

February 9, 2015

**Via Hand Delivery or First Class Mail**

Kevin McDonald, Chief  
Certificate of Need Division  
Maryland Health Care Commission  
4160 Patterson Avenue  
Baltimore, Maryland 21215

Re: St. Mary's Long Term Care, LLC d/b/a  
Blue Heron Nursing and Rehabilitation Center  
Docket No. 13-18-2348  
**Modification to Certificate of Need Application**

Dear Mr. McDonald:

Pursuant to the December 2, 2014 letter from Commissioner Paul Fronstin, Ph.D., Reviewer in the above-referenced matter, enclosed please find six copies of the Modification to the above-referenced Certificate of Need ("CON") application (the "Modification") being filed on behalf of St. Mary's Long Term Care, LLC d/b/a Blue Heron Nursing and Rehabilitation Center to establish a new comprehensive care facility in St. Mary's County. The Modification provides replacement pages amending the original CON application materials you previously received and Affirmations pertinent to this filing. Duplicates of the drawings in large sizes will be sent under separate cover. A copy of the enclosed materials is also being sent to you in electronic form.

I hereby certify that a copy of the Modification to CON application has been provided to the local health department, as required by regulations.

Thank you.

Sincerely,



Melissa Warlow

Enclosures

Kevin McDonald, Chief  
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cc: Mr. Paul Parker  
Paul Fronstin, Ph.D.  
Ms. Linda Cole  
Mr. Joel Riklin  
Meenakshi Brewster, Health Officer  
Suellen Wideman, Assistant Attorney General  
Marta D. Harting, Esquire  
Henry E. Schwartz, Esquire  
Mr. Mark Fulchino  
Mr. Andrew L. Solberg  
John J. Eller, Esquire

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Mr. Paul Parker  
Chief, Certificate of Need Section  
Maryland Health Care Commission  
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Ms. Linda Cole  
Maryland Health Care Commission  
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Baltimore, MD 21202

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Towson, MD 21204

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Mr. Mark Fulchino  
Executive VP & Chief Financial Officer  
Fundamental Administrative Services, LLC  
920 Ridgebrook Road  
Sparks, Maryland 21152

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Mr. Andy L. Solberg  
A.L.S. Healthcare Consultant Services  
5612 Thicket Lane  
Columbia, MD 21044

Paul Fronstin, Ph.D.  
Commissioner Reviewer

## Exhibits

1. CON Application Replacement Pages
2. Affirmations
3. Floor Plan
4. Site Plan
5. Enlarged Resident Room Types

Exhibit 1  
CON Application Replacement Pages

6. Person(s) to whom questions regarding this application should be directed: (Attach sheets if additional persons are to be contacted)

- |  |  |
|--|--|
| <p>a. Melissa Warlow, Senior Vice President - Transactions and Regulatory Affairs</p> <p><b>Name and Title</b><br/>Fundamental Administrative Services, LLC</p> <p>b. 920 Ridgebrook Road</p> <p><b>Street</b></p> <p>c. Sparks            21152        Baltimore</p> <p><b>City                    Zip                    County</b></p> <p>d. 410-773-1176</p> <p><b>Telephone</b></p> <p>e. 410-773-1321</p> <p><b>Fax No.</b><br/><b>Email:</b> melissa.warlow@fundltc.com</p> | <p>a. _____</p> <p><b>Name and Title</b></p> <p>b. _____</p> <p><b>Street</b></p> <p>c. _____</p> <p><b>City                    Zip                    County</b></p> <p>d. _____</p> <p><b>Telephone</b></p> <p>e. _____</p> <p><b>Fax No.</b><br/><b>Email:</b></p>  |
| <p>a. Howard L. Sollins, Esq.</p> <p><b>Name and Title</b><br/>Ober, Kaler, Grimes, &amp; Shriver</p> <p>b. 100 Light Street</p> <p><b>Street</b></p> <p>c. Baltimore        21202        Baltimore City</p> <p><b>City                    Zip                    County</b></p> <p>d. 410 347-7369</p> <p><b>Telephone</b></p> <p>e. 443-263-7569</p> <p><b>Fax No.</b><br/><b>Email:</b> hlsollins@ober.com</p>  | <p>a. Andrew L. Solberg</p> <p><b>Name and Title</b><br/>A.L.S. Healthcare Consultant Services</p> <p>b. 5612 Thicket Lane</p> <p><b>Street</b></p> <p>c. Columbia        21044        Howard</p> <p><b>City                    Zip                    County</b></p> <p>d. 410-730-2664</p> <p><b>Telephone</b></p> <p>e. 410-730-6775</p> <p><b>Fax No.</b><br/><b>Email:</b> asolberg@earthlink.net</p> |
7. Brief Project Description (for identification only; see also item #14):

Establishment of a new 90 bed Nursing Home with a 30 bed Assisted Living Facility. Although Assisted Living Facilities are not regulated by the Commission, we have included financial and other information on the proposed Assisted Living Facility for informational purposes only.

8. Legal Structure of Licensee (check one from each column):
- |   |  |   |
|---|--|---|
| <p>a. <b>Governmental</b> <input type="checkbox"/></p> <p><b>Proprietary</b> <input checked="" type="checkbox"/></p> <p><b>Nonprofit</b> <input type="checkbox"/></p> | <p>b. <b>Sole Proprietorship</b> <input type="checkbox"/></p> <p><b>Partnership</b> <input type="checkbox"/></p> <p><b>Corporation</b> <input type="checkbox"/></p> <p><b>Subchapter "S" LLC</b> <input checked="" type="checkbox"/></p> | <p>c. <b>To be Formed</b> <input type="checkbox"/></p> <p><b>Existing</b> <input checked="" type="checkbox"/></p> |
|---|--|---|

9. Current Licensed Capacity and Proposed Changes:

Service	Unit Description	Currently Licensed/ Certified	Units to be Added or Reduced	Total Units if Project is Approved
Comprehensive Care	Beds	<u>0 / 0</u>	90	90
Assisted Living	Beds	<u>0 / 0</u>	30	30
Extended Care	Beds	<u> / </u>		
Adult Day Care	"Slots"	<u> / </u>		
Other (Specify)		<u> / </u>		
		<u> / </u>	120	120

10. Community Based Services Provided by Facility:

	Existing/Proposed
Respite Care Program (Yes/No)	<u> / Yes</u>
Dedicated Respite Beds (Number)	<u> / No</u>
Congregate Meals (Yes/No)	<u> / No</u>
Telephone Reassurance (Yes/No)	<u> / No</u>
Child Day Care (Yes/No)	<u> / No</u>
Transportation (Yes/No)	<u> / No</u>
Meals on Wheels (Yes/No)	<u> / No</u>

11. Project Location and Site Control:

- A. Site Size 6 acres
- B. Have all necessary State and Local land use approvals, including zoning, for the project as proposed been obtained? YES X NO        (If NO, describe below the current status and timetable for receiving necessary approvals.)

Zoning is VMX. A nursing home is permitted in a VMX zoning by right.

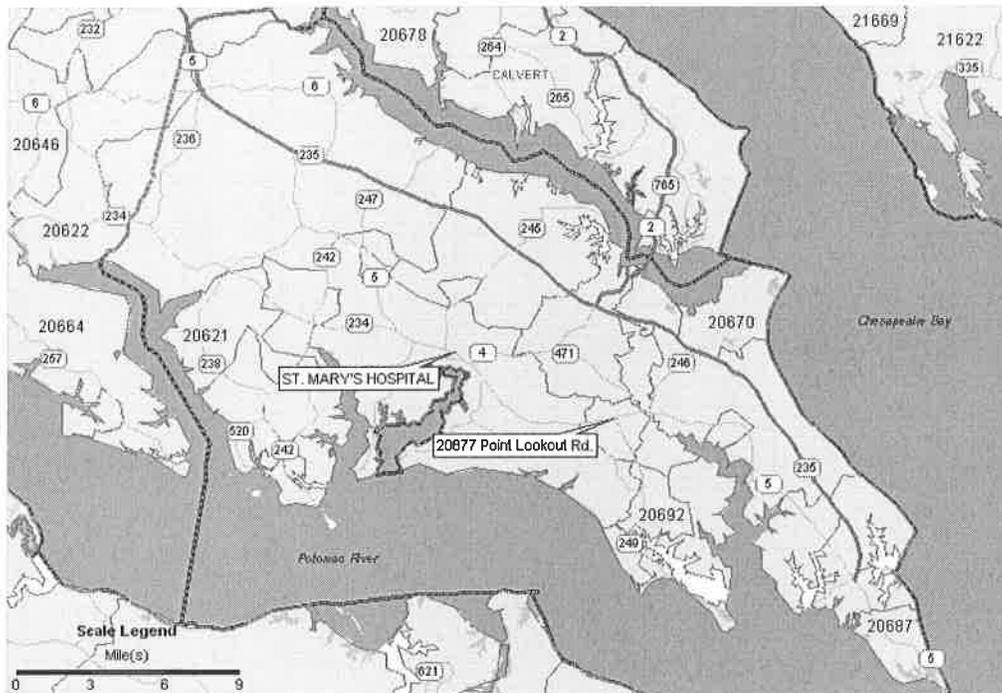
\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

- C. Site Control:

BHNRC will be a new 90 bed nursing home, with a 30 bed Assisted Living Facility located in Callaway, approximately 8 miles and 11 minutes driving time from St. Mary's Hospital which is in Leonardtown.



