IN THE MATTER OF \* BEFORE THE

NATIONAL LUTHERAN HOME \* MARYLAND HEALTH

AND VILLAGE AT ROCKVILLE \* CARE COMMISSION

DOCKET NO. 11-15-2319 \*

Staff Report and Recommendation

January 19, 2012

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#### STAFF REPORT AND RECOMMENDATION

#### I. INTRODUCTION

# The Applicant and the Project

National Lutheran Home and Village at Rockville, Inc. ("NLH") is a 300-bed not-for-profit comprehensive care facility ("CCF") located on the campus of a continuing care retirement community at 9701 Veirs Drive in Rockville (Montgomery County). In addition to nursing home beds, the 31-acre campus also includes 144 independent living cottages. Its history extends back to 1895, when the National Lutheran Home for the Aged first opened in Washington, D.C. The CCF facilities date to 1980.

The applicant proposes to create a third level of accommodation and service on the campus by converting a portion of the CCF facilities to assisted living facilities, primarily through phased renovation. This will downsize the CCF from 300 to 160 beds and establish 50 private assisted living units. Upon completion of the project, the eight existing CCF units at NLH, ranging in size from 36 to 38 beds, will be reduced to five units, ranging in size from 30 to 33 beds. All of the CCF patient rooms will be private, eliminating the 30 rooms that currently house more than one bed. The project will encompass just under 99,000 square feet of existing building space renovation and 1,170 square feet of new construction.

The CCF consists of a four-level core and three wings, two of which, the Maryland and Virginia wings, also have four levels. The third Potomac wing has three levels.

The core building component currently has: (1) a library, physical therapy gym, main kitchen and cafeteria on the ground floor; (2) central dining, pantry, executive offices, Board room, marketing and business offices, gift shop, snack shop, and a beauty shop on the first floor; (3) game room, central dining, and pantry on the second floor, and; (4) nursing offices, central dining, and a pantry on the third floor. The ground floor will be renovated to create offices and a "deli/bistro" for visitors, staff, and independent living residents. Additionally, new construction at the ground floor level will create a new lobby, vestibule and porte cochere, creating a new main entrance for short-term care/rehabilitation and long-term care, with renovated corridor space to the elevators. Site work around this area of new construction will include re-grading, new curbs, sidewalks, driveway, parking, lighting, signage, storm water management, and landscaping. A total building generator will also be installed near the new entrance location within a pre-fabricated building enclosure. The first floor will be renovated to create an assisted living dining rooms and a serving pantry. A "main street" area will also be created for assisted living activities, including a renovated gift shop, a new library, café, marketing offices, and exercise area. The Board room will remain with new finishes. The new construction, creating a new lobby and vestibule at the ground floor, will extend to the first floor, and this new space will be finished as an assisted living exercise room. The second floor will be renovated to create a central activities area for CCF residents of the three building wings with a downsized pantry and The third floor will be renovated to house the new rehabilitation/short-term care physical therapy/occupational therapy gym. The pantry will be retained with new finishes.

The Maryland wing currently has: (1) an activities room on the ground floor; (2) a 38-bed rehabilitation/short-term care CCF unit on the first floor; (3) a 38-bed long-term care CCF unit on the second floor, and; (4) a closed long-term care unit on the third floor. The project will renovate the ground floor to create a physical therapy/occupational therapy gym. The first floor CCF unit will be converted to an 18-apartment assisted living unit (each with its own bathroom/shower), activity space, spa bathing rooms, an enclosed nurse work room with conference/break room (replacing the traditional nurses station) and new finishes. The second floor will continue to house a long-term care CCF unit, but renovations will convert this to a 32-bed unit with all private rooms, dining and activity space with serving kitchens, spa bathing rooms, and a converted nurse's station.

The Virginia wing currently has: (1) "back-of-the-house" space servicing the loading dock for the building on the ground floor. This includes storage space, laundry facilities, telecommunications and electrical rooms, offices, morgue, incinerators, and staff locker space; (2) a 38-bed rehabilitation/short-term care CCF unit on the first floor; (3) a 38-bed long-term care CCF unit on the second floor, and; (4) a 38-bed long-term care CCF unit on the third floor. The ground floor level of this wing is not being altered through this project. The CCF unit on the first floor will be converted to an 18-apartment "Memory Care" assisted living unit (each with its own bathroom/shower), activity space, spa bathing rooms, and converted nurse's station. The second floor, like the Maryland wing, will involve conversion of the existing CCF unit to a 32-bed long-term care unit with all private rooms, dining and activity space with serving kitchens, spa bathing rooms, and converted nurse's station. A similar conversion will take place on the third floor. This 32-bed CCF unit will serve as a rehabilitation/short-term care unit.

The Potomac wing currently has: (1) a physical therapy gym, library, and activities space on the ground floor; (2) a 36-bed long-term care CCF unit on the first floor; and (3) a 36-bed long-term care CCF unit on the second floor. The ground floor level of this wing will be converted to administrative offices. The first floor will be converted to a 14-apartment assisted living wing (each with its own bathroom/shower), activity space, spa bathing rooms, and converted nurse's station. The second floor renovations will create a 30-bed long-term care CCF with all private rooms, dining and activity space with serving kitchens, spa bathing rooms, and converted nurse's station.

Thus, this project will, broadly, create assisted living apartments and common areas that range along the first floor level of the building with renovated CCF facilities limited to the second and third building levels. The renovation of CCF nursing unit floors and the conversion of CCF units to assisted living apartments is planned for implementation in five phases, as shown in the following table, to allow for continued operation of the building as the renovations are underway.

Table 1: Resident Unit Renovation Phasing Plan -National Lutheran Home

<b>Building Wing</b>	Phase I	Phase II	Phase III	Phase IV	Phase V
Maryland	First and Second Floors	Ground Floor			
Virginia		Second and Third Floors			First Floor
Potomac			Second Floor	First Floor	

The total project budget estimate is \$40,299,323, with \$22,914,700 of this total estimated to account for the changes to CCF space and the balance, \$17,384,623, estimated as the cost of creating assisted living facilities. The applicant anticipates that the project will be funded with \$20 million generated from the sale of bonds and \$20.3 million in cash.

# **Summary of Staff Recommendation**

Staff analyzed the proposed project's compliance with the applicable State Health Plan criteria and standards in COMAR 10.24.01.08, State Health Plan: Long Term Care Service, and the remaining criteria at COMAR 10.24.01.08G(3) and recommends **APPROVAL** with the following condition:

At the time of final first use review, National Lutheran Home and Village at Rockville, Inc. will provide the Commission with a completed Memorandum of Understanding with the Maryland Medical Assistance Program agreeing to maintain the minimum proportion of Medicaid patient days required by Nursing Home Standard COMAR 10.24.08.05A(2).

#### II. PROCEDURAL HISTORY

#### **Review Record**

NLH filed a letter of intent for this project on June 6, 2011: staff acknowledged receipt of the letter of intent on June 13, 2011 (Docket Item ["D.I."] #1).

The applicant notified MHCC that it wished to forgo a pre-application conference on June  $14,\,2011.\,$  (D.I.#2)

On August 5, 2011, a CON application was filed by NLH (D.I. #3) and assigned Matter No. 11-15-2319. Receipt was acknowledged by letter of August 9, 2011 (D.I. #4). On that same day, staff requested that the *Washington Examiner* and the *Maryland Register* publish notice of receipt of the application. (D.I.#s 5-6).

On August 11, 2011, a classified proof of the publication of the notice of receipt of the application scheduled for publication on August 14, 2011 was received from the *Washington Examiner*. (D.I. #7)

Staff asked completeness questions on August 19, 2011. (D.I. #8).

The applicant responded to the completeness questions on September 20, 2011. (D.I. #9)

On September 23, 2011, staff requested the *Maryland Register* publish notice of the docketing of the application. (D.I. #10)

On September 26, 2011, staff requested that the *Washington Examiner* publish notice of docketing of the application. (D.I.#11)

# **Local Government Review and Comment**

No comments on this project have been received from the Montgomery County Department of Health and Human Services or other local government entities.

# **Interested Parties in Review**

There are no interested parties in this review.

## III. DEMOGRAPHIC BACKGROUND

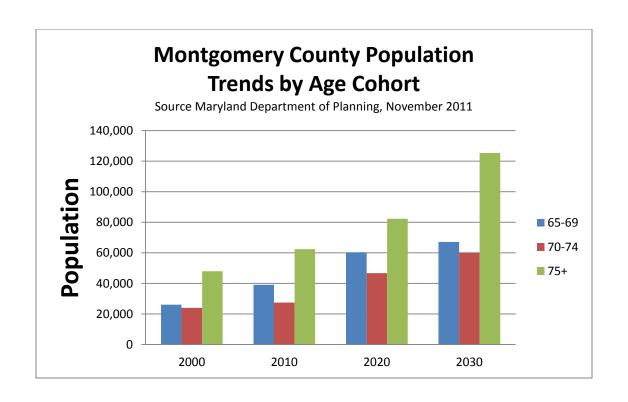
# Montgomery County Population: Growth Patterns and Age Composition

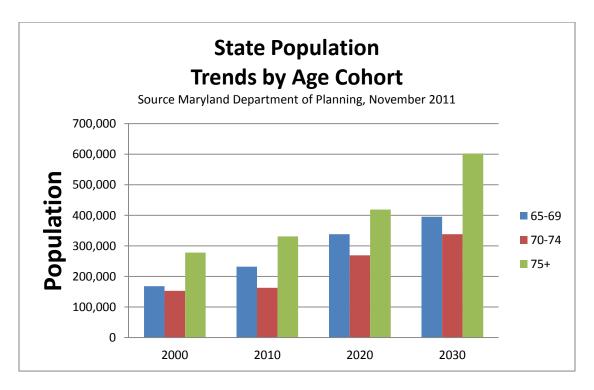
The following table identifies population growth and aging in Montgomery County and Maryland. Montgomery County's total population is projected to be growing faster than the state's. It has a younger population but its elderly population is projected to be growing at a faster rate than that seen in the state.

Table 2: TRENDS IN POPULATION BY AGE GROUP, Montgomery County and Maryland, CY 2000 – 2030

Montgomony		Population		in an y landa,	% Change			
Montgomery County	2000	2010	2020	2030	2000- 2010	2010- 2020	2020- 2030	2000- 2030
TOTAL	873,341	980,007	1,065,002	1,152,003	12.2	8.7	8.2	31.9
0-14	186,678	197,378	210,211	219,667	5.73%	6.5	4.5	17.7
15-44	377,494	375,761	395,695	444,498	-0.46%	5.3	12.3	17.8
45-64	211,012	277,837	269,653	235,220	31.67%	-3.0	-12.8	11.5
65-69	26,105	39,065	60,391	67,156	49.65%	54.6	11.2	157.3
70-74	23,998	27,507	46,716	60,118	14.62%	69.8	28.7	150.5
75+	48,054	62,459	82,336	125,344	29.98%	31.8	52.2	160.8
		Population				% C	hange	
Maryland	2000	Population 2010	2020	2030	2000- 2010	% C 2010- 2020	2020- 2030	2000-2030
Maryland TOTAL	<b>2000</b> 5,296,486	•		<b>2030</b> 6,684,256		2010-	2020-	<b>2000-2030</b> 26.2
		2010	2020		2010	2010- 2020	2020- 2030	
TOTAL	5,296,486	<b>2010</b> 5,779,379	<b>2020</b> 6,339,292	6,684,256	<b>2010</b> 9.1	<b>2010- 2020</b> 9.7	2020- 2030 5.4	26.2
TOTAL 0-14	5,296,486 1,136,846	<b>2010</b> 5,779,379 1,147,314	<b>2020</b> 6,339,292 1,257,913	6,684,256 1,291,496	<b>2010</b> 9.1 0.9	2010- 2020 9.7 9.7	2020- 2030 5.4 2.7	26.2 13.6
TOTAL 0-14 15-44	5,296,486 1,136,846 2,334,925	2010 5,779,379 1,147,314 2,305,791	2020 6,339,292 1,257,913 2,431,633	6,684,256 1,291,496 2,619,963	9.1 0.9 (1.3)	<b>2010- 2020</b> 9.7 9.7 5.5	2020- 2030 5.4 2.7 7.8	26.2 13.6 12.2
TOTAL 0-14 15-44 45-64	5,296,486 1,136,846 2,334,925 1,225,408	2010 5,779,379 1,147,314 2,305,791 1,600,200	2020 6,339,292 1,257,913 2,431,633 1,623,028	6,684,256 1,291,496 2,619,963 1,436,835	9.1 0.9 (1.3) 30.6	9.7 9.7 5.5 1.4	2020- 2030 5.4 2.7 7.8 (11.5)	26.2 13.6 12.2 17.3

Source: Maryland Department of Planning, 2010 Total Population Projections (11/23/10)





# **Long-Term Care Facilities in Montgomery County**

There are currently 34 comprehensive care facilities in Montgomery County with a total of 4,653 licensed beds. There are no approved beds that have not been put into service.

