**Section 1260.40 Relationship to Need Projections**

a) All need formulas promulgated by the State Board pursuant to 77 Ill. Adm. Code 1100 and 1110 utilize the existing inventoried bed totals to calculate if sufficient bed capacity exists in an area. In addition, a second application of the formula will be made utilizing the operational bed totals to calculate if sufficient operational capacity exists in an area.

b) The reserve bed figure when added to the operational bed figure will reflect the calculated capacity currently used for certificate of need purposes. Beds which hospitals designate as reserve beds will be kept in the inventory of the Illinois Health Care Facilities Plan.