BHNRC's 90 Comprehensive Care beds will include:

- post-operative care
- infusion therapy
- tube feedings
- wound care
- pain management
- diabetic management
- dementia care
- palliative care

BHNRC will provide the clinical, rehabilitation, and other FCOS programs described previously. BHNRC will benefit from the experience, systems and programs available to it through its contracts with FAS and FCOS.

15. Project Drawings:

Projects involving renovations or new construction should include architectural schematic drawings of plans outlining the current facility (if applicable), the new facility (if applicable) and the proposed new configuration. These drawings should include:

- 1) the number and location of nursing stations,

- 2) approximate room sizes,
- 3) number of beds to a room,
- 4) number and location of bath rooms,
- 5) any proposed space for future expansion, and
- 6) the "footprint" and location of the facility on the proposed or existing site.

Please see Exhibit 1.

16. Features of Project Construction:

A. Please Complete "**CHART 1. PROJECT CONSTRUCTION CHARACTERISTICS**" describing the applicable characteristics of the project, if the project involves new construction.

B. Explain any plans for bed expansion subsequent to approval which are incorporated in the project's construction plan.

None

C. Please discuss the availability of utilities (water, electricity, sewage, etc.) for the proposed project, and the steps that will be necessary to obtain utilities.

All utilities are available on site.

Chart 1. Project Construction Characteristics and Costs		
Base Building Characteristics	Complete if Applicable	
	SNF	ALF
Class of Construction		
Class A		
Class B		
Class C		
Class D	X	X
Type of Construction/Renovation		
Low		
Average		
Good	X	X
Excellent		
Number of Stories		
Total Square Footage	52,632	17,160
Basement		
First Floor	52,632	17,160
Second Floor		
Third Floor		
Fourth Floor		

Perimeter in Linear Feet		
Basement		
First Floor	1,867	656
Second Floor		
Third Floor		
Fourth Floor		
Wall Height (floor to eaves)		
Basement		
First Floor	10	10
Second Floor		
Third Floor		
Fourth Floor		
Elevators		
Type		
Passenger		
Freight		
Number		
Sprinklers (Wet or Dry System)	Wet in facility. Anti-freeze loop in porches and porte-cocheres	
Type of HVAC System	Resident Rooms (and some appropriate perimeter spaces) will have through-wall PTACs. Corridors, activity areas and most other spaces will have split systems.	
Type of Exterior Walls	Wood or Metal studs with a combination of brick veneer and vinyl siding.	

Chart 1. Project Construction Characteristics and Costs (cont.)

	Costs	Costs
Site Preparation Costs	\$1,087,500	\$362,500
Normal Site Preparation*	573,516	196,484
Demolition		
Storm Drains	139,834	45,166
Rough Grading	94,482	30,518
Hillside Foundation		
Terracing		
Pilings		
Offsite Costs		\$
Roads	75,586	24,414
Utilities		

Jurisdictional Hook-up Fees	7,559	2,441
Signs (Site Costs)	15,117	4,883
Landscaping (Site Costs)	188,965	61,035
Porte-cocheres (3)	94,482	30,518

**PART II - PROJECT BUDGET**

**(INSTRUCTION: All estimates for 1.a.-d., 2.a.-h., and 3 are for current costs as of the date of application submission and should include the costs for all intended construction and renovations to be undertaken DO NOT CHANGE THIS FORM OR ITS LINE ITEMS. IF ADDITIONAL DETAIL OR CLARIFICATION IS NEEDED, ATTACH ADDITIONAL SHEET.)**

**A. Use of Funds**

**1. Capital Costs:**

NOTE: ALF Costs are provided for informational purposes.

		Nursing Facility	Assisted Living
<b>a. New Construction</b>			
(1)	Building	\$7,125,000	\$2,375,000
(2)	Fixed Equipment (not included in construction	\$0	\$0
(3)	Land Purchase	\$1,256,250	\$418,750
(4)	Site Preparation	\$1,087,500	\$362,500
(5)	Architect/Engineering Fees	\$285,000	\$95,000
(6)	Permits (Building, Utilities, Etc.)	\$22,500	\$7,500
<b>SUBTOTAL</b>		<u>\$9,776,250</u>	<u>\$3,258,750</u>
<b>b. Renovations</b>			
(1)	Building	_____	_____
(2)	Fixed Equipment (not included in construction	_____	_____
(3)	Architect/Engineering Fees	_____	_____
(4)	Permits (Building, Utilities, Etc.)	_____	_____
<b>SUBTOTAL</b>		<u>\$0</u>	<u>\$0</u>
<b>c. Other Capital Costs</b>			
(1)	Major Movable Equipment	\$281,250	\$93,750
(2)	Minor Movable Equipment	\$825,000	\$275,000
(3)	Contingencies	\$562,500	\$187,500
(4)	Other (Specify)	\$7,500	\$2,500
<b>SUBTOTAL</b>		<u>\$1,676,250</u>	<u>\$558,750</u>
<b>TOTAL CURRENT CAPITAL COSTS (a - c)</b>		<u>\$11,452,500</u>	<u>\$3,817,500</u>
<b>d. Non-Current Capital Costs</b>			
(1)	Inflation	\$300,000	\$100,000
(2)	Capitalized Construction Interest	\$300,000	\$100,000
<b>TOTAL PROPOSED CAPITAL COSTS</b>		<u>\$12,052,500</u>	<u>\$4,017,500</u>
(a - e)			

**2. Financing Cost and Other Cash Requirements:**

a. Loan Placement Fees	<u>\$112,500</u>	<u>\$37,500</u>
b. Bond Discount	<u>                    </u>	<u>                    </u>
c. Legal Fees, Printing, etc.	<u>\$75,000</u>	<u>\$25,000</u>
d. Consultant Fees	<u>                    </u>	<u>                    </u>
CON Application Assistance	<u>\$22,500</u>	<u>\$7,500</u>
Other (Purchase bed rights)	<u>                    </u>	<u>                    </u>
e. Liquidation of Existing Debt	<u>                    </u>	<u>                    </u>
f. Debt Service Reserve Fund	<u>                    </u>	<u>                    </u>
g. Principal Amortization Reserve Fund	<u>                    </u>	<u>                    </u>
h. Other	<u>                    </u>	<u>                    </u>
<b>TOTAL (a - h)</b>	<u>\$210,000</u>	<u>\$70,000</u>

3. <u>Working Capital Startup Costs</u>	<u>\$750,000</u>	<u>\$250,000</u>
<b>TOTAL USES OF FUNDS (1 - 3)</b>	<u>\$13,012,500</u>	<u>\$4,337,500</u>

**B. Sources of Funds for Project:**

1. Cash	<u>\$1,582,500</u>	<u>\$527,500</u>
2. Pledges:Gross less allowance for uncollectable = Net	<u>                    </u>	<u>                    </u>
3. Gift, bequests	<u>                    </u>	<u>                    </u>
4. Interest income (gross)	<u>                    </u>	<u>                    </u>
5. Authorized Bonds	<u>                    </u>	<u>                    </u>
6. Mortgage	<u>\$10,680,000</u>	<u>\$3,560,000</u>
7. Working capital loans	<u>\$750,000</u>	<u>\$250,000</u>
8. Grants or Appropriation	<u>                    </u>	<u>                    </u>
(a) Federal	<u>                    </u>	<u>                    </u>
(b) State	<u>                    </u>	<u>                    </u>
(c) Local	<u>                    </u>	<u>                    </u>
9. Other (Specify)	<u>                    </u>	<u>                    </u>
<b>TOTAL SOURCES OF FUNDS (1 - 9)</b>	<u>13,012,500</u>	<u>4,337,500</u>