# **Utilization of Comprehensive Care Facility Beds in Montgomery County**

Overall demand for comprehensive care facility bed capacity at CCFs in Montgomery County has been relatively flat in recent years. The jurisdiction's average annual CCF bed occupancy rate for 2009 has ranged between 66% and 97.24% (excluding Ingleside At King Farm that opened in 2009 with occupancy rate of 18.46%).

Table 3: Patient Days Montgomery County Nursing Homes 2006-2009

Facility	2006	2007	2008	2009	Change 2006-2009
Althea Woodland Nursing Home	18043	17988	17928	17510	-3.04%
Arcola Health & Rehabilitation Center	55153	54663	54,286	53930	-2.27%
Bedford Court Sunrise Senior Living Services	19826	17801	18,241	19466	-1.85%
Bel Pre Health & Rehab. Ctr.	27610	29639	29,459	29155	5.30%
Bethesda Health And Rehabilitation Center	64220	62665	53,604	57024	-12.62%
Brighton Gardens	12549	12615	12,968	12487	-0.50%
Brooke Grove Rehabilitation And Nursing Center	58478	56969	56,312	56779	-2.99%
Carriage Hill Bethesda	28443	28541	27,242	26019	-9.32%
Collingswood Nursing And Rehabilitation Center	55041	55974	55,947	56791	3.08%
Fairland Nursing & Rehabilitation Center	32761	29890	29,413	28861	-13.51%
Forest Glen Nursing Care, LLC	30038	35742	37,035	33695	10.85%
Fox Chase Nursing And Rehabilitation Center	24552	24934	24,842	23559	-4.21%
Friends Nursing Home	29159	29277	28,818	28663	-1.73%
Hebrew Home At Greater Washington	186298	183637	182,722	180099	-3.44%
Herman M. Wilson Health Care Center	92844	90168	88,152	90590	-2.49%
Holy Cross Rehabilitation And Nursing Center	47689	47953	48,749	49890	4.41%
Ingleside At King Farm				984	-
Kensington Nursing & Rehabilitation Center	45373	43805	47,229	47650	4.78%
Lay hill Center - Genesis Health Care	38564	38052	41,671	38639	0.19%
Manor Care Health Services - Bethesda	31266	32778	31,534	31218	-0.15%
Manor Care Health Services - Chevy Chase	52782	53813	54,332	51704	-2.08%
Manor Care Health Services - Potomac	54642	54869	53,891	52513	-4.05%
Manor Care Health Services - Silver Spring	48835	46835	49,563	48884	0.10%
Manor Care Health Services - Wheaton	29755	30055	30,064	31662	6.02%
Maplewood Park Place	8764	8648	8,292	7597	-15.36%
Montgomery Village Health Care Center	41038	38753	38,915	40489	-1.36%
National Lutheran Home & Village At Rockville	103791	102438	102,231	103868	0.07%
Potomac Valley Nursing & Wellness Center	61389	61437	61,359	59159	-3.77%
Randolph Hills Nursing Center	39226	38018	37,046	36374	-7.84%
Rockville Nursing Home, Inc.	32764	31953	32,068	32090	-2.10%

TOTAL	1,503,780	1,493,950	1,484,749	1,479,384	-1.65%
Woodside Center	28959	28653	28,504	29314	1.21%
Springbrook Nursing And Rehabilitation Center	30473	30641	29,287	29735	-2.48%
Sligo Creek Nursing And Rehabilitation Center	33482	34177	33,096	32648	-2.55%
Shady Grove Adventist Nursing And Rehabilitation Center	39973	40569	39,949	38329	-4.29%

Source: MHCC LTC Survey

Table 3: Montgomery County and State CCF Occupancy Rates, Anne Arundel County, 2006 – 2009

	Beds	•005	•••	•000	2000
	(Current)	2006	2007	2008	2009
Althea Woodland Nursing Home	50	50	50	50	50
Arcola Health & Rehabilitation Center	158	158	158	158	158
Bedford Court- Sunrise Senior Living Services	60	60	60	60	60
Bell Pre Health & Rehabilitation Center	100	100	90	100	90
Bethesda Health & Rehabilitation Center	200	200	200	170	192
Brighton Gardens	41	41	41	41	41
Brook Grove Rehabilitation & Nursing Center	168	168	168	168	168
Carriage Hill Bethesda	108	108	108	108	108
Collingswood Nursing & Rehabilitation Center	160	160	160	160	160
Fairland Nursing & Rehabilitation Center	92	92	92	92	92
Forest Glen Nursing Center	138	112	138	138	138
Fox Chase Nursing & Rehabilitation Center	74	74	74	74	74
Friends Nursing Home	82	82	82	82	82
Hebrew Home of Greater Washington	556	558	556	556	556
Herman M. Wilson Health Care Center	285	285	285	285	285
Holy Cross Rehabilitation & Nursing Center	145	145	145	145	145
Ingleside at King Farm	26	-	-	-	26
Kensington Nursing & Rehabilitation Center	140	140	140	140	140
Layhill Center-Genesis Healthcare	118	122	122	115	118
Manor Care Health Services-Bethesda	110	110	110	110	110
Manor Care Health Services-Chevy Chase	172	172	172	172	172
Manor Care Health Services-Potomac	158	158	158	158	158
Manor Care Health Services-Silver Spring	148	148	148	148	148
Manor Care Health Services-Wheaton	94	94	94	94	94
Maplewood Park Place	31	31	31	31	31
Montgomery Village Health Care Center	147	147	147	147	122
The Village at Rockville	300	300	300	300	300
Potomac Valley Nursing & Wellness Center	175	175	175	175	175
Randolph Hills Nursing Center	112	112	112	112	112
Rockville Nursing Home	100	100	100	100	100
Shady Grove Nursing & Rehabilitation Center	120	120	120	130	130
Sligo Creek Nursing & Rehabilitation Center	102	102	102	102	102
Springbrook Nursing & Rehabilitation Center	91	91	91	91	91

Woodside Center	92	88	86	86	92
Montgomery County	4,653	4,603	4,615	4,598	4,620
Maryland		28,694	28,786	28,400	28,308

Source: MHCC Public Use Database

# **Quality Indicators**

The most recent data published on MHCC's Consumer Guide to Long Term Care, in summary, indicates the following with respect to NLH:

- NLH scored at or above (the desirable score) the statewide average on 10 of the 13 quality measures for long-stay residents and four of the five quality measures for short-stay residents;
- NLH scored below (the desirable score) the statewide average on eight of the 11 quality indicators;
- On the 2010 Family Survey:
  - NLH was rated 8.9 for overall care, above the statewide average of 8.4;
  - ➤ 97% of responsible parties would recommend NLH, compared to 98% in 2009 and the statewide 2010 average of 90%.
  - ➤ The highest rated domains for NLH were "Staff and Administration", "Food and Meals" and "Autonomy & Resident Rights," with an average rating of 3.8 out of 4.0.
- NLH had no substandard quality of care deficiencies cited in its eight most recent surveys, which included standard DHMH "health" surveys, complaint surveys, and fire surveys, and covered the period of March, 2008 through May, 2010; and
- NLH reported an influenza vaccination rate of 60.7% for its staff in the 2010-2011 period, compared to a statewide average for CCFs of 57.9%.

NLH's most recent overall CMS "Star" rating was three stars, an average rating. This included a two star rating (below average) for "Health Inspections," four stars (above average) for "Nursing Home Staffing," and three stars (average) for "Quality Measures."

The distribution of Stars in this rating system is allocated as follows: only 10% of all facilities are rated as 5 Star; 70% fall within the middle range of 2 to 4 Stars; and 20% are rated as 1 Star. See Appendix D of this report for background information on this rating system.

#### STAFF ANALYSIS

#### A. STATE HEALTH PLAN

COMAR 10.24.01.08G(3)(a) State Health Plan. An application for a Certificate of Need shall be evaluated according to all relevant State Health Plan standards, policies, and criteria.

The applicable section of the State Health Plan ("SHP") for this review is COMAR 10.24.08, the State Health Plan for Facilities and Services: Nursing Home, Home Health Agency, and Hospice Services. The specific standards to be addressed include COMAR 10.24.08.05A and .05B, the Nursing Home General Standards and the Standards for New Construction or Expansion of Beds or Services for nursing home projects.

#### PART ONE: STATE HEALTH PLAN STANDARDS

**COMAR 10.24.08.05: Nursing Home Standards** 

- A. General Standards. The Commission will use the following standards for review of all nursing home projects.
- (1) Bed Need. The bed need in effect when the Commission receives the letter of intent for the application will be the need projection applicable to the review.

The SHP does not identify a need for additional CCF beds in Montgomery County for the forecast year 2011. The proposed project will reduce the number of CCF beds in this jurisdiction by 140 beds. The most recent need projection, which became effective in March 2007, identified a surplus of 622 CCF beds in this jurisdiction (approximately 13% of bed capacity identified at that time) prior to a community-based services adjustment of 404 beds.

#### (2) Medical Assistance Participation.

- (a) Except for short-stay hospital-based skilled nursing facilities required to meet .06B of this Chapter, the Commission may approve a Certificate of Need for a nursing home only for an applicant that participates, or proposes to participate, in the Medical Assistance Program, and only if the applicant documents a written Memorandum of Understanding with Medicaid to maintain the proportion of Medicaid patient days required by .05A2(b) of this Chapter.
- (b) Each applicant shall agree to serve a proportion of Medicaid patient days that is at least equal to the proportion of Medicaid patient days in all other nursing homes in the jurisdiction or region, whichever is lower, calculated as the weighted mean minus 15.5%, based on the most recent Long Term Care survey data and Medicaid cost reports available to the Commission, as shown in the *supplement to COMAR 10.24.08: Statistical Data Tables*, or in subsequent updates published in the *Maryland Register*.

- (c) An applicant shall agree to continue to admit Medicaid residents to maintain its required level of participation when attained, and have a written policy to this effect.
- (d) Prior to licensure, an applicant shall execute a written Memorandum of Understanding with the Medicaid Assistance Program of the Department of Health and Mental Hygiene to:
  - (i) Achieve or maintain the level of participation required by .05A2(b) of this Chapter; and
  - (ii) Admit residents whose primary source of payment on admission is Medicaid.
  - (iii)An applicant may show evidence why this rule should not apply.

The applicant facility currently participates in the Medical Assistance Program and will continue to participate post project. It states that it will execute a Memorandum of Understanding, as required, and commits to meet or exceed the required participation level.

Staff recommends that the following condition be part of any approval of this proposed project:

At the time of first use review, National Lutheran Home and Village at Rockville, Inc. shall provide the Commission with a completed Memorandum of Understanding with the Maryland Medical Assistance Program agreeing to maintain the proportion of Medicaid patient days required by Nursing Home Standard COMAR 10.24.08.05A(2).

- (3) Community-Based Services. An applicant shall demonstrate commitment to providing community-based services and to minimizing the length of stay as appropriate for each resident by:
  - (a) Providing information to every prospective resident about the existence of alternative community-based services, including, but not limited to, Medicaid home and community-based services waiver programs and other initiatives to promote care in the most appropriate settings.
  - (b) Initiating discharge planning on admission; and
  - (c) Permitting access to the facility for all "Olmstead" efforts approved by the Department of Health and Mental Hygiene and the Department of Disabilities to provide education and outreach for residents and their families regarding home and community-based alternatives.

NLH states that it provides information to all prospective residents about the existence of alternative community-based services. It provided copies of this material.

NLH states that, in its current operation, it initiates discharge planning on admission of residents. It provided a copy of its Discharge Planning policy.

Finally, the applicant states that it permits access to the facility for all Olmstead efforts approved by the Department of Health and Mental Hygiene to provide education and outreach for residents and their families.

Based on these statements, the applicant complies with this standard.

- (4) Nonelderly Residents. An applicant shall address the needs of its non-elderly (<65 year old) residents by:
  - (a) Training in the psychosocial problems facing nonelderly disabled residents; and
  - (b) Initiating discharge planning immediately following admission with the goal of limiting each nonelderly resident's stay to 90 days or less, whenever feasible, and voluntary transfer to a more appropriate setting.

The applicant states that it provides information to all prospective residents about the existence of alternative community services and opportunities for discharge, that it trains staff in compliance with Part (a) of the standard (an outline of the training curriculum was provided), and initiates discharge planning upon admission, consistent with Part (b) of this standard. It states that it seeks to transfer non-elderly residents to more appropriate settings when feasible and agreeable to the resident. NLH notes that it distributes a DHMH an information sheet to each resident covering the availability of home or community-based waiver programs in Maryland, the receipt of services in the community (outside of a CCF) that are fully or partially reimbursed by the Medicaid program, and referral services, case management services, evaluation services related to home or community based care and other options for long-term care services in the community.

Based on these statements, the applicant complies with this standard.

- (5) Appropriate Living Environment. An applicant shall provide to each resident an appropriate living environment, including, but not limited to:
  - (a) In a new construction project:
    - (i) Develop rooms with no more than two beds for each patient room;
    - (ii) Provide individual temperature controls for each patient room; and

- (iii)Assure that no more two residents share a toilet.
- (b) In a renovation project:
  - (i) Reduce the number of patient rooms with more than two residents per room;
  - (ii) Provide individual temperature controls in renovated rooms; and
  - (iii)Reduce the number of patient rooms where more than two residents share a toilet.
- (c) An applicant may show evidence as to why this standard should not be applied to the applicant.

