

November 26, 2013

**Via Email and Hand Delivery**

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

Re: Prince George's Post Acute, LLC  
Matter No. 13-16-2347

**Response to Completeness Questions**

Dear Kevin:

With this letter we are submitting the required ten (10) copies of our response to the Completeness Questions regarding the above-referenced project.

I hereby certify that a copy of this response has also been forwarded to the appropriate local health planning agency, as noted below.

Sincerely,



Howard L. Sollins

JJE/tjr

Enclosures

cc: Mr. Joel Riklin, Maryland Health Care Commission  
Pamela Brown-Creekmur, Health Officer, Prince George's County  
Ms. Ruby Potter, Maryland Health Care Commission  
Gary L. Attman, President, FutureCare Health and Management  
Les Goldschmidt, FutureCare Health and Management  
Mr. Andrew L. Solberg  
John J. Eller, Esquire

**Responses to Completeness Questions Received on 10/31/13  
PGPA  
Docket Number 13-16-2347**

**PART I - PROJECT IDENTIFICATION AND GENERAL INFORMATION**

**1. Regarding Question 11B, please provide the following clarifications and additional information:**

- a. Identify the government body that must approve the Largo Town Center Preliminary Sector Plan and Sectional Map Amendment? Please submit a timetable for approval of this plan and map amendment.**

A joint public hearing was held for the preliminary Largo Town Center Sector Plan and Sectional Map Amendment ("SMA) in July, 2013. The Prince George's County Planning Board adopted the sector plan and SMA on October 10, 2013. The Prince George's County Council, sitting as the District Council, approved the adopted sector plan and SMA on November 12, 2013. The foregoing approvals are the only approvals necessary for the SMA.

- b. Identify the government body that has authority to grant the special exception and submit a timetable for the process of obtaining this approval.**

The Prince George's County Planning Board and Prince George's County Council, sitting as the District Council, have the authority to grant the special exception. It is estimated that it will take 12 months from the date of the application to have the special exception granted, and the PGPA intends to submit such application within 30 day after the date of this response.

- c. Are any other State and local land use approvals needed before construction can commence, such as site plan approval? If yes, identify the approvals that will be required, specify the current status of efforts to obtain the approval, and the timetable for obtaining each.**

The following additional approvals will be needed before construction can commence: (i) Site Development Concept Plan approval from the Prince George's

County Department of Permitting, Inspections and Development (“DPIE”); and (ii) Building Plan Examination and Permit approval from DPIE.

PGPA intends to submit such plans for approval within 180 days after the date this response and it is estimated that such approvals will be received within 90 days after the special exception for zoning is granted.

**2. Regarding Question 11 C, please provide the timetable for finalizing the purchase agreement or purchase option and submit the agreement when it is signed.**

PGPA has a letter of intent for the present site and expects the purchase agreement to be finalized and signed within 60 days after the date of this response.

**3. Regarding the ownership and organization, please provide the following clarifications:**

**a. Provide the ownership of FutureCare Health and Management Corporation.**

The ownership of Future Care Health and Management Corporation is as follows:

Gary L. Attman	25%
Leonard J. Attman	25%
Alvin M. Powers	25%
1986 Shellye A. Gildea Trust	8.34%
1986 Wende Attman Trust	8.33%
1986 Jeffrey Attman Trust	8.33%

**b. On page 6 it indicates the new facility will be owned by a new separate entity, but will be managed by an affiliate of FutureCare Health and Management Corporation. These relationships are not shown on the organization charts. Please submit another organization chart showing the relationship of all legal entities in the FutureCare family of long term care companies. For the operating entities show the organization of the facilities by regional manager (the facility organization chart shows a regional manager).**

Exhibit 1 includes three organizational charts.

The position of Regional Manager has been exchanged for that of Vice President, Operations in the Facility Organizational Chart. This was not fully represented in the originally filed organization chart. A corrected organizational chart is included in Exhibit 1.

As far as direct supervision responsibility of the facilities, this is divided between the Chief Operating Officer and Vice President, Operations. The entities currently are divided among the Chief Operating Officer and Vice President, Operations in the following manner:

Chief Operating Officer	Vice President, Operations
FutureCare Old Court	FutureCare Chesapeake
FutureCare Canton Harbor	FutureCare Cherrywood
FutureCare Irvington	FutureCare Pineview
FutureCare Lochearn	FutureCare Sandtown
FutureCare North Point	FutureCare Homewood
FutureCare Cold Spring	FutureCare Charles Village
FutureCare Health & Management	Prince George's Post Acute (proposed)

- c. **Is the facility organization chart that was submitted the expected organization chart of the proposed facility? If no, submit a facility organization chart that represents current thinking on the organization and staffing of the proposed facility. The position titles should be consistent with positions identified in Table 6, Manpower Information.**

Yes, the facility organization chart that was submitted is the expected organization chart of the proposed facility.

