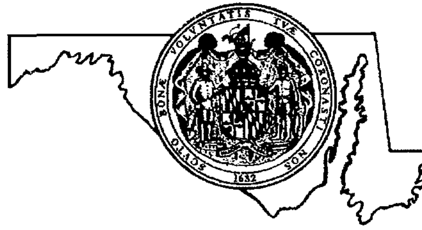
Robert E. Moffit
CHAIR

STATE OF MARYLAND



Ben Steffen
EXECUTIVE DIRECTOR

MARYLAND HEALTH CARE COMMISSION

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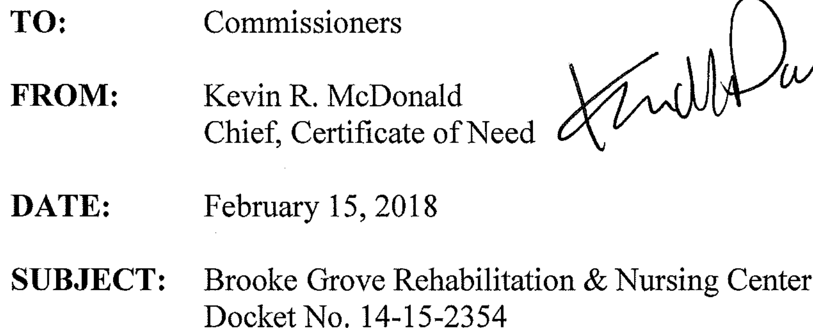
MEMORANDUM

TO: Commissioners

FROM: Kevin R. McDonald
Chief, Certificate of Need



DATE: February 15, 2018

SUBJECT: Brooke Grove Rehabilitation & Nursing Center
Docket No. 14-15-2354

Enclosed is the staff report and recommendation for a Certificate of Need ("CON") application filed by Broadmead, Inc., a Continuing Care Retirement Community ("CCRC") located in Cockeysville, for the renovation and expansion of its 35-year old, 70-bed nursing home ("CCF"). There will be no increase in licensed beds, but the project will increase the number of private rooms from 40 to 54 and will reorganize the CCF bed capacity into "households" for specific categories of nursing home patients. Broadmead believes the project will reduce the institutional quality of the current facility, establishing a more home-like setting. The project is part of a larger CCRC-wide campus project.

The total estimated cost for Broadmead's complete CCRC campus expansion and renovation project is $78,528,000. The reviewable CCF component is estimated to cost $14,723,000. Broadmead will fund the project with borrowing, generated through the sale of bonds, totaling $14,537,000 and $186,000 in cash equity.

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 conditions:

1. At the time of first use review, Broadmead shall provide the Commission with an executed Memorandum of Understanding with the Maryland Medical Assistance Program agreeing to maintain a minimum proportion of 15.4% of its patient days for Medicaid recipients. This proportion adjusts the requirement defined in COMAR 10.24.08.05A(2)(b) in recognition of Broadmead's CCF being part of a CCRC which needs approximately 65% of its bed-days to be available to its CCRC residents.

2. Broadmead shall, by the second year of operation of the expanded and renovated CCF, provide at least 15.4 % of its total patient days to Medicaid patients.

3. Broadmead shall meet and maintain at least a minimum proportion of 15.4% Medicaid patient days.

IN THE MATTER OF	*	BEFORE THE
	*	
BROADMEAD, INC.	*	MARYLAND HEALTH
	*	
Docket No.: 17-03-2394	*	CARE COMMISSION
	*	

* *

Staff Report and Recommendation

February 15, 2018

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I. INTRODUCTION

A. The Applicant

The applicant is Broadmead, Inc. ("Broadmead"). Broadmead and its sole member, Friends Care, Inc., are not-for-profit, Maryland corporations. Broadmead is a continuing care retirement community ("CCRC")[1] located at 13801 York Road in Cockeysville (Baltimore County). It opened in 1979 and is currently comprised of 265 independent living units, 30 assisted living beds, and 70 licensed comprehensive care facility ("CCF") or nursing home beds.

While primarily used by CCRC residents, the CCF beds at Broadmead are available for use by the general public. Broadmead also offers home-based services provided through Friends Circle, Inc., a licensed residential services association providing support for functionally disabled persons in the community, seeking to meet their health and social needs to promote optimal independence in the least restrictive setting. These home-based services will not be impacted by the project. (DI #2, p. 3).

Broadmead's CCF is licensed for 70 beds, with 40 private and 15 semi-private rooms; however, based on its residents' wishes, it has primarily used its semi-private rooms for single-occupancy. Broadmead has not sought Medicaid-certified, and thus does not admit or serve Medicaid patients. It received its CON in 1977, prior to establishment of the standard in the. Nursing Home Chapter, COMAR 10.24.08, that requires an applicant to execute a Memorandum of Understanding ("MOU") obligating it to meet a certain minimum percentage of Medicaid patient-days. In its CON application, Broadmead is required to make, and has made, a commitment to a provide care to Medicaid recipients. The details of this commitment will be discussed later in the recommendation.

B. The Project

In 2014, Broadmead's Board of Trustees began developing a strategic plan to reposition and renovate the community based on four strategic goals:

(1) Provide exceptional senior living services and superior healthcare to [our] residents;
(2) Establish and maintain a person-centered culture that respects the independence, choice, and dignity of each individual;
(3) Create Centers of Excellence in programs and environments in senior living and healthcare; and

[1] On its website, the Maryland Department of Aging, states that "[a] lthough the legal definition of 'continuing care' is complex, in general, 'continuing care' exists when all three of the following are present: (1) The consumer pays an entrance fee that is, at a minimum, three times the average monthly fee; (2) The provider furnishes or makes available shelter and health-related services to persons 60 years of age or older; and (3) The shelter and services are offered under a contract that lasts for a period of more than one year, usually for life"

(4) Expand programs, on and off Broadmead's campus, to a population of older adults more reflective of the economic levels and socio-cultural demographics of the mid-Atlantic region.