The proposed facility, post renovation, will include all private CCF rooms, with a bath/shower in each room. There will be individual temperature controls in each room. This proposed facility design complies with the standard.

(6) Public Water. Unless otherwise approved by the Commission and the Office of Health Care Quality in accordance with COMAR 10.07.02.26, an applicant for a nursing home shall demonstrate that its facility is, or will be, served by a public water system.

The NLH site is served by a public water system.

- (7) Facility and Unit Design. An applicant must identify the special care needs of the resident population it serves or intends to serve and demonstrate that its proposed facility and unit design features will best meet the needs of that population. This includes, but is not limited to:
  - (a) Identification of the types of residents it proposes to serve and their diagnostic groups;
  - (b) Citation from the long term care literature, if available, on what types of design features have been shown to best serve those types of residents;
  - (c) An applicant may show evidence as to how its proposed model, which is not otherwise documented in the literature, will best serve the needs of the proposed resident population.

The proposed project, while reducing overall CCF bed capacity, will expand the use of CCF beds for short-stay rehabilitative services, a need that the applicant states has been increasing in its market. The renovation project will also place patient/resident services and patient/resident rooms in closer proximity, employing a "neighborhood" concept. The applicant has met the requirements of this standard.

(8) Disclosure. An applicant shall disclose whether any of its principals have ever pled guilty to, or been convicted of, a criminal offense in, any way connected with the ownership development, or management of a health care facility.

NLH states that none of its principals has been convicted of either felony or fraud. This disclosure complies with the standard.

(9) Collaborative Relationships. An applicant shall demonstrate that it has established collaborative relationships with other types of long term care providers to assure that each resident has access to the entire long term care continuum.

The applicant lists the hospitals, other nursing facilities home health agencies, churches, volunteer groups, and other agencies, institutions, or programs with which it has a collaborative relationship. NLH is a long-established CCRC and this project will not have an impact on the relationships it has established, with the exception that NLH will now provide assisted living facilities and services.

The applicant has demonstrated compliance with this standard.

B. New Construction or Expansion of Beds or Services. The Commission will review proposals involving new construction or expansion of comprehensive care facility beds, including replacement of an existing facility or existing beds, if new outside walls are proposed, using the following standards in addition to .05A(1)-(9):

#### (1) Bed Need.

- (a) An applicant for a facility involving new construction or expansion of beds or services, using beds currently in the Commission's inventory, must address in detail the need for the beds to be developed in the proposed project by submitting data including, but not limited to: demographic changes in the target population; utilization trends for the past five years; and demonstrated unmet needs of the target population.
- (b) For a relocation of existing comprehensive care facility beds, an applicant must demonstrate need for the beds at the new site, including, but not limited to: demonstrated unmet needs; utilization trends for the past five years; and how access to and/or quality of needed services will be improved.

# (2) Facility Occupancy.

(a) The Commission may approve a nursing home for expansion only if all of its beds are licensed and available for use, and it has been operating at 90

percent, or higher, average occupancy for the most recent consecutive 24 months.

(b) An applicant may show evidence why this rule should not apply.

The applicant notes that the proposed project includes only a very small new construction component (essentially, a new building entrance) and the project will not expand bed capacity or introduce new health care services regulated by MHCC. For these reasons, these standard is not applicable to the project.

# (3) Jurisdictional Occupancy.

- (a) The Commission may approve a CON application for a new nursing home only if the jurisdictional occupancy for all nursing homes in that jurisdiction equals or exceeds a 90 percent occupancy level for at least the latest fiscal year, or the latest Maryland Long Term Care Survey, if no Medicaid Cost Report is filed. Each December, the Commission will issue a report on nursing home occupancy.
- (b) An applicant may show evidence why this rule should not apply.

This standard is not applicable. A new nursing home is not being proposed.

#### (4) Medicaid Assistance Program Participation.

- (a) An applicant for a new nursing home must agree in writing to serve a proportion of Medicaid residents consistent with 05A2(b) of this Chapter.
- (b) An applicant for new comprehensive care facility beds has three years during which to achieve the applicable proportions of Medicaid participation from the time the facility is licensed, and must show a good faith effort and reasonable progress toward achieving this goal in years one and two of its operation.
- (c) An application for nursing home expansion must demonstrate either that it has a current Memorandum of Understanding (MOU) with the Medical Assistance Program or that it will sign an MOU as a condition of the Certificate of Need.
- (d) An applicant for nursing home expansion or replacement of an existing facility must modify its MOU upon expansion or replacement of its facility to encompass all of the nursing home beds in the expanded facility, and to include a Medicaid percentage that reflects the most recent Medicaid percentage rate.

(e) An applicant may show evidence as to why this standard should not be applied to the applicant.

The applicant states that it will execute a new MOU consistent with this standard. It has historically served proportions of Medicaid patients consistent with the intent of this standard. As previously noted in the discussion of COMAR 10.24.08.05A(2), staff recommends conditioning approval of this application on documentation of the applicant's compliance with this requirement prior to first use approval.

(5) Quality. An applicant for expansion of an existing facility shall demonstrate that it has no outstanding Level G or higher deficiencies, and that it will maintain a demonstrated program of quality assurance.

As previously noted, this application does not involve expansion of an existing facility in a conventional sense. Thus, this standard could be viewed as not applicable.

As previously noted, NLH had no substandard quality of care deficiencies cited in the eight most recent surveys covered in MHCC's Consumer Guide to Long Term Care, which included standard DHMH "health" surveys, complaint surveys, and fire surveys, and covered the period of March, 2008 through May, 2010.

(6) Location. An applicant for the relocation of a facility shall quantitatively demonstrate how the new site will allow the applicant to better serve residents than its present location.

This standard is not applicable. A nursing home is not proposed for relocation.

## PART TWO: REMAINING CERTIFICATE OF NEED REVIEW CRITERIA

# B. NEED

COMAR 10.24.01.08G(3)(b) Need. The Commission shall consider the applicable need analysis in the State Health Plan. If no State Health Plan need analysis is applicable, the Commission shall consider whether the applicant has demonstrated unmet needs of the population to be served, and established that the proposed project meets those needs.

As previously noted, the proposed project, in and of itself, will reduce the number of CCF beds that currently operate in Montgomery County. (The potential exists for persons, including other CCFs in the jurisdiction, to acquire beds being eliminated by NLH and propose the continued operation of this bed capacity in a new facility or in expanded existing CCFs.) The county is viewed as having an adequate bed supply, in the SHP. Thus, the applicable need analysis in the SHP is not at odds with the proposed project

The applicant highlights the institutional need that is at the heart of this project; providing an assisted living level of care and modernizing its CCF facilities. NLH has demonstrated that

the proposed project will expand its service offerings and improve its existing services in a manner that is not inconsistent with any need standard of MHCC.

#### C. AVAILABILITY OF MORE COST-EFFECTIVE ALTERNATIVES

COMAR 10.24.01.08G(3)(c)Availability of More Cost-Effective Alternatives. The Commission shall compare the cost effectiveness of the proposed project with the cost effectiveness of providing the service through alternative existing facilities, or through an alternative facility that has submitted a competitive application as part of a comparative review.

NLH states that it considered a "looser design concept" with much more new construction as an alternative to the proposed project, including constructing a separate building for assisted living. The primary basis for its choice of alternatives is identified as the lower cost of the selected option, that primarily involves renovation of existing building space. Its construction cost analysis for the small new construction component indicates a relatively high cost per square foot ("SF"), when compared to Marshall Valuation Service guidelines, which it believes to be related to the small (less than \$600,000) but complex nature of this project element. It finds that the much larger renovation component (\$13.1 million) has cost per square foot that compare favorably with the MVS guidance, a cost of \$155 per SF compared to a benchmark cost of \$223 per SF.

Staff recommends that the Commission find the proposed project is a cost-effective alternative for meeting NLH's objective of providing a third level of care on its CCRC campus and modernizing its 31 year old CCF facilities.

## D. VIABILITY OF THE PROPOSAL

COMAR 10.24.01.08G(3)(d) Viability of the Proposal. The Commission shall consider the availability of financial and nonfinancial resources, including community support, necessary to implement the project within the time frames set forth in the Commission's performance requirements, as well as the availability of resources necessary to sustain the project.

## **Project Budget**

The estimated project budget is summarized in the following table.

Table 5: Project Budget Estimate
National Lutheran Home and Village at Rockville, Inc

A. Uses of Funds	CCF	Assisted	Total
Capital Costs		7.100.000	
New Construction			
Building	\$594,885	\$1,371,196	\$1,966,081
Site Preparation	73,498	169,411	242,909
Architect/Engineering Fees	65,806	151,681	217,487
Permits	11,468	26,432	37,900
Subtotal	\$745,657	\$1,718,720	\$2,464,377
Renovations			
Building	\$13,101,434	\$10,326,768	\$23,428,202
Architect/Engineering Fees	434,469	349,807	784,276
Permits	81,409	65,546	146,955
Subtotal	\$13,617,312	\$10,742,121	\$24,359,433
Other Capital Costs			
Major Movable Equipment	\$1,292,540	\$454,910	\$1,747,450
Minor Movable Equipment	869,759	240,982	1,110,741
Contingencies	1,362,104	946,547	2,308,651
Other Capital Costs (Materials	76,019	73,981	150,000
Other (replacement of Generator for entire	723,810	226,190	950,000
Subtotal	\$4,324,232	\$1,942,610	\$6,266,842
Total Current Capital Costs	\$18,687,201	\$14,403,451	\$33,090,652
Inflation	\$1,150,667	\$873,714	\$2,024,381
Interest	\$1,916,399	\$1,227,800	\$3,144,199
Subtotal-Proposed Capital Costs	\$21,754,267	\$16,504,965	\$38,259,232
Financial and Other Cash Requirements			
Loan Placement Fee	\$390,148	\$249,960	\$640,108
Legal Fees (Printing, etc.)	150,000	100,000	250,000
CON Application Assistance	25,000	199,982	224,982
Other	595,285	329,715	925,000
Subtotal	\$1,160,433	\$879,657	\$2,040,090
Total Uses of Funds	\$22,914,700	\$17,384,622	\$40,299,322
B Sources of Funds			Total
1. Cash			\$20,299,323
Authorized Bonds			\$20,000,000
Total Sources of Funds			\$40,299,323

Source: CON application

NLH's audited financial statements for the year ending December 31, 2009 reported current assets of \$4.28 million, \$34.08 million "due from affiliates," and investments valued at \$112.33 million. The applicant has also submitted a Limited Public Offering Term Sheet developed by the Bond Holder representative, Hamlin Capital Management, LLC, outlining the terms and conditions for a \$20 million borrowing, through the sale of bonds. The applicant represents this material as "indicating interest in financing the Project."

NLH presented actual results of operations for 2009 and 2010, 2011 (current) year estimates, and projected revenues and expenses for 2012 through 2015.

Table 6: Projected Revenues and Expenses National Lutheran Home and Village at Rockville, Inc. Total Operations

	Current						
	A	ctual	Projected				
	2009	2010	2011	2012	2013	2014	2015
Inpatient Services	\$30,769,485	\$34,104,938	\$28,319,504	\$22,995,432	\$21,109,799	\$20,470,395	\$22,973,030
Outpatient Services	323,460	421,277	545,543	556,454	567,583	578,935	590,513
Gross Revenues	31,092,945	34,526,215	28,865,047	23,551,886	21,677,382	21,049,330	23,563,543
Contractual Allowances	3,217,708	5,844,312	3,596,604	2,680,839	1,830,807	1,356,104	1,121,923
Charity	669,136	393,674	287,490	287,490	390,986	299,924	203,391
Net Revenues	27,206,101	28,288,229	24,980,953	20,583,557	19,455,589	19,393,302	22,238,229
Other Operating Revenues	1,124,921	980,417	1,054,500	527,250	474,525	500,000	500,000
Interest/Dividends	3,643,108	2,909,691	1,189,322	1,074,572	926,072	819,422	795,296
Realized Gains/Losses	(3,561,959)	(694,113)	-	-	-	-	-
Other Operating Revenues	202,951	(1,329,766)	-	-	-	-	-
Net Operating Revenues	\$28,615,122	\$30,154,458	\$27,224,775	\$22,185,379	\$20,856,186	\$20,712,724	\$23,533,525
Salaries, Wages, etc.	\$22,023,341	\$20,663,786	\$17,615,196	\$14,919,975	\$12,983,161	\$11,976,006	\$11,404,905
Contractual Services	1,082,340	1,030,740	793,819	830,926	760,663	718,534	662,906
Interest on Project Debt	-	-	-	-	-	-	1,679,421
Current Depreciation	1,780,395	1,916,502	1,941,250	1,988,017	2,022,375	2,057,422	2,093,169
Project Depreciation	-	-	-	-	-	-	1,203,259
Project Amortization	-	-	-	-	-	-	73,813
Supplies	1,220,419	933,643	413,660	351,958	312,638	288,948	287,687
Other Expenses	5,652,304	8,973,479	5,348,975	5,085,695	6,089,696	6,868,107	8,407,239
Total Operating Expenses	\$31,758,799	\$33,518,150	\$26,112,900	\$23,176,571	\$22,168,533	\$21,909,017	\$25,812,399
Income from Operations	(\$3,143,677)	(\$3,363,692)	\$1,111,875	(\$991,192)	(\$1,312,347)	(\$1,196,293)	(\$2,278,874)
Non-Operating Income	34,361,259	14,561,147	-	-	-	-	-
Net Asset Transfer		(113,276,296)					
Perm restricted NA		1,050					
NET INCOME	\$31,217,582	(\$102,077,791)	\$1,111,875	(\$991,192)	(\$1,312,347)	(\$1,196,293)	(\$2,278,874)

Source: Submission CON application page 57 (DI #2)

As will be noted, NLH does not project an ability to generate net income from its overall operation. However, when depreciation is excluded, it does project the ability to generate positive cash flow. Its projections also, conservatively, do not include any accounting for projected investment income in the 2011-2015 period. (The applicant booked \$34.4 million in such income in 2009 and \$14.6 million in 2010. The applicant

The following table isolates the applicant's revenue and expense projections for CCF operations. All projected revenue and expense figures are presented in current dollars.