- d. **The link between the FutureCare Health and Management Corporation operations organization chart and the facility organization chart is not clear. The FutureCare Health and Management Corporation operations organization chart shows the facility administrator reporting to the VP of Operations. The facility organization chart appears to show the facility administrator reporting to a regional manager. Please clarify and modify the organization charts as necessary.**

Please see the response to Question 3b. A corrected organizational chart is attached as Exhibit 1.

**4. Regarding the Project Description, please provide the following information:**

- a. A description of the site work that is required to prepare the site for construction of the facility and the site work that will be performed to prepare the facility for occupancy.**

In order to prepare the site for construction the existing Apollo Drive property sediment and erosion control measures will be installed to prevent any runoff from excavation onto adjoining properties. In addition a temporary construction access will be installed to allow for ingress and egress of construction equipment and vehicles to and from the site. Mass grading will be performed to prepare the base grade of the site to meet the grades proposed on Site Grading Plans. The site will be stabilized in preparation for building constructing.

Work required to prepare the site for building construction include installation footers and foundations to be laid on the graded site. All underground utilities including water, sewer and storm drain pipes and appurtenance will be installed. The building structure will then be constructed on the existing foundations. During this time additional site work occurring includes the course grading of parking lots and installation of curb additional site work occurring includes the course grading of parking lots and installation of curb and gutter and stone base course for all paved areas. When the building is under roof work will progress on the interior finishes of the building. During this time additional site work will be completed including installation of site lighting, base paving course and sidewalks will be completed. In addition landscaping features such as large trees and shrubs will be installed and sediment control measures will be removed and/or converted to permanent storm water management features. Final site work to prepare the site for occupancy include laying the finish course of paving,

installation of signs for way finding, stabilization and seeding of all green space, mulching and installation of small plant materials and final site cleanup.

**b. A description of the building construction including the materials to be used inside and out.**

The building structure will consist primarily of steel stud bearing walls, with structural steel beams and columns where necessary to span large open spaces. The floor structure will be a steel joist system, such as Hambro. Most of the roof will be a hipped or gabled, consisting of fire-retardant wood trusses.

Exterior materials will be primarily brick veneer (and possibly a limited amount of stone veneer at the entrance), with some vinyl or cementations board siding.

Interior finish materials will be selected as appropriate for the particular space/use, and will include: painted drywall, acoustical ceiling panels, carpet, carpet tile, sheet vinyl, vinyl plank, VCE (or BBT), ceramic tile, wall protection (such as Acrovyn), and vinyl wall coverings in selected areas.

**c. Submit a table showing the number of private and semi-private rooms by floor and nursing unit.**

PGPA Room Accommodation Breakdown is as follows:

	Unit 1 1st floor	Unit 2 2nd floor	Unit 3 2nd floor
Private Rooms	44	17	17
Semi-Private	0	18	18

**5. Please define the following:**

**a. "IVABTS often as q4" as mentioned on bottom of p. 15,**

IVABTS often as q4 is an abbreviation for the ability to administer intravenous antibiotics as routinely as every four hours. The designation of q4 provision is relevant because many nursing homes do not have the Registered Nurse (RN) staff to provide

this service round the clock while staffing at PGPA will be such that this will not be a limiting factor.

**b. "Short Term PIV" on p. 16,**

Short Term PIV is a service of providing peripheral IV access through a vein important when a medication cannot be delivered orally, because of patient limitation or when rapidity or quick administration of the drug is a factor in treatment of the patient. Some nursing homes once again do not have a trained staff to be able to offer this service around the clock. PGPA will have this service due to the level of RN staffing, and two other key factors. FutureCare Health and Management has a trained certified RN who teaches a course to RN nurses for the insertion of IV into peripheral areas of the body. Additionally should the patient still present as difficult to place a peripheral IV, the facility maintains a contractual relationship with a company that specializes in this area with usage of nurse practitioners.

**c. "HD Transport Out" and "PD" on p. 16.**

HD Transport Out is just stating that patients who require hemodialysis and do not have a seat in the inpatient dialysis center will be transported to an out-patient center. While all nursing homes have this capability, some have declined these types of patients because of the labor and transport costs.

PD stands for peritoneal dialysis, and is a treatment for patients with severe chronic kidney disease. The process uses the patient's peritoneum in the abdomen as a membrane across which fluids and dissolved substance are exchanged from the blood. It is an alternative to hemodialysis though it is far less commonly used. Staff needs to be trained in how to perform this treatment. The FutureCare staff education

department has been instrumental in teaching this alternative form of dialysis to the nursing professional staff.

**6. Will the dialysis center only treat residents of PGP A, or treat patients outside of this facility. If outsiders as well, will the dialysis center have a separate entrance for these patients to use?**

The plan is to treat in-patients only within the PGPA dialysis center.

