STATE OF MARYLAND

MARYLAND HEALTH CARE COMMISSION

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MEMORANDUM

TO: Commissioners

FROM: Kevin R. McDonald
Chief, Certificate of Need

DATE: October 16, 2018

SUBJECT: Brinton Woods Health and Rehabilitation at Winfield
Docket No. 18-06-2422

Enclosed is the staff report and recommendation for a Certificate of Need ("CON") application filed by Brinton Woods Health and Rehabilitation at Winfield for the construction of a 60 bed comprehensive care facility on the campus of Carroll Hospital to replace the facility currently located at 1442 Buckhorn Road in Sykesville (Carroll County).

The current facility does not comply with current life safety codes in some areas, including a two-story section of the building that accounts for approximately 25% of the facility's space, and now houses its six private rooms. The replacement facility will increase the number of private rooms from six to forty. The total cost of constructing the new facility is estimated at $14, 837,500, which the applicant plans to fund with cash.

Commission staff analyzed the proposed project's compliance with the applicable State Health Plan criteria and standards at COMAR 10.24.01.08G(3) and the other applicable CON review criteria at COMAR 10.24.08 and recommends that the project be APPROVED with the following two conditions:

1. At the time of first use review, Brinton Woods Health Care Center, LLC shall provide the Commission with a Memorandum of Understanding with the Maryland Medical Assistance Program agreeing to maintain at least the minimum proportion of Medicaid patient days required by COMAR 10.24.08.05A(2)(b); and

2. Brinton Woods Health Care Center, LLC shall meet and maintain the minimum proportion of Medicaid patient days required by its Memorandum of Understanding with the Maryland Medical Assistance Program and by COMAR 10.24.08.05A(2).

IN THE MATTER OF	*	**BEFORE THE**
	*	
BRINTON WOODS HEALTH AND	*	**MARYLAND HEALTH**
	*	
REHABILITATION AT WINFIELD	*	**CARE COMMISSION**
	*	
Docket No. 18-06-2422	*	
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Staff Report and Recommendation

October 16, 2018

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I. INTRODUCTION

A. The Applicant

Brinton Woods Health and Rehabilitation at Winfield ("BW" or "Brinton Woods") is a comprehensive care facility ("CCF" or "nursing home") providing short-term rehabilitation and long-term skilled nursing services. It is located at 1442 Buckhorn Road in Sykesville (Carroll County). The facility's 60 beds are allocated among 33 patient rooms, six private and 27 semi-private. BW was originally constructed in 1959, and acquired by the applicant, Brinton Woods Health Care Center, LLC ("BWHCC"), in 2006. The CCF is operated by Brinton Woods Management Company, LLC. Brinton Woods Management Company, LLC currently provides management services for BW-W, but may or may not provide management services for BW-W after it is relocated to the Carroll Hospital campus. LBH does not have an ownership interest in Brinton Woods Management Company, LLC. That entity is wholly owned by three of the individual minority owners of the Applicant.

LifeBridge Health, Inc. ("LBH") acquired a majority (55%) ownership interest in BWHCC, in November 2017. The remaining 45% interest is split between five individuals, including two who control 11.25% through an LLC. (DI #3, pp. 3-6 & Exh. 4).

Through its LifeBridge Investments, Inc. subsidiary, LBH has an ownership interest in several health care facilities. These include the SurgiCenter of Baltimore, located in Baltimore County, and Ellicott City Ambulatory Surgery Center, L.L.L.P., located in Howard County. In the long-term care field, LBH has an ownership interest in four CCFs operated by FutureCare; Cherrywood, Courtland, and Old Court, in Baltimore County; and Lochearn, in Baltimore City. (DI #3, Exh. 4).

Brinton Woods is certified for Medicare and Medicaid participation. Currently, the Centers for Medicare and Medicaid Services ("CMS") Nursing Home Compare website shows a three star overall rating (out of five possible stars) for Brinton Woods, which is an average rating. (*See* Appendix 3).

B. The Project

BW proposes relocation and replacement of its 60-bed facility in 47,500 square feet ("SF") of new construction on the campus of Carroll Hospital in Westminster, approximately 20 minutes from its current location. The applicant notes that its current physical plant is old and has deficiencies typical of an older facility, related to the layout of the building, space constraints, poor lighting, and small room size. The current facility does not comply with current life safety codes in some areas, in particular a two-story section of the building that accounts for approximately 25% of the facility's space, and now houses its six private rooms, the boiler room, laundry services and a well water system.[1] The applicant considered, but rejected, making the necessary

[1]BW states that that this two-story section does not meet the current Life Safety Code for Fire Safety "Construction Type" requirements. As a result, BW is required to conduct an annual Fire Safety Evaluation

improvements at the existing nursing home. It noted that the two-story section of the facility would need to be completely rebuilt, which would necessitate shutting down the entire facility. The applicant has concluded that it is reasonable, both practically and financially, to relocate and replace the facility to meet future needs. (DI #3, p. 29, 31).

In the replacement facility, the number of private rooms will be increased from six to 40. The remaining 20 beds will be accommodated in ten semi-private rooms. The building's main level of 34,925 SF will house all of the residents on one floor, with rooms on either side of the main hallway. Each of the 40 private rooms will be 295 SF and the double-occupancy rooms will be 360 SF. Each room will have its own bathroom and shower. There will also be a single central nursing station, dining/activity space, two "day" rooms, a living room, therapy space, and an administrative area. (DI #3, pp. 8, 10). A lower level containing 12,460 SF will house the kitchen, space for laundry, supply storage, staff lockers, training, a staff lounge, and offices. Floor plans are included as Appendix 5.

The estimated total project cost is $14,837,500, which the applicant plans to fund with cash. (DI #3, CON Tables tab, Table C).

C. Summary of Staff Recommendation

Staff recommends approval of this proposed project based on staff's conclusion that it complies with the applicable standards in COMAR 10.24.08, the State Health Plan for Facilities and Services ("State Health Plan"): Nursing Home Services ("Nursing Home Chapter"), as well as with the review criteria at COMAR 10.24.01.08G(3). A summary of the bases for this recommendation follows in Table I-1.

Table I-1: Summary of MHCC Staff Conclusions Regarding the BW-W CON Application

Standard/Criteria	Conclusions
Quality	Based on surveys conducted by CMS and OHCQ, results of which are listed in MHCC's Consumer Guide to Long Term Care, BW's quality record is above average, meeting or exceeding the State average nursing home performance on ten key quality measures, and ranking slightly lower on two. Its most recent Nursing Home Compare ratings showed five stars on Quality Measures, but a rating of three stars on its Overall rating.
Need and Capacity	The proposal will not change CCF bed inventory for Carroll County. This is consistent with the Nursing Home Chapter, which does not currently identify a need for additional CCF beds in this jurisdiction. The applicant has maintained a relatively high level of bed occupancy. Additionally, the applicant projects that the relocation will improve its ability to retain patients who might otherwise migrate out of Carroll County for CCF services. The replacement facility will correct current deficiencies and provide a modern, code-compliant facility in order to improve the quality of life for the population to be served, and will allow for a significant increase in private rooms.

(FSFE). While BW has received a waiver for, and meets all requirements annually for Fire Safety, it cannot resolve the problem without major construction and financial hardship for the facility. (DI #3, p. 31).