Lease Costs:

a. Land	\$	<u>                    </u>	x	<u>                    </u>	=	\$	<u>                    </u>
b. Building (Nursing facility only)	\$	\$84,375	x	12	=	\$	\$1,012,500
c. Major Movable Equipment	\$	<u>                    </u>	x	<u>                    </u>	=	\$	<u>                    </u>
d. Minor Movable Equipment	\$	<u>                    </u>	x	<u>                    </u>	=	\$	<u>                    </u>
e. Other (Specify)	\$	<u>                    </u>	x	<u>                    </u>	=	\$	<u>                    </u>

**PART III - CONSISTENCY WITH REVIEW CRITERIA AT COMAR 10.24.01.08G(3):**

**(INSTRUCTION: Each applicant must respond to all applicable criteria included in COMAR 10.24.01.08G(3). Each criterion is listed below.)**

**10.24.01.08G(3)(a). The State Health Plan.**

**List each standard from the Long Term Care chapter of the State Health Plan (COMAR 10.24.08) and provide a direct, concise response explaining the project's consistency with that standard. In cases where standards require specific documentation, please include the documentation as a part of the application. (Copies of the State Health Plan are available from the Commission. Contact the Staff of the Commission to determine which standards are applicable to the Project being proposed.)**

**.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 a letter of intent for the application will be the need projection applicable to the review.**

The bed need in effect when the Commission received the Letter of Intent for this application was for 192 Comprehensive Care beds in St. Mary's County in 2016.

**(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 .05A 2(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**

identified a need for 124 Comprehensive Care beds in St. Mary's County in 2011. A Certificate of Need was approved for 124 beds, despite the opposition of the two existing providers in the county. (See In the Matter of Point Lookout Nursing Center, Docket No. 07-18-2201) The Commission determined that there was need for an additional nursing home in St. Mary's County.

"I find that the proposed project is a reasonable and consistent response to the applicable need analysis established by the State Health Plan and, as such, conforms with the requirements of this criterion. As previously discussed, the SHP's case for more nursing home beds in St. Mary's County can be called into question by the average number of unoccupied beds in the jurisdiction in the two facilities that serve the general public. In the three year period of FY2003-2005, the average number of empty CCF beds in the county was 11. In the three year period of FY2005-2007, this number has increased to 22. However, I believe that the long term pattern of population growth in St. Mary's County warrants favorable consideration of this project, which will bring to the jurisdiction a modern comprehensive care facility with programs that foster advancement in treating medically compromised and/or disabled individuals as well as members of the general public whose health has declined to the point where they require long term care."

See Final Decision, pg. 27

The existing providers in the county then filed a judicial appeal of the MHCC's approval. After a protracted court review of the decision, the MHCC's decision was upheld. Prior to the end date of the first performance requirement, however, the applicant determined to not proceed with the project and relinquished the CON.

In November 2012, the MHCC promulgated an update of its need projections for Comprehensive Care beds to 2016. It found that there is a need for 192 Comprehensive Care beds in St. Mary's County, 54.8% more need than it found in 2007. ( $192/124 = 1.548$ ) That was the bed need in effect when BHNRC filed its Letter of Intent. BHNRC filed its CON application proposing a new facility with only 140 beds. On June 27, 2014, the MHCC informed BHNRC that the need was 39 beds (published in *The Maryland*

*Register*, Volume 41, Issue 15, Friday, July 25, 2014).. Following a filing by BHNRC, the MHCC, on September 9, 2014, informed BHNRC that the need was only 14 beds (published in *The Maryland Register*, Volume 41, Issue 20, Friday, October 3, 2014). BHNRC requested that the MHCC provide it with the data and calculations on which the 14 bed projected need is based, and the MHCC provided it. On November 19, 2014, BHNRC informed the MHCC that, after reviewing the data and the MHCC's calculations, it found that the MHCC has continued to make an error in its newer calculation in Step 4(d), which states:

- Step (4)(d) When the jurisdiction of residence is an adjacent state,**
- 1. sum the base year patient days for each age group and Jurisdiction of residence for a given jurisdiction of care,**
  - 2. multiply the base year patient days for each age group by the population growth rate in that age group, and**

The MHCC had only counted the change in patient days, not the net result of that change. In the description of the methodology on page 21 of the State Health Plan section, the Methodology Assumptions are listed. Under (3) Migration Assumptions, it says:

- (b) Migration into Maryland from the adjacent states of Delaware, the District of Columbia, Pennsylvania, Virginia, and West Virginia is taken into account in estimating bed need, by assuming that the current pattern of migration from these adjacent states into Maryland will increase in the future at their projected rate of population growth.

This confirms that the MHCC's State Health Plan clearly intended that the rate of change in population be applied to the base year's volume, and use adjusted base year's volume as the projected volume. The MHCC did not do that. The MHCC clearly left out a step in applying its methodology. BHNRC calculated that the actual need is 23 beds. However, the MHCC refused to make this correction.

According to the State Health Plan Standard 10.24.01.08G(3)(a)(.05)(A)(1), “the bed need in effect when the Commission receives a letter of intent for the application will be the need projection applicable to the review.” That was 192 beds. In the original application, BHNRC demonstrated the need for 140 beds. BHNRC believes that all of the subsequent projections of nursing home bed need that the MHCC has published are still not yet completely consistent with its own methodology and are inapplicable to the current review. However, in an effort to compromise, BHNRC is modifying its application to propose a new facility with 90 beds.

Strong population growth in St. Mary’s County is still projected to occur. Overall, the Maryland Department of Planning (“MDP”) projects that the population in the county will grow by 8.3% between 2010 and 2015 and another 9.9% between 2015 and 2020. However, the 65 years and older age group (the population most in need of nursing home care) is projected to grow at a rate which is two to three times the rate for all age groups (23.5% between 2010 and 2015 and another 23.7% between 2015 and 2020).

**Table 1  
Population  
St. Mary’s County  
2000, 2010, 2015, and 2020**

Age Cohort			% Change 2000-2010			% Change 2010-2015			% Change 2015-2020
	2000	2010	2010	2015	2015	2020	2020		
0-4	6,237	7,580	21.5%	7,800	2.9%	8,550	9.6%		
5-19	20,383	23,220	13.9%	24,400	5.1%	26,140	7.1%		
20-44	33,239	35,340	6.3%	37,060	4.9%	41,140	11.0%		
45-64	18,527	28,240	52.4%	31,340	11.0%	32,870	4.9%		
65+	7,825	10,780	37.8%	13,310	23.5%	16,460	23.7%		
Total	86,211	105,150	22.0%	113,900	8.3%	125,150	9.9%		

Source: Maryland Department of Planning web site;  
<http://planning.maryland.gov/MSDC/County/stma.pdf>; Accessed 09/13/13

In addition, as the market demands BHNRC will offer the following programs to

St. Mary's County:

- Cardiac Rehabilitation/ Pulmonary Rehabilitation
- Integumentary / Chronic Wound Care
- Orthopedic – Rehabilitation following:
  - Joint Replacement
  - Spinal Surgery
  - Amputation
- Chronic Disease Management
  - Renal disease
  - Respiratory disease
  - Cardiac
- Management of complex medical or surgical conditions, such as:
  - Transplant
  - General surgery
  - Polytrauma

- IV Therapy
- Rehabilitation relating to Neurological conditions, such as:
  - Head injury
  - Stroke
  - Traumatic brain injury
  - Alzheimer's/ Parkinson's
- Oncology
- Pain management
- Infectious disease
- Diabetes Management
- The MSU Model
- Your Choice 365

Furthermore, data suggest that residents will need an additional facility in the county. Table 2 shows that the number of Comprehensive Care Days in the two relevant St. Mary's County existing facilities in FY 2011 was 93,714. When divided by 2011 St. Mary's County's 65+ population<sup>1</sup>, this converts to 8.3 days per person.<sup>2</sup> When this is multiplied by the MDP projected population for 2020, there is a projected need for 418 beds (at 90% occupancy), 115 more beds than exist today.

**Table 2**  
**2011 St. Mary's County Comprehensive Care Use Rates**  
**Applied to 2020 Population, Age 65+**  
**St. Mary's County**

2011 65+ Pop.	11,244
2011 Comp Care Days	93,714
Days/Person	8.3
2020 65+ Pop	16,460
2020 Comp Care Days	137,184
ADC	376
Beds	418
Existing Beds	303
Net Needed	115

Sources: Population based on MDP population estimates and projections  
 Patient days are from the MHCC Public Use Data for 2011

<sup>1</sup> Interpolated from the MDP 2010 and 2015 population using the Compound Average Growth Rate ("CAGR").

<sup>2</sup> BHNRC recognizes that this is not a true use rate. However, patient origin data do not exist.