**7. On page 16 it indicates that PGPA will have a specialty program for narcotics which includes methadone for addiction and pain. Will this program have designated beds? If yes, where? Will any of the other programs have designated inpatient beds? If yes, specify the location?**

To clarify, PGPA will not have a specialty program dealing with narcotics. What was intended to be stated is that treatment will be provided of patients who have a history of narcotic usage, and are evaluated not be threats to the safety of other residents or themselves. This treatment would include the provision of prescribed narcotics, including methadone, suboxone, and other Schedule II controlled drugs that are provided by outside clinics for patient maintenance. Authorized use of these medications will also be dependent on the attending physician having appropriate certifications to prescribe this classification of drug.

Given the above clarification, the treatment of these patients will not require designated beds. None of the programs or treatments referenced above will require designated inpatient beds. As a further point of clarification, there may be patients who require an isolation room, and there may be inpatient hemodialysis patients that require an isolation chair. Both the room and chair for a patient requiring isolation will be provided.

**8. Has the applicant contacted the Maryland Alcohol and Drug Abuse Administration regarding seeking certification as a provider offering treatment to this population, and will you seek funding and reimbursement for the care of substance abuse patients from this agency?**

As stated in the response to Question 7, PGPA will not have a specialty program dealing with narcotics. Consequently, PGPA has not contacted the Maryland Alcohol and Drug Abuse Administration regarding offering treatment to narcotic dependent patients. FutureCare Health and Management affiliated facilities utilized local Maryland based clinics in the delivery of narcotics for patient treatment. Essentially, FutureCare provides general nursing home care to residents with a history of narcotics abuse, and does not provide substance abuse rehabilitation. At the point of opening the PGPA facility to resident admission, PGPA will inform the various substance abuse organizations and clinics in Prince George's County of PGPA's willingness to admit such residents. PGPA will not require patients certification as a provider offering substance abuse treatment and will not seek funding and reimbursement for substance abuse rehabilitation.

**9. Regarding Chart 1, the total square footage of the first floor (45,727) and the second floor (44,796) equals 90,523 square feet not the 86,523 reported on the chart. Please explain or correct this discrepancy.**

The total square footage that was shown in Chart 1 in the application (86,523) was correct. The size of the second floor was in error. Exhibit 2 includes a corrected Chart 1. As a result of the correction in Chart 1, a revised MVS analysis is included in Exhibit 3. PGPA's cost per square foot is below the MVS benchmark.



construction period interest, and some of the closing costs. The calculation is attached as Exhibit 4.

**d. Explain why there are no cash requirements for working capital startup costs included in the budget or revise the project budget accordingly.**

Working capital start-up costs are expected to be approximately \$200,000. They will be reflected on the books of the operating entity and will be funded as part of the general working capital loan for the facility.

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

**Response to State Health Plan for Facilities and Services: Nursing Home, Home Health Agency and Hospice Services, COMAR 10.24.08**

**11. Regarding COMAR 10.24.08.05(A)(6), please provide the name of the public water system that will serve PGPA. Are you aware of any water supply restrictions that would affect the proposed project? If yes, please explain.**

Prince George's County gets its water from the Washington Suburban Sanitary Commission (WSSC). WSSC takes water out of the Potomac River at an intake upstream of Great Falls. The WSSC indicated, in response to a call seeking information about this process, that there are no restrictions to the further expansion of the system in general, but that each individual new expansion requires a permit process.

**12. Regarding COMAR 10.24.08.05(A)(7), please respond to the following:**

- a. Please provide the name of the vendor and version of electronic medical record system that will be purchased. Provide details as to how staff will utilize the EMR, including the type of wireless electronic technology staff will use to improve the accuracy and efficiency in clinical service delivery.**

The electronic medical record system that the facility will use is called Advanced Answers On Demand (AAOD). This software will be used by all of the nursing staff and others in the facility on both wired and wireless devices. The facility will have an Aruba Wireless network installed so that every square foot of the building will have

connectivity for both staff and residents. Nursing assistants and other support staff will use the “point of care” module to record resident functional ability on a real time basis as they interact with residents during the day. They will record their interactions on either wall mounted kiosks or on hand held devices. Nurses and medicine aides will use a real time medicine administration module (EMAR) to administer medications to residents. MDS, care plans, inter-disciplinary notes, nursing assessments and physician orders will be done in the software and we plan to have the outside lab and radiology results automatically interface with this system. The system will have the ability to produce exception reports to alert nursing management to various issues that may require follow up attention.

- b. Besides carpeting for noise reduction and an enclosed courtyard, please specify the materials, fabrics, textures, and designs that appeal to various senses and how these design features will meet the needs of the types of residents to be served.**

Kann Partners was selected as the design team for this project because of its history and experience in designing for health care industry in general and the nursing home industry in particular. Their architectural staff and associate interior designers are sensitive to the dignity aspects of the business and the special needs of the population. These special needs could include hearing impairments, visual deficits, mobility limitations, diminishing mental capabilities and changes associated with the normal aging process.

