

Chronic Shortage of NC Beds May Leave PCA Needs Unfulfilled

In this *CCHI Research* report, we examined the supply of adult care beds to expected demand for personal care or healthcare services in North Carolina.

Methodology

We sought to compare the supply of available adult care beds to estimated need for personal care and healthcare services for seniors. We acknowledged that some personal care and healthcare needs are met by in-home care providers. However, we believe that as the population ages, the market for out-of-home care services will increase. In its 2017 national health interview survey, the Center for Disease Control and Prevention’s National Center for Health Statistics reported that as Americans age, the more they need personal care services.

The adjacent chart shows the relationship they found between age and need for personal care services (Age-PCA Needs Matrix).

% of Age Group Need PCA Assistance Table	
<u>70 to 74</u>	3.7%
<u>75 to 79</u>	7.2%
<u>80 to 84</u>	7.2%
<u>85 and over</u>	21.5%
Source:	NCHS, National Health Interview Survey, Jan- Mar 2017, Family Core component.

Using 2020 population data for the largest counties and cities (by population) in North Carolina¹, we applied the Age-PCA Needs Metric to derive the estimated demand for personal care and healthcare services for ages 70 and above. To determine the supply of adult care beds, we summed the number of licensed beds for family care homes and adult care homes as authorized by North Carolina Department of Health and Human Services’s Division of Health Service Regulation².

Findings

Chart 1 shows that estimated demand for adult care beds far exceeded the current supply of beds in the top 15 populated counties in North Carolina. Demand in Wake, Mecklenburg, and Guilford counties exceed available bed inventory by more than double. The severe shortfall in bed inventory may account for the explosive growth in in-home and at-home health related services for seniors. Rising residential home prices along with little or no homes for sale inventory has made it difficult for owners and newcomers to expand the adult care bed inventory. If bed inventory remains limited, we forecast that private pay rates and private room rates will rise significantly in the coming years.

Chart 2 shows that estimated demand for adult care beds far exceeded the current supply of beds in the top 5 populated cities in North Carolina. Demand in Charlotte and Raleigh, North Carolina’s largest cities, exceeded available bed inventory by more than double. Adult care bed inventories in

¹ [Data.census.gov](https://data.census.gov)

² <https://info.ncdhhs.gov/dhsr/acls/faclistings.html>

Greensboro, Durham, Winston-Salem, and Fayetteville fulfilled 55% to 60% of estimated demand for their cities. Conversely, markets in Jacksonville, Chapel Hill, Huntersville, Burlington, and Mooresville were saturated with available beds. The data showed particularly heavy saturation (i.e., adult care bed inventory divided by estimated demand) in Chapel Hill (116%), Jacksonville (138%), and Mooresville (153%) markets.

Chart 1:

Estimated Demand for adult care beds and Current Supply of Beds in the top 15 populated counties in NC

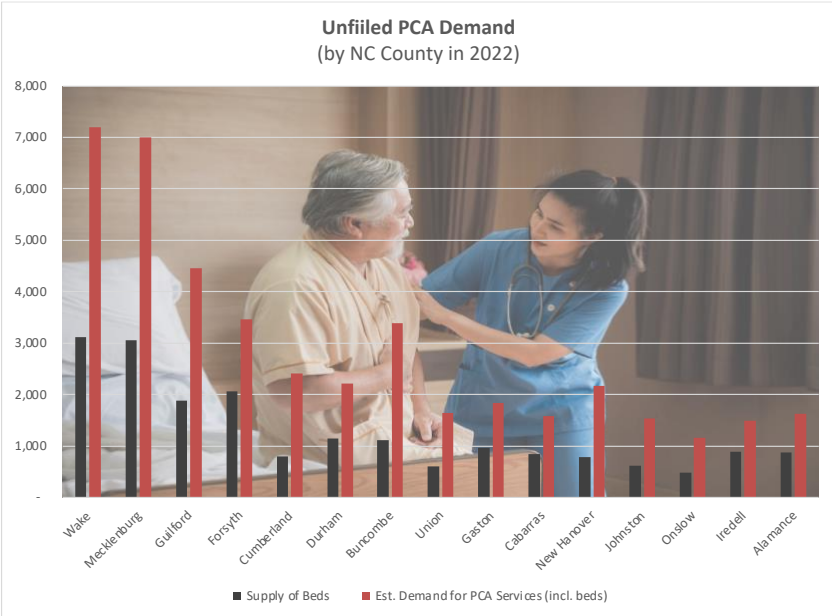


Chart 2:

Estimated Demand for adult care beds and Current Supply of beds in the top 15 populated cities in NC