- Diabetes Management
- The MSU Model
- Your Choice 365

While 115 beds is lower than the MHCC projected, there is evidence that either St. Mary's County residents' use of Comprehensive Care may be suppressed for some reason or that residents are having to travel outside of the County for care. Table 3 shows that the statewide 2011 "use rate" was 12.4, compared to 8.3 for St. Mary's County.

**Table 3**  
**2011 Comprehensive Care Use Rates**  
**State of Maryland**

2011 Comp Care Days	9,092,292
2011 65+ Pop.	732,419
Days/Person	12.4

There are no indications that a use rate that is 33% lower than the statewide average is appropriate. ( $12.4 - 8.3 = 4.1$ ;  $4.1 / 12.4 = 0.331$ ) These data suggest that the need for beds is, and will be, higher than the current usage indicates. If the statewide use rate is applied to the St. Mary's 2020 65+ population, the use rate is considerably larger.

**Table 4**  
**2011 Statewide Comprehensive Care Use Rates**  
**Applied to 2020 Population, Age 65+**  
**St. Mary's County**

Days/Person	12.4
2020 65+ Pop	16,460
2020 Comp Care Days	204,335
ADC	560
Beds	622
Existing Beds	303
Net Needed	319

These projections indicate the need for an additional Comprehensive Care provider in St. Mary's County and support the Commission's own findings of a need for 192 beds in 2016.

10.24.01.08G(3)(b). Need.

*For purposes of evaluating an application under this subsection, 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.*

Please discuss the need of the population served or to be served by the Project.

Responses should include a quantitative analysis that, at a minimum, describes the Project's expected service area, population size, characteristics, and projected growth. For applications proposing to address the need of special population groups identified in this criterion, please specifically identify those populations that are underserved and describe how this Project will address their needs.

Please see the response to State Health Plan Standard B. New Construction or Expansion of Beds or Services. (1) Bed Need, which is hereby incorporated in its entirety as a response to this criterion.

[(INSTRUCTION: Complete Table 1 for the Entire Facility, including the proposed project, and Table 2 for the proposed project only using the space provided on the following pages. Only existing facility applicants should complete Table 1. All Applicants should complete Table 2. Please indicate on the Table if the reporting period is Calendar Year (CY) or Fiscal Year (FY)]

**TABLE 1: STATISTICAL PROJECTIONS - ENTIRE FACILITY**

CY or FY (Bold)	Two Most Actual Ended Recent Years		Current Year Estimated	Projected Years (Ending with first full year at full utilization)	
				Yr 1	Yr 2
<b>1. Admissions</b>					
a. ECF					
b. Comprehensive				48	86
c. Assisted Living				13	25
d. Respite Care*					
e. Adult Day Care					
f. Other (Patial Psych Hosp.)					
f. Other (Chronic)					
g. TOTAL	-	-	-	61	111
<b>2. Patient Days</b>					
a. ECF					
b. Comprehensive				17,418	31,390
c. Assisted Living				4,852	9,125
d. Respite Care*					
e. Adult Day Care					
f. Other (Patial Psych Hosp.)					
f. Other (Chronic)					
g. TOTAL	-	-	-	22,270	40,515
<b>3. Occupancy Percentage</b>					
a. ECF					
b. Comprehensive				53.0%	95.6%
c. Assisted Living				44.3%	83.3%
d. Respite Care*					
e. Adult Day Care					
f. Other (Patial Psych Hosp.)					
f. Other (Chronic)					
f. TOTAL				50.8%	92.5%

CY or FY (Bold)	Two Most Actual Ended Recent Years		Current Year Estimated	Projected Years (Ending with first full year at full utilization)	
				Yr 1	Yr 2
<b>4. Number of Beds</b>					
a. ECF					
b. Comprehensive				90	90
c. Assisted Living				30	30
d. Respite Care*					
e. Adult Day Care					
f. Other (Patial Psych Hosp.)					
f. Other (Chronic)					
<b>g. TOTAL</b>				120	120

\* Respite care admissions, patient days, and number of beds should not be reported under "comprehensive" or "assisted living" categories.

mobility gardens such as the proposed for BHNRC.

Cost Effectiveness of Construction

**BHNRC's Project Costs are Reasonable.**

As shown below, the cost per square foot for new construction in this project is lower than the MVS benchmark for Convalescent Hospitals.

**I. Marshall Valuation Service  
Valuation Benchmark**

Type	Convalescent Hospital
Construction Quality/Class	D/Good
Stories	1
Perimeter	934
Height of Ceiling	10.00
Square Feet	52,632
f.1 Average floor Area	52,632

**A. Base Costs**

Basic Structure	171.7
Elimination of HVAC cost for adjustment	0
HVAC Add-on for Mild Climate	0
HVAC Add-on for Extreme Climate	0
<b>Total Base Cost</b>	<b>\$171.70</b>

**B. Additions**

Elevator (If not in base)	\$0.00
Other	\$0.00
<b>Subtotal</b>	<b>\$0.00</b>

<b>Total</b>	<b>\$171.70</b>
--------------	-----------------

**C. Multipliers**

Perimeter Multiplier	0.937401342
Product	160.9518104

Height Multiplier (plus/minus from 12')	0.953	
Product	\$153.39	
Multi-story Multiplier (0.5%/story above 3)	1	
Product	\$153.39	
<b>D. Sprinklers</b>		
Sprinkler Amount	2.98	
<b>Subtotal</b>	<b>\$156.37</b>	
<b>E. Update/Location Multipliers</b>		
Update Multiplier	1.04	1/15
Product	\$162.62	
Location Multiplier	1.03	1/15
Product	\$167.50	
<b>Final Square Foot Cost Benchmark</b>	<b>\$167.50</b>	

## II. Cost of New Construction

### II. The Project

<b>A. Base Calculations</b>	<b>Actual</b>	<b>Per Sq. Foot</b>
New Construction	\$7,125,000	\$135.37
Fixed Equipment	In Building	
Site Preparation	\$1,087,500	\$20.66
Architectural Fees	\$285,000	\$5.41
Capitalized Construction Interest + Loan Placement Fee	\$344,960	\$6.55
Permits	\$22,500	\$0.43
<b>Subtotal</b>	<b>\$8,864,960</b>	<b>\$168.43</b>

However, there are costs that are not included in the MVS benchmark that have to be deducted from the \$10,962,664.

### **B. Extraordinary Cost Adjustments**

	<b>Project Costs</b>	<b>Associated A&amp;E Fees</b>	<b>Associated Cap Interest</b>	<b>Total</b>	
Storm Drains	\$139,834	\$4,853		<b>\$144,687</b>	Site
Rough Grading	\$94,482	\$3,279		<b>\$97,761</b>	Site

Demolition/Deforestation		\$0		\$0	
Site Improvements		\$0		\$0	Site
Landscaping	\$188,965	\$6,558		\$195,523	Site
Roads	\$75,586	\$2,623		\$78,209	Site
Utilities		\$0		\$0	
Jurisdictional Hook-up Fees	\$7,559	\$262		\$7,821	Permits
Signs	\$15,117	\$525		\$15,642	Site
Canopy	\$94,482	\$3,279	\$3,825	\$101,587	Building
<b>Total Cost Adjustments</b>	\$616,025	\$21,378	\$3,825	\$641,229	
<b>Per Square Foot</b>				\$12.18	

**Adjusted Project Cost** \$8,223,732  
**Per square foot** \$156.25

**III. Comparison**

<b>A. Adjusted Project Cost/Sq. Ft.</b>	\$156.25
<b>B. Marshall Valuation Service Benchmark</b>	\$167.50

The project is consistent with the MVS benchmark.

10.24.01.08G(3)(d). Viability of the Proposal.

*For purposes of evaluating an application under this subsection, the Commission shall consider the availability of financial and nonfinancial resources, including community support, necessary to implement the project within the time frame set forth in the Commission's performance requirements, as well as the availability of resources necessary to sustain the project.*

Please include in your response:

- a. **Audited Financial Statements for the past two years. In the absence of audited financial statements, provide documentation of the adequacy of financial resources to fund this project signed by a Certified Public Accountant who is not directly employed by the applicant. The availability of each source of funds listed in Part II, B. Sources of Funds for Project, must be documented.**
- b. **Existing facilities shall provide an analysis of the probable impact of the Project on the costs and charges for services at your facility.**
- c. **A discussion of the probable impact of the Project on the cost and charges for similar services at other facilities in the area.**
- d. **All applicants shall provide a detailed list of proposed patient charges for affected services.**

As BHNRC is a new facility, there are no audited financial statements for prior years.

Exhibit 5 includes a letter attesting to the bank's interest in financing this project.