Given the various diminishing physical and mental capabilities of the population, special consideration in finding ways to maximize independent living and quality of life is an important design consideration that has significant impact on a resident’s quality

of life. In order to respond to the needs of the residents, PGPA has taken into account the following:

- i. General Finishes: Low profile, low glare, easily maintained floor surfaces materials to avoid perceptual tripping hazards. Wall finishes will be low glare and easily maintained to avoid visual irritation or disorientation.
- ii. Special Finishes: Incontinence often becomes a problem where residents age-in-place. Floors will be sealed with urine-resistant coating. Where carpet is used, urine-resistant, anti-microbial carpet, with impervious backing and heat welded seams will be specified.
- iii. Cabinetry: In resident rooms and common areas used by the residents, countertops and wall cabinets will have low height functionality.
- iv. Hardware: All door hardware must be lever-type (per Code). All cabinet and window hardware, and plumbing fits, will be designed to permit comfortable use by residents with arthritis and similar disabilities.
- v. Plumbing fixtures: Recent studies have suggested locating the toilet further from the side-wall than is currently required by code. This would allow room for a caregiver to stand between the toilet and the wall, in order to have the proper leverage to safely transfer a resident from a wheelchair. FutureCare is considering this.
- vi. Lighting: Generally speaking, direct fluorescent lighting is not recommended and will be used only sparingly; it creates glare and is institutional in appearance. Indirect fluorescent is desirable, as well as decorative residential-type incandescent and/or fluorescent fixtures. Furthermore, lighting color will be adjusted to compensate for the “yellowing” effect that accompanies failing eyesight.
- vii. Window Treatments: Since glare becomes an increasingly significant problem, as visual acuity decreases, windows will be equipped with glare-reducing blinds and shades.
- viii. Signage: To address failing eyesight, it will be larger, raised numbers and/or letters, and Braille characters. To further assist with way-finding, color will be used to maintain a resident’s sense of orientation.
- ix. Internet Access: Will be provided for all living areas of the building, as a way for seniors to maintain communication with outside world, family and friends and decrease feelings of isolation.
- x. Outdoor Materials and Equipment: Paving will be non-slip and non-glare. Lighting levels will be adequate to accommodate aging eyes, and to enhance real and perceived security; lighting will be designed to reduce glare. Seating, that is both comfortable and easy to maintain, will be provided in a variety of configurations to encourage social interaction. Raised planting beds should be used, since they are readily visible and do not pose a tripping hazard.

**13.Regarding COMAR 10.24.08.05(A)(9), please provide evidence of the progress made by that FutureCare in establishing collaborative relationships with existing assisted living, hospice, home health agencies, adult medical day care facilities in Prince George's County, such as those listed on p. 32 - 35.**

The operations and business development has reached out to the existing Prince George's community to determine the acceptance and willingness of a collaborative relationship with the proposed new nursing center known as PGPA. The list of facilities contacted to evaluate the support of the new nursing home are documented in attached Exhibit 5. All of the persons contacted expressed a desire to collaborate with PGPA.

**14. Regarding COMAR 10.24.08.05B(5), Quality, provide evidence as to the quality of care that FutureCare provides in its other Maryland facilities.**

FutureCare facilities are engaged in a wide spectrum of quality initiatives.

Examples of some of these Quality initiatives include:

1. Collaborative associations with community resources, i.e. Senior Work Program which provides part time paid work for seniors in the Baltimore City to benefit the seniors in the community and the residents of the nursing center. Participation with area middle and senior high schools to provide community service hours to students necessary for graduation, at the same time improving the quality of life for in-patients.
2. Collaborative work associations/committees with area hospitals to cut down unplanned discharges at all FutureCare sites with the local hospitals in their region. FutureCare has made significant progress in lowering re-admission rates back to hospitals within the past twelve months.
3. Provide clinical sites for local community nursing programs, such as the collaboration between FutureCare Homewood and Community College of Baltimore, and Anne Arundel Community College and FutureCare Chesapeake.
4. Performance Improvement Committees as a standard culture in all twelve facilities. Monitoring of key indicators such as wounds rates, use of anti-psychotic drugs, fall rates, etc. are routine at all twelve sites. Comparatives are produced with benchmarking against region, state and national averages.
5. Active Compliance Committee and Business Ethics training as part of the culture to attract the best personnel to our staff.
6. A highly specialized Education and Professional Staff Development Department, which can deliver on-time training to all FutureCare sites for the benefit of staff skill development in rendering patient care. The Department is led by an award winning educator, Karen Evans, R.N., who won the Maryland Nurses Association Outstanding mentoring Award for

2013. Karen was also honored in 2011 by NURSE.com Magazine for winning their Nursing Excellence Award in the category of mentoring for the Maryland, Virginia, and D.C. region. The achievements of this department again demonstrate Future Care's commitment to excellence in keeping all staff at the forefront of latest innovations and trends in the industry.