	The new location will improve access to physicians and improved access by residents of the CCF to general hospital facilities and services.
Cost Effectiveness	The applicant demonstrated detailed consideration of alternatives, including a renovation of the existing facility. That option was deemed untenable because it would require the facility to close during renovation. The current facility cannot expanded or altered in a cost effective manner to allow for a significant increase in private rooms and programmatic areas.
Financial Feasibility and Viability	There will be no financing costs because the project is being funded with cash. The financial projections provided by BW indicate that the facility should be profitable. Its utilization projections and revenue and expense assumptions are reasonable.
Impact	The proposed project will relocate a CCF within Carroll County but will not change the bed inventory. It is not likely to have a material negative impact on access to or cost of CCF services and will have obvious positive benefits for persons seeking CCF services in Carroll County, by replacing an old facility with a new modern facility.

II. PROCEDURAL HISTORY

A. Record of the Review

Please see Appendix 1, Record of the Review.

B. Local Government Review and Comment

No comments were received.

C. Community Support

The Maryland Health Care Commission received a letter of support for this nursing home replacement project signed by four area legislators: Senator Justin Ready and Delegate Susan Krebs, Delegate Haven Shoemaker, and Delegate April Rose. The legislators cited the benefits of replacing and relocating the facility, including convenience and availability of services, proximity to Carroll Hospital and its staff, and physical facility improvements possible only through new construction. They placed an emphasis on the needs of frail and elderly individuals, specifically noting the needs of the area's veterans. (DI #2).

D. Interested Parties - There are no interested parties in this review.

III. PROJECT CONSISTENCY WITH REVIEW CRITERIA AND STANDARDS

A. The 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 chapter of the State Health Plan in this review is COMAR 10.24.08, the Nursing Home Chapter. The specific standards to be addressed include COMAR 10.24.08.05A and .05B, the nursing home general standards and standards that apply to new construction for nursing home projects, respectively.

A. General Standards. The Commission will use the following standards for review of all nursing home projects.

COMAR 10.24.08.05 Nursing Home Standards

(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 applicant submitted its letter of intent to submit a CON application to construct a replacement facility and relocate to the campus of Carroll Hospital Center in Westminster on February 27, 2018. The most recent bed need projections were published in the *Maryland Register* on April 29, 2016. No need for additional CCF beds in Carroll County has been identified, as shown below. As noted, the proposed project, if implemented, will not result in any changes in the jurisdiction's bed inventory.

Table III-1: CCF Bed Need Projection for Carroll County

Licensed Beds	Bed Inventory as of January 31, 2016				Projected Need in 2016			
	Temporarily Delicensed Beds	CON Approved Beds	Waiver Beds	Total Bed Inventory	Gross Bed Need Projection	Unadjusted Bed Need	Community-Based Services Adjustment	2016 Net Bed Need
921	0	0	10	931	750	-181	45	0

Source: MHCC Gross and Net 2016 Updated Bed Need Projections for Nursing Home Beds in Maryland. Maryland Register (Issued: April 29, 2016).

This project only seeks to relocate its existing beds to a new replacement facility. At the same meeting where the Commission will consider this CON application for CON, it will also consider adoption of a proposed replacement Nursing Home Chapter. Staff currently anticipates that replacement Chapter will become effective in the first quarter of 2019. Staff notes that, between FY 2014 and FY 2016, the reported average daily census of CCF patients in Carroll County declined from 840 to 802 patients. The operational CCF bed inventory throughout this period averaged 921 beds, yielding an average bed occupancy rate over this three-year period of approximately 89%.

(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.

BW currently has a Memorandum of Understanding ("MOU") with the Maryland Medical Assistance Program ("Medicaid"). BW stated that it would continue to participate with Medicaid under its existing agreement until the new facility opens. At that time, the applicant will execute a new MOU with Medicaid that meets the applicable requirements of this standard. (DI #3, p. 17).

(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 Maryland 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.

At the time the BW application was submitted, the required Medical Assistance Participation Rate for nursing homes in Carroll County was 45.2%, and for the Western Region it was 46.8% ("Required Maryland Medical Assistance Participation Rates for Nursing Homes by Region and Jurisdiction," published in the *Maryland Register* in February 2016). The required participation rates for Carroll County and the Western Region have since increased, to 48.77% and 50.06%, respectively.[2]

BW reports that just under 53% of its total patient days were Medicaid days in 2017, which exceeds the current minimum required participation rate. BW forecasts a steady 90% occupancy rate through 2023, but a slight decrease in Medicaid days, to 46.3% of the total. Although this is lower than the current required rate, it is aligned with the required participation rate at the time the application was submitted. In fact, the project was docketed on the same day that the new participation rates were published.

In addition, the applicant states that it agrees to continue to meet the standard, and states that it will sign a new MOU based on the required rate at the time. (DI #3, p. 17). The applicant has stated a commitment to meet the required participation rate.

(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.

BW has agreed to continue admitting Medicaid residents to maintain the required level of participation and sign an MOU with DHMH. (DI #3, p. 17).

(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

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[2] *Required Maryland Medical Assistance Participation Rates for Nursing Homes by Region and Jurisdiction.* https://mhcc.maryland.gov/mhcc/pages/hcfs/hcfs_ltc/documents/shp_nursing_home_medicaid_part_rate_08082018.pdf

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

The applicant states that it will continue to operate under its current MOU until "the new facility is approved and relocated and agrees to enter into a new MOU to reflect the then-current participation rate after the project is completed. (DI #3, p. 17).

Staff recommends that the Commission find that the application is consistent with this standard. If this project is approved by the Commission, staff recommends that the CON for this project contain the following standard conditions:

1. At the time of first use review, Brinton Woods Health Care Center, LLC shall provide the Commission with a Memorandum of Understanding with the Maryland Medical Assistance Program agreeing to maintain at least the minimum proportion of Medicaid patient days required by COMAR 10.24.08.05A(2)(b); and

2. Brinton Woods Health Care Center, LLC shall meet and maintain the minimum proportion of Medicaid patient days required by its Memorandum of Understanding with the Maryland Medical Assistance Program and by 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 waiver programs and other initiatives to promote care in the most appropriate settings.

BW provided examples of material distributed to prospective residents and responsible parties about the existence of alternative community-based services, including all those listed in the standard. (DI #3, p.18 and Exh. 5).

(b) Initiating discharge planning on admission; and

The applicant states that it initiates discharge planning upon admission as part of its Resident Care Plan development process and will continue to do so. (DI #3, p. 18).

(c) Permitting access to the facility for all "Olmstead" efforts approved by the Department of Health ... and the Department of Disabilities to provide education and outreach for residents and their families regarding home and community-based alternatives.

The applicant states that it currently complies with the standard's requirements and "will continue to permit access to the facility for all agencies that provide education and outreach for residents and their families regarding home and community-based alternatives." (DI #3, p.18).

Staff concludes that the applicant meets this standard.

(4) Nonelderly Residents

An applicant shall address the needs of its nonelderly (<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.

BW states that it addresses the needs of its residents, including non-elderly residents, "based on individual medical and psychosocial needs, regardless of age or disability," and that it currently initiates discharge planning upon admission of all patients, regardless of age or physical status, and will continue to do so in a relocated facility. (DI #3, p.18).