Exhibit 6 includes a letter attesting that the funds proposed for the equity contribution for this project are available.

This project will have no impact on existing costs or charges at BHNRC, as it is a new facility.

Nor will it have an impact on the costs or charges at other facilities. Please see the response to State Health Plan Standard B. New Construction or Expansion of Beds or Services. (1) Bed Need, which is hereby incorporated in its entirety as a response to this criterion.

(INSTRUCTIONS: Table 3, "Revenue and Expenses - Entire Facility (including the proposed project)" is to be completed by existing facility applicants only. Applicants for new facilities should not complete Table 3. Table 4, "Revenues and Expenses - Proposed Project," is to be completed by each applicant for the proposed project only. Table 5, "Revenues and Expenses (for the first full year of utilization)", is to be completed by each applicant for each proposed service in the space provided. Specify whether data are for calendar year or fiscal year. All projected revenue and expense figures should be presented in current dollars. Medicaid revenues for all years should be calculated on the basis of Medicaid rates and ceilings in effect at the time of submission of this application. Specify sources of non-operating income. State the assumptions used in projecting all revenues and expenses.)

**TABLE 3: REVENUES AND EXPENSES - ENTIRE FACILITY**

CY or FY (Bold)	Two Most Actual Ended Recent Years		Current Year Estimated	Projected Years (Ending with first full year at full utilization)	
				Yr 1	Yr 2
<b>1. Revenues</b>					
a. Inpatient Services				\$5,981,591	\$10,393,810
b. Outpatient Services					
c. Gross Patient Service Revenues	\$0	\$0	\$0	\$5,981,591	\$10,393,810
d. Allowance for Bad Debt				\$119,632	\$207,876
e. Contractual Allowance					
f. Charity Care					
g. Net Patient Care Service Revenues	\$0	\$0	\$0	\$5,861,959	\$10,185,934
h. Other Operating Revenues (Specify)					
i. Total Operating Revenues	\$0	\$0	\$0	\$5,861,959	\$10,185,934
<b>2. Expenses</b>					
a. Salaries, Wages and Professional Fees (including fringe benefits)				\$2,833,418	\$4,544,185
b. Contracted Services (Medical Director, Therapy, Consulting, Housekeeping, Laundry)				\$872,692	\$1,244,722
c. Interest on Current Debt					
d. Interest on Project Debt					
e. Current Depreciation					

f. Project Depreciation					
g. Current Amortization					
h. Rent				\$1,012,500	\$1,037,813
i. Supplies				\$436,479	\$725,324
j. Other (Specify)				\$1,135,008	\$1,689,890
k. Total Operating Expenses	\$0	\$0	\$0	\$6,290,097	\$9,241,934

Table 3 Continued	Two Most Actual Ended		Current Year	Projected Years	
	Recent Years		Estimated	(Ending with first full year at full utilization)	
CY or FY (Bold)				Yr 1	Yr 2
<b>3. Income</b>					
a. Income from Operations	\$0	\$0	\$0	(\$428,138)	\$944,000
b. Non-Operating Income (Specify)					
c. Subtotal	\$0	\$0	\$0	(\$428,138)	\$944,000
d. Income Taxes					
e. Net Income (Loss)--not incl. depreciation	\$0	\$0	\$0	(\$428,138)	\$944,000
<b>4. Patient Mix:</b>					
<b>A. Percent of Net Patient Service Revenues</b>					
1) Medicare				46.1%	38.5%
2) Medicaid				30.4%	35.2%
3) Commercial Insurance				6.1%	8.0%
4) Self-Pay				15.3%	15.8%
5) Other (HMO)				2.2%	2.5%
6) TOTAL	0.0%	0.0%	0.0%	100.0%	100.0%
<b>B. Percent of Patient Days by Payor Source</b>					
1) Medicare				31.7%	25.6%
2) Medicaid				42.7%	47.7%
3) Commercial Insurance				4.6%	5.8%
4) Self-Pay				21.0%	20.9%
5) Other (HMO)					
6) TOTAL	0.0%	0.0%	0.0%	100.0%	100.0%

Note: Other Expenses include Cable/Internet Expense, Transportation Costs, Travel, Training/Education, Advertising and P.R., Forms and Printing, Postage, Overnight Service, Telephone, Wireless Telephone, Minor Furniture & Fixtures, Heat, Power and Light, Infectious Waste Removal, Trash and Refuse Disposal, Water & Sewer, Repairs and Maintenance, Licenses, Real Estate Taxes, Taxes - Non-property, Insurance - Property/Other, Insurance-Automobile, Insurance-Other, Employee Hiring/Moving, Dues/Subscriptions, Background, Checks, Equipment Rental.

**TABLE 5. REVENUES AND EXPENSES - (for first full year at full utilization)**

**(INSTRUCTION: Group revenues and expenses by service category)**

	Comp Care	Assisted Living	Extended Care	Respite Care	Adult Day Care	Communit y Based Services	TOTAL
CY or FY (Bold)	Yr. 2						
<b>1. Revenues</b>							
a. Inpatient Services	\$10,393,810	\$1,260,000					\$11,653,810
b. Outpatient Services							
c. Gross Patient Service Revenue	\$10,393,810	\$1,260,000	\$0	\$0	\$0	\$0	\$11,653,810
d. Allowance for Bad Debt	\$207,876	\$6,300					\$214,176
e. Contractual Allow.							\$0
f. Charity Care							\$0
g. Net Patient Care Services Revenue	\$10,185,934	\$1,253,700	\$0	\$0	\$0	\$0	\$11,439,634
h. Other Operating Revenue (Specify)							\$0
i. Total Operating Revenues	\$10,185,934	\$1,253,700	\$0	\$0	\$0	\$0	\$11,439,634
<b>2. Expenses</b>							
a. Salaries, Wages and Professional Fees (including fringe benefits)	\$4,544,185	\$604,803					\$5,148,988
b. Contracted Serv.	\$1,244,722	\$45,750					\$1,290,472
c. Interest on Current Debt							\$0
d. Interest on Project Debt							\$0
e. Current Depreciation							\$0
f. Project Depreciation							\$0
g. Current Amortization							
h. Rent	\$1,037,813	\$345,937					\$1,383,750
i. Supplies	\$725,324	\$64,879					\$790,203

Table 5 cont.	Comp Care	Assisted Living	Extended Care	Respite Care	Adult Day Care	Community Based Services	TOTAL
j. Other Expenses	\$1,689,890	\$184,099					\$1,873,989
k. Total Operating Expenses	\$9,241,934	\$1,245,468	\$0	\$0	\$0	\$0	\$10,487,402
<b>3. Income</b>							
a. Income from Operations before depreciation	\$944,000	\$8,232	\$0	\$0	\$0	\$0	\$952,232
b. Non-Operating Income							\$0
c. Subtotal	\$944,000	\$8,232	\$0	\$0	\$0	\$0	\$952,232
d. Income Taxes							
e. Net Income (Loss)	\$944,000	\$8,232	\$0	\$0	\$0	\$0	\$952,232
<b>4. Patient Mix:</b>							
<b>A. Percent of Gross Patient Service Revenue</b>							
1. Medicare	38.5%						38.5%
2. Medicaid	35.2%						35.2%
3. Commerical Insur.	8.0%						8.0%
4. Self-Pay	15.8%	100.0%					15.8%
5. Other (Specify)	2.5%						2.5%
6. TOTAL	100.0%	100.0%	0.0%	0.0%	0.0%	0.0%	100.0%

Table 5 cont.	Comp Care	Assisted Living	Extended Care	Respite Care	Adult Day Care	Community Based Services	TOTAL
<b>B. Percent of Patient Days by Payor Source</b>							
1. Medicare	25.6%						25.6%
2. Medicaid	47.7%						47.7%
3. Commerical Insur.	5.8%						5.8%
4. Self-Pay	20.9%	100.0%					20.9%
5. Other (Specify)							
6. TOTAL	100.0%	100.0%	0.0%	0.0%	0.0%	0.0%	100.0%

This is no longer applicable due to change in Medicaid reimbursement structure.

**10.24.01.08G(3)(f). Impact on Existing Providers.**

***For evaluation under this subsection, an applicant shall provide information and analysis with respect to the impact of the proposed project on existing health care providers in the service area, including the impact on geographic and demographic access to services, on occupancy when there is a risk that this will increase costs to the health care delivery system, and on costs and charges of other providers.***

**Indicate the positive impact on the health care system of the Project, and why the Project does not duplicate existing health care resources. Describe any special attributes of the project that will demonstrate why the project will have a positive impact on the existing health care system.**

If this project is not approved, residents who require the additional 192 beds that the Commission has projected to be needed in 2016 will clearly have to leave St. Mary's county in order to seek nursing home care.