7. FutureCare Health and management facilities voluntarily participate in the Quality Assurance & Performance Improvement (QAPI) program put on by Providigm, a national quality improvement measurement program. There are 57 centers in Maryland the voluntarily participate in Providigm's QAPI Accreditation Program. Of those, 23 centers have achieved Full accreditation in Quarter 1, Quarter 2 or Quarter 3 of 2013. Of those, 11 are listed as FutureCare centers. The one FutureCare center that is not fully accredited is provisionally accredited, meaning it meets 3 out of 4 standards. The results demonstrate FutureCare Health and Management Corporations willingness not only to meet regulatory standards, but to hold itself accountable to the highest standards. FutureCare has joined this national accreditation program when other facilities have not, and has demonstrated a 92% pass rate of full accreditation vs. a participating average of only 40%. If fact if you factor out the twelve FutureCare facilities that participate, that would leave only 12 of 45 sites, or 27% of non-FutureCare sites that meet the full accreditation standard. The following is the list of Maryland QAPI Accredited facilities:

Clinton Nursing & Rehabilitation Center  
Forest Haven  
FutureCare Canton Harbor  
FutureCare Charles Village  
FutureCare Cherrywood  
FutureCare Cold Spring  
FutureCare Homewood  
FutureCare Irvington  
FutureCare Lochearn  
FutureCare North Point  
FutureCare Old Court  
FutureCare Pineview  
FutureCare Sandtown  
Heartland Health Care Center – Hyattsville  
Kensington Nursing & Rehabilitation Center  
Levindale Hebrew Geriatric Center  
Lorien Bel Air  
Lorien Columbia  
ManorCare Health Services – Chevy Chase  
ManorCare Health Services – Largo  
ManorCare Health Services – Silver Spring  
Northwest Nursing  
Riverview Rehabilitation & Health Center

Source: <http://www.providigm.com/recognition/qapi-accredited-facilities/>, accessed 11/19/13



			2010	2014	2019	Change	2014 Est.
			Census	Estimate	Projection	'14-'19	Average Household Income
Washington, D.C.	20001	Washington	2,112	2,555	3,438	34.6%	\$108,484
	20002	Washington	5149	6153	8135	32.2%	\$97,193
	20003	Washington	2,240	2,718	3,503	28.9%	\$140,184
	20004	Washington	97	124	176	41.9%	\$150,030
	20010	Washington	43	51	66	29.4%	\$90,391
	20011	Washington	2,010	2,236	2,755	23.2%	\$78,823
	20017	Washington	3,409	3,818	4,561	19.5%	\$74,514
	20018	Washington	3,151	3,586	4,393	22.5%	\$78,485
	20019	Washington	6713	7466	9295	24.5%	\$52,106
	20020	Washington	5,145	5,968	7,664	28.4%	\$52,609
	20024	Washington	1,289	1,537	2,053	33.6%	\$92,518
	20032	Washington	1266	1507	1973	30.9%	\$46,551
	20059	Washington	0	0	1	0.0%	\$126,250
	20064	Washington	86	104	121	16.3%	\$63,175
	20319	Washington	24	29	34	17.2%	\$96,357
	20374	Washington Navy Yard	0	0	0	0.0%	\$90,000
Subtotal			32,734	37,852	48,168	27.3%	
Prince George's	20705	Beltsville	409	479	605	26.3%	\$91,542
	20706	Lanham	3,755	4,428	5,553	25.4%	\$86,821
	20708	Laurel	163	196	245	25.0%	\$82,643
	20710	Bladensburg	792	903	1,081	19.7%	\$58,984
	20711	Lothian	196	224	273	21.9%	\$117,799
	20712	Mount Rainier	586	744	1,000	34.4%	\$62,507
	20715	Bowie	3,757	4,079	4,774	17.0%	\$113,718
	20716	Bowie	2,098	2,395	2,935	22.5%	\$113,332
	20720	Bowie	1,507	2,123	3,226	52.0%	\$150,251
	20721	Bowie	2,665	3,557	5,002	40.6%	\$145,631
	20722	Brentwood	518	644	827	28.4%	\$66,269
	20735	Clinton	1,319	1,681	2,220	32.1%	\$112,389
	20737	Riverdale	1,272	1,536	1,950	27.0%	\$76,128
	20740	College Park	2,111	2,390	2,854	19.4%	\$82,217
	20742	College Park	7	6	7	16.7%	\$55,449
	20743	Capitol Heights	4,588	5,130	5,999	16.9%	\$67,800
20744	Fort Washington	1,090	1,356	1,740	28.3%	\$107,047	
20745	Oxon Hill	962	1,200	1,535	27.9%	\$74,839	
20746	Suitland	2,767	3,351	4,237	26.4%	\$71,472	