The applicant's current practices meet 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 than two residents share a toilet.

As illustrated in Table III-2 below, the existing CCF has six private rooms and 27 semi-private rooms. The proposed project will result in a new facility with 40 private rooms and 10 semi-private rooms, each with its own climate control. The applicant states that no more than two residents will share a toilet. The floor plans show a bathroom for each bedroom.

Table III-2: Current & Proposed Brinton Woods-Winfield Bed Configuration

Current					Post-Project				
Floor	Licensed Beds	Private Rooms	Semi-Private Rooms	Total Rooms	Floor	Licensed Beds	Private Rooms	Semi-Private Rooms	Total Rooms
Ground	10	--	5	5	Main	60	40	10	50
First	50	6	22	28	--	--	--	--	--
Total	60	6	27	33	--	60	40	10	50

Source: DI #3, CON Tables tab, Table A

(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.

Paragraphs (b) and (c) of the standard are not applicable to this project, which does not involve renovation of an existing building. However, as noted, the replacement facility will address the shortcomings of the current facility with respect to the features referenced in part (b).

The project satisfies this 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.

BW states that the facility will be served by the public water system currently serving Carroll Hospital Center. Accordingly, the applicant meets this standard.

(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;

Brinton Woods states that it cares for residents with a wide variety of diagnoses, including chronic obstructive pulmonary disease ("COPD"), congestive heart failure, diabetes, hypertension, muscle weakness, dementia, and other age-related, chronic conditions "that inhibit patients' ability to perform daily living activities." (DI #3, Exh. 6). BW states that will continue to care for the same types of residents in the new facility. (DI #3, pp.19-20).

(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.

BW provided literature addressing design features proposed for this project from three sources. Articles from The Korte Company (a design-build firm) and *Skilled Nursing News* spoke to the benefits of offering private bedrooms. Literature from The Advisory Board Company addressed the benefits of telemedicine. (DI #3, Exh. 7-9). The features incorporated in the project and the applicant's citations to the literature are summarized below.

Homelike Environs

According to the applicant, "[t]he Korte Company has delivered more than 2,000 senior living projects nationwide.... Its 2018 publication, *Delivering World-Class Care and Quality of Life, The Owners Guide to Senior Living Design and Construction*, includes several recommendations that will be incorporated into the project." The features incorporated in the applicant's design and decorating elements include privacy features, such as: private bedrooms and bathrooms; settings that allow for a continuum of care; design features that allow residents to do as much as they can for themselves; and a pleasing décor and environment. These elements have been shown to improve quality of care, improve lifestyles, and increase efficiency.

Private Rooms

The applicant's initiative to increase the number of private beds is supported by an article entitled *Costly Design Features Can Pay Off for Skilled Nursing,* written by Alex Spanko and found in the July 4, 2017 edition of *Skilled Nursing*. As pointed out by the applicant, "[r]esearch has long supported the theory that private rooms reduce infection rates and the spread of viruses throughout health care settings. In this article, *Skilled Nursing* highlights the industry trend toward more private settings. The initial increased capital costs are offset in the long run by the benefit to residents, their families and staff and the decrease in the overall cost of care."

Telemedicine

The applicant provided a copy of *Virtual Physician Coverage Provides on-Demand Consultation, Care Continuity,* from The Advisory Board Company. The article discusses the use of telemedicine in nursing home care, and states that the use of telemedicine "has been shown to improve clinical, operational, and financial performance" for facilities, including a reduction in hospital readmissions. BW states that it "plans to build a state of the art facility that will be technologically advanced to enhance access to clinical specialists through telemedicine and interaction with family by providing easy to use communication capabilities." (DI #3, pp. 20-21).

Staff concludes that the applicant has complied with the design 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.

BW affirms that none of its owners has 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. (DI #3, p. 21).

Staff concludes that the applicant has complied with the disclosure requirements of this 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 states that BW has established multiple collaborative relationships with other service providers to ensure that a wide variety of needs can be accommodated at the nursing facility including those for hospice care, intravenous therapy, diagnostic radiology, laboratory services, respiratory therapy, pharmacy services, and physical, occupational and speech therapy. The applicant included several of its collaboration agreements as exhibits to the application. (DI #3, p. 21 and Exh. 10).

In addition to the collaborative relationship documents included in the application, staff notes that the applicant nursing home is majority-owned by the LBH system, and its relocation onto the Carroll Hospital campus will improve its access to other services offered by Carroll Hospital, as well as improved access to physician and emergency services.

Staff concludes that the applicant has met 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.

The proposed project is a replacement facility involving new construction. The main demographic consideration related to this review is the change in the population over 64 years of age. The Maryland Department of Planning projects continuing population growth in Carroll County through 2025. The growth rate for the age 65-and-over population between 2015 and 2025 is projected to be 50.4% (37.5% statewide). Meanwhile, overall population growth in Carroll County over the same timeframe is just 2.7% (3.2% statewide). These figures indicate much faster growth in the older population than the overall population for the County and the State as a whole.

Table III-4: Population by Age Cohort
Carroll County 2010 – 2025

Age Group	2010	2015	% Change 2010-2015	2020	% Change 2015-2020	2025	% Change 2020-2025
0-4	9,031	7,964	-11.8%	8,313	4.4%	8,905	7.1%
5-19	36,723	33,378	-9.1%	30,091	-9.8%	28,067	-6.7%
20-44	48,473	45,172	-6.8%	45,420	0.5%	47,655	4.9%
45-64	51,098	53,702	5.1%	51,879	-3.4%	45,967	-11.4%
65+	21,809	27,332	25.3%	33,496	22.6%	41,098	22.7%
Total	167,134	167,548	0.2%	169,199	1.0%	171,692	1.5%

Source: Maryland Department of Planning, August 2017 revision

(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.

The applicant is seeking to construct a replacement facility and relocate its 60 licensed beds to a site adjacent to Carroll Hospital Center, approximately 20 minutes from the current location. There will be no change in bed capacity. The County has a current surplus of CCF beds (see Appendix 2: Bed Need Projections). The current building will be demolished following initiation of services in the replacement facility.

BW provided data on its occupancy from 2016 and 2017, with projections through 2023. Table III-5, below, displays historic data for 2016 and 2017. BW experienced an average annual occupancy rate of 86.9% in 2016 and 85.7% in 2017. It projects an occupancy rate of 90% in the current year and in the next three years.

Table III-5: Beds, Potential Days, Patient Days, Occupancy – BW-W 2016-2017

	Actual		Projected			
	2016	**2017**	**2018**	**2019**	**2020**	**2021**
Beds	60	60	60	60	60	60
Potential Days	21,900	21,900	21,900	21,900	21,900	21,900
# Patient Days	19,030	18,770	19,710	19,710	19,710	19,710
% Occupancy	86.9%	85.7%	90.00%	90.00%	90.00%	90.00%

Sources: DI #3, CON Tables tab, Table D

The rationale presented for relocating this facility is twofold: First, the existing facility is obsolescent; Secondly, access to ancillary and support services is less than ideal. Facility modernization is seen as a prerequisite for overcoming some limitations in the ability of staff to implement a more contemporary model of care that should improve the patient experience. As previously discussed, the applicant has determined that renovating the current building would be cost-prohibitive, and require temporary closure. Additionally, the existing building site does not lend itself to expansion to provide the additional space needed for the desired room configuration of mostly private room, a major component of the proposed care model improvements.