Table 7: Projected Revenues and Expenses National Lutheran Home CCF Operations

National	Projected						
	2012	2013	2014	2015			
Inpatient Services	20,581,064	17,252,370	15,540,341	15,863,630			
Outpatient Services	545,543	545,543	545,543	545,543			
Gross Revenues	21,126,607	17,797,913	16,085,884	16,409,173			
Contractual Allowances	2,673,009	1,851,905	1,154,620	694,974			
Net Revenues	18,453,598	15,946,008	14,931,264	15,714,199			
Other Operating Revenues	505,380	428,412	431,552	399,787			
Interest/Dividends	1,015,178	820,763	695,759	628,654			
Net Operating Revenues	19,974,156	17,195,183	16,058,575	16,742,640			
Salaries, Wages, etc.	13,970,068	12,236,474	11,434,533	11,029,252			
Interest on Project Debt	-	-	-	1,279,559			
Current Depreciation	1,117,122	1,053,342	988,551	988,551			
Project Depreciation	-	-	-	514,094			
Project Amortization	-	-	-	56,238			
Supplies	293,715	250,018	336,003	363,915			
Other Expenses	4,144,836	3,657,250	3,276,621	3,095,305			
Total Operating Expenses	19,525,741	17,197,084	16,035,708	17,326,914			
Income from Operations	448,415	(1,901)	22,867	(584,274)			
NET INCOME	448,415	(1,901)	22,867	(584,274)			

Source: Submission CON application page 57 (DI #XX)

Table 8: Beds, Projected Utilization, Projected Bed Occupancy, and Projected Per Diem Revenues and Expenses, NLHVR

Dieni Revendes and Expenses, NETTYR							
	2009	2010	2011	2012	2013	2014	2015
Licensed Beds	300	300	262	205	191	192	210
Admissions	290	657	(26)	(55)	(4)	15	10
Patient Days	103,867	95,840	87,892	68,144	62,562	59,693	67,799
Occupancy Percentage	94.90%	87.50%	912.20%	91.10%	89.80%	85.20%	88.50%
Gross Revenue PPD	283.59	336.45	329.49	310.03	284.48	269.48	242.03
Net Revenue PPD	246.17	271.36	275.15	270.80	254.88	250.13	231.78
Expense PPD	250.32	341.33	308.55	286.54	274.88	268.64	255.56
Income PPD	(4.15)	(69.97)	(33.40)	(15.73)	(20.00)	(18.50)	(23.79)

Source: Submission CON application pages 44 and 45 (DI #2)

#### **Staffing**

The applicant provided staffing information consistent with its revenue and expense schedule for CCF operations and this information is attached as an appendix. It indicates compliance with CCF nurse staffing requirements.

## Conclusion

The applicant has demonstrated that its ongoing operation, with the changes proposed in its long-term care facility, is viable, so long as it is able to offset operational losses with investment income and philanthropic support, which it appears to be able to comfortably achieve. It has documented that the resources necessary for the project will be available. Its assumptions are reasonable. The applicant also justified the need and benefits of the renovations that have not taken place since 1980 for the CCF section.

## E. COMPLIANCE WITH CONDITIONS OF PREVIOUS CERTIFICATES OF NEED

COMAR 10.24.01.08G(3)(e)Compliance with Conditions of Previous Certificates of Need. An applicant shall demonstrate compliance with all terms and conditions of each previous Certificate of Need granted to the applicant, and with all commitments made that earned preferences in obtaining each previous Certificate of Need, or provide the Commission with a written notice and explanation as to why the conditions or commitments were not met.

NLH does not have a track record with respect to CON authorizations.

# F. IMPACT ON EXISTING PROVIDERS AND THE HEALTH CARE DELIVERY SYSTEM

COMAR 10.24.01.08G(3)(f)Impact on Existing Providers and the Health Care Delivery System. An applicant shall provide information and analysis with respect to the impact of the proposed project on existing health care providers in the health planning region, including the impact on geographic and demographic access to services, on occupancy, on costs and charges of other providers, and on costs to the health care delivery system.

This project will not have a negative impact on other providers of CCF services. It reduces the capacity of NLH to provide this service substantially

The project will increase the capital cost base of the facility but NLH appears to be in a position to absorb this additional expense and maintain viability. As noted, it is not an organization that projects an ability or need to generate excess revenue from CCF operations.

#### IV. SUMMARY AND STAFF RECOMMENDATION

Staff has analyzed the proposed project's compliance with the applicable State Health Plan criteria and standards in COMAR 10.24.01.08.05A and B, and with the other Certificate of Need review criteria, COMAR 10.24.01.08G(3)(b)-(f).

Based on these findings, Staff recommends that the project be **APPROVED**, with the following condition:

At the time of first use review, National Lutheran Home and Village at Rockville, Inc. shall provide the Commission with a completed Memorandum of Understanding with the Maryland Medical Assistance Program agreeing to maintain the proportion of Medicaid patient days required by Nursing Home Standard COMAR 10.24.08.05A(2).

IN THE MATTER OF \* BEFORE THE

\*

NATIONAL LUTHERAN HOME \* MARYLAND HEALTH

\*

AND VILLAGE AT ROCKVILLE \* CARE COMMISSION

•

DOCKET NO. 11-15-2319 \*

## **FINAL ORDER**

Based on Commission Staff's analysis and findings, it is this 19th day of January 2012, **ORDERED** that:

The application for a Certificate of Need, submitted by National Lutheran Home and Village at Rockville, Inc. to renovate its comprehensive care facility, converting space to assisted living facilities, downsizing and modernizing its CCF facilities, and constructing a new entrance way to the facility, at an estimated cost of \$22,914,700, Docket No. 11-15-2319, be **APPROVED**, subject to the following condition:

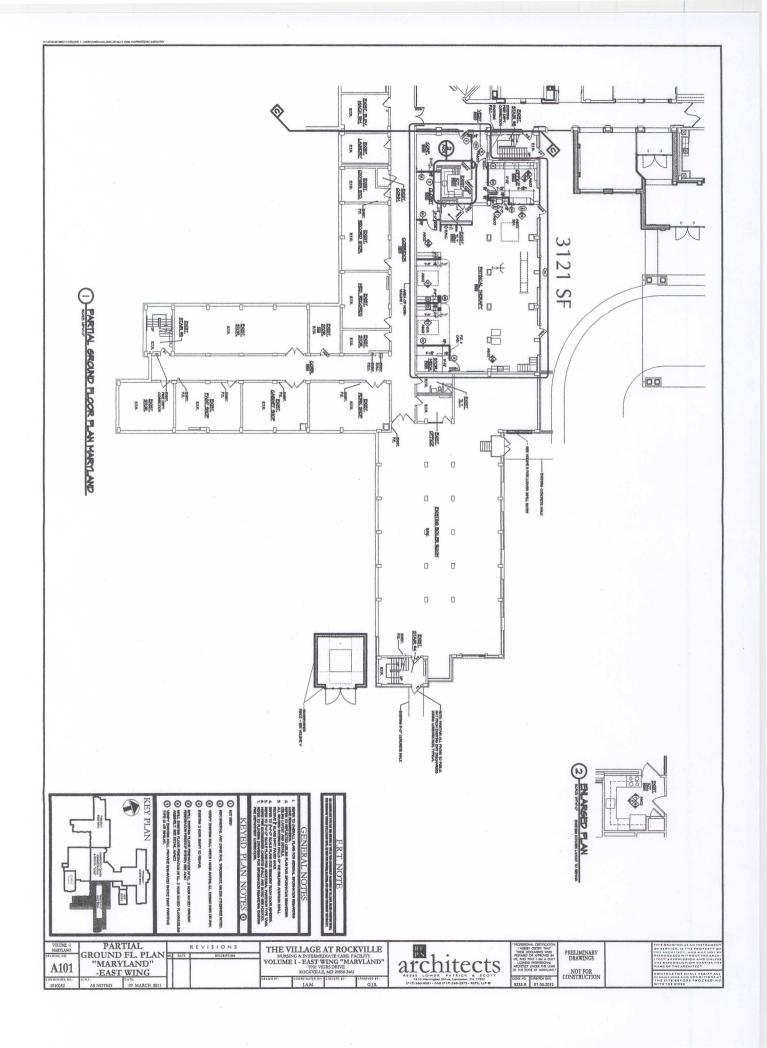
At the time of first use review, National Lutheran Home and Village at Rockville, Inc. shall provide the Commission with a completed Memorandum of Understanding with the Maryland Medical Assistance Program agreeing to maintain the proportion of Medicaid patient days required by Nursing Home Standard COMAR 10.24.08.05A(2).