As stated previously, this project will not have any impact on the costs or charges at other facilities.

Also, as stated previously, as the market demands BHNRC will offer the following programs to St. Mary's County:

- Cardiac Rehabilitation/ Pulmonary Rehabilitation
- Integumentary / Chronic Wound Care
- Orthopedic – Rehabilitation following:
  - Joint Replacement
  - Spinal Surgery
  - Amputation
- Chronic Disease Management
  - Renal disease
  - Respiratory disease
  - Cardiac
- Management of complex medical or surgical conditions, such as:
  - Transplant
  - General surgery
  - Polytrauma
  - IV Therapy

- Rehabilitation relating to Neurological conditions, such as:
  - Head injury
  - Stroke
  - Traumatic brain injury
  - Alzheimer's/ Parkinson's
- Oncology
- Pain management
- Infectious disease
- Diabetes Management
- The MSU Model
- Your Choice 365

For more information on these services, please see the Project description.

**TABLE 6. MANPOWER INFORMATION**

**(INSTRUCTION: List by service the staffing changes (specifying additions and/or deletions and distinguishing between employee and contractual services) required by this project.)**

Position	Current No FTEs	Change in FTEs (+/-)	Average Salary	Employee/ Contractual	Total Cost
<b>Administration</b>					
Administrator		1.0	57.69	Employee	120,000
Reception		1.0	15.38	Employee	31,996
Business Office Manager		1.0	25.00	Employee	52,000
Payroll Personnel		1.0	19.23	Employee	39,999
Admissions		1.0	25.00	Employee	52,000
Marketing		1.0	30.00	Employee	62,400
Staffing Coordinator		0.7	23.00	Employee	32,497
Medical Records/Central Supply		1.0	20.00	Employee	41,600
MDS Coordinator RN		1.0	38.00	Employee	79,040
MDS Coordinator LPN		1.0	30.00	Employee	62,400
<b>Direct Care</b>					
DON		1.0	50.48	Employee	105,287
ADON		1.0	38.00	Employee	79,257
RN Unit Manager		1.0	37.00	Employee	76,960
RN Supervisor		0.6	40.57	Employee	48,581
RN		11.2	37.09	Employee	866,342
LPN		5.6	28.42	Employee	331,946
LPN Wound Nurse		1.0	29.00	Employee	60,486
CNA		31.6	14.21	Employee	933,597
Therapy Aide		2.6	14.84	Employee	81,264
<b>Support</b>					
Activities		1.0	22.44	Employee	46,675
Activities Assistant		0.7	12.72	Employee	18,520
Social Service		2.0	23.52	Employee	97,822
Maintenance		1.0	22.77	Employee	47,362
Maintenance Assitant		0.5	16.10	Employee	16,744
Dietary		9.6	14.74	Employee	292,731
Laundry				Contracted	85,500
Housekeeping				Contracted	108,750
<b>TOTAL</b>					
Total Salaries					3,677,505
PTO for replacement positions/Bonus					231,584

Total Salary & Wages	3,909,090
Benefits	635,095
Total Salaries & Benefits	4,544,185
Contracted Housekeeping and Laundry	194,250
Total Salaries, Benefits, & Professional Fees	4,738,435

**(INSTRUCTION: Indicate method of calculating benefits percentage):** 18.315%

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**TABLE 7. NURSING STAFFING PATTERN**

**(INSTRUCTION: On the chart below, delineate the proposed nursing staffing pattern for patient care units or services. If your staffing pattern varies among units or services, complete a separate chart for each unit)**

**Scheduled Staff for Typical Work Week**

	WEEKDAY			WEEKEND/HOLIDAY		
	D	E	N	D	E	N
Staff Category						
R.N.	3	3	2	3	3	2
L.P.N.	1	1	2	1	1	2
AIDES	9	9	6	9	9	6
MEDICINE AIDE						
OTHER (Specify)						
DON	1					
Assistant DON	1					
Unit Manager RN	1			1	0.5	
Restiratuve Aides	2			2		
Wound Nurse	1					

Key: D - Day Shift  
 E - Evening Shift  
 N - Night Shift

If staff will not differ between "weekday" and "weekend/holiday", please indicate:  
 Direct Care Staff will not differ between weekday and weekend/holiday.

Exhibit 2  
Affirmations

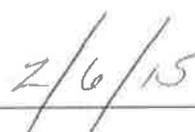
I hereby declare and affirm under the penalties of perjury that the facts stated in this CON application modification and its attachments are true and correct to the best of my knowledge, information, and belief.

  
Signature

2-6-15  
Date

I hereby declare and affirm under the penalties of perjury that the facts stated in this CON application modification and its attachments are true and correct to the best of my knowledge, information, and belief.

  
\_\_\_\_\_  
Signature

  
\_\_\_\_\_  
Date

I hereby declare and affirm under the penalties of perjury that the facts stated in this CON application modification and its attachments are true and correct to the best of my knowledge, information, and belief.

  
\_\_\_\_\_  
Signature

2/6/15  
\_\_\_\_\_  
Date

I hereby declare and affirm under the penalties of perjury that the facts stated in this CON application modification and its attachments are true and correct to the best of my knowledge, information, and belief.

  
Signature

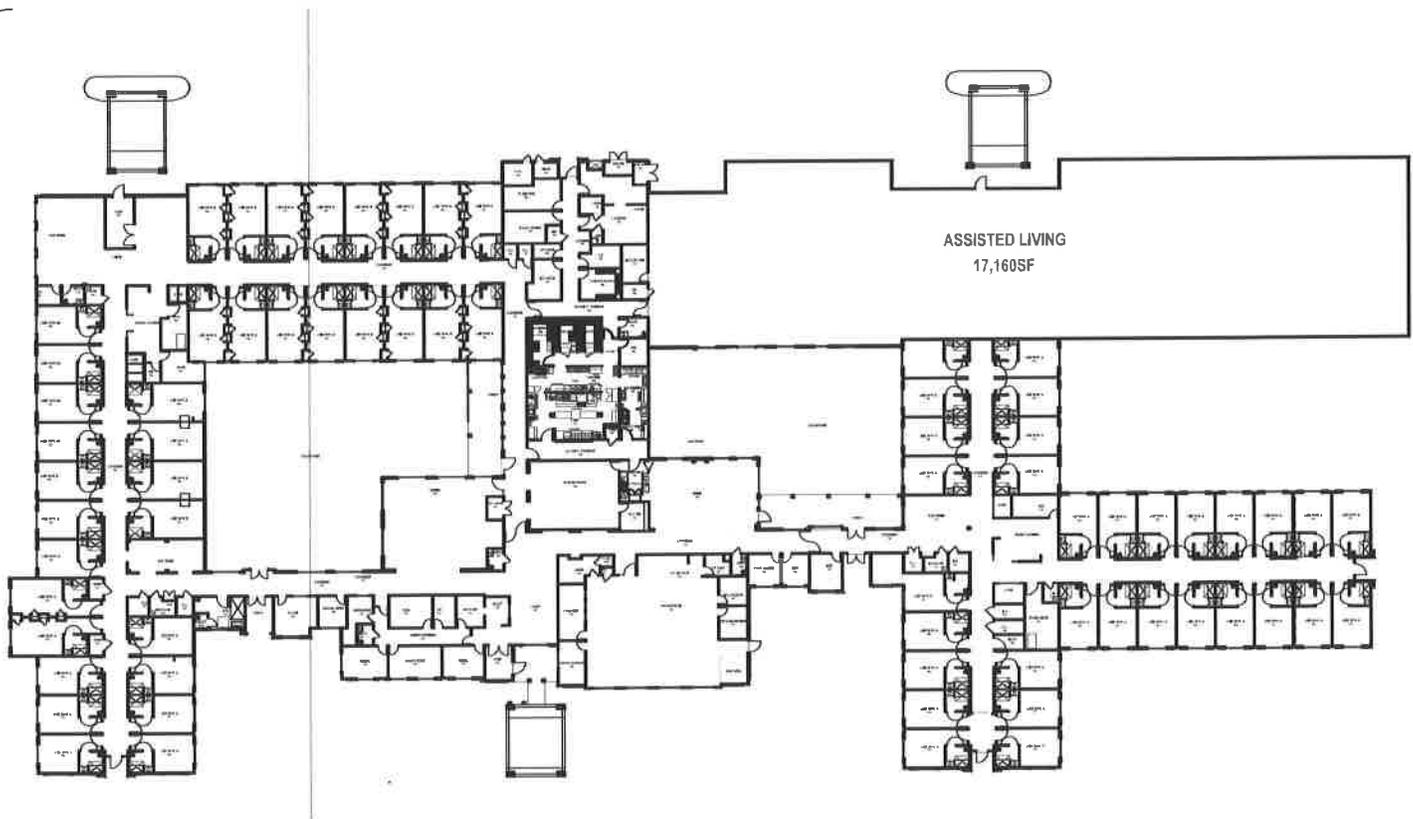
02/06/15  
Date

I hereby declare and affirm under the penalties of perjury that the facts stated in this CON Application Modification and its attachments are true and correct to the best of my knowledge, information, and belief.