According to MHCC Long Term Care Survey, the occupancy rate of CCF beds in Carroll County was 87.1% in FY 2016, compared to the statewide occupancy rate of 88.7%. (See Table III-6 below.)

Table III-6: Licensed Beds, Patient Days, and Bed Occupancy
Carroll County CCFs
FY 2016

Facility	Licensed Beds	Available Bed Days	Actual Patient Days	Average Annual Occupancy
Brinton Woods Nursing and Rehabilitation Center	60	21,900	19,031	86.9%
Carroll Lutheran Village Healthcare Center	103	37,595	34,399	91.5%
Fairhaven Nursing Home	79	28,835	21,428	74.3%
Longview Healthcare Center, LLC	158	57,670	43,154	74.8%
Integrace Copper Ridge Nursing Home	66	24,090	21,193	88.0%
Long View Healthcare Center, LLC	108	39,420	37,015	93.9%
Lorien - Taneytown	63	22,995	21,064	91.6%
Lorien - Mt. Airy	62	22,630	21,088	93.2%
Pleasant View Nursing Home of Mt. Airy	104	37,960	35,541	93.6%
Transitions Healthcare at Sykesville	118	43,070	40,652	94.4%
Total	**921**	**336,165**	**294,565**	**87.6%**

Source: MHCC 2016 Public Use Database

BW expects the relocation and replacement of the CCF to yield the following benefits:

- Increased availability of private rooms (67% of total bed capacity compared to 10% currently);
- Larger patient rooms;
- Technological advancements, including better facilities for use of telemedicine;
- Immediate availability of acute care services (because of location on Carroll Hospital campus):
- A bathroom in each patient room;
- Larger common spaces;
- Improved access to dialysis services;
- Location in a less "remote" area of the jurisdiction;
- An improved ability to "recapture" patients currently migrating to other counties;
- An improved ability to accept weekend admissions; and
- An improved ability to manage chronic disease (e.g., patients with COPD or complex co-morbidities).

In summary, the applicant states that the new facility will be able to

support LBH's success under the Maryland Demonstration Model and focus on the Triple Aim: improve the patient experience of care, improve clinical outcomes, and

potentially reduce the total costs of care...by combining the latest trends from residential, medical and hospitality models with an advanced technological infrastructure.
(DI #3, pp. 8-10).

Staff concludes that this standard has been met.

(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.

This standard is not applicable. The applicant is not seeking to expand the facility.

(3) Jurisdictional Occupancy.

(a) The Commission may approve a CON application for a new nursing home only if the average jurisdictional occupancy for all nursing homes in that jurisdiction equals or exceeds a 90 percent occupancy level for at least the most recent 12 month period, as shown in the Medicaid Cost Reports for 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 section is not applicable. BW is a replacement facility, not a new nursing home.

(4) Medical Assistance Program Participation.

(a) An applicant for a new nursing home must agree in writing to serve a proportion of Medicaid residents consistent with .05A 2(b) of this Chapter.

BW has stated that it agrees to meet this standard, though it is not a new nursing home.

(b) An applicant for new comprehensive care facility beds has three years during which to achieve the applicable proportion 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.

This section is not applicable. BW is not a new nursing home.

(c) An applicant 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 its Certificate of Need.

This section is not applicable. BW is not seeking to expand, but has a current agreement in place, with plans to enter into a new agreement for the facility at the new site.

(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 participation rate.

The applicant states that it "commits to entering into a new MOU to reflect the then-current Medicaid participation rate." (DI #3, p. 27).

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

This section is not applicable.

(5) Quality.

An applicant for expansion of an existing facility must demonstrate that it has no outstanding Level G or higher deficiencies, and that it maintains a demonstrated program of quality assurance.

Technically this standard does not apply to this application, as BW is not an applicant for expansion of an existing facility, but rather an applicant wishing to replace its facility, without expansion of bed capacity. Nonetheless, staff research shows that BW has a five-star Quality Measures rating and a three-star Overall rating from Medicare's Nursing Home Compare Data.

As is customary in a nursing home review, staff has provided a broader assessment of the facility's quality profile. The table below includes a selection of measures that MHCC staff considers to be among the most important quality measures extracted from surveys conducted by CMS and OHCQ and listed in MHCC's *Consumer Guide to Long Term Care*, and shows how the applicant's performance compares to statewide averages.

Table III-7: Summary of Brinton Woods-Winfield Nursing Homes Quality Measures

Quality Measure	Maryland Average	*Brinton Woods-Winfield*
Falls		
Long-stay residents that did not fall and sustain a major injury	**97%**	97%
Pain		
Long-stay residents who do not report moderate to severe pain.	**96%**	99%
Short stay residents who did not have moderate to severe pain.	**88%**	88%
Pressure ulcers		
High risk long stay residents without pressure sores.	**93%**	92%
Short stay residents that did not develop new pressure ulcers or with pressure ulcers that stayed the same or got better.	**99%**	100%
Vaccinations		
Long stay residents assessed and given influenza vaccination during the flu season.	**96%**	99%
Short stay residents assessed and given influenza vaccination during the flu season.	**84%**	89%
Nursing home staff receiving influenza vaccination during flu season (2016-2017).	**87%**	98%
Restraints		
Percent of long-stay residents who were not physically restrained.	**100%**	99%
Deficiencies		
Number of Health deficiencies cited in the most recent annual OHCQ health inspection (2016-2017).	**11.5**	**1**
Resident/Family Satisfaction Survey Results (2016 Long Stay and Short Stay Surveys)		
The rating of overall care provided in the nursing home – long term residents. (2016) (1 being worst care and 10 the best care.)	**8.1**	**8.2**
Percentage of long term residents/family who responded "Yes" to "Would you recommend the Nursing Home?"	**86%**	89%

Source CMS Nursing Home Compare, as reported on MHCC's website: https://mhcc.maryland.gov/consumerinfo/longtermcare/Nursing_Home/Users/FacilityProfile.aspx?FacId=06003

BW's quality record is above average, meeting or exceeding the State average nursing home performance on ten key quality measures, and ranking slightly lower on two.

***(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.

The applicant reports that 45% of its 252 total admissions in 2017 were patients discharged from Carroll Hospital Center, which is 12 miles from the facility. Brinton Woods notes that, after relocation to the campus of the hospital, patients discharged from Carroll Hospital who choose BW for nursing home care will be admitted more quickly. BW also points out that transport times, costs, and stress for residents needing services available at the hospital campus will be greatly improved with this relocation to the hospital campus.

In addition, BW residents and staff will benefit from an electronic medical record system shared with Carroll Hospital. One benefit of the shared system is that "nursing home admission will be completed more quickly" when a hospital patient chooses BW. (DI #3, p. 27). As previously mentioned, the applicant discussed other benefits to relocating the facility, including privacy, space, and environmental improvements, as well as the ability to implement a new person-centered model of care.

Staff concludes that the applicant has demonstrated the tangible benefits that will result from this relocation.