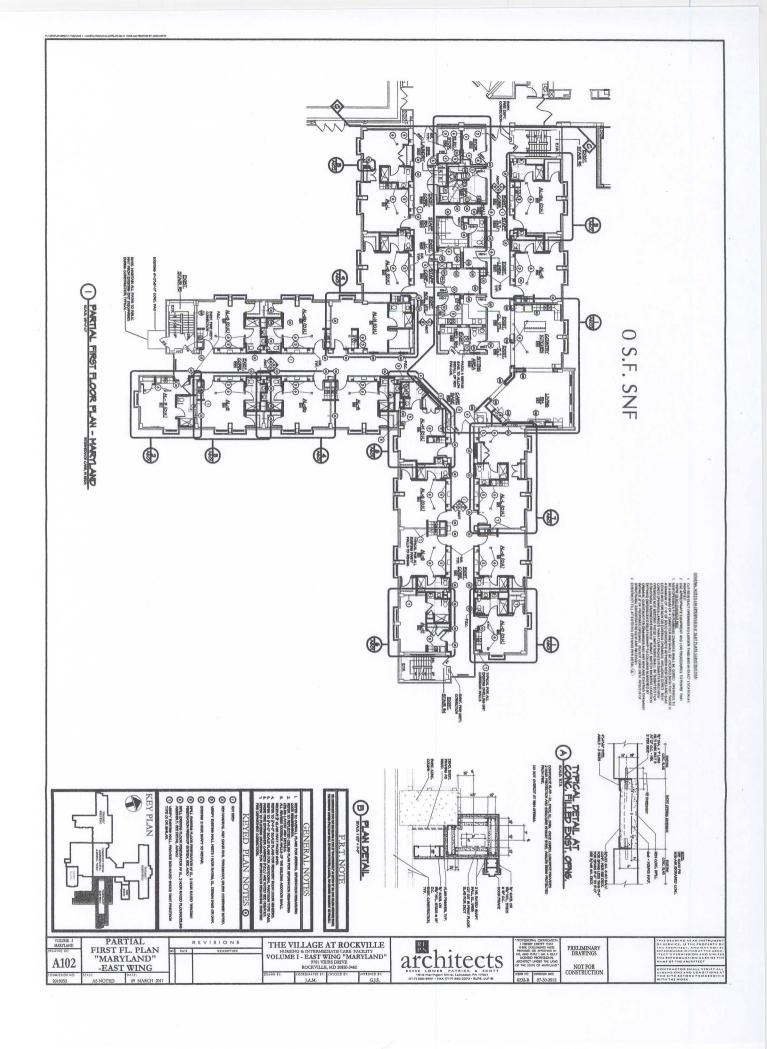
MARYLAND HEALTH CARE COMMISSION

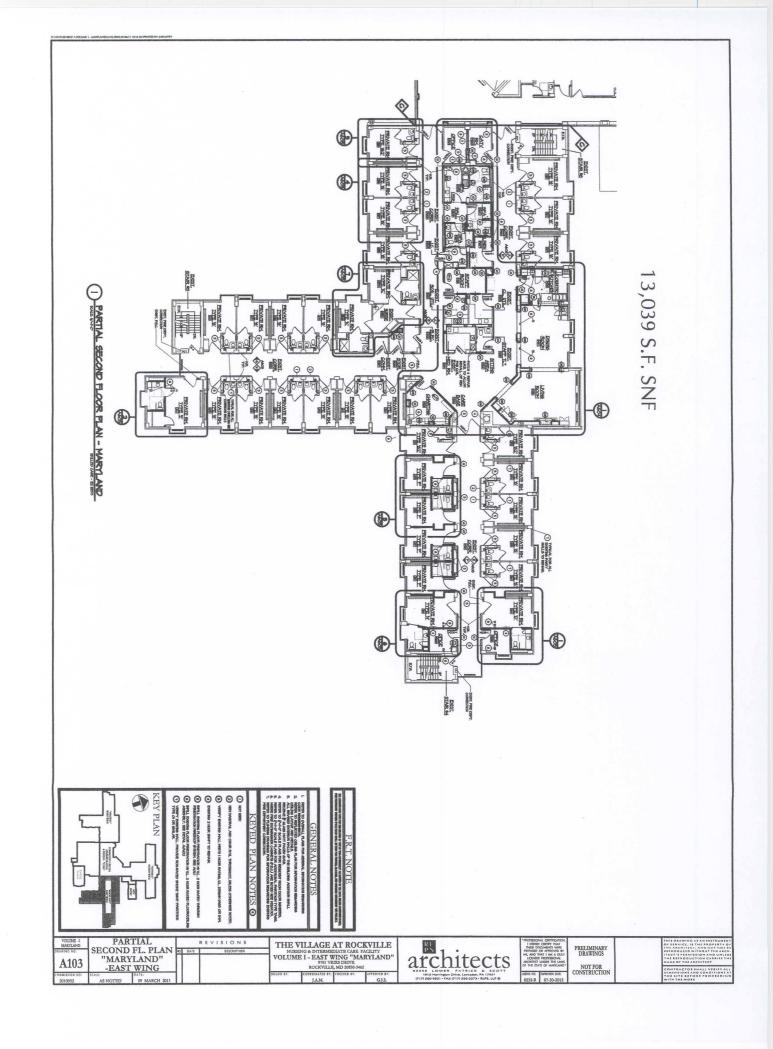
**January 19, 2012** 

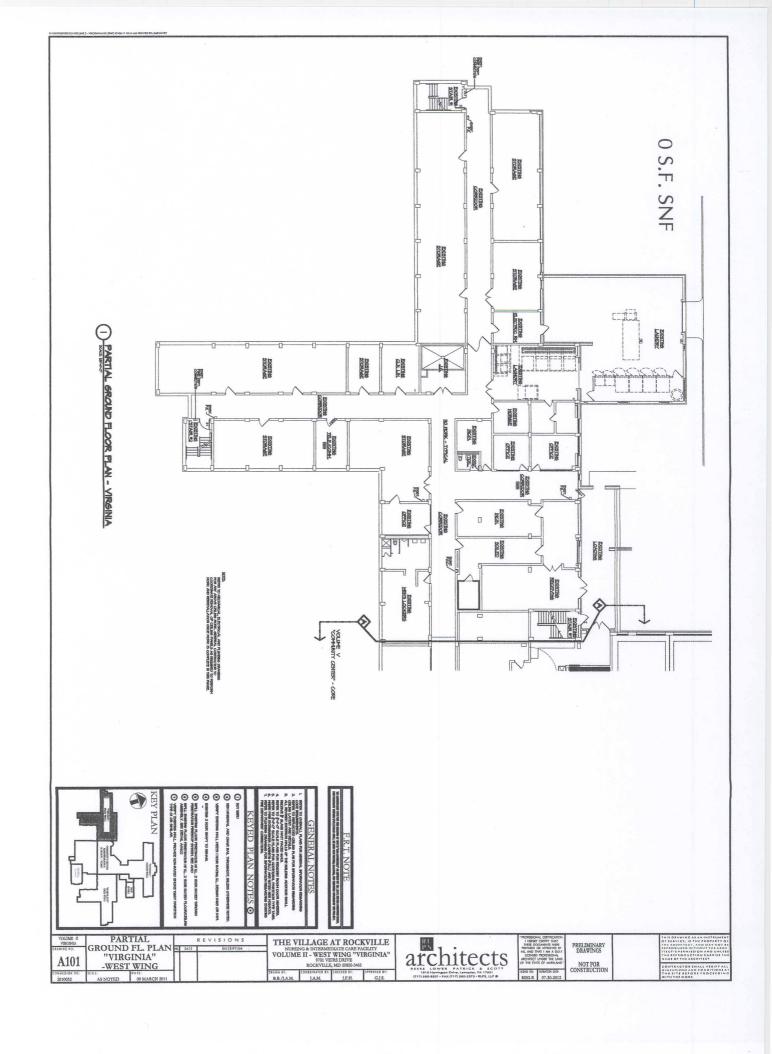
# Appendix A

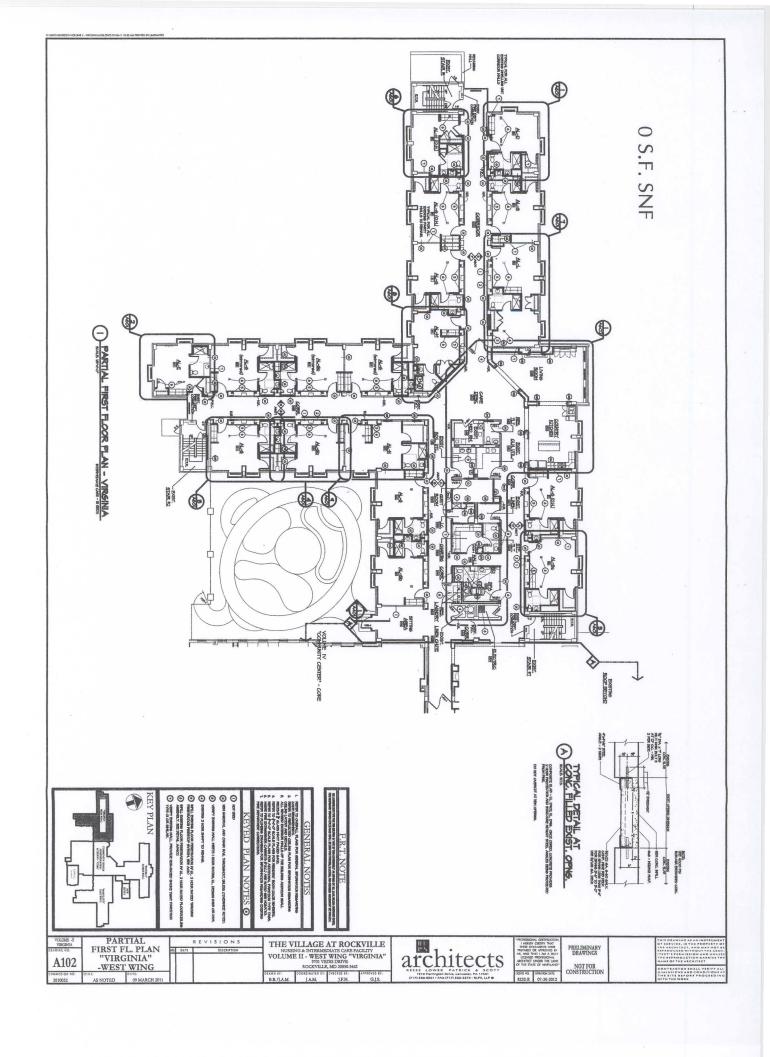
Floor Plans

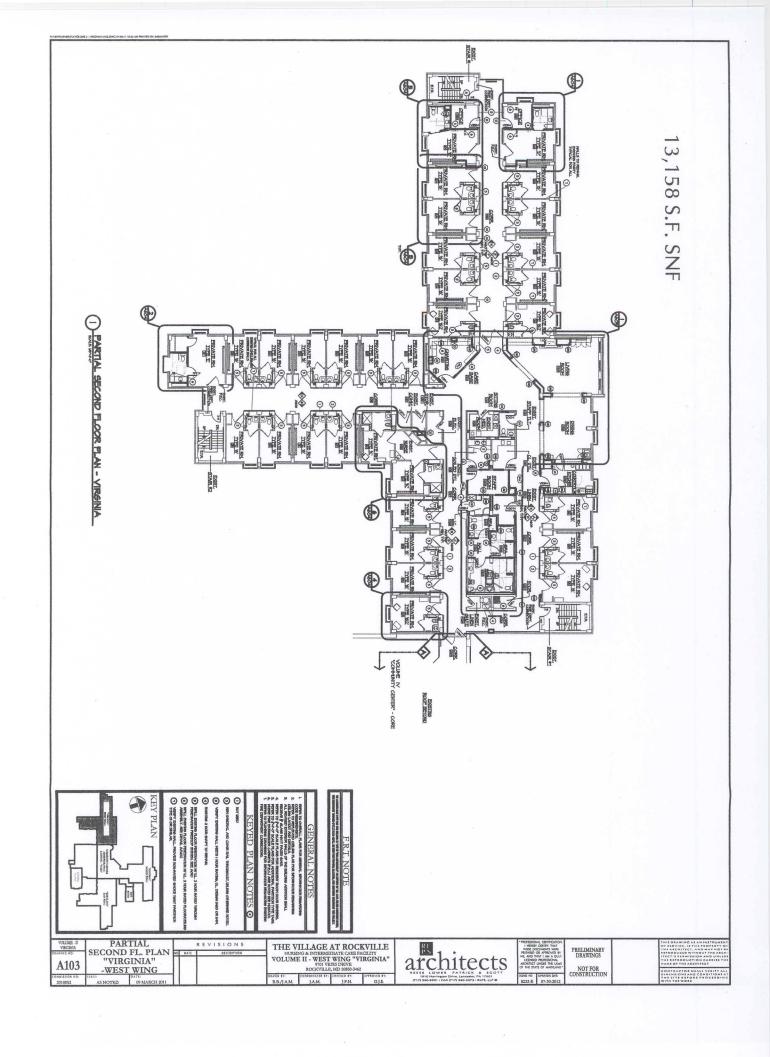


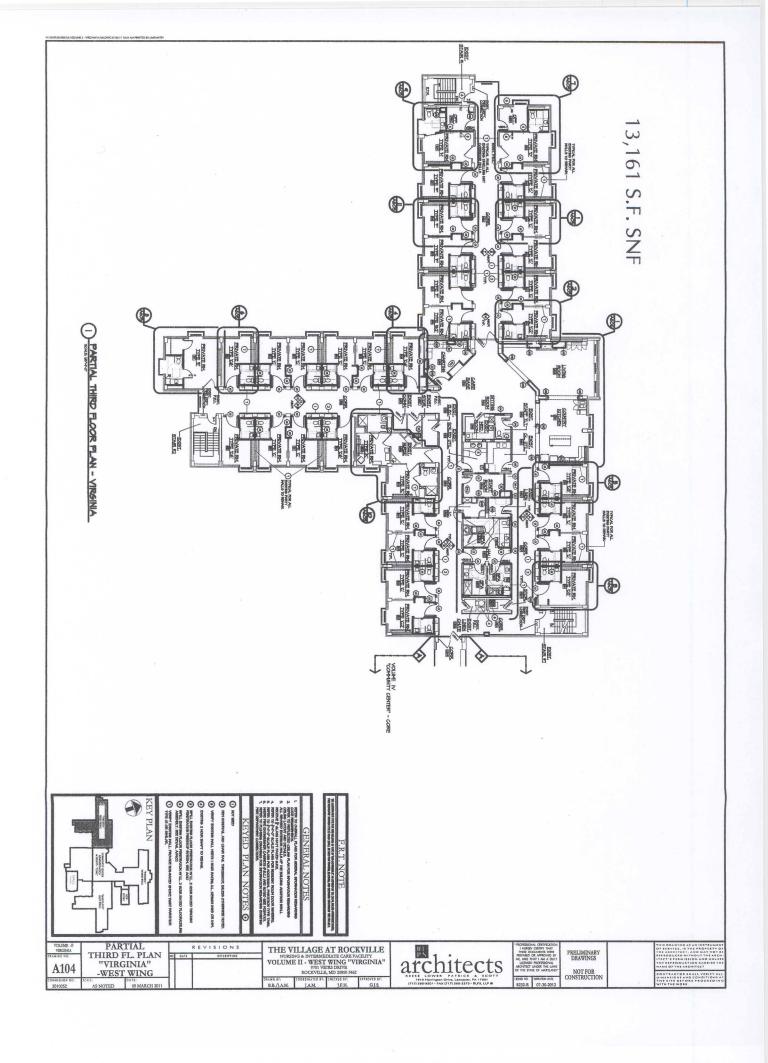


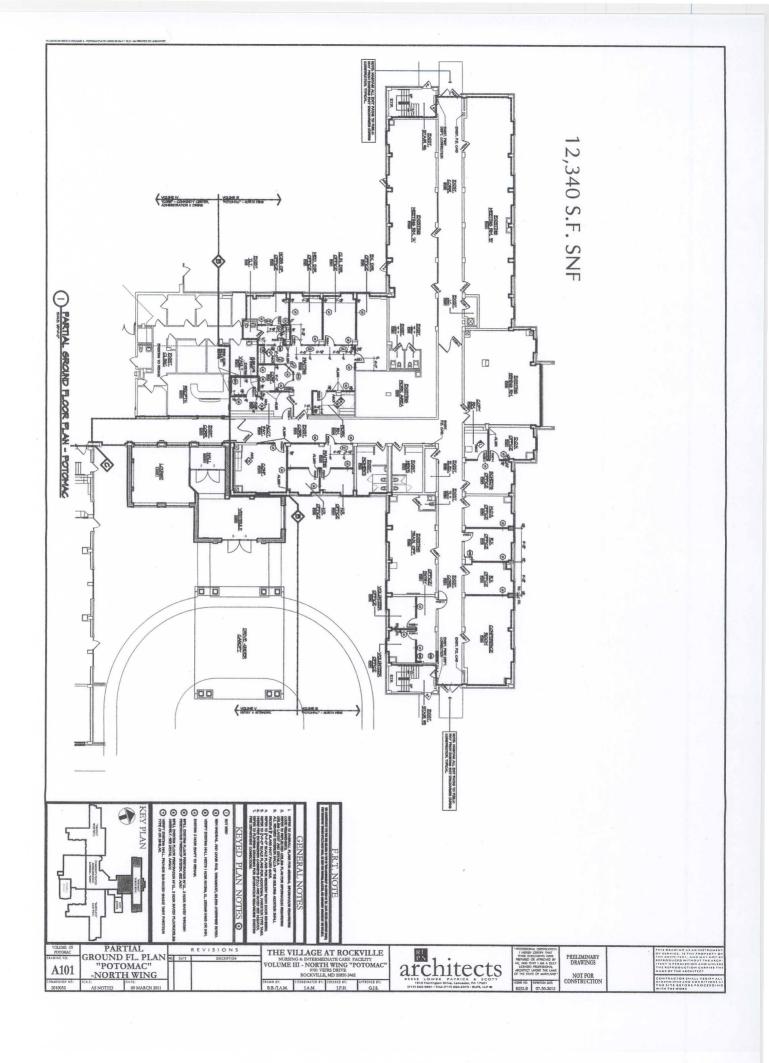


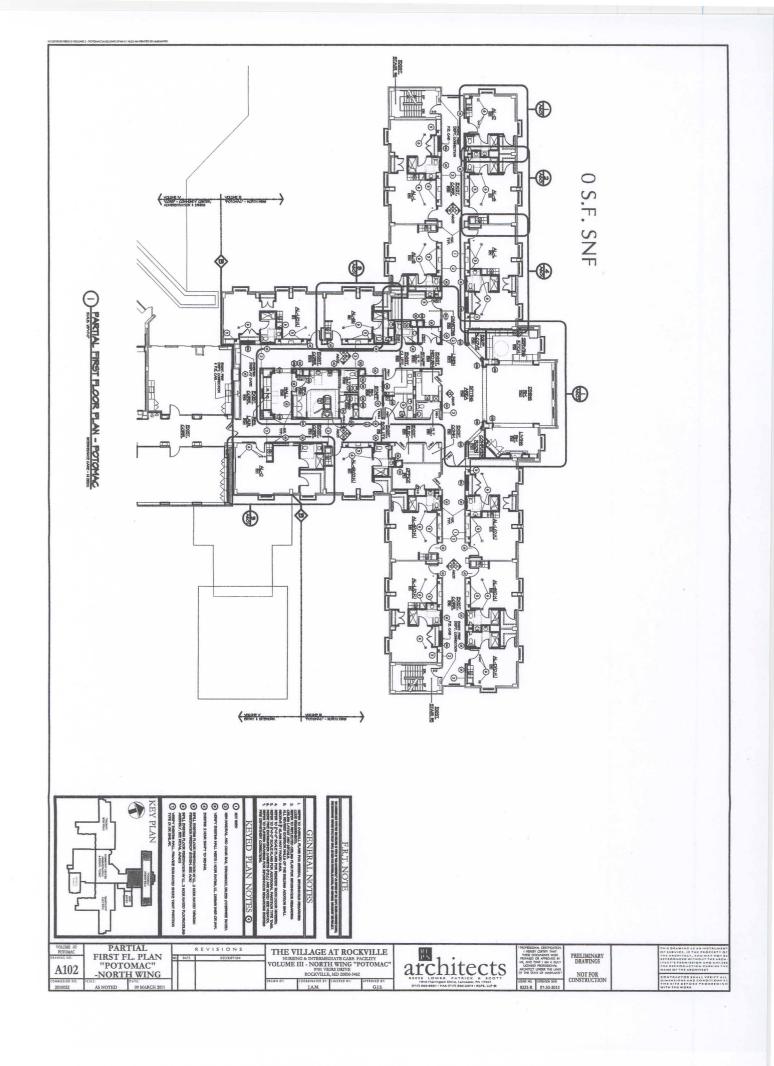


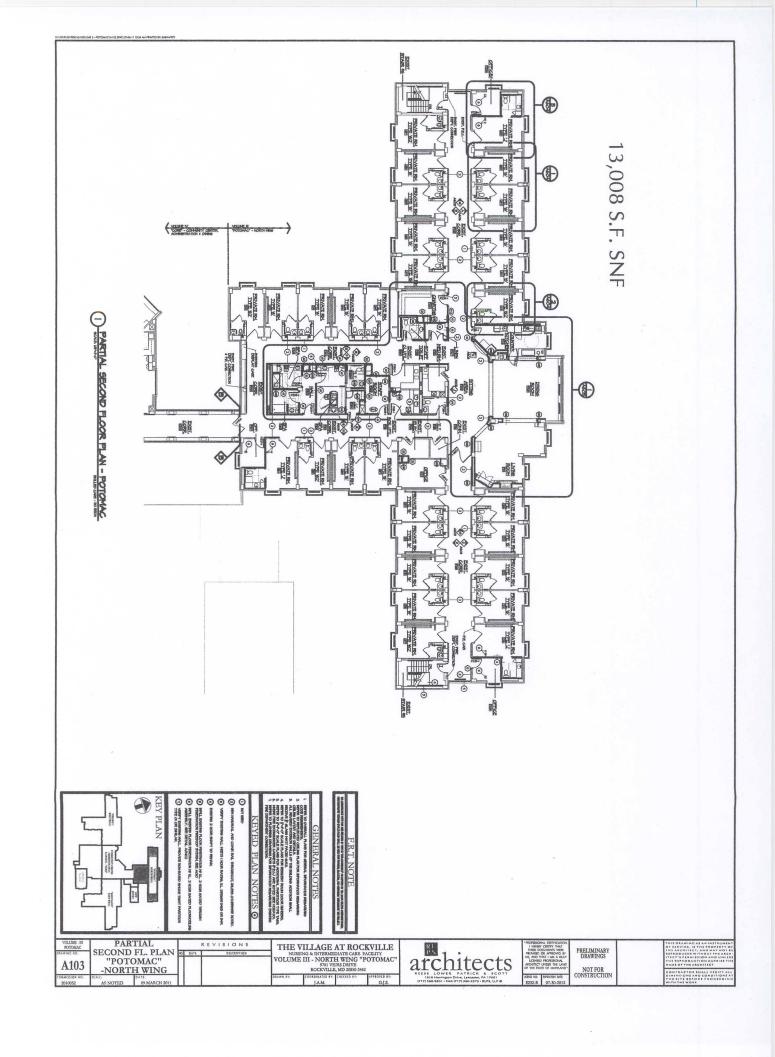


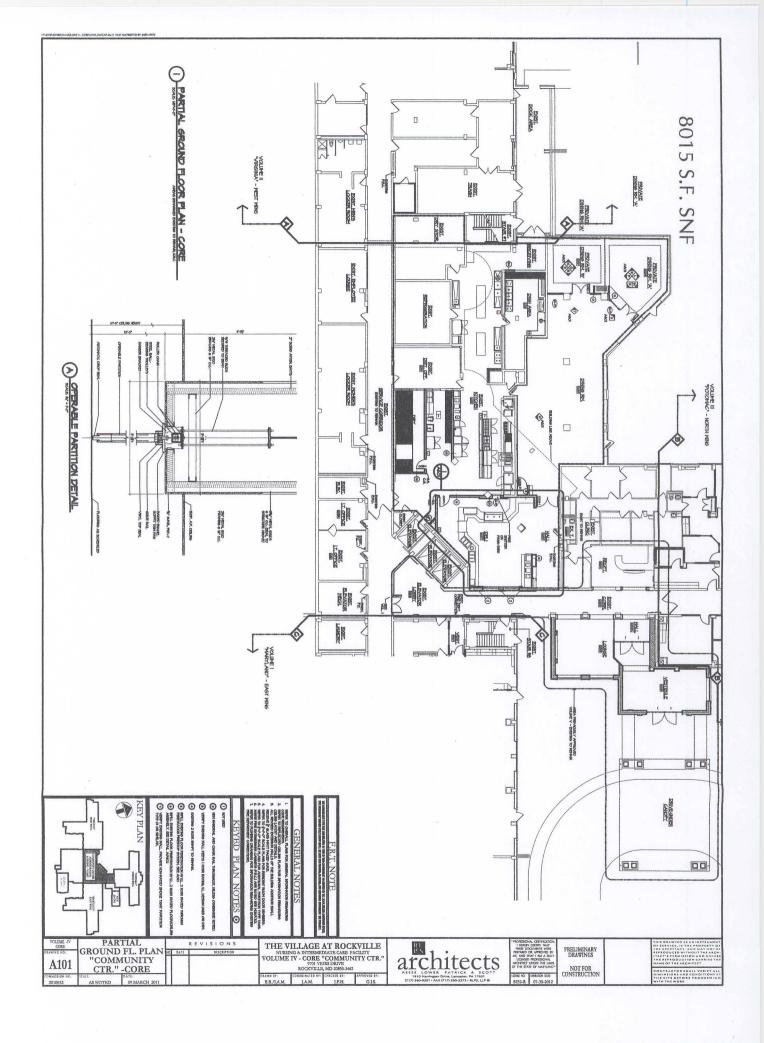


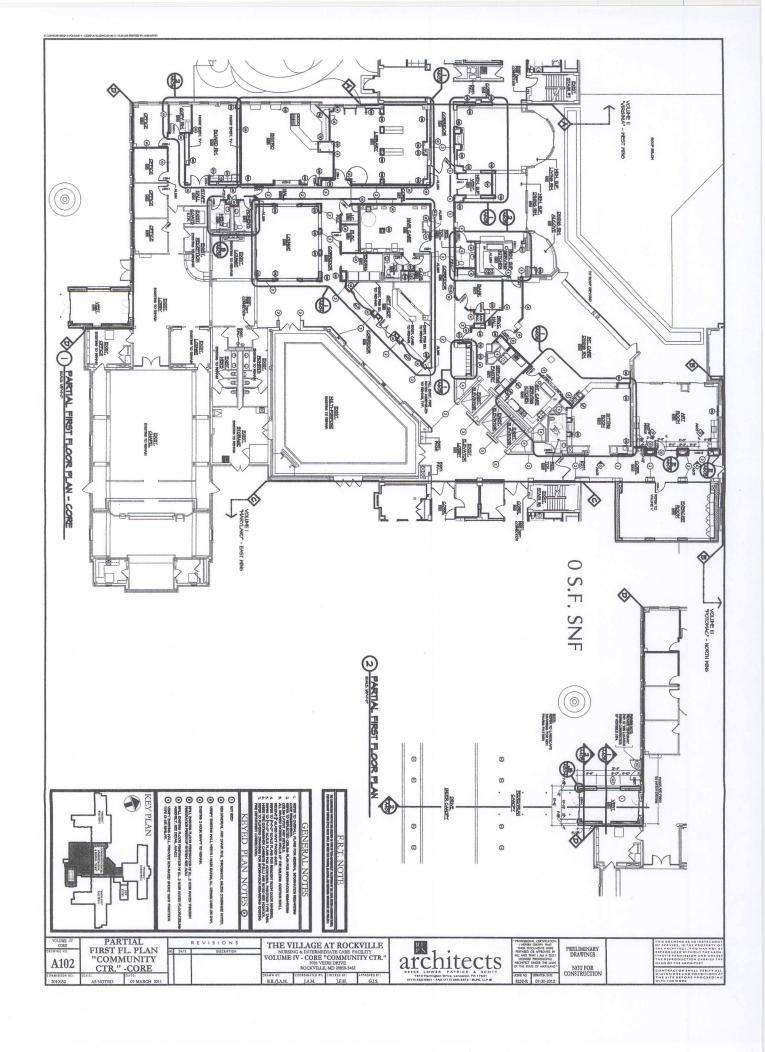


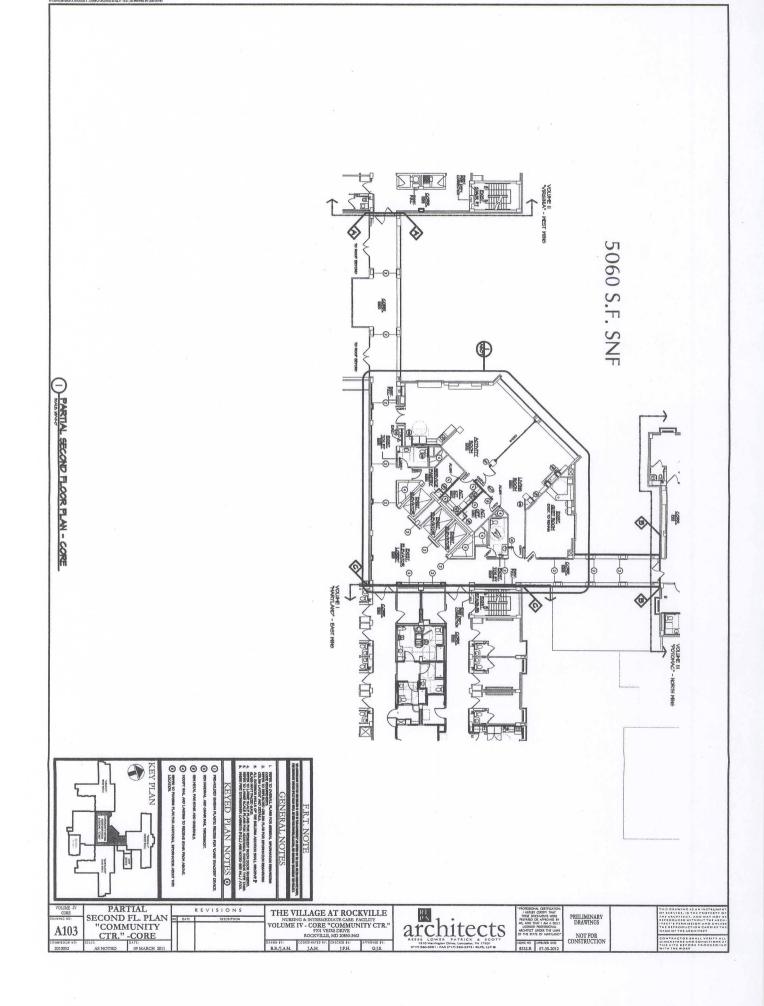


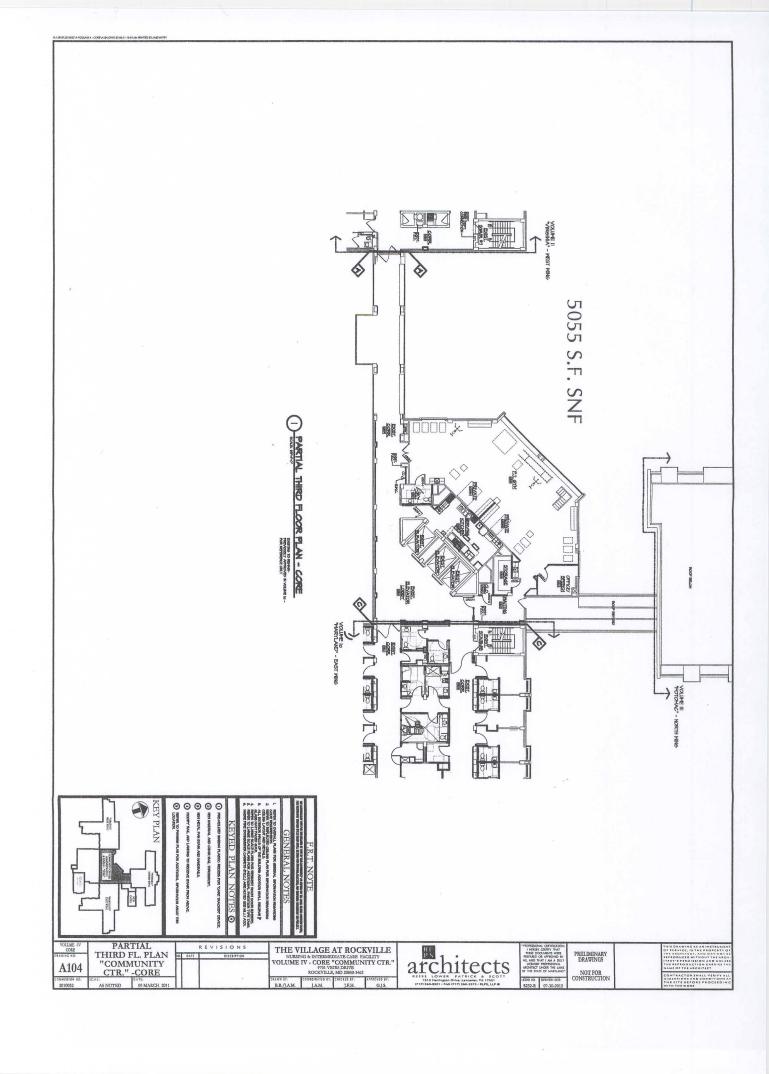


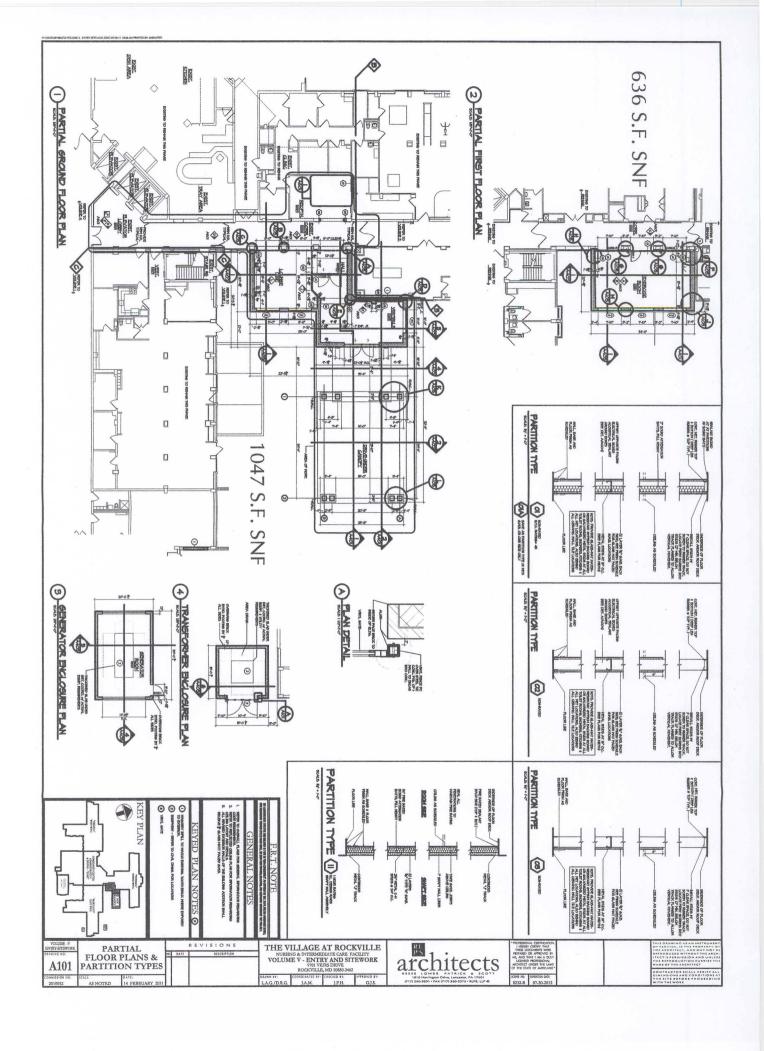












# Appendix B

Staffing

# **Staffing**

National Lutheran Home projects the following staffing information for its nursing units upon completion of its proposed project.

# **MARYLAND WING**

Assisted Living 1st Floor (18)	Day	Evening	Night
RN			
LPN	1	1	
Aides	1	1	1
Medicine Aide			

Short Stay Rehab 3rd Floor (33)	Day	Evening	Night
RN	1	1	1
LPN	0	0	0
Aides	4	4	3
Medicine Aide	1	1	1

Long Term Care 2nd Floor (32) RN	Day	Evening	Night
LPN	1	1	1
Aides	3	3	3
Medicine Aide	1	1	1

## **VIRGINIA WING**

Assisted Living 1st Floor (18)	Day	Evening	Night
RN			
LPN	1	1	
Aides	1	1	1
Medicine Aide			

Short Stay Rehab 3rd Floor (33)	Day	Evening	Night
RN	1	1	1
LPN	0	0	0
Aides	4	4	3
Medicine Aide	1	1	1

Long Term Care 2nd Floor (32)	Day	Evening	Night
RN			
LPN	1	1	1
Aides	3	3	3
Medicine Aide	1	1	1

# POTOMAC CONFERENCE WING

Assisted Living 1st Floor (14)	Day	Evening	Night
RN			

LPN			
Aides	1	1	1
Medicine Aide	1	1	

Long Term Care 2nd Floor (30) RN	Day	Evening	Night
LPN	1	1	1
Aides	3	3	3
Medicine Aide	1	1	1