		2010	2014	2019	Change	2014 Est.	
		Census	Estimate	Projection	'14-'19	Average Household Income	
	20747	District Heights	3,216	4,033	5,286	31.1%	\$72,098
	20748	Temple Hills	4,361	5,130	6,253	21.9%	\$75,907
	20762	Andrews Air Force Base	8	15	41	173.3%	\$83,568
	20769	Glenn Dale	544	753	1,115	48.1%	\$123,219
	20770	Greenbelt	1,798	2,286	3,065	34.1%	\$77,926
	20771	Greenbelt	0	0	1	0.0%	\$27,500
	20772	Upper Marlboro	2,845	3,640	5,005	37.5%	\$121,957
	20774	Upper Marlboro	4,748	5,967	7,964	33.5%	\$112,656
	20776	Harwood	115	142	184	29.6%	\$150,649
	20781	Hyattsville	817	1,002	1,309	30.6%	\$74,836
	20782	Hyattsville	2,773	3,245	4,015	23.7%	\$76,806
	20783	Hyattsville	2,227	2,585	3,181	23.1%	\$71,342
	20784	Hyattsville	2,019	2,468	3,161	28.1%	\$72,719
	20785	Hyattsville	3,135	3,761	4,690	24.7%	\$74,149
	20912	Takoma Park	560	673	874	29.9%	\$92,841
	Subtotal		59,728	72,122	92,207	27.8%	
Anne Arundel	21035	Davidsonville	210	251	314	25.1%	\$180,271
	21054	Gambrills	68	81	101	24.7%	\$138,004
	21113	Odenton	12	14	18	28.6%	\$108,531
	21114	Crofton	107	134	179	33.6%	\$125,962
	Subtotal		397	480	612	27.5%	
Total Maryland Zip Codes			60,125	72,602	92,819	27.8%	
Total			92,859	110,454	140,987	27.6%	\$87,131

**16. Regarding Table 1, specify the assumptions made in preparing these projections including assumptions regarding admissions and the average length of stay.**

PGPA projected that the facility would gradually increase the number of patients over a 14 month period. Each patient area would be staffed and opened as the patient population increased. The projected breakdown of the admissions by payor source is as follows:

Admissions	YEAR 1	YEAR 2	YEAR 3
PRIVATE	6	2	2
MEDICARE	246	420	420
MEDICAID-MD	75	59	35
MANAGED CARE	24	36	36
HOSPICE	9	12	12
BRAVO	11	12	12
<b>TOTAL</b>	<b>371</b>	<b>542</b>	<b>518</b>

Average length of stay (“ALOS”) (patient days/admissions) is approximately 96.5 days. This is based on FutureCare experience at other FutureCare facilities.

**Availability of More Cost-Effective Alternatives, 10.24.01.08G(3)(c)**

**17. Regarding the MVS analysis, please respond to the following:**

- a. Specify the date of the update multiplier and the location multiplier.
- b. Explain how the canopy adjustment was calculated.
- c. Explain how the associated A&E Fees and Associate cap interest adjustments were calculated.

- a. The multipliers were dated 8/13.
- b. The Canopy cost was provided by FutureCare’s construction expert.
- c. Associated A&E Fees were calculated using the following formula.

(The Extraordinary Cost item (for example, Storm Drains)/(Building + Site Prep))  
X A&E Fees

Put another way, the percentage that Storm Drains comprises of the Building and Site Prep costs is multiplied times the A&E Fees.

Associated Cap Interest was calculated using the following formula:

(The Extraordinary Cost item (for example, Therapy Pool)/(Building + Site Prep + A&E Fees + Permits) X Cap Interest

**Viability of the Proposal, COMAR 10.24.08G(3)(d)**

**18. Regarding the availability of financial resources to implement the proposed project, please respond to the following:**

- a. Are Audited Financial Statements available for any entity within the Future Care Health family of businesses? If yes, please submit such statements

**covering two years or explain why such statements would not be helpful in documenting the availability of resources to implement the proposed project. If no useful audited statements are available, provide alternative documentation that sufficient funds are available for the equity contribution of \$1,660,552 such as compilation statements or other financial information that was used by Mr. Koppelman to determine there is sufficient liquidity and net worth to make the equity contribution.**

There are audited financial statements of 11 of the entities that hold the real estate for the FutureCare properties. These audits are to comply with HUD standards. These real estate entities will not be relied upon as the source for the equity contribution for this project and therefore would not be helpful for this analysis.

Alternatively, Exhibit 6 includes a letter from Bruce McLean of Susquehanna Bank which addresses the sufficiency of funds available for the equity contribution.

**b. Regarding Exhibit 7, please identify the existing FutureCare lines of credit and previous acquisition and project financing through PNC Healthcare referred to in Kristen Whitworth's letter.**

The following FutureCare facilities have lines of credit with PNC:

- Futurecare Chesapeake \$2,050,000
- Futurecare Cherrywood \$1,500,000
- Futurecare Pineview \$2,750,000
- Futurecare Sandtown \$1,600,000
- Futurecare Old Court \$1,500,000
- Futurecare Homewood \$2,200,000
- Futurecare Canton Harbor \$1,700,000
- Futurecare Irvington \$2,750,000
- Futurecare Charles Village \$1,350,000
- Futurecare Lochearn \$2,300,000
- Futurecare Northpoint \$2,000,000
- Futurecare Cold Spring \$2,000,000

PNC provided acquisition financing for FutureCare's last two acquisitions.