GENERAL CERTIFICATE OF NEED REVIEW CRITERIA (COMAR 10.24.01.08G3)

Staff's review of the project's status with respect to the five remaining general review criteria in the regulations governing Certificate of Need is outlined below.

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.

There is an applicable need analysis in the SHP, but, as previously noted, there is a bed surplus in Carroll County. This CON application involves an existing facility seeking to relocate without adding any beds to the inventory.

As previously discussed, staff concludes that the applicant has shown that it will be able to better meet the needs of its current and future residents by relocating its aged physical plant in Sykesville and replacing the facility at a site in close proximity to the affiliated Carroll Hospital Center.

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.

This is not a comparative review of similar projects Regarding the project proposed, the applicant states that it considered several alternatives, including maintaining the status quo, rebuilding and expanding on the current site, and the proposed relocation and replacement. The first two options were not viable, long-term solutions, according to the applicant. Simply maintaining the current facility would not correct numerous life safety issues, nor would ongoing maintenance and required corrections enable the improvements in quality of care envisioned by

the applicant. In addition, maintenance and correction projects would likely cause disruption for both residents and staff.

A major renovation of the facility was determined to be too costly and impractical. It would require closing the facility during construction, displacing all of the residents. At the same time, renovation would not lend itself to enlarging patient rooms and common areas. And since the site does not allow for expansion, the number of private patient rooms could not be increased.

The third option is the one proposed in this application. The applicant states that the application

> involves the strategic relocation of [BW] to the Carroll Hospital campus where [it] can be modernized to better serve patients requiring a skilled nursing stay, and use of the post-acute setting, improve quality of care, strengthen continuity of care, and expand the types of patients who can be served in the County .... In a new, centrally located facility designed with the latest amenities for long-term care patients and supported by the strength of Carroll Hospital and LifeBridge Health, [the facility] will be on the forefront of care redesign and be much better able serve its residents and their families. (DI #3, p. 35).

The applicant states that it used a broad definition of "return on investment," to include several non-financial considerations, such as "access to care, quality of care, costs of care, and continuity of care." Based on these factors, the applicant concludes that "the relocation . . . to the Carroll Hospital campus is the most cost effective alternative available to achieve the objectives of this project." (DI #3, p. 36).

The construction cost estimates compared to the Marshall Valuation Service ("MVS") benchmark shows a cost per square foot ($271.43) that exceeds the MVS benchmark of $210.87.[3] (DI #3, CON Tables tab, Table C). Comparison of the estimated project cost to the MVS benchmark is a broad indicator of the quality of the cost estimate, but is not incorporated as a standard in reviews of nursing home projects. From a public policy perspective, higher cost for the Medicare and Medicaid programs will not result from a CCF project that has higher than average capital costs. Medicare reimburses prospectively with predetermined rates based on patient acuity. Its rates are established by geographic region and are not facility-specific. Therefore, construction costs should have no impact on those rates and are not part of the calculation of the Medicare rate. While Medicaid currently reimburses retrospectively, it has a ceiling for recognition of capital cost in rates that the proposed facility would reach even if its cost estimate was in-line with the MVS benchmark cost estimate. Thus, any increase in construction costs will not increase the level of reimbursement from Medicaid.

The Commission could deny this project on the basis that denying this CCF to modernize is less cost effective than providing the service through alternative CCFs in Carroll County without making the required capital investment. This finding would be based on the view that, with 921 existing beds, there are likely to be sufficient alternative facilities and beds operating in Carroll County that are sufficiently modernized such that expending $14.8 million on modernizing this

[3] *See* Appendix 4 for an explanation of MVS analysis.

relatively small CCF and moving it to the site of an affiliated hospital is not necessary in order for patients seeking care in Carroll County (an average daily census of 805 patients in FY 2016) to obtain care in a modernized CCF setting. If an inability to modernize BW eventually led to its closure, a speculative "worst case" scenario, there would still be sufficient beds to accommodate the 2016 ADC experienced by the Carroll County CCFs at an average annual occupancy rate of approximately 93%, an acceptable marker of reasonable access, based on the occupancy rate assumptions historically used in the State Health Plan. The ADC of CCF patients in Carroll County is not been trending upward in recent years.

Quality of care considerations could be viewed as mitigating against denial of the project. The table below profiles the CMS Nursing Home Compare ("NHC") ratings for Carroll County CCFs posted on the NHC website on October 9, 2018. This may not reflect scoring for these facilities using this rating system over a longer period of time, but, it clearly shows that the jurisdiction has two CCFs with a current overall rating of one star (much below average) and one CCF with an overall rating of two stars (below average). These subpar ratings cover 30% of the county's facilities and 41% of the county's CCF beds. This leaves 542 beds currently licensed in CCFs currently rated as average or above average. When this figure is compared with the recently recorded average daily census of over 800 CCF patients obtaining service in the jurisdiction, the option of authorizing modernization of BW can be viewed in a more positive light. Allowing a CCF with an overall rating of three stars, i.e. "average" and one of four CCFs in the county with a five star rating (much above average) on "quality measures" to replace what is reported to be a very old physical plant in a jurisdiction with a substantial proportion of beds operating in CCFs with poor ratings, may be an important element of maintaining reasonable access to more effective and better performing providers of CCF services in Carroll County.

Table III-8: Recent Nursing Home Compare Star Ratings
Comprehensive Care Facilities in Carroll County

Facility	Beds	Overall Rating	Health Inspections	Staffing	Quality Measures
Carroll Lutheran Village	103	**	*	*****	*****
Westminster Health Care Center	158	*	*	***	**
Longview Healthcare Center, LLC	108	*****	****	****	*****
Lorien Taneytown, Inc.	63	***	***	***	***
Brinton Woods Nursing & Rehabilitation Center	60	***	**	***	*****
Copper Ridge	66	****	***	*****	****
Fairhaven, Inc.	79	****	****	****	****
Transitions Healthcare at Sykesville	118	*	*	***	***
Lorien Health Systems Mt. Airy	62	*****	***	****	*****
Pleasant View Nursing Home	104	***	***	***	**

Source: Nursing Home Compare, CMS, accessed October 9, 2018

Staff recommends that the Commission find this proposed project to be a cost effective approach to assuring that Carroll County has modern and acceptable choices for obtaining CCF services. While, like many jurisdictions, it has an inventory of CCF beds that could be reduced

without substantially compromising availability or access to this service, the particular circumstances in this case do not indicate that attempting to address this oversupply of CCF beds through denying modernization of BW makes sense. On balance, BW should be allowed to make the investment for a needed upgrade. The benefits flowing from that investment outweigh the benefits that could be postulated from avoiding the cost of improving the stock of facilities and beds in Carroll County through denial of the project on the basis that the bed inventory is more than adequate.

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.

Availability of Resources Necessary to Implement the Project

The total estimated cost of the project is $14,837,500, including $13,611,875 for construction, and $1,225,625 in other capital costs. The applicant states that it will fund this project with cash, so there will be no financing costs. (DI #3, CON Tables tab, Table C).

The applicant included audited financial reports for 2015, 2016 and 2017 for LBH and unaudited reports for 2016 and 2017 for BW. The balance sheet for LBH indicates unrestricted net assets totaling $983,910,000 as of June 30, 2017. BW reports a balance of $120,868 in cash and cash equivalents at December 31, 2017. LBH has the ability to fund the cash outlay for the project. (DI #3, Exh. 13,14).