Per Applicant schedules for all units are based on 8 hour shifts. Weekend/holiday staffing is the same as for week days. The applicant has projected a direct care staffing schedule that will deliver 3.58 hours per bed of care in both units combined. These staffing ratios are consistent with those required in COMAR 10.07.02.12 of a minimum of two hours per bed per day.

Position Title	Gurrent No.	Changes in	Average Salary	Employes		TOTAL
2 "	FTEN	FTE# (+1-)	(Per Hour)	Contractual		COST
Administration						
Executive Director	1.0	0.0	\$ 69.34	Employee	5	64,252
Chief of Operations	1.0	-1.0	125	Employee	\$	
Secretary - ED	1.0	0.0	\$ 25.77	Employee	\$	23,879
Purchasing Supervisor	1.0	0.0	\$ 22.79	Employee	5	21,118
Central Supply Clerk	1.0	0.0	\$ 15.55	Employee	\$	14,409
Medicare/Medicaid Billing Specialist	1.0	0.0	\$ 24.79	Employee	\$	22,971
Banker/Teller	1.0	×1.0	\$ 21.81	Employee	\$	*
HR Generalists	1.0	0.0	\$ 27.05	Employee	5	25,065
HR Generalists	1.0	0.0	\$ 36.42	Employee	\$	33,747
MDS Coordinator	1.0	0.0	\$ 49.28	Employee	\$	45,664
MDS Coordinator	1.4	-0.4	\$ 45.80	Employee	\$	43,366
Marketing Director	1.0	0.0	\$ 51.51	Employee	\$	47,730
Marketing Communications Coordinator	1.0	0.0	\$ 27.24	Employee	\$	25,241
Marketing Coordinator	1.0	0.0	\$ 25.15	Employee	\$	23,304
Admissions Director	1.0	0.0	\$ 40.12	Employee	\$	37,176
Admissions Coordinator	1.0	0.0	\$ 27.82	Employee	\$	25,779
Nurse Liason	1.0	0.0	\$ 46.36	Employee	\$	42,958
Chief of Clincial Services	1.0	0.0	\$ 55.29	Employee	\$	115,003
ADON	1.0	0.0	\$ 51.91	Employee	\$	107,976
Nurse Managers	4.0	-0.5	\$ 45.60	Employee	\$	331,970
Admin Asst	1.4	0.0	\$ 16.48	Employee	\$	47,999
Secretary Nursing	1.0	0.0	\$ 19.44	Employee	\$	40,435
Supervisors - Day	0.2	0.0	\$ 41.15	Employee	\$	17,117