- Futurecare Coldspring - \$6,900,000 loan at Libor +300, 25 year amortization beginning in year 2, 3 year call. Debt Service Coverage ratio of 1.25 to 1 beginning in year 2

- Futurecare Northpoint - \$7,250,000 loan at prime rate of interest, 25 year amortization beginning in year 3. Debt Service Coverage ratio of 1.25 to 1 beginning in year 2
- c. Please provide the expected terms of the \$15,500,000 mortgage loan to be used to finance this project including expected interest rate, length, and conditions or covenants.**

The projected expected terms of the \$15,500,000 are:

- Term- 25 years with 5 year call
- Interest rate 4%
- Debt Service Coverage ratio of 1.25 to 1 to be tested beginning in year 2.

**19. Regarding Table 3, submit all assumptions used in projecting the revenues and expenses including but not limited to the following:**

- a. Detailed calculation of projected revenue showing the calculation of Medicaid rates and the assumptions regarding the rates that would be paid by other payers.**

The assumptions regarding rates by payor are as follows:

- Private Pay 298/day
- Medicare \$515.93/day
- Managed care \$351/day
- Hospice \$246/day
- Medicare Advantage \$415/day
- Medicaid \$240.63/day
  - The components of the Medicaid rate which is based on the Maryland reimbursement methodology are as follows:
    - Nursing -\$111.23/day
    - Other Patient Care -17.07/day
    - Routine and Administrative -80.52/day
    - Capital (including Provider tax) -\$31.81/day

- b. Assumptions regarding bad debts in each year and why they are reasonable.**

Futurecare's historical experience with bad debt as a percent of revenue is as

follow:

- 2012 1.48%
- 2011 1.12%
- 2010 1.30%

Based on this experience and factoring in increased bad debt due to changes in Medicare copay, we feel that 1.6% is a reasonable and conservative figure.

- c. Explain the assumptions regarding the contractual allowances and why they are negative numbers. If contractual allowances are negative because some payers are expected to pay more than the standard room rate or some other fixed rate, please account for such payments on the inpatient or outpatient service line, reduce the negative value of contractual allowances accordingly, and submit detailed calculation of such revenues in response to part ( a ) above.**

Attached as Exhibit 7 is the detail of the patient revenues, and the related contractual allowances when compared to a standard room rate of \$298. We have revised Table 4 to show the revenues without the contractual allowances.

- d. What is included in other operating revenues?**

Exhibit 8 includes the detail of other operating revenues.

- e. Assumptions regarding Contract Services including identification of the services included and the basis for the estimated expenses in each year.**

Exhibit 9 includes a list of the contracted services assumptions and a revised Table 6 to reflect only those services which are manpower based. The amounts were projected based upon the costs of similar services at other facilities managed by FutureCare.

- f. Assumption regarding the amount and costs of supplies in each year.**

Exhibit 10 shows the details of the projected costs of supplies. These costs are generally projected based a per patient day amount.

- g. How were the pharmacy, management fee, and food costs projected?**

Exhibit 11 shows the details of projected pharmacy, food, and management fees. The projected amounts in pharmacy vary based upon payor source and the related patient days. For example, Prescriptions Medicare are based only on Medicare days,

and Prescriptions Managed Care is based only on managed care days. The projected food costs are based upon a per patient day amount for all facility patients. Management fees are based on approximately 6% of patient revenues in year 1, and 7% in years 2 and 3.

**h. What is included in other administrations and how were these costs projected?**

Exhibit 12 shows the details of other administration costs. These costs are generally projected based upon the experience of FutureCare operation of other facilities. Costs specifically included for this facility are the amortization of start-up costs, and working capital interest based upon an estimate of the loan balance required.

**20. Since Table 3 does not include any interest on project debt or depreciation and the rent will be paid to a related party, please submit Revenue and Expense projections for Prince George's Post Acute Real Estate, LLC with assumptions including an amortization schedule for the mortgage, a depreciation table, and the basis for any other expenses.**

Revenue and expense projections for Prince George's Post Acute Real Estate, LLC are provided below.

Prince George's Post Acute Real Estate, LLC	Year 1	Year 2	Year 3
Rental Income	986,780	986,780	986,780
Expense			
Accounting Expenses	5,000	5,000	5,000
Income before debt and non cash	981,780	981,780	981,780
Interest Expense	613,293	598,281	582,656
Income before non cash	368,487	383,499	399,124
Depreciation and amortization expense	766,177	766,177	766,177

Prince George's Post Acute Real Estate, LLC

	Year 1	Year 2	Year 3
Net loss	(397,690)	(382,678)	(367,053)

Assumptions:

	Cost		Per Year
Land	1,500,000		
Major Movables	1,066,891	10 yr	106,689
Minor Movables	933,109	7 yr	133,301
Building	13,198,872	27.5 yr	479,959
Loan origination costs	461,680	10 yr	46,168
Total	17,160,552		766,117

**21. Regarding Table 3, please review under Patient Mix both the Percent of Net Patient Revenue and the Percent of Patient Days by Payer Source for years 20x2 and 20x3, which add to greater than 100.**

Exhibit 13 is a revised Table 3 that has been revised to eliminate the rounding variance. Please see the revised Percent of Net Patient Revenue and the Percent of Patient Days by Payer Source that follows Table 3.