Table III-9, below, outlines the costs and sources of funds for the proposed project.

Table III-9: Project Budget Estimate – Uses and Sources of Funds

A. Uses of Funds	
New Construction	
Land Purchase	--
Building	$11,312,375
Fixed Equipment	
Site Preparation	899,500
Architect/Engineering Fees	1,300,000
Permits	100,000
Subtotal – New Construction	**$13,611,875**
Other Capital Costs	
Movable Equipment	$ 1,000,000
Contingencies	225,625
Interest	
Inflation Allowance	
Subtotal - Other Capital Costs	**$ 1,225,625**
TOTAL CAPITAL COSTS	**$14,837,500**
Financing and other Cash Requirements	
Loan Fees	
Legal Fees	
Other Application Assistance	
Subtotal – Non Current Capital Costs	
Total Uses of Funds	**$14,837,500**
B. Sources of Funds	
Cash	**$14,837,500**
Mortgage	
Interest Free Loan (SSMI)	
Total, Sources of Funds	**$14,837,500**

Source: (DI #3, CON Tables, Tab C – Project Budget).

Availability of Resources Necessary to Sustain the Project

(a) Finances

Tables III-10 and III-11, below, summarize the applicant's performance projections for the project.

Table III-10 Key Utilization and Operating Statistics – Brinton Woods - Winfield

For the years 2016 through 2023

(a) Finances	Actual		Projected					
	2016	2017	2018	2019	2020	2021	2022	2023
Licensed Beds	60	60	60	60	60	60	60	60
Admissions	292	252	350	350	370	405	440	440
# Patient Days	19,030	18,770	19,710	19,710	19,710	19,710	19,710	19,710
% Occupancy	86.9%	85.7%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%
Payor Mix (% of Revenue)								
Medicare	43.1	40.1	45.6	45.6	47.6	51.5	55.3	55.3
Medicaid	44.3	41.2	38.8	38.8	36.9	33.4	30.0	30.0
Commercial Insurance	2.0	4.3	4.1	4.1	4.1	4.0	3.9	3.9
Self-pay	10.6	14.4	11.5	11.5	11.4	11.1	10.9	10.9
Payor Mix (% of Patient Days)								
Medicare	28.1	27.0	31.5	31.5	33.3	37.0	40.7	40.7
Medicaid	58.6	53.0	51.9	51.9	50.0	46.3	46.3	46.3
Commercial Insurance	1.7	3.7	3.7	3.7	3.7	3.7	3.7	3.7
Self-pay	11.7	16.3	13.0	13.0	13.0	13.0	9.3	9.3
Revenue, Expenses, and Profits								
Gross Revenue per Patient Day	$327.84	$339.97	$359.74	$359.74	$364.21	$373.13	$380.17	$380.17
Net Revenue per Patient Day	$326.28	$333.08	$355.18	$355.18	$359.52	$368.26	$375.21	$375.21
Expense per Patient Day	$308.28	$330.75	$329.48	$329.14	$347.11	$363.02	$369.31	$369.31
Operating Income per Patient Day	$18.00	$2.34	$25.70	$26.04	$12.41	$5.24	$5.91	$5.91

Source: DI #3, CON Tables tab, Tables D, E, and F.

Table III-11: Revenue and Expense Statement Brinton Woods - Winfield
for the years 2016 through 2023

	Actual		Projected					
	CY 2016	CY 2017	CY 2018	CY 2019	CY 2020	CY 2021	CY 2022	CY 2023
REVENUE								
Gross Patient Revenue	$ 6,238,789	$ 6,381,236	$ 7,090,517	$ 7,090,517	$ 7,178,491	$ 7,354,440	$ 7,493,140	$ 7,493,140
Allowance For Bad Debt	$ 83,245	$ 136,199	$ 94,309	$ 94,309	$ 96,709	$ 100,309	$ 102,000	$ 102,000
Net Patient Services Revenue	$ 6,155,544	$ 6,245,037	$ 6,996,208	$ 6,996,208	$ 7,081,782	$ 7,254,131	$ 7,391,140	$ 7,391,140
Other Operating Revenue	$ 53,613	$ 6,909	$ 4,319	$ 4,319	$ 4,319	$ 4,319	$ 4,319	$ 4,319
NET OPERATING REVENUE	$ 6,209,157	$ 6,251,946	$ 7,000,527	$ 7,000,527	$ 7,086,101	$ 7,258,450	$ 7,395,459	$ 7,395,459
EXPENSES								
Salaries & Wages (incl. benefits)	$ 3,276,124	$ 3,383,223	$ 3,526,303	$ 3,526,303	$ 3,526,303	$ 3,526,303	$ 3,558,250	$ 3,558,250
Contractual Services	$ 837,241	$ 874,941	$ 959,235	$ 959,235	$ 999,581	$ 1,080,785	$ 1,161,818	$ 1,161,818
Interest on Current Debt	$ 87,378	$ 82,641	$ 77,604	$ 71,000	$ 49,500			
Interest on Project Debt								
Current Depreciation	$ 141,246	$ 182,822	$ 181,224	$ 181,224	$ 135,918	$ -	$ -	$ -
Project Depreciation					$ 342,000	$ 684,000	$ 684,000	$ 684,000
Current Amortization	$ 40,197	$ 40,197	$ 40,197	$ 40,197	$ 30,148			
Supplies	$ 533,509	$ 600,264	$ 638,145	$ 638,145	$ 651,894	$ 679,390	$ 707,352	$ 707,352
Other Expenses	$ 950,837	$ 1,044,007	$ 1,071,245	$ 1,071,245	$ 1,106,112	$ 1,184,671	$ 1,167,594	$ 1,167,594
TOTAL OPERATING EXPENSES	$ 5,866,532	$ 6,208,095	$ 6,493,953	$ 6,487,349	$ 6,841,456	$ 7,155,149	$ 7,279,014	$ 7,279,014
INCOME								
Income From Operations	$ 342,625	$ 43,851	$ 506,574	$ 513,178	$ 244,645	$ 103,301	$ 116,445	$ 116,445
SUBTOTAL	$ 342,625	$ 43,851	$ 506,574	$ 513,178	$ 244,645	$ 103,301	$ 116,445	$ 116,445
NET INCOME (LOSS)	$ 342,625	$ 43,851	$ 506,574	$ 513,178	$ 244,645	$ 103,301	$ 116,445	$ 116,445

Source: DI #3, CON Tables tab, Table F.

According to the applicant's projections, the new facility should retain financial viability, with positive income from operations in each year. The projections include an aggressive assumption for the proportion of Medicare patient days at the facility, growing from about 28% currently to about 41% when the project is completed. A move of the facility to a hospital campus

is likely to result in a higher proportion of Medicare patient days, especially when the facilities are part of the same system.

(b) Staffing

Table III-12, below, shows the total number of salaried and contractual employees who will staff the replacement facility. BW expects that it will require an additional one-half, full-time equivalent social work staff at the new facility. The mix of nursing and other staff categories are assumed to remain the same. Overall wage and benefits will rise by $31,947 annually.