  
Signature

2/6/15  
Date

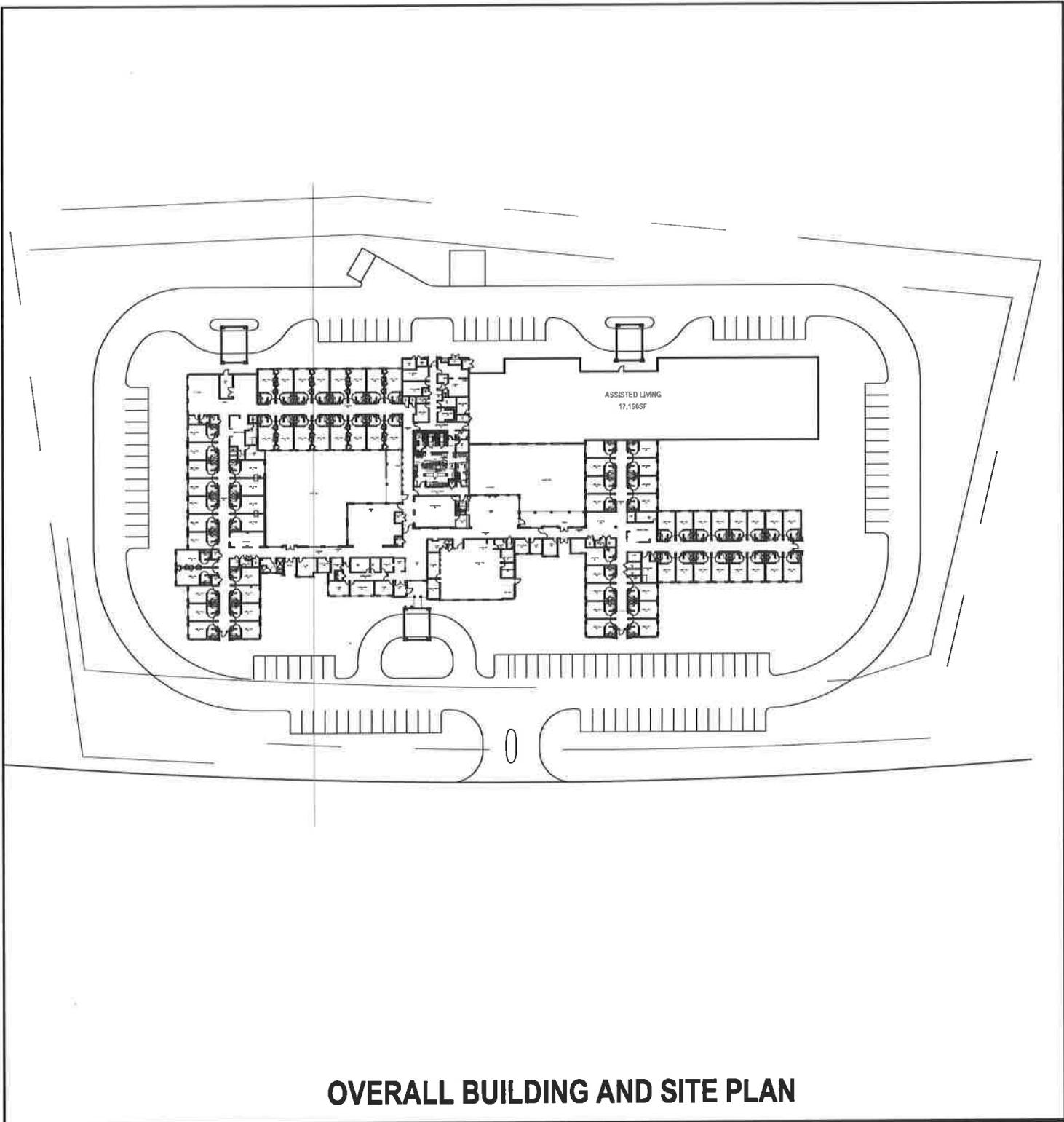
Exhibit 3  
Floor Plan



## OVERALL BUILDING FLOOR PLAN

<p>ARCHITECT OF RECORD  <b>J.F. JOCHUM ARCHITECTS, LLC</b>          13 WEST HIGH STREET          HANCOCK, MARYLAND 21750          301-991-0546</p>	<p><b>FUNDAMENTAL          BLUE HERON NURSING &amp;          REHABILITATION CENTER</b></p> <p>PINEY POINT ROAD &amp; POINT LOOKOUT ROAD          CALLAWAY, MARYLAND 20620</p>	<p><b>ARCHITECT'S          CERTIFICATION:</b></p> <p>I Certify that these documents were prepared or approved by me, and that I am a duly licensed architect under the laws of the State of Maryland license number 10322, expiration date 4-19-15.</p>	<p style="font-size: 2em;"><b>P-4</b></p>
<p>ASSOCIATE ARCHITECT  <b>PI ARCHITECTS</b>          3500 JEFFERSON STREET, SUITE 303          AUSTIN, TEXAS 78731          512-231-1910</p>	<p><b>COPYRIGHT INFORMATION NOTICE:</b>  <small>THE DESIGN CONCEPTS EMBODIED IN THESE DOCUMENTS ARE SPECIFICALLY FOR THIS PROJECT. INFORMATION CONTAINED HEREIN REMAINS THE SOLE PROPERTY OF PI ARCHITECTS, IS CONFIDENTIAL AND PROPRIETARY AND IS NOT TO BE COPIED, REPRODUCED, DISCLOSED OR OTHERWISE TRANSFERRED TO OTHER PARTIES IN ANY FORM WHATSOEVER WITHOUT THE EXPRESS WRITTEN CONSENT OF PI ARCHITECTS.</small></p>	<p style="text-align: center;"><b>Jerome F. Jochum</b></p>	<p>DATE          FEB. 9, 2015          PROJECT NUMBER:          13032          ISSUE:          CONCEPTUAL DESIGN</p>

