

MHCC Brief Description of Proposed Nursing Home Bed Need Methodology

- Predicts demand for nursing home patient days for a target year five years from a historic base year, which is the most recent year for which complete data is available.
- Predicts demand for nursing home patient days that will be expressed in each Maryland jurisdiction (23 counties and one independent city). This is translated into a jurisdictional bed need forecast by assuming a target average annual occupancy rate of beds equal to 95%.
- The initial prediction of patient days is based on the recently observed jurisdictional population use rate (most recent five years) of nursing home beds, by four age- groups: 0-64; 65-74; 75-84; and 85 and older. The use rate used is patient days per population.
- People naturally migrate across jurisdictional borders to obtain nursing home services. Therefore, to predict demand for nursing home patient days that will be expressed in each jurisdiction, the initial prediction based on observed use of nursing home beds by the jurisdictional population, is adjusted to reflect the historic pattern of in- and out-migration among Maryland jurisdictions.
- As a last “validation” step, the bed need projection is “reality tested” by considering the most recent bed occupancy rate seen in the jurisdiction. A forecast that a jurisdiction needs more nursing home beds is only considered valid only if the most recent average annual bed occupancy rate observed in the jurisdiction was 90% or higher.