Table III-12: Brinton Woods - Winfield Staffing Projections

Position	# FTEs	Projected Salary Expense
Administration		
Administration	5.9	$303,514
Direct Care	38.3	$1,774,991
Support	24.4	977,096
Total FTEs	**68.1**	**$3,055,602**
Employee Benefits*		**$502,648**
Total Salaries & Benefits		**$3,558,250**

*Projected by applicant at 16.45% of Salary Expense.
Source: DI #3, CON Tables, Table H.

Table III-13, below, indicates that the applicant will have a direct care staffing schedule that will deliver an overall average ratio of 3.53 hours per-bed per-day of care across the facility during weekdays, and 3.47 hours on weekends and holidays. The majority of the caregivers are nurses and aides, which is appropriate. These staffing ratios are well above the minimum of three hours per bed per day required by COMAR 10.07.02.12.

Table III-13: Nurse Staffing Hours by Shift, Brinton Woods - Winfield

	Weekday Hours per Day			Weekend Hours per Day		
Staff Category	**Day**	**Evening**	**Night**	**Day**	**Evening**	**Night**
RN	8	16	8	8	8	8
LPN	16	8	8	16	16	8
Aides	48	48	32	48	48	32
CNAs	0	0	0	0	0	0
Medicine Aides	8	8	0	8	8	0
Ward Clerk*	4	0	0	0	0	0
Total Hours	**84**	**80**	**48**	**80**	**80**	**48**
Total Hours			212			208
Total Number of Beds			60			60
Hours Per Bed Per Day			**3.53**			**3.47**

Source: DI #3, CON Tables tab, Table I.

Summary

BW has demonstrated that it can obtain the financial resources necessary for project development. As far as ongoing operations, MHCC staff notes that the applicant's assumption regarding the proportion of Medicare days may be a little optimistic (which would lead to somewhat optimistic revenue assumptions) as is its assumption that staffing will not increase along with an increased Medicare population. Nevertheless, staff concludes that the applicant's projection of modest positive operating margins is reasonable.

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.

BW has not been issued a previous Certificate of Need. LBH provided its CON history, dating from 2003. Seven certificates have been issued to LBH organizations to-date, with six completed according to the certificate. The remaining certificate, issued in 2005 to Sinai Hospital, was relinquished. There are no outstanding terms, conditions, or commitments to consider.

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.

The applicant maintains that there will be no negative impact on existing facilities. BW does not anticipate any significant changes in referral patterns for admissions. BW projects an increase in Medicare admissions once the new facility opens, but projects no increase in patient days. Medicaid and private pay admissions are projected to decline, with no change in total days of care.

These projections align with BW's desire to provide more specialized services, such as dialysis and chronic disease management. The increased referrals are expected to come from the volume currently sent outside of Carroll County for nursing home care. Therefore, it assumes that there should be no effect on admissions or payer mix for other providers in Carroll County. Additionally, BW expects the overall growth in nursing home demand within Carroll County to allow all the facilities in the County to maintain or increase volume over time. (DI #3, pp. 38-43).

Staff concludes that the impact of this project is generally positive with respect to the living and rehabilitation environment afforded to patients and, furthermore, that the project will not have a negative impact on existing health care providers in the health planning region or on the costs and charges of BW or other providers or on costs to the health care delivery system.

IV. SUMMARY AND STAFF RECOMMENDATION

Staff has analyzed the proposed project's compliance with the applicable State Health Plan standards in COMAR 10.24.08 and with the other review criteria found in COMAR 10.24.01.08G (3). Based on this analysis, Staff recommends that the project be **APPROVED,** with the following conditions:

1. At the time of first use review, Brinton Woods Health Care Center, LLC shall provide the Commission with a Memorandum of Understanding with the Maryland Medical Assistance Program committing to maintain the minimum proportion of Medicaid patient days required by Nursing Home Standard COMAR 10.24.08.05A(2); and

2. Brinton Woods Health Care Center, LLC shall meet and maintain the minimum proportion of Medicaid patient days required by its Memorandum of Understanding with the Maryland Medical Assistance Program and by Nursing Home Standard COMAR 10.24.08.05A(2).

IN THE MATTER OF	*	**BEFORE THE**
	*	
BRINTON WOODS HEALTH AND	*	**MARYLAND HEALTH**
	*	
REHABILITATION AT WINFIELD	*	**CARE COMMISSION**
	*	
Docket No. 18-06-2422	*	
	*	

* *

FINAL ORDER

Based on the analysis and findings in this Staff Report and Recommendation, and the record in this review, it is this 16th day of October, 2018, **ORDERED**:

That the application by Brinton Woods Health Care Center, LLC to replace and relocate the existing 60-bed comprehensive care facility known as Brinton Woods Health and Rehabilitation at Winfield from Sykesville, Maryland to the campus of Carroll Hospital in Westminster is **APPROVED,** subject to the following conditions:

1. At the time of first use review, Brinton Woods Health Care Center, LLC shall provide the Commission with a Memorandum of Understanding with the Maryland Medical Assistance Program committing to maintain the minimum proportion of Medicaid patient days required by Nursing Home Standard COMAR 10.24.08.05A(2); and

2. Brinton Woods Health Care Center, LLC shall meet and maintain the minimum proportion of Medicaid patient days required by its Memorandum of Understanding with the Maryland Medical Assistance Program and by Nursing Home Standard COMAR 10.24.08.05 (2).

APPENDICES

APPENDIX 1
RECORD OF THE REVIEW

Brinton Woods Health & Rehabilitation at Winfield
Docket No. 18-06-2422

Item #	Correspondence File	Date
1	Commission staff acknowledges receipt of letter of intent	2/27/18
2	Letter of support received	4/6/18
3	The applicant filed its Certificate of Need application	4/6/18
4	Commission staff acknowledges receipt of application for completeness review	4/10/18
5	Commission staff requests that the *Baltimore Sun* publish notice of receipt of application	4/10/18
6	Commission staff requests that the *Maryland Register* publish notice of receipt of application	4/10/18
7	Notice published of receipt of application in the *Baltimore Sun*	4/17/18
8	Commission staff requests completeness information	6/4/18
9	E-Mail communication applicant's request and MHCC staff's grant of extension (to 6/22/18) to file completeness information	6/15/18
10	E-Mail communication seeking and granting additional extension of time to file completeness	6/21/18
11	Applicant submits completeness information	6/25/18
12	Commission staff notified the applicant of formal start of review of application, effective 8/3/18	7/18/18
13	Commission staff requests that *Baltimore Sun* publish notice of formal start of review	7/18/18
14	Commission staff requested that the *Maryland Register* publish notice of formal start of review	7/18/18
15	Request made to the Local Health Planning Department for comments on the CON application	7/18/18
16	Notice published of formal start of review in *Baltimore Sun*	7/24/18
17	Email correspondence between staff and Teresa Fletcher, Assistant Vice President, Business Development, LifeBridge Health Partners, regarding facility deficiencies	9/25/18

APPENDIX 2

MARSHALL VALUATION SERVICE OVERVIEW

The Marshall Valuation System – what it is, how it works

In order to compare the cost of a proposed construction project to that of similar projects as part of a cost-effectiveness analysis, a benchmark cost is typically developed using the Marshall Valuation Service ("MVS"). MVS cost data includes the base cost per square foot for new construction by type and quality of construction for a wide variety of building uses including nursing homes.