Broadmead proposes to expand and renovate its entire CCF. The project will add 12,243 additional square feet ("SF") to the CCF (an increase of 48%), increasing nursing home space from 25,556 SF to 37,799 SF. It will reorganize the CCF bed capacity into "households" for specific categories of nursing home patient. The project will create a 17-bed short term "rehabilitation household" for short-stay (primarily Medicare) patients; a 13-bed "dementia care household"; a 27-bed "long-term care household"; and a 13-bed household adjacent to an existing assisted living household. The project will not increase licensed bed capacity but is expected to create a CCF in which Broadmead will deploy all of its licensed bed capacity. The project will increase the number of private rooms from 40 to 54. Broadmead believes the project will reduce the institutional quality of the current facility, establishing a more home-like setting.

The CCF expansion and renovation is part of a larger campus capital project that will include these elements:

- Addition of a new "Memory Support" assisted living household with 14 new licensed assistant living beds;
- Creation of dedicated space to support a Center of Excellence for health and wellness;
- Addition of two new independent living apartment buildings, each with 26 homes and lower level covered parking; and
- Renovation of several common areas including a library, pool, meeting rooms, and parking areas.

The CCF component of Broadmead's plan requires Certificate of Need ("CON") review and approval because it is estimated to cost $14.7 million, which exceeds the capital expenditure threshold that triggers the need for CON review of nursing home projects (currently $6 million).

The total estimated cost for Broadmead's complete CCRC campus expansion and renovation project is $78,528,000. The reviewable CCF component is estimated to cost $14,723,000. Broadmead will fund the project with borrowing, generated through the sale of bonds, totaling $14,537,000 and $186,000 in cash equity.

C. Summary of 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, State Health Plan for Facilities and Services: Nursing Home Services, as well as the review criteria at COMAR 10.24.01.08G(3). A summary of the basis for this recommendation follows in Table I-1.

Table I-1: Summary of MHCC Staff Conclusions Regarding Broadmead's Application

Standard/Criteria	Staff Conclusions
Quality	Broadmead meets the standard as written. It also rated higher than the state average on 11 of the 12 quality measures MHCC staff has identified as being among the most important measures tracked on MHCC's *Consumer Guide to Long Term Care*.
Need	The proposed project does not add licensed bed capacity (to a jurisdiction that has enough, based on MHCC bed need projections). The project will update a 35-year old facility that the applicant characterizes as "antiquated, institutional, medical model of care" in nature to one that the applicant describes as more homelike. It will bring the facility up to current standards and replace existing building systems with more energy-efficient infrastructure.
Cost Effectiveness	The applicant implemented a thorough planning process including the development and systematic evaluation of four alternatives.
Viability	Broadmead has demonstrated that it is financially sound and has the ability to finance the proposed project with debt. On an operational basis, the CCF has operated with a positive margin and Broadmead reasonably projects profitable operation after implementation of the project.
Impact	The project's impact on other providers should be minimal. The public will benefit from an upgrade in the current nursing home stock, and that benefit – though modest – will particularly accrue to Medicaid recipients, given that Broadmead will, for the first time, seek Medicaid certification and will be signing an MOU committing it to provide a proportion of its patient-days to Medicaid patients. Although modest, this is an incremental improvement in the choices available to Baltimore-area residents eligible for Medicaid nursing home benefits.

Based on its conclusions, staff recommends **APPROVAL** of the applicant's request for a CON with the following conditions:

1. At the time of first use review, Broadmead shall provide the Commission with an executed Memorandum of Understanding with the Maryland Medical Assistance Program agreeing to maintain a minimum proportion of 15.4% of its patient days for Medicaid recipients. This proportion adjusts the requirement defined in COMAR 10.24.08.05A(2)(b) in recognition of Broadmead's CCF being part of a CCRC which needs approximately 65% of its bed-days to be available to its CCRC residents.

2. Broadmead shall, by the second year of operation of the expanded and renovated CCF, provide at least 15.4 % of its total patient days to Medicaid patients.

3. Broadmead shall meet and maintain at least a minimum proportion of 15.4% Medicaid patient days.

II. PROCEDURAL HISTORY

A. Record of the Review

Please see Appendix 1, Record of the Review.

B. Local Government Review and Comment

No local government individuals or agencies submitted comments on this project.

C. Community Support

The following individuals submitted letters in support of the Broadmead project:

1. Senator James Brochin, 42nd Legislative District, Baltimore County
2. Delegate Susan Aumann, Legislative District 42B, Baltimore County
3. Kevin Kamenetz, Baltimore County Executive
4. John Chessare, M.D., President and Chief Executive Officer, Greater Baltimore Medical Center Healthcare
5. Paul Nicholson, Senior Vice President/Chief Financial Officer, University of Maryland St. Joseph Medical Center
6. Alma Smith, President, Maryland Continuing Care Residents Association and Broadmead resident

Letters from Senator Brochin and Delegate Aumann described Broadmead as a high quality life care community with a history of excellent service for seniors, and stated that Baltimore County residents will be best served with state-of-the-art facilities that anticipate the growing demands of an aging population. Hospital representatives from the University of Maryland St. Joseph Medical Center and the Greater Baltimore Medical Center sent letters supporting the application, stating that Broadmead must have a state-of-the-art nursing facility to continue meeting the needs of the aging population. (DI #3, Tab 9).

D. Interested Parties

There are no interested parties in opposition to this project.

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 for this review is COMAR 10.24.08, the State Health Plan for Facilities and Services: Nursing Home Services ("Nursing Home Chapter" or "Chapter")). The specific applicable standards in the Chapter include the general standards

found in Section .05A, standards for new construction found in Section .05B, and standards for renovation of facilities, found in Section .05C.

COMAR 10.24.08.05 Nursing Home Standards

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

(1) Bed Need

The bed need in effect when the Commission receives a letter of intent for the application will be the need projection applicable to the review.

As noted in the project description, Broadmead is not proposing to increase the number of CCF beds for which it is currently licensed, but seeks to make changes to the facility that it believes will allow it to deploy more of its licensed beds.

The Commission does not project a need for additional CCF beds in Baltimore County., as shown in Table III-1, below. A substantial surplus of beds was identified for the jurisdiction based on the last bed need projection developed and published by MHCC.[2] (Note: MHCC has chosen not to publish an updated CCF bed need projection in recent years because of the age and difficulty in accurately updating the current methodology. MHCC plans to update the CCF bed need projection in 2018 after the Nursing Home Chapter is updated, a project currently underway.) The average annual occupancy rate of CCF beds in Baltimore County was just above 89% for the period of 2013 through 2016.

