	40		40		0	
WHITE SULPHUR SPRINGS	WHITE SULPHUR SPRINGS HEALTH CARE CENTER			6	19	3	22									
WHITE SULPHUR SPRINGS	WHITE SULPHUR SPRINGS HEALTH CARE CENTER									31	34		28		0	

LONG-TERM CARE BEDS IN CAH COMMUNITIES

Town	Name of Facility	Co-Located		# CAH Beds	Possible New CAH Beds ¹	# Swing Beds	Possible New Swing Beds		LTC Facility Beds	Total LTC Beds ²	State Plan LTC Need Projections ³	Bed Need
		Y	N				Swing Beds	Swing Beds				
WHITEFISH	NORTH VALLEY HOSP		N	25	0	11	14		100	111	94	0
WHITEFISH	COLONIAL MANOR OF WHITEFISH		N									
TOTAL				558	467	275	750	2521	2776	2310		

¹Physical limitations of existing facilities might preclude conversion to the full 25 CAH beds.
²Number includes swing beds in the community.
³For CON, projected total bed need for a community is determined by dividing the average daily census by .85.
⁴Facilities co-located but separate ownership.
⁵Co-owned by county.
 [REDACTED]
 Facility likely to convert to CAH before end of year.

Facility	Town	Inpt Admits	ADC last complete FY	Swing bed days	ADC last complete FY
Barrett Hospital and Healthcare	Dillon	Inpt Admits	6.55	Swing bed days	1.47
Bearfooth Hosp & Health Cntr	Red Lodge	Inpt Admits	4.30	Swing bed days	2.44
Frances Mahon Deaconess Hospital	Glasgow	Inpt Admits	10.52	Swing bed days	2.36
Glendive Medical Center	Glendive	Inpt Admits	10.93	Swing bed days	2.79
Livingston HealthCare	Livingston	Inpt Admits	n/a	Swing bed days	0.26
Madison Valley Hospital	Ennis	Inpt Admits	1.97	Swing bed days	0.88
Phillips County Hospital	Malta	Inpt Admits	1.50	Swing bed days	0.04
Powell County Medical Center	Deer Lodge	Inpt Admits	5.58	Swing bed days	2.80
St Johns Lutheran Hospital	Libby	Inpt Admits	9.99	Swing bed days	2.16
St Luke Community Hospital	Ronan	Inpt Admits	7.35	Swing bed days	1.81
Stillwater Community Hospital	Columbus	Inpt Admits	n/a	Swing bed days	2.17
Teton Medical Center	Choteau	Inpt Admits	2.93	Swing bed days	1.42
Community Hospital of Anaconda	Anaconda	Inpt Admits	8.86	Swing bed days	n/a
Northern Rockies Medical Center	Cutbank	Inpt Admits	3.35	Swing bed days	n/a
Big Horn County Memorial Hospital	Hardin	Inpt Admits	2.94	Swing bed days	n/a
Ruby Valley Hospital	Sheridan	Inpt Admits	n/a	Swing bed days	n/a
North Valley Hospital	Whitefish	Inpt Admits	17.19	Swing bed days	n/a
Marous Daily Hospital	Hamilton	Inpt Admits	18.97	Swing bed days	n/a
St Joseph Hospital	Polson	Inpt Admits	5.38	Swing bed days	n/a

**currently a hospital not a CAH

** inpatient admits include swing and acute care bed days.*