The base cost reported in the MVS guide are based on the actual final costs to the owner and include all material and labor costs, contractor overhead and profit, average architect and engineering fees, nominal building permit costs, and processing fees or service charges and normal interest on building funds during construction. It also includes: normal site preparation costs including grading and excavation for foundations and backfill for the structure; and utilities from the plot line to the structure figured for typical setbacks.

The MVS costs do not include costs of buying or assembling land, piling or hillside foundations (these can be priced separately), furnishings and fixtures not found in a general contract, general contingency set aside for some unknown future event such as anticipated labor and material cost increases. Also not included in the base MVS costs are site improvements such as signs, landscaping, paving, walls, and site lighting. Offsite costs such as roads, utilities, and jurisdictional hook-up fees are also excluded from the base costs.[4]

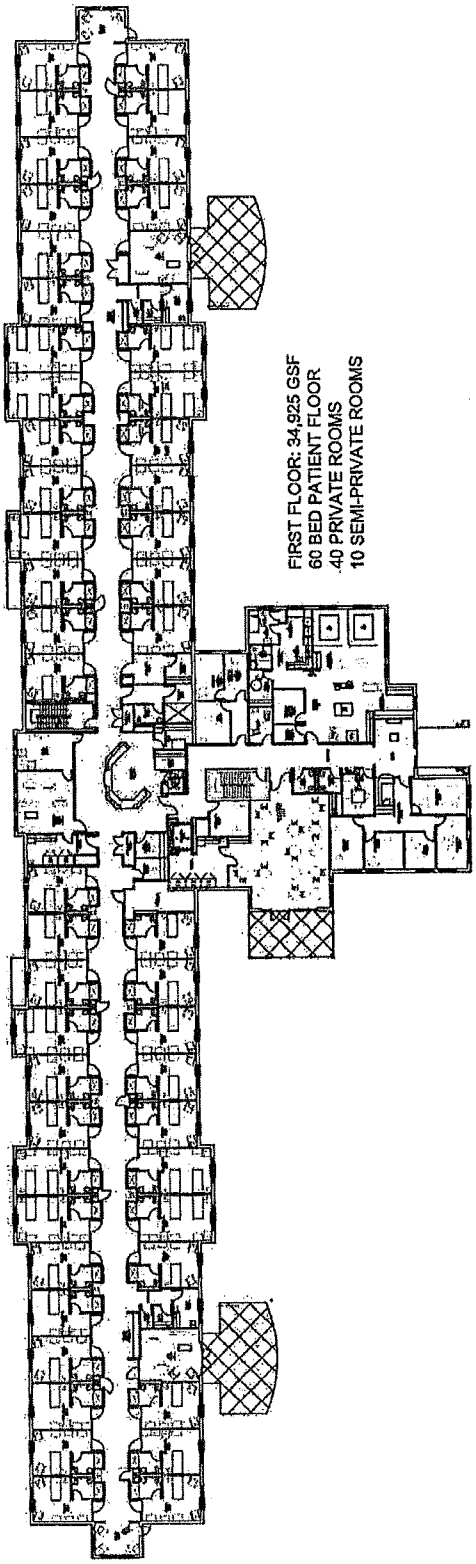
MVS allows staff to develop a benchmark cost using the relevant construction characteristics of the proposed project and the calculator section of the MVS guide.

In developing the MVS benchmark costs for a particular nursing home project the base costs are adjusted for a variety of factors using MVS adjustments such as including an add-on for sprinkler systems, the presence or absence of elevators, number of building stories, the height per story, and the shape of the building (the relationship of floor area to perimeter). The base cost is also adjusted to the latest month and the locality of the construction project.

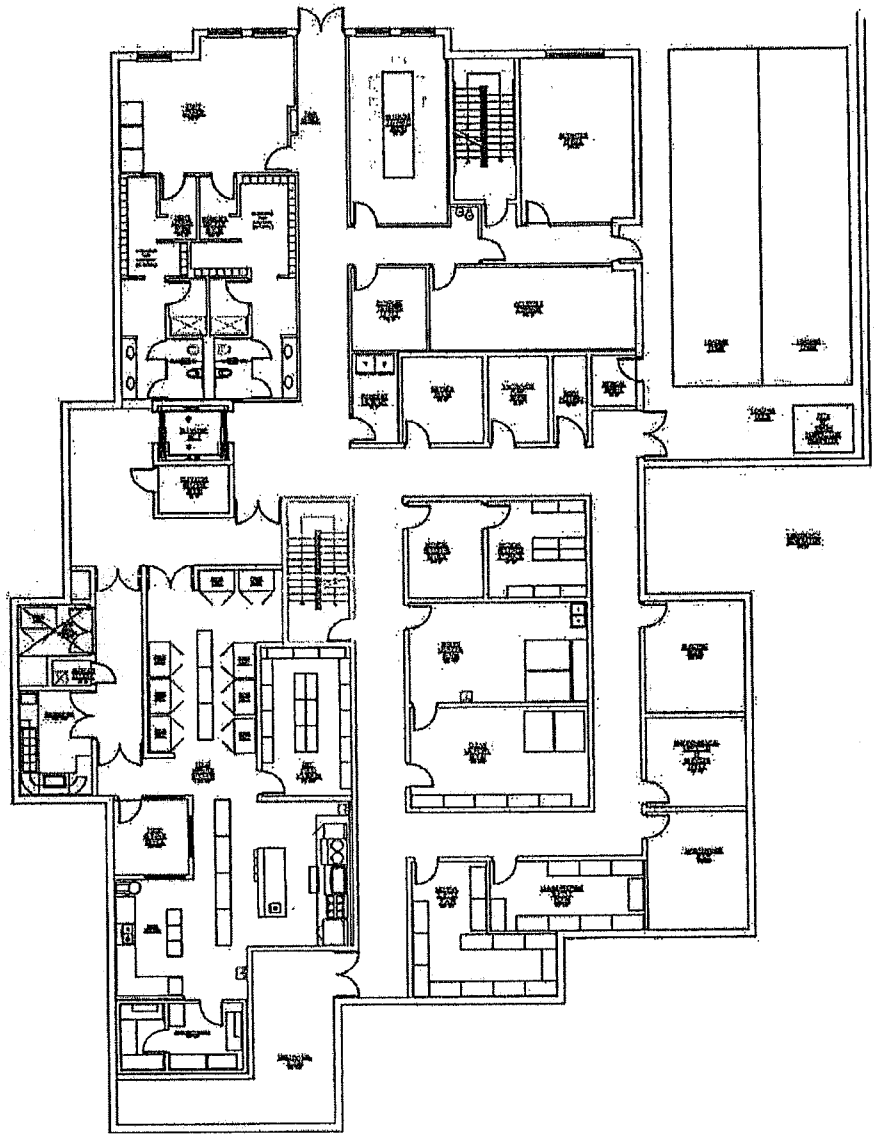
[4] Marshall Valuation Service Guidelines, Section 1, p. 3 (January 2014).

APPENDIX 3

Floor Plans
First Floor



Service Level



LOWER LEVEL SUPPORT SPACE: 10,855 GSF

LOWER LEVEL STRUCTURED LOADING DOCK: 1,605 SF