Supervisors - Day	0.2	0.0	\$ 39.56	Employee	\$	16,458
Supervisors - Evening	1.0	0.0	\$ 39.56	Employee	\$	82,279
Supervisors - Night \	0.4	0.0	\$ 40.13	Employee	\$	33,386
Supervisors - Night	1.0	-1.0	\$ 40.13	Employee	\$	-
Medical Records Technician	1.0	0.0	\$ 28.11	Employee	\$	58,465
Payroll Time and Attendance	1.0	0.0	\$ 20.36	Employee	\$	42,352
Supervisors - Evening	0.2	-0.2	\$ 39.56	Employee	\$	*
Supervisors - Evening	0.2	0.0	\$ 40.74	Employee	\$	16,949
Direct Care						
IVA - Charge Nurse Days	1.4			Employee	\$	
IVA - CMA Days	1.4	-1.4	\$ 22.84	Employee	\$	*
IVA - GNA Days	4.2	-4.2	\$ 17.79	Employee	\$	**
LVA - Chargo Nurse Evenings	1.4	-1.4	5 29.93	Employee	5	
IVA - OVA Evenings	1,4	-1.4	\$ 22.24	Employee	\$	-
IVA - GNA Evenings	4.2	-4.2	\$ 17.26	Employee	\$	-
IVA - Charge Nurse Nights	1.4	-1.4	\$ 29.27	Employee	\$	
LVA - GNA Nights	2.8	-2.8	\$ 17.47	Employee	\$	
PC - Charge Nurse Days	1.4	-1.4	\$ 30.62	Employee	\$	
PC - CMA Days	1.4	-1.4	5 22.84	Employee	5	
LPC - GNA Days	4.2	-4.2	\$ 17.79	Employee	S	~
LPC - Charge Nurse Evenings	1.4	-1.4	\$ 29.93	Employee	5	
IPC - CMA Evenings	1.4	-1.4	\$ 22.24	Employee	\$	
PC - GNA Evenings	4.2	-4.2	\$ 17.26	Employee	\$	
IPC - Charge Nurse Nights	1.4	-1.4	\$ 29.27	Emplayee	\$	
.PC - GNA Nights	2.8	-2.8	\$ 17.47	Employee	\$	
MD - Charge Nurse Days	1.4	-1.4	\$ 30.62	Employee	\$	
MD - Staff Nurse Days	1.3	-1.3	5 30.62	Employee	\$	
LMD-GNA	5.6	-6.6	\$ 17.79	Employee	\$	*
MD - Charge Nurse Evenings	1,4	-1.4	\$ 29.93	Employee	\$	
MD - Staff Nurse Evenings	1.3	-1.3	\$ 29.93	Employee	\$	
MD - GNA Evenings	5.3	-5.3	\$ 17.26	Employee	\$	
MD - Charge Nurse Nights	1.4	-1.4	\$ 29.27	Employee	\$	*
MD - GNA Nights	5.3	-5.3	\$ 17.47	Employee	\$	
LMD - Staff Nurse Nights	1.3	-1.3	\$ 29.27	Employee	\$	