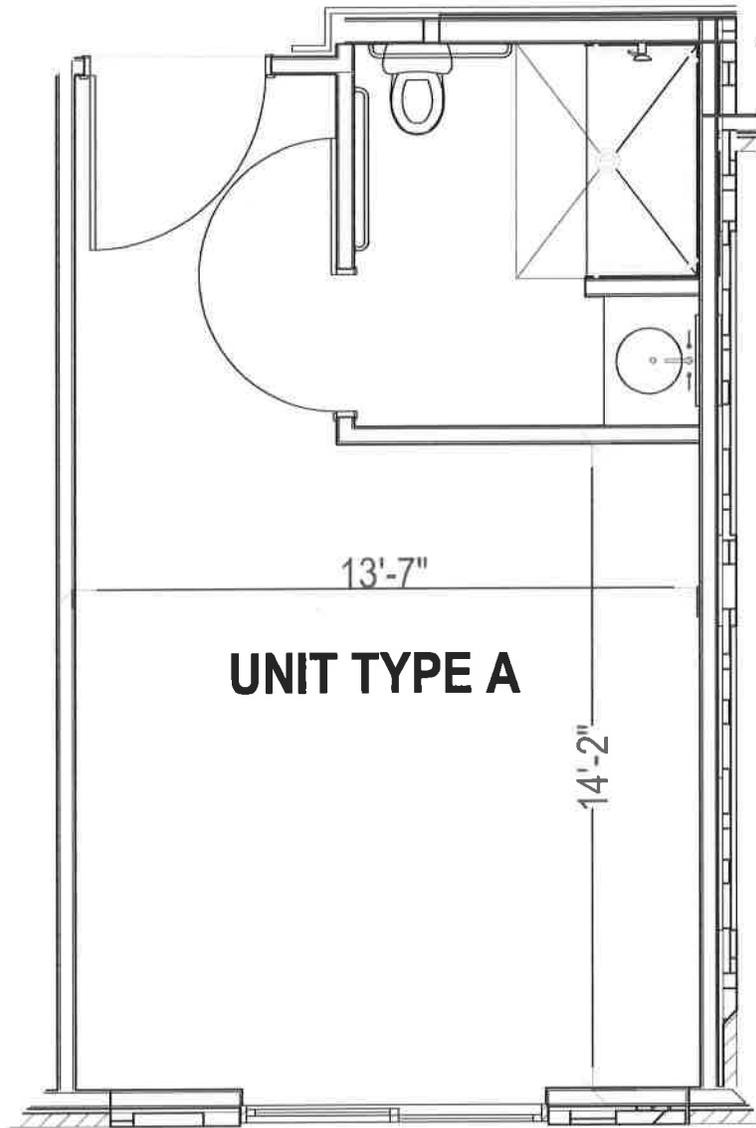
Exhibit 4  
Site Plan



**OVERALL BUILDING AND SITE PLAN**

<p>ARCHITECT OF RECORD  <u>J.F. JOCHUM ARCHITECTS, LLC</u>          13 WEST HIGH STREET          HANCOCK, MARYLAND 21750          301-991-0546</p>	<p><b>FUNDAMENTAL          BLUE HERON NURSING &amp;          REHABILITATION CENTER</b></p> <p>PINEY POINT ROAD &amp; POINT LOOKOUT ROAD          CALLAWAY, MARYLAND 20620</p> <p><b>COPYRIGHT INFORMATION NOTICE:</b>  <small>THE DESIGN CONCEPTS EMBODIED IN THESE DOCUMENTS ARE SPECIFICALLY FOR THIS PROJECT. INFORMATION CONTAINED HEREIN REMAINS THE SOLE PROPERTY OF PI ARCHITECTS, IS CONFIDENTIAL AND PROPRIETARY AND IS NOT TO BE COPIED, REPRODUCED, DISCLOSED OR OTHERWISE TRANSFERRED TO OTHER PARTIES IN ANY FORM WHATSOEVER WITHOUT THE EXPRESS WRITTEN CONSENT OF PI ARCHITECTS.</small></p>	<p><u>ARCHITECT'S          CERTIFICATION:</u></p> <p>I Certify that these documents were prepared or approved by me, and that I am a duly licensed architect under the laws of the State of Maryland license number 10322, expiration date 4-19-15.</p> <p><b>Jerome F. Jochum</b></p>	<p><b>P-3</b></p>
<p>ASSOCIATE ARCHITECT  <b>PI ARCHITECTS</b>          3500 JEFFERSON STREET, SUITE 303          AUSTIN, TEXAS 78731          512-231-1910</p>		<p>DATE          FEB. 9, 2015          PROJECT NUMBER:          13032          ISSUE:          CONCEPTUAL DESIGN</p>	

Exhibit 5  
Enlarged Resident Room Types



**UNIT TYPE A**

13'-7"

14'-2"

ARCHITECT OF RECORD  
**J.F. JOCHUM ARCHITECTS, LLC**  
 13 WEST HIGH STREET  
 HANCOCK, MARYLAND 21750  
 301-991-0546

ASSOCIATE ARCHITECT  
**PI ARCHITECTS**  
 3500 JEFFERSON STREET, SUITE 303  
 AUSTIN, TEXAS 78731  
 512-231-1910

**FUNDAMENTAL  
 BLUE HERON NURSING &  
 REHABILITATION CENTER**

PINEY POINT ROAD & POINT LOOKOUT ROAD  
 CALLAWAY, MARYLAND 20620

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**ARCHITECT'S  
 CERTIFICATION:**

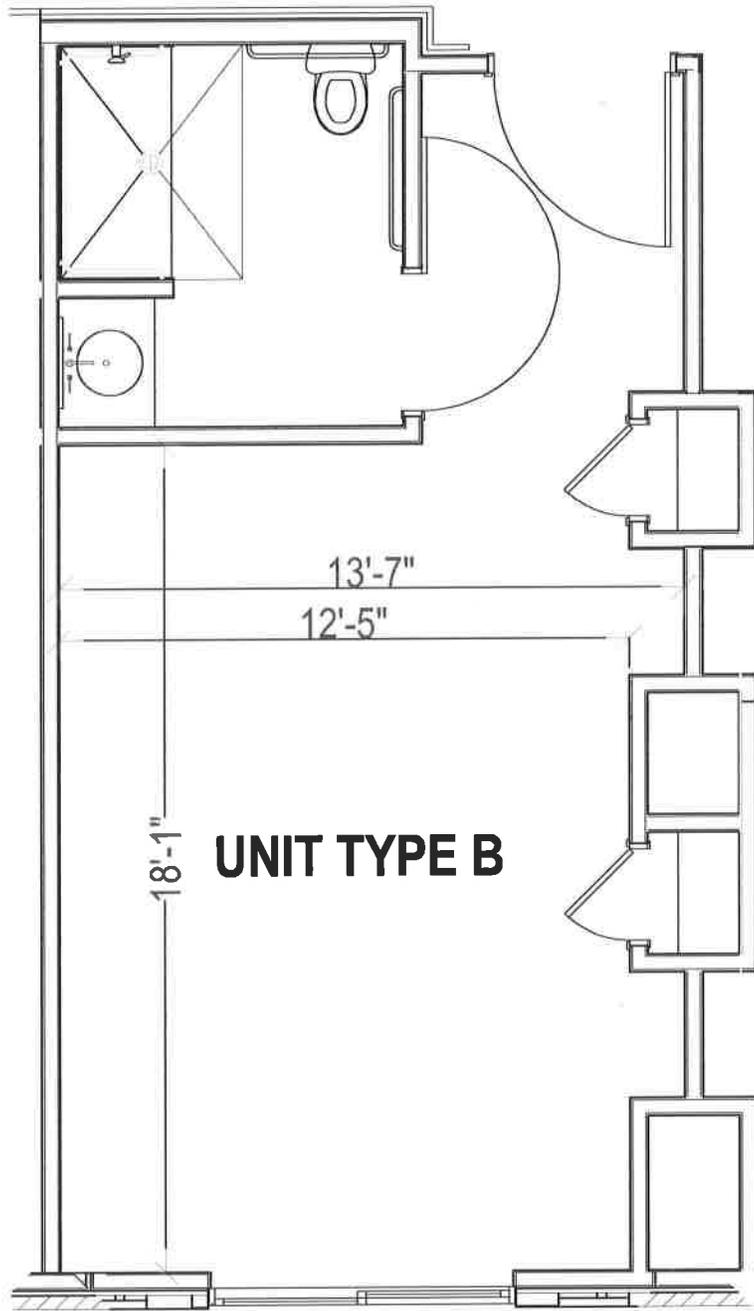
I certify that these documents were prepared or approved by me, and that I am a duly licensed architect under the laws of the State of Maryland license number 10322, expiration date 4-19-15.

Jerome F. Jochum

ROOM TYPE A

**P-1**

DATE  
 FEB. 9, 2015  
 PROJECT NUMBER:  
 13032  
 ISSUE:  
 CONCEPTUAL DESIGN



**UNIT TYPE B**

<p>ARCHITECT OF RECORD  <b>J.F. JOCHUM ARCHITECTS, LLC</b>          13 WEST HIGH STREET          HANCOCK, MARYLAND 21750          301-991-0546</p>	<p align="center"><b>FUNDAMENTAL          BLUE HERON NURSING &amp;          REHABILITATION CENTER</b></p> <p align="center">PINEY POINT ROAD &amp; POINT LOOKOUT ROAD          CALLAWAY, MARYLAND 20620</p>	<p><b>ARCHITECT'S          CERTIFICATION:</b></p> <p>I Certify that these documents were prepared or approved by me, and that I am a duly licensed architect under the laws of the State of Maryland, license number 10322, expiration date 4-19-15.</p>	<p align="center">ROOM TYPE B   <b>P-2</b></p>
<p>ASSOCIATE ARCHITECT  <b>PI ARCHITECTS</b>          3500 JEFFERSON STREET, SUITE 303          AUSTIN, TEXAS 78731          512-231-1910</p>		<p><b>COPYRIGHT INFORMATION NOTICE:</b>  <small>THE DESIGN CONCEPTS EMBODIED IN THESE DOCUMENTS ARE SPECIFICALLY FOR THIS PROJECT. INFORMATION CONTAINED HEREIN REMAINS THE SOLE PROPERTY OF PI ARCHITECTS, IS CONFIDENTIAL AND PROPRIETARY AND IS NOT TO BE COPIED, REPRODUCED, DISCLOSED OR OTHERWISE TRANSFERRED TO OTHER PARTIES IN ANY FORM WHATSOEVER WITHOUT THE EXPRESS WRITTEN CONSENT OF PI ARCHITECTS.</small></p>	<p align="right">Jerome F. Jochum</p>