**22. Please provide a detailed list of patient charges by payer source (i.e., Medicare, commercial insurance, self pay, Part B therapy, Other Patient Revenues).**

Please refer to the response to question 19c.

**Impact on Existing Providers, 10.24.01.08G(3)(t)**

**23. Please provide information to support your statement on page 64 that residents "will clearly have to leave Prince George's county in order to seek nursing home care."**

The Commission projects in its State Health Plan section that Prince George's County will require 357 additional beds by 2016. Since the Commission assumes that beds will operate at 90% occupancy, this is equivalent to 321 beds at 100% occupancy. (357 X 0.9 = 321.3). The need for 321.3 additional beds means that the Commission is

projecting an additional 117,275 patient days in 2016. (321.3 beds X 365 days per bed = 117,275 days)

The table below shows the number of Comprehensive Care Patient Days that each of the facilities in Prince George's County experienced in 2011. It also shows the number of Licensed Beds at the end of the year, the potential number of bed days (Licensed Beds X 365), and the number of available bed days (Potential Bed Days – Comp Days). The total number of available bed days in the county was 87,764. This means that if all of the licensed beds in the county were assumed to be able to operate at 100% occupancy, there would only be available capacity for 87,764 additional patient days.

<b>Facility</b>	<b>Comp Days</b>	<b>Beds</b>	<b>Potential Bed Days</b>	<b>Available Bed Days</b>
Bradford Oaks Nursing and Rehabilitation Center	65,520	180	65,700	180
Cherry Lane Nursing Center	52,128	155	56,575	4,447
Clinton Nursing & Rehab	93,512	267	97,455	3,943
Collington Episcopal Life Care Community	15,050	44	16,060	1,010
Crescent Cities Center	47,111	140	51,100	3,989
Forestville Health & Rehab. Ctr.	51,011	152	55,480	4,469
Fort Washington Health & Rehab. Ctr.	49,876	150	54,750	4,874
FutureCare-Pineview	61,918	192	70,080	8,162
Gladys Spellman Speciality Hospital & Nursing Ctr.	6,368	61	11,133	4,765
Heartland Health Care Center - Adelphi	48,290	170	62,050	13,760
Heartland Health Care Center - Hyattsville	47,567	160	58,400	10,833
Hillhaven Assisted Living Nursing & Rehabilitation	22,019	66	24,090	2,071
Larkin Chase Nursing and Rehabilitation Center	41,642	120	43,800	2,158
Magnolia Center	36,128	104	37,960	1,832
Manor Care Health Services - Largo	43,865	130	47,450	3,585
Patuxent River Health and Rehabilitation Center	49,690	153	55,845	6,155
Riderwood Village	39,461	117	42,705	3,244
Sacred Heart Home, Inc.	36,406	102	37,230	824
Southern Maryland Hospital Center	6,865	24	8,760	1,895
St. Thomas More Medical Complex	88,151	250	91,250	3,099
Villa Rosa Nursing Home	34,396	101	36,865	2,469
<b>Total</b>	<b>936,974</b>	<b>2,838</b>	<b>1,024,738</b>	<b>87,764</b>

Since the number of projected additional patient days (117,275 days) is larger than the number of available bed days (87,764 bed days), residents needing nursing home care would have to leave the county to be able to obtain it. Furthermore, this assumes that all of the existing beds can and should operate at 100% occupancy. This does not take into account turnover, the need for readily available beds to accommodate hospital discharges, or such operational factors as the need for isolation rooms on occasion and the need for semiprivate rooms to be gender-compatible. The Commission recognizes that efficiently operated facilities will operate at 90% occupancy.

**24. Please explain why you believe that as stated at the bottom of page 65 that "the majority of patients for the new facility will come from a dense population radius within a 10 miles of the new facility." Please show this 10 mile radius from PGPA on a map, and identify the zip codes in this area.**

Please see the response to question 15.

**25. Regarding Table 6, MHCC staff calculations of projected salary using the average salary rates and number of FTEs found many discrepancies from your calculations all of which could be attributed to rounding as displayed in the attached spreadsheet. The result of MHCC staff calculations is total salary, wage and contract costs of \$8,231,084 and employee benefits of \$1,761,452 compared to the totals reported in the application of \$8,202,900 in total salary, wage and contract costs and \$1,755,673 in employee benefits. Please review your calculations and revise information reported in Table 6 as necessary. Explain any remaining discrepancies.**