Table III-1: CCF Bed Need Projection for Baltimore 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
5,351	40	0	105	5,496	4,585	-911	228	0

Source: MHCC Gross and Net 2016 updated bed need projections for Nursing Home Beds in Maryland. Maryland Register (Issued April 29, 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

[2] Note that MHCC staff has not published an updated CCF bed need projection but intends to update the projection in 2018 after the Nursing Home Chapter is replaced, a project currently underway.

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 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.

(c) An applicant shall agree to continue to admit Medicaid residents to maintain its required level of participation when attained, and have a written policy to this effect.

(d) Prior to licensure, an applicant shall execute a written Memorandum of Understanding with the Medicaid Assistance Program of the Department of Health and Mental Hygiene to:

(i) Achieve or maintain the level of participation required by .05A2(b) of this Chapter; and
(ii) Admit residents whose primary source of payment on admission is Medicaid.
(iii) An applicant may show evidence why this rule should not apply.

This standard requires that an applicant seeking a CON for a CCF project must commit to a minimum level of service to Medicaid patients, based on the recent experience of CCFs in the region or jurisdiction. The most recent published minimum Medicaid participation level applicable to this standard for the Broadmead project is 42.59% of total patient days, the level for Baltimore County. The Central Maryland regional level is slightly higher, at 46.9%. An applicant must only commit to the lower of the jurisdictional or regional level.[3]

Broadmead's application responded to this standard with a proposal to meet the applicable Medicaid requirement (42.59%) based on "the patient days generated by admissions from the public (i.e., not Broadmead CCRC members)," exclusive of any Medicaid days accrued by their CCRC members. (DI #2, p. 16). The applicant projected that, on average, residents of its community would need approximately 48 of its 70 CCF beds. That is, it proposed that it would allocate at least 42.59% of the patient-days used by the general public (non-CCRC residents) to patients covered by Medicaid. Broadmead's projections showed that such an approach would result in 15.4% of all of its CCF patient-days being used by Medicaid recipients, well below the 42.59% required. (DI #14, Table G).

Staff recognized that an MOU obligating Broadmead to a 42.59% Medicaid census for all of its CCF beds would conflict with Broadmead's obligation, as a continuing care retirement

[3] *Required Maryland Medical Assistance Participation Rates for Nursing Homes by Region and Jurisdiction* (*Maryland Register*, March 31, 2017).. also accessible at:
http://mhcc.maryland.gov/mhcc/pages/hcfs/hcfs_shp/documents/shp_nursing_home__2015_medicaid_part_rate_20170331.pdf

community, to accommodate the demand for CCF services to its retirement community residents.[4] Commission staff proposed a commitment to serving Medicaid patients at a minimum of 30% of patient days, which is higher than the effective 15.4% initially suggested by the applicant, but still lower than the jurisdictional requirement. Staff anticipated that 30% would still allow for adequate bed capacity for its resident campus population's needs. Broadmead rejected staff's suggestions, stating that it would not be feasible to commit to a minimum Medicaid participation rate of 30% across all its CCF beds. (DI #13). Staff then requested that Broadmead demonstrate why the project would not be feasible at a 30% level of Medicaid participation. Broadmead responded with financial projections showing operating results for both the CCF component (alone) and the CCRC as a whole under two scenarios.[5] Staff has excerpted data from the applicant's submission to show the respective projected operating results.

In the two tables below, Scenario A reflects Broadmead's projection of operating results with a 30.8% Medicaid commitment on all 70 CCF beds and Scenario B reflects its projection of operating results with a 15.4% Medicaid commitment on all 70 CCF beds.[6]

Table III-2: Broadmead: Projected Operating Results for the Broadmead CCF Component Under Two Alternative Medicaid MOU Commitment Levels

	SCENARIO A (30.8% Medicaid patient days)		**SCENARIO B (15.4% Medicaid patient days)**	
	2022	**2024**	**2022**	**2024**
Patient days (92.9% average annual occupancy rate assumption)	23,725	23,725	23,725	23,725
% Medicaid days	30.8%	30.8%	15.4%	15.4%
Net Operating Revenue	$10,962,000	$11,147,000	$11,942,000	$12,114,000
Operating Expense	$10,532,000	$10,599,000	$10,788,000	$10,886,000
Net Income	**$430,000**	**$548,000**	**$1,154,000**	**$1,257,000**

Source: DI#14, Tables E and G

[4] In its CON application, Broadmead stated that in Fiscal Year ("FY") 2015, its CCRC residents accounted for 85.5% of its total CCF patient days, an average daily census of 44.2 patients and, in FY 2016, its CCRC residents accounted for 78.9 percent of its total CCF patient days, an average daily census of 42.5 patients.

[5] At one point, Broadmead revised its application to restrict 48 of its 70 beds for CCRC residents, thus making just the remaining 22 "public beds" subject to the minimum Medicaid participation MOU. (DI #14). It later withdrew this revision. (DI #28).

[6] 15.4% is 45% of the 22 beds that Broadmead projects would be available for non-CCRC resident use.

Table III-3: Broadmead: Projected Operating Results for the Entire Broadmead CCRC Under Alternative Medicaid MOU Commitment Levels

	Actual		Projected	Post-project			
			As currently configured (all public beds, but no Medicaid participation)	SCENARIO A (30.8% Medicaid patient days)		SCENARIO B (15.4% Medicaid patient days)	
	2015	2016	2017	2022	2024	2022	2024
Total Resident/ Patient Days	115,393	114,618	117,348	141,328	141,395	141,328	141,395
Net Operating Revenue	$25.31M	$26.0M	$26.16M	$34.58M	$35.05M	$35.57M	$36.07M
Operating Expense	$22.8M	$24.66M	$25.39M	$36.48M	$36.91M	$36.74M	$37.17M
Net Income	**$2.5M**	**$1.36M**	**$.77M**	**($1.9M)**	**($1.86M)**	**($1.16M)**	**($1.1M)**

Source: DI#14, Tables D and F

Broadmead's projections show that:

- The CCF component of the Broadmead CCRC, as modeled by Broadmead (in Table III-2, above), would show positive operating results under either scenario, but would more than double its net income under Scenario B, the scenario with a lower Medicaid requirement.
- The performance of the entire CCRC, as modeled by the applicant in Table III-3, above, has projected operating losses for the community under both scenarios, but reduces those losses by approximately $700,000 under Scenario B.[7]