Position Title	Current No.	Changes in		Hage Mary	Employee/		TOTAL.
	FTEs	FTEs (+)-k		Hary Hours	Contractual		COST
2 VA - Charge Nurse Days	1.4	0.0	\$	30.62	Emplayee	\$	89,157
2 Va - Staff Nurse Days	1.3	-1.3	\$	30.62	Employee	\$	
2 VA - GNA Days	6.0	-0.9	\$		Employee	5	187,752
2 VA - Charge Nurse Evenings	1.4	0.0	5	29.93	Employee	\$	87,147
2 VA - CMA Evenings	1.4	0.0	\$		Employee	\$	64,758
2 VA - GNA Evenings	6.0	-0.9	\$		Employee	\$	182,147
2 VA Charge Nurse Nights	1.4	0.0			Employee	S	85,229
2 VA - GNA Nights	4.0	1.1			Employee	\$	184,375
2 MD - Charge Nurse Days	1.4	-1.4	\$		Employee	\$	*
2 MD - Staff Nurse Days	2.7	-1.3	-		Employee	S	89,165
2 MD - CMA Days	1.4	-1.4	-		Employee	\$	*
2 MD - GNA Davs	4.4	0.6		17,79	Employee	5	187,791
Z MD - Charge Nurse Evenings	1.4	-L4	15		Employee	5	101,133
2 MD - Staff Nurse Evenings	0.0	1.4			Employee	5	87,127
2 MD - CMA Evenings	1.4	-1.4			Employee	\$	W.F. g.M.W.F
2 MD - GNA Evenings	4,4	0.6			Employee	5	182,197
2 MD - Charge Nurse Nights	1,4	-1.4	200		Employee	5	102,237
MD - Staff Nurse Nights	0.0	1.4			Employee	5	87,127
MD - GNA Nights	3.0	2.1			Employee	\$	184,413
PC - Charge Nurse Days	1.4	-1.4	*		Employee	\$	***************************************
PC - Staff Nurse Days	1.4	0.0			Employee	5	89,157
PC - GNA Days	6.5	-1.6			Employee	5	312,050
PC - Charge Nurse Evenines	1.4	-1.4			Employee	\$	342,050
2 PC - Staff Nurse Evenings	0.0	1.4			Employee	\$	87,147
PC - CMA Evenings	1.4	-1.4			Employee	\$	
PC - GNA Evenings	6.5	-1.6			Employee	\$	175,866
PC - Charge Nurse Nights	1,4	-1.4			Employee	5	4.9 5,000
PC - GNA Nights	4.3	-1.1			Employee	5	118,678
3 VA - Charge Nurse Days	1,4	0.0			Employee	\$	89,165
3 VA - Staff Nurse Days	1.4	-1.4			Employee	5	47,400
3 VA - CMA Days	1,3	-0.2	Š		Employee	5	49,204
3 VA - GNA Days	6.1	-1.6			Employee	5	168,365
VA - Charge Nurse Evenings	1.4	0.0	- 7		Employee	5	87,127
VA - CMA Evenings	1.4	-0.4			Employee	5	47,911
VA - GNA Evenings	6.1	-1.6	8.		Employee	\$	163,345
VA - Charge Nurse Nights	1.4	0.0			Employee	5	85,234
VA - CMA Hights	0.0	1.4			Employee	5	64,763
VA - GNA Nights	4.1	-1.1			Employee	\$	110,224
MD - Charge Nurse Days	0.0	0.0			Employee	5	
MD - Staff Nurse Days	0.0	1.4			Employee	\$	89,165
MO - CMA Days	0.0	1.0			Employee	\$	48,511
MD - GNA Days	0.0	5.3	100		Employee	5	194,267
I MD - Staff Nurse Evenings	0.0	1.4			Employee	\$	89,165
MD - CMA Evenings	0.0	1.0			Employee	\$	47,237
MD - GNA Evenings	0.0	5.3			Employee	\$	188,479
MD - Staff Nurse Nights	0.0	1.4	100		Employee	\$	89,165
MD - GNA Nights	0.0	4.1	,		Employee	5	147,355
Non-Productive	12.4	-4.7	4		Employee	\$	357,609
Overtime Factor	6.2	-2.3			Employee	\$	173,300
Director of Social Workers	1.0	0.0		37.15		\$	77,27
Social Worker	3.5	-1.0		27.81	Employee	\$	144,612
Support							
Director - Resident Activities	1.0	0.0	\$	24.28	Employee	\$	22,498
Asst Director - Resident Activities	1.0	0.0	\$	18.64	Employee	\$	17,272
Resident Activities Assistant	2.2	-0.5	\$		Employee	5	31,945
Oriver/Clerk	1.0	-0.9	-		Employee	\$	1,637
Driver/Clerk	1.0	0.0			Employee	5	17,263
Auxilliary Secretary	2.4	-2.0			Employee	\$	7,346

Position Title	Current No.	Changes in	Average	Employee		TOTAL
	FTEs	FTEs (+/-)	(Por Hour)	Contractisal		COST
Transportation Aide	0.1	0.9	2.134.000.000.000.000	Employee	\$	19,05
Transportation Aide	1.0	-0.6		Employee	5	7,93
Transportation Aide	1.0		Contract of the Contract of th	Employee	5	* *
Transportation Aide	0.4	-0,4		Employee	\$	
Supervisors	1.0	0.0	•	Employee	\$	48,37
Resident Care Assistant	1.0			Employee	\$	36,84
Resident Care Assistant	1.0			Employee	\$	30,0
Security Guards	2.6			Employee	\$	74,58
FMA/Porters	6.4	-2.4		Employee	\$	100,68
ESA	14.3		• -	Employee	5	198,31
Receptionists	3.8			Employee	\$	117,5
Director - Existing	1.0			Employee	\$	72,36
Assistant Director	1.0			Employee	\$	38,70
Associate Director Hospitality	1.0			Employee	5	47,47
Supervisors	1.0			Employee	\$	36,24
Dietician Director	1.0			Employee	\$	50,73
Dieticians	2.4	101.1.6		Employee	\$	89,1
AM Cook Main Kitchen	1.4	7.70		Employee	\$	47.6
PM Line Cook	1.4	F-1		Employee	\$	66,39
Lead Cook	1.0			Employee	\$	23,8
Baker	1.4			Employee	\$	32,89
Salads & Cold Prep	1.4			Employee	\$	50,7
1st Floor - Core Service Panty - Am	4.2		100000000000000000000000000000000000000	Employee	\$	30,7,
1st Floor - Core Service Pantry - PM	2.1	-2.1		Employee	\$	
AL AM Service	0.0			Employee	\$	33.41
AL Prii Service	0.0			Employee	\$	16,7
2nd Floor Core service Pantry AM	4.2			Employee	\$	20.00
2nd Floor Core Service Pantry PM	2.1			Employee	\$	•
2nd Floor Virginia AM Aide	0.0			Employee	\$	33.4
2nd Floor Maryland AM Aide	0.0	-		Employee	\$	33,4
2nd Floor PC AM Aide	0.0			Employee	\$	33,4
2nd Floor Virginia PM Aide	0.0			Employee	\$	16,7
2nd Floor Maryland PM Aide	0.0	9,00		Employee	\$	16,7
2nd Floor PC PM Aide	0.0			Employee	\$	16,7
Post Acute - AM Cook	0.0			Employee	\$	33,4
Post Acute - PM Cook	0.0			Employee	\$	33,4
Post Acute - AM Servier	0.0	4.2		Employee	\$	100,2
Post Acute - PIVI Server	0.0			Employee	\$	50,1
Utility Supervisor	1.4			Employee	\$	33,4
AM Utility - Porter	1.4			Employee	\$	33,4
PM Utility /Pots and Pans	2.1			Employee	Š	49,7
Cafeteria AM Server/Cashier	1.4			Employee	\$	34,2
Cafeteria PM Server/Cashler	1.4			Employee	5	32,5
Server PM	1.4			Employee	5	
Maintenance/Generalist	1.0	0.0		Employee	\$	38,6
Maintenance/Generalist	1.0			Employee	\$	38,6
Maintenance/Generalist	1.0			Employee	Š	38,7
Maintenance/Generalist	1.0			Employee	5	36,7
Maintenance/Generalist	1.0			Employee	5	36,3
Maintenance/Generalist	1.0			Employee	\$	
Supervisor	1.0			Employee	\$	19,1
Linen Aides	5.5			Employee	\$	73,7
Staff Educator	1.0			Employee	S	79,4
Staff Educator	1.0			Employee	\$	56,6
Chaplain	1.0			Employee	S	42,9
Assistant Chaplain	0.5			Employee	5	14,6
Director of Volunteers	1.0			Employee	\$	32,1
Chorus Director	0.5			Employee	\$	14,0

Position Tele	Current No.	Changes in	Average Salary (Per Hour)	Employee/ Contractual	COST
Employee Benefits - 25.47% Total					\$ 2,238,989 11,029,252

# Appendix C

The Stay Quality Rating System

### Strengths and Limitations of the Five-Star Ratings

Like any information, the Five-Star rating system has strengths and limits. Here are some things to consider as you compare nursing homes.

#### **Health Inspection Results**

#### Strengths:

- <u>Comprehensive:</u> The nursing home health inspection process looks at all major aspects of care in a nursing home (about 180 different items).
- Onsite Visits by Trained Inspectors: It is the only source of information that comes from a trained team of objective surveyors who visit each nursing home to check on the quality of care, inspect medical records, and talk with residents about their care.
- <u>Federal Quality Checks:</u> Federal surveyors check on the state surveyors' work to make sure they are following the national process and that any differences between states stay within reasonable bounds.

#### Limits:

- <u>Variation between States:</u> There are some differences in how different states carry out the inspection process, even though the standards are the same across the country.
- <u>Medicaid Program Differences:</u> There are also differences in state licensing requirements that affect quality, and in state Medicaid programs that pay for much of the care in nursing homes.

**TIP:** The best comparisons are made by looking at nursing homes <u>within the same state</u>. You should be careful if you are trying to compare a nursing home in one state with a nursing home in another state.

### **Staffing**

### Strengths:

- Overall Staffing: The quality ratings look at the overall number of staff compared to the number of residents and how many of the staff are trained nurses.
- Adjusted for the Population: The ratings consider differences in how sick the nursing home residents are in each nursing home, since that will make a difference in how many staff are needed.

#### Limits:

- <u>Self-Reported:</u> The staffing data are self-reported by the nursing home, rather than collected and reported by an independent agency.
- <u>Snap-Shot in Time:</u> Staffing data are reported just once a year and reflect staffing over a 2 week period of time.

**TIP:** Quality is generally better in nursing homes that have more staff who work directly with residents. It is important to ask nursing homes about their staff levels, the qualifications of their staff, and the rate at which staff leave and are replaced.

#### **Quality Measures**

#### Strengths:

- <u>In-Depth Look:</u> The quality measures provide an important in-depth look at how well each nursing home performs on ten important aspects of care. For example, these measures show how well the nursing home helps people keep their ability to dress and eat, or how well the nursing home prevents and treats skin ulcers.
- <u>National Measures:</u> The ten quality measures we use in the Five-Star rating are used in all nursing homes.

#### Limits:

- <u>Self-Reported Data:</u> The quality measures are self-reported by the nursing home, rather than collected and reported by an independent agency.
- <u>Just a Few Aspects of Care:</u> The quality measures represent only a few of the many aspects of care that may be important to you.

**TIP:** Talk to the nursing home staff about these quality measures and ask what else they are doing to improve the care they give their residents. Think about the things that are most important to you and ask about them, especially if there are no quality measures that focus on your main concerns.