Broadmead also stated that the higher Medicaid participation rate would:

- Cause Broadmead's days of cash on hand to decrease by approximately 8.25 days for the first year of operation of the expanded and renovated campus and in each succeeding year;

---

[7] Broadmead's Chief Financial Officer John Palkovitz explained the projected CCRC operating losses as follows:

> Generally, capital investment is recouped over the lifespan of 2-3 occupying residents, not within the lifespan of a single contract holder. Therefore significant capital investments, of the nature Broadmead is planning, will result in GAAP operating losses as depreciation expense and interest expense costs exceed entrance fee amortization in early years of operation after a significant improvement, and turn to operating income in later years (well beyond the projection period) as the effects of inflation increase entrance fees and the related amortization expense while the depreciation expense and interest cost stay relatively stable or decrease over time as they result from a single large investment. (DI#19).

- Decrease Broadmead's debt service coverage ratio from a previously calculated 1.77 to 1.61, which would drop Broadmead below the average debt service coverage ratio for Type A continuing care communities[8] of 1.74.[9]
- Require Broadmead to revise and resubmit its project to the Maryland Department of Aging. (DI# 18, p.3).

Finally, Broadmead stated its concern that

> being subject to Medicaid participation rates at or above the 30% level, bed availability for residents of Broadmead in future years may become a challenge given the 20% expansion of our Independent Living facilities anticipated with our [Maryland Department of Aging] -approved Master Plan. Currently, Broadmead serves an average of 45 CCRC residents on a daily basis based on an Independent Living complement of 249 units. With reasonable occupancy assumptions, 92.8% of licensed beds (or 65 beds), the proposed Medicaid service requirement would require Broadmead to maintain an average Medicaid resident census of 20 persons, allowing no room to service the additional independent living population contemplated as a part of the approved Master Plan.
> (DI #18, p.4).

Broadmead projects that in 2022, the first full year of operation after the project is completed, its CCRC residents would consume 16,133 CCF patient days, which yields an average daily census of 44.2 (and 63% of total possible available patient-days). This projection is very similar to the reported three-year average of its 2015 to 2017 experience of 16,067 CCF patient days. (DI #14, Table D; DI #26, p.2).

In the actuarial report that the Maryland Department of Aging ("MDOA") requires from CCRCs every three years, Broadmead's actuary projected that in 2022 Broadmead would require 19,501 CCF days for its residents – an average daily census of 53.4 (which translates to 76.3% of available patient-days)., further demonstrating the infeasibility of applying the 42.59% minimum requirement.[10] (DI#25).

Based on Broadmead's response, staff recommends that the Commission accept Broadmead's proposal to provide a minimum of 15.4% of its total patient-days to Medicaid patients as a reasonable accommodation of the intent behind of this standard. First, it is clear that meeting the 42.59% minimum Medicaid participation requirement would conflict with the primary role of this CCF, which is serving as a component of the continuum of care for residents of its

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[8] Note that Broadmead has historically been a Type A community but anticipates that, going forward, it will be 75% Type A and 25% Type C.

[9] Broadmead is a CARF-accredited facility. CARF accreditation is intended to demonstrate a provider's commitment to standards of accountability and high performance

[10] Broadmead stated that it believed that its CCRC CCF-use projections were more accurate than the actuarial projections because of: growing desire of residents to age in place; greater utilization of outpatient therapy and community-based services; and the addition of 14 Assisted Living Memory Support beds as part of this project. (DI #26, pp.2-3).

retirement community. This is clear based on recent demand for CCF beds by the resident population and Broadmead's plan to add more independent living units to its campus in conjunction with modernization of its CCF facilities.

Secondly, staff concludes that Broadmead's points with respect to the deterioration of its debt service coverage ratio and the higher level of risk introduced in managing its financial affairs that result from the lower level of income generation possible with a larger Medicaid patient census are substantive. Staff does not want to make a recommendation that would jeopardize the ability of Broadmead to operate within the range of financial ratios recommended for CCRCs or create a higher risk for deteriorating its creditworthiness under CARF liquidity requirements.

Finally, 15.4% amounts to approximately 45% of the number of patient-days that Broadmead projects will be available for non-CCRC residents. Broadmead's estimate of publicly-available patient-days seems credible in light of its residents' historical and projected use of CCF days, and, in fact, may be an aggressive target when considering the actuary's higher projection of CCF use by CCRC residents.

Standards 10.24.08.05(3) Community-Based Services, .05(4) Nonelderly Residents, 0.05(5) Appropriate Living Environment, 0.05(6) Public Water

Among the remaining applicable standards are several that prescribe policies, facility features, and staffing and/or service requirements that an applicant must meet, or agree to meet prior to first use. Staff has reviewed the CON application and confirmed that the applicant provided sufficient information and affirmations that demonstrate full compliance with the following standards:

.05(3) Community-Based services
.05(4) Nonelderly Residents
.05(5) Appropriate Living Environment
.05(6) Public Water

Staff has concluded the proposed project meets the requirements of these standards. The applicant:

- Is in compliance with the community based services requirement and provided a copy of the alternative community based services information provided to prospective residents. (DI #2, p. 17).
- Provides a training program called "Person First" which covers a broad spectrum of topics and requires all Broadmead staff to complete monthly online training. (DI #2, p. 17).
- Provided a copy of the discharge planning policy which is initiated at admission and can be revised as needed based on therapy and clinical recommendations. (DI #2, p. 18).
- States all residents will have appropriate living environment with private bathrooms and individual temperature controls. ((DI #2, p. 18).

- Is currently and will continue to be served by public water system. (DI #2, p. 19).

These standards, as well as the location within the application where compliance is documented, is attached as Appendix 2.

(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;

Broadmead states that it will serve clients with short-term rehabilitative needs along with those diagnosed with dementia.

(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.

Broadmead cited numerous articles that address a variety of aspects of and factors influencing the creation of a more home-like environment. The applicant describes the "household model" as one that empowers and encourages staff, residents, and families to work together to create a home-like atmosphere where residents can interact with others and share activities. Broadmead set five programming guidelines for its design, which are: to create neighborhood settings by program area (household model); to provide central living and dining areas with access to natural light in each neighborhood; to increase privacy; to increase the capability for bathing within rooms; and to enhance levels of care to serve a more diverse population. (DI #2, p. 19-26).

Staff concludes that the applicant meets 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.

Broadmead states that none of its principals has ever pled guilty or been convicted of a criminal offense in any way connected with the ownership, development, or management of a health care facility. Staff concludes that the applicant complies with the disclosure requirement of this standard. (DI #2, p. 13).

(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.

Broadmead provided a list of specific providers with whom it has collaborative relationships and to whom it makes referrals. Categories of such providers includes nursing homes, hospitals, counseling services, psychosocial organizations, general and specialized clinicians, laboratory and radiology testing facilities. (DI# 11, pp. 3,4).

Staff concludes that the applicant complies with this standard.

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

(1) Bed Need

(a) An applicant for a facility involving new construction or expansion of beds or services, using beds currently in the Commission's inventory, must address in detail the need for the beds to be developed in the proposed project by submitting data including, but not limited to: demographic changes in the target population; utilization trends for the past five years; and demonstrated unmet needs of the target population.

(b) For a relocation of existing comprehensive care facility beds, an applicant must demonstrate need for the beds at the new site, including, but not limited to: demonstrated unmet needs; utilization trends for the past five years; and how access to, and/or quality of, needed services will be improved.

Broadmead is not requesting additional bed capacity or approval to relocate. Broadmead developed a bed need projection for Baltimore County, reportedly using the current State Health Plan methodology with updated population and bed inventory information. This projection identified a surplus of 616 beds. It stated that it was providing this information to show that the gross bed need for 2020 is larger than in the published projections (albeit for 2016) and that, as a result the excess CCF bed capacity in Baltimore County is smaller than shown in current MHCC projections.[11] It also noted that the proposed project will not add to the excess capacity. (DI #2, p. 28).

Staff concludes that this standard is not applicable, given that the applicant is not seeking to add or relocate beds.

[11] With respect to bed need projection, MHCC staff has been considering approaches to updating the SHP's CCF bed need forecasting methodology to prepare for a scheduled update of the Nursing Home Chapter in 2018. The target year 2020 projections it has considered -- using models that are similar in their structure to the current methodology -- shows a higher bed surplus for Baltimore County than does the Broadmead projections. Although the number of excess beds is lower than the most recently published bed need projection, the new model still identifies a substantial surplus.

(2) <u>Facility Occupancy</u>

(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.

Broadmead stated that this standard does not apply to the applicant as the applicant is not seeking expansion of beds. Staff agrees.

(3) <u>Jurisdictional Occupancy</u>

(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 standard does not apply to the applicant because the applicant is an existing nursing home.

(4) <u>Medical Assistance Program Participation</u>

An application for nursing home expansion must demonstrate either that it has a current Memorandum of Understanding (MOU) with the Medical Assistance Program or that it will sign an MOU as a condition of its Certificate of Need.

(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.

(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.

(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.

(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.

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

Broadmead 's CCF was established prior to adoption of the Nursing Home Chapter's standard requiring an applicant to execute an MOU obligating it to meet a certain minimum percentage of Medicaid patient-days. Broadmead is not currently Medicaid certified but intends to become Medicaid certified and enter into an MOU upon completion of this project.

See a more detailed discussion of this subject in this recommendation regarding COMAR 10.24.08.05(2at section III.A(2) of this Staff Report.

(5) <u>Quality</u>

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.

The applicant states that Broadmead has no outstanding level G or higher deficiencies. The applicant provided a Quality Assurance Plan that complies with COMAR 10.07.02.45 and 10.07.02.46. (DI #2, tab 6).

Staff has also made it a practice to comment on quality beyond the narrow requirements of this standard by summarizing an applicant's performance on select quality measures that MHCC staff considers to be among the most important, extracted from surveys conducted by CMS and OHCQ and listed in MHCC's *Consumer Guide to Long Term Care*.

The results for Broadmead, shown in Table III-4 below, are excellent, as the facility bettered the Maryland average on 11 of the 12 measures profiled.

Table III-4: Summary of Broadmead Nursing Homes Quality Measures

Quality Measure	Maryland Average	*Broadmead*
Falls		
Long-stay residents that did not fall and sustain a major injury	**97%**	94%
Pain		
Long-stay residents who do not report moderate to severe pain.	**93%**	99%
Short stay residents who did not have moderate to severe pain.	**86%**	99%
Pressure ulcers		
High risk long stay residents without pressure sores.	**93%**	97%
Short stay residents that did not develop new pressure ulcers or with pressure ulcers that stayed the same or got better.	**99%**	99%
Vaccinations		
Long stay residents assessed and given influenza vaccination during the flu season.	**95%**	100%
Short stay residents assessed and given influenza vaccination during the flu season.	**83%**	85%
Nursing home staff receiving influenza vaccination during flu season (2015-2016).	**88%**	90%
Restraints		
Percent of long-stay residents who were not physically restrained.	**99%**	100%
Deficiencies		
Number of Health deficiencies cited in the most recent annual OHCQ health inspection (2015-2016).	**10.5**	**4**
Resident/Family Satisfaction Survey Results (2015 Long Stay and Short Stay Surveys)		
The rating of overall care provided in the nursing home – long term residents. (2015) (1 being worst care and 10 the best care.)	**8.1**	**8.5**
Percentage of long term residents/family who responded "Yes" to "Would you recommend the Nursing Home?"	**86%**	87%

Source CMS Nursing Home Compare, as reported on MHCC's website: https://mhcc.maryland.gov/consumerinfo/longtermcare/Nursing_Home/Users/FacilityProfile.aspx?FacId=03030

Staff concludes that the quality standard is met.

(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 proposed project is not a relocation of a facility. This standard is not applicable.

C. Renovation of Facility. The Commission will review projects involving renovation of comprehensive care facilities using the following standards in addition to .05A(1)-(9):

(1) ***Bed Status.*** **The number of beds authorized to the facility is the current number of beds shown in the Commission's inventory as authorized to the facility, provided:**

(a) That the right to operate the facility, or the beds authorized to the facility, remains in good standing; and

(b) That the facility provides documentation that it has no outstanding Level G or higher deficiency reported by the Office of Health Care Quality.

Staff has confirmed that Broadmead is authorized to operate 70 beds, the number involved in this application. The CCF is in good standing with no level G or higher deficiencies.

(2) ***Medical Assistance Program Participation.***

See a more detailed discussion of this subject in this report at COMAR 10.24.08.05(2), section III.A (2).

(3) **Physical Plant**

An applicant must demonstrate how the renovation of the facility will improve the quality of care for residents in the renovated facility, and, if applicable will eliminate or reduce life safety code waivers from the Office of Health Care Quality and the State Fire Marshall's Office.

As discussed earlier at 10.24.08.05B.(7), *Facility and Unit Design*, the project is designed to create a more home-like atmosphere increasing opportunities for residents to interact and share activities. The proposed redesign will create "neighborhood" settings by program area with central living and dining areas and access to natural light, increased bathing within rooms, and generally increase privacy.

Staff concludes that this standard is satisfied. (DI # 2, p.35).

OTHER CERTIFICATE OF NEED REVIEW CRITERIA

The project's compliance with the five remaining general review criteria in the regulations governing Certificate of Need is addressed below.

***B.* 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.

Broadmead discussed its need to modernize its 70-bed comprehensive care facility which is more than 35 years old. Its design dates from that era, perpetuating what it describes as an "antiquated, institutional, medical model of care." The renovation and expansion of the current building will reduce the number of semi-private rooms, enhance common spaces, and "support a person-centered, household model of care with the ability to provide consistent staff assignments and family-style household programming and culture." Systems will be upgraded to increase energy efficiency. The master plan design for the renovation of the comprehensive care facility will bring Broadmead back in compliance regarding the number of bathing rooms required under COMAR 10.07.02.28.D.8.[12] (DI #2, p. 36).

As discussed earlier, this proposal comes from an existing provider and will not alter the current bed supply in Baltimore County. As Broadmead currently chooses to operate several of its semi-private rooms as single-occupancy rooms, which is why the facility has been operating at a mid-to-high 70% occupancy rate. The project would marginally increase the effective supply of beds at the facility, and the applicant projects that the physical changes it would make to the facility, coupled with an ability to attract more short-term rehab patients and persons covered by Medicaid would result in boosting its occupancy rate to about 94%.

Given that the applicant is an existing provider that is not seeking to increase its bed capacity and has demonstrated a need to modernize, staff recommends that the Commission find that need for this project has been demonstrated.

C. <u>COMAR 10.24.01.08G(3)(c) Availability of More Cost-Effective Alternatives</u>

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.

The application instructs an applicant to describe the planning process it used to develop the proposed project, including a full explanation of its primary goals or objectives, and to identify and compare alternative approaches to achieving those goals or objectives.

As stated earlier in this Staff Report, Broadmead identified four strategic goals as it planned the community's future. They are:

- Provide exceptional senior living services and superior healthcare to our residents.
- Establish and maintain a person-centered culture that respects the independence, choice and dignity of each individual.
- Create centers of excellence in programs and environments in senior living and healthcare.

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[12] COMAR 10.07.02.28.D.(8): There shall be at least one bathtub or shower, or bathing device (approved by the Department), in a separate room or compartment for each 12 beds. The compartment shall be large enough to accommodate wheelchair and attendant.

- Expand programs, on and off the Broadmead campus, to a population of older adults more reflective of the economic levels and socio-cultural demographics of the mid-Atlantic region.

Broadmead's planning team, comprised of executive leadership, trustees, and residents developed a master plan for the community that would meet these goals. For the 70-bed CCF, the specific objectives were: to maximize the number of private rooms with in-room bathing; create neighborhood settings by program area (rehabilitation, dementia, and long-term care); and enhance the levels of care to serve a more diverse population. (DI,#2, pp.37-39). The applicant discussed four alternatives, and selected Option D. The alternatives and the applicant's assessment of each are described below.

Description of Alternative	Applicant's Assessment
Option A: Remodel the existing nursing home. This option is limited to a "cosmetic" remodeling of the existing facility, retaining the existing floor plans with minor remodeling and new finishes.	This option did not achieve the goals or objectives of the master plan because: resident rooms would remain mostly shared; the household model could not be implemented; and the facility would retain the institutional setting with centralized bathing facilities and one large dining room.
Option B: Renovate the existing nursing home. This option would be a full renovation of the existing nursing home, with a new floor plan and finishes. It would convert rooms to private (15 of the existing 55 rooms are semi-private, so, currently, 30 of the 70 licensed beds are in semi-private rooms) and add in-room bathrooms.	The conversion of semi-private rooms to private and the addition of bathrooms to each room would result in the total number of beds being reduced almost in half. It would also still retain the institutional setting without households, and have one large dining venue. This option did not achieve the goals or objectives of the master plan because the number of resident rooms would not be enough to support operations, no distinct households would exist, and one large dining venue would serve residents.
Option C: Build a new nursing home. This option would build a new facility that would be designed in accordance with goals and programs identified in the master plan. The cost of constructing a new 70 bed facility was estimated to be approximately $12.86 million.	Although this option would allow for a clean-slate construction designed to meet the applicant's goals, this option was determined to be infeasible given that the land necessary to build the facility was not available on campus.
Option D: Renovate the existing space and expand. In this option existing space would be fully renovated with a new configuration and finishes. Space would be added to accommodate the expansion of private rooms (from 40 to 54), and the creation of households, each with a dining venue	Option D is the selected option. It supports the strategic goal of creating a culture of person-centered, individualized care and services. Meal plans, lifestyle events, holiday recognition, and other traditions can all be individualized for each household, based on the preferences of the residents. Each resident will reside in a household where (s)he will have consistent caregivers and can establish and engage in relationships with others who reside in their household.

Staff concludes that the applicant has demonstrated a planning process that included the development and evaluation of alternatives for its project. Staff concludes that this project is the most cost-effective alternative and that providing the services at an alternative existing facility would not be feasible.

D. 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.

The total estimated cost for the CON-regulated portion of the project is $14,723,000; $3,254,000 for new construction, $6,292,000 for renovations, $3,249,000 for other capital costs, and $1,897,000 for financing and other cash requirements. The applicant will contribute $186,000 in cash, and identifies the sale of authorized bonds as the source of the remaining $14,537,000.

Total cost for the campus-wide project is about $78.5 million. Over $77 million of that will be borrowed, with just over $1 million provided in cash.

Table III-5 below outlines that costs and sources of funds for the proposed project.

Table III-5: Project Budget Estimate: Uses and Sources of Funds

A. Uses of Funds	
New Construction	
Building	$2,531,000
Site and Infrastructure	339,000
Architect/Engineering Fees	317,000
Permits (Building, Utilities, Etc.)	28,000
Subtotal – New Construction	**$3,254,000**
Renovations	
Building	$5,650,000
Fixed Equipment (not included in construction)	58,000
Permits (Building, Utilities, Etc.)	113,000
Subtotal – Renovations	**$6,292,000**
Other Capital Costs	
Movable Equipment	$720,000
Contingencies Allowance	580,000
Other – IT costs	575,000
Subtotal - Other Capital Costs	**$3,249,000**
TOTAL CAPITAL COSTS	**$12,795,000**
Financing and Other Cash Requirements	
Loan Fees	$473,000
Legal Fees (CON)	50,000
Consultant Fees - CON	25,000

Non-legal consultant fees	284,000
Debt Service Reserve Fund	1,065,000
Subtotal – Non Current Capital Costs	**$1,897,000**
TOTAL USES OF FUNDS	**$14,723,000**
B. Sources of Funds	
Cash	$186,000
Authorized Bonds	14,537,000
Total Sources of Funds	**$14,723,000**

Source: Broadmead's revised Table C: Project Budget. (DI #14, Table C).p. 8).

Availability of Resources Necessary to Implement the Project

Broadmead submitted audited financial statements that indicated a sound financial condition with positive operating results, and also provided a letter from an investment banking firm expressing confidence in its ability to finance the project.

Highlights from Broadmead's audited financial statements include:

- Current assets of $8.7 million are about double the level of current liabilities.
- Total assets of $93.2 million compare with $52.4 million in total liabilities.
- Operating results for 2015 and 2016 showed an excess of revenue over expenses of $1.36 million and $2.5 million respectively, on total revenues of $26 million and $25.3 million respectively.
- Cash and cash equivalents of $4.3 million (2016) is available to cover the applicant's proposed cash contribution.

A letter was provided from Ziegler (https://www.ziegler.com/), an investment banking firm, which stated that it works with senior living organizations such as Broadmead to obtain financing for capital projects, and expressed confidence that "Broadmead will obtain adequate financing of the approximately $77.5 million…to implement the project." (DI#2, Tab 8). This criterion also directs the Commission to consider community support. As discussed earlier in the application, the applicant included a number of supportive letters from local hospitals and public officials.

Availability of Resources Necessary to Sustain the Project

Broadmead projects positive operating results for the CCF component of its total project, even as it projects losses in the initial years after project implementation for the CCRC as a whole (see table below). As previously noted, when queried about the project's feasibility in light of these projected losses, Broadmead's Chief Financial Officer John Palkovitz explained the projected CCRC operating losses as follows:

> Generally, capital investment is recouped over the lifespan of 2-3 occupying residents, not within the lifespan of a single contract holder. Therefore significant capital investments, of the nature Broadmead is planning, will result in GAAP operating losses as depreciation expense and interest expense costs exceed entrance

fee amortization in early years of operation after a significant improvement, and turn to operating income in later years (well beyond the projection period) as the effects of inflation increase entrance fees and the related amortization expense while the depreciation expense and interest cost stay relatively stable or decrease over time as they result from a single large investment.
(DI #19).

Table III-6: Broadmead Entire CCRC and CCF Operating Revenues and Expenses (in $ millions and rounded)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
CCRC										
Total Revenue	26.3	26.0	26.2	26.3	26.4	28.3	33.6	35.6	35.8	36.1
Total expense	22.8	24.7	25.4	25.8	26.0	28.3	34.1	36.7	36.9	37.2
Net Income	**2.5**	**1.36**	**.77**	**.51**	**.44**	**.06**	**(.51)**	**(1.2)**	**(1.1)**	**(1.1)**
CCF only										
Total Revenue					9.6	9.9	11.1	11.9	12.0	12.1
Total expense					8.0	8.4	10.0	10.8	10.8	10.9
Net Income					**1.6**	**1.5**	**1.1**	**1.2**	**1.2**	**1.3**

Source: DI #14, Tables F and G.

Mr. Palkovitz also pointed out that the Maryland Department of Aging ("MDOA") is charged with reviewing feasibility studies and that a CCRC provider cannot begin construction of a project until MDOA approves the feasibility study, which includes an analysis of the financial feasibility of the project. This project has been approved as proposed by MDOA.

Staff concludes that Broadmead has demonstrated its sound financial footing and its ability to gain financial backing for its proposed project. On an operational basis, the CCF portion of the project – i.e., the component MHCC regulates – has operated with a positive margin and projects to continue to do so after implementing the project. Thus staff recommends that the Commission find that the project is viable and that Broadmead has demonstrated that it has the resources to implement the project and sustain its viability, over the longer-term.

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.*

The applicant has not has not had a Certificate of Need issued in the past 15 years and appears to have met the terms and conditions of its 1977 CON.

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.***

Broadmead states that the project will have very little impact on any other facility, as it is modernizing its bed capacity and not adding additional bed capacity, with this project. Although it projects a higher CCF bed occupancy rate after the project is completed, it states that the number of additional patient days is small, and any small shift away for other facilities would be very diffuse with respect to impact on any specific facility. Finally, the applicant states that the project will increase the supply of state of the art CCF facilities in Baltimore County and provide access to Medicaid patients from the general public for the first time at Broadmead, expanding consumer choice. (DI#2, p. 42).

Staff agrees with Broadmead's assessment that the impact on other providers will be minimal. Broadmead will, for the first time, as a result of this project, seek Medicaid certification and will be signing an MOU committing to provide a proportion of its patient-days to Medicaid patients. Although a relatively modest commitment, this is an incremental improvement in the choices available to Medicaid recipients for nursing home beds.

Staff recommends that the Commission find that the project's impact will be positive.

IV. SUMMARY AND STAFF RECOMMENDATION

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

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

1. At the time of first use review, Broadmead shall provide the Commission with an executed Memorandum of Understanding with the Maryland Medical Assistance Program agreeing to maintain a minimum proportion of 15.4% of its patient days for Medicaid recipients. This proportion adjusts the requirement defined in COMAR 10.24.08.05A(2)(b) in recognition of Broadmead's CCF being part of a CCRC which needs approximately 65% of its bed-days to be available to its CCRC residents.

2. Broadmead shall, by the second year of operation of the expanded and renovated CCF, provide at least 15.4 % of its total patient days to Medicaid patients.
3. Broadmead shall meet and maintain at least a minimum proportion of 15.4% Medicaid patient days.

IN THE MATTER OF	*	BEFORE THE
	*	
BROADMEAD, INC.	*	MARYLAND HEALTH
	*	
Docket No.: 17-03-2394	*	CARE COMMISSION
	*	

* *

FINAL ORDER

Based on Commission staff's analysis in its Staff Report, it is this 15th day of February, 2018, by a majority of the Maryland Health Care Commission, **ORDERED** that:

The application for Certificate of Need submitted by Broadmead, Inc. to renovate and remodel its 70-bed comprehensive care facility at 13801 York Road, Cockeysville, in Baltimore County, at an estimated cost of $14,723,000, be and hereby is **APPROVED,** subject to the following conditions:

1. At the time of first use review, Broadmead shall provide the Commission with an executed Memorandum of Understanding with the Maryland Medical Assistance Program agreeing to maintain a minimum proportion of 15.4% of its patient days for Medicaid recipients. This proportion adjusts the requirement defined in COMAR 10.24.08.05A(2)(b) in recognition of Broadmead's CCF being part of a CCRC which needs approximately 65% of its bed-days to be available to its CCRC residents.

2. Broadmead shall, by the second year of operation of the expanded and renovated CCF, provide at least 15.4 % of its total patient days to Medicaid patients.

3. Broadmead shall meet and maintain at least a minimum proportion of 15.4% Medicaid patient days.

MARYLAND HEALTH CARE COMMISSION
February 15, 2018

APPENDIX 1

RECORD OF THE REVIEW

Record of the Review

Item #	Correspondence File	Date
1	Commission staff acknowledges Broadmeads Letter of Intent request a Certificate of Need to renovate and remodel their 70-bed comprehensive care facility (CCF).	2/6/17
2	Rose Matricciani, Esquire, on behalf of her client, Broadmead, submits the Certificate of Need Application to the Commission.	4/7/17
3	Letters of Support Delegate Chris West Senator James Brochin County Executive Keven Kamenetz Delegate Susan Aumann	Various Dates
4	Commission staff acknowledges receipt of application for review	4/11/17
5	Commission staff requests *The Baltimore Sun* to publish notice of receipt of application	4/11/17
6	Commission staff makes request to the Maryland Register to publish notice of receipt of application	4/11/17
7	Commission staff receives notice of receipt as published in *The Baltimore Sun* paper	4/19/17
8	Commission staff sends request to Robin Somers of Broadmead for completeness information.	4/26/17
9	On behalf of Broadmead Rose Matricciani emails Commission staff requesting an extension until 5/24/17 to file completeness response	5/8/17
10	On behalf of Broadmead Rose Matricciani emails Commission staff requesting an extension until 5/31/17 to file completeness response	5/23/17
11	Rose Matricciani submits the Completeness Information to Commission staff	5/31/17
12	Rose Matricciani on behalf of Broadmead submits to Commission staff the building's Large Plans	5/31/17
13	Rose Matricciani on behalf of Broadmead to Commission staff response to Medicaid Proposal	8/7/17
14	Rose Matricciani on behalf of Broadmead to Commission staff updated Tables	8/10/17
15	Commission staff requests from Rose Matricciani on behalf of Broadmead additional information to amendments to CON application dated 8/7/17	9/1/17
16	E-mail – Commission staff grants an extension to file additional information	9/12/17
17	E-mail – Commission staff grants an additional extension to file information	9/29/17
18	Rose Matricciani on behalf of Broadmead provides information as requested in 9/1/17 letter	10/6/17
19	E-mail – Representative from Broadmead sends addendum to 10/6/17 completeness information	10/20/17
20	E-mail – McDonald/Matricciani – Concerning discussion for meeting on 11/27/17 (postponed until 12/11/17)	11/22/17

21	Ruby Potter letter to Robin Somers notifying her that the formal start of the review of Broadmead's application will be 12/8/17	11/22/17
22	Request to publish notice of formal start of review in the Baltimore Sun	11/22/17
23	Request to publish notice of formal start of review in the Maryland Register	11/22/17
24	Request for Local Health Department comments	11/18/17
25	Robin Somers email to Kevin McDonald transmitting copy of Broadmead, Inc. actuarial report as of 6/30/17	12/5/17
26	Correspondence from Kevin McDonald to Rose Matriccianni conveying information shared at 12/11/17 meeting with staff and requesting additional information	12/12/17
27	Rose Matriacianni response to MHCC additional information request	12/21/17
28	Letter from Rose Matricciani to Kevin McDonald withdrawing previous modification	1/31/18
29	Notice published on the MHCC Website concerning modification of the proposed application	1/31/18

APPENDIX 2

EXCERPTED CON STANDARDS FOR NURSING HOMES

Excerpted CON standards for Nursing
From State Health Plan Chapter 10.24.08

Each of these standards prescribes policies, services, staffing, or facility features necessary for CON approval that MHCC staff have determined the applicant has met. Bolding added for emphasis. Also included are references to where in the application or completeness correspondence the documentation can be found.

STANDARD	APPLICATION REFERENCE (Docket Item #)
.05(3) Community-Based Services An applicant shall demonstrate commitment to providing community-based 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. (b) Initiating discharge planning on admission; and. (c) Permitting access to the facility for all "Olmstead" efforts approved by the Department of Health and Mental Hygiene and the Department of Disabilities to provide education and outreach for residents and their families regarding home and community-based alternatives.	DI # 2, p. 17, tab 4 DI # 2, p. 17, tab 5 DI # 2, p. 17
.05(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.	DI # 2, p. 17 DI # 2, p. 18
.05(5)Appropriate Living Environment An applicant shall provide to each resident an appropriate living environment, including, but not limited to: (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.	DI # 2, p. 18
.05(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.	DI # 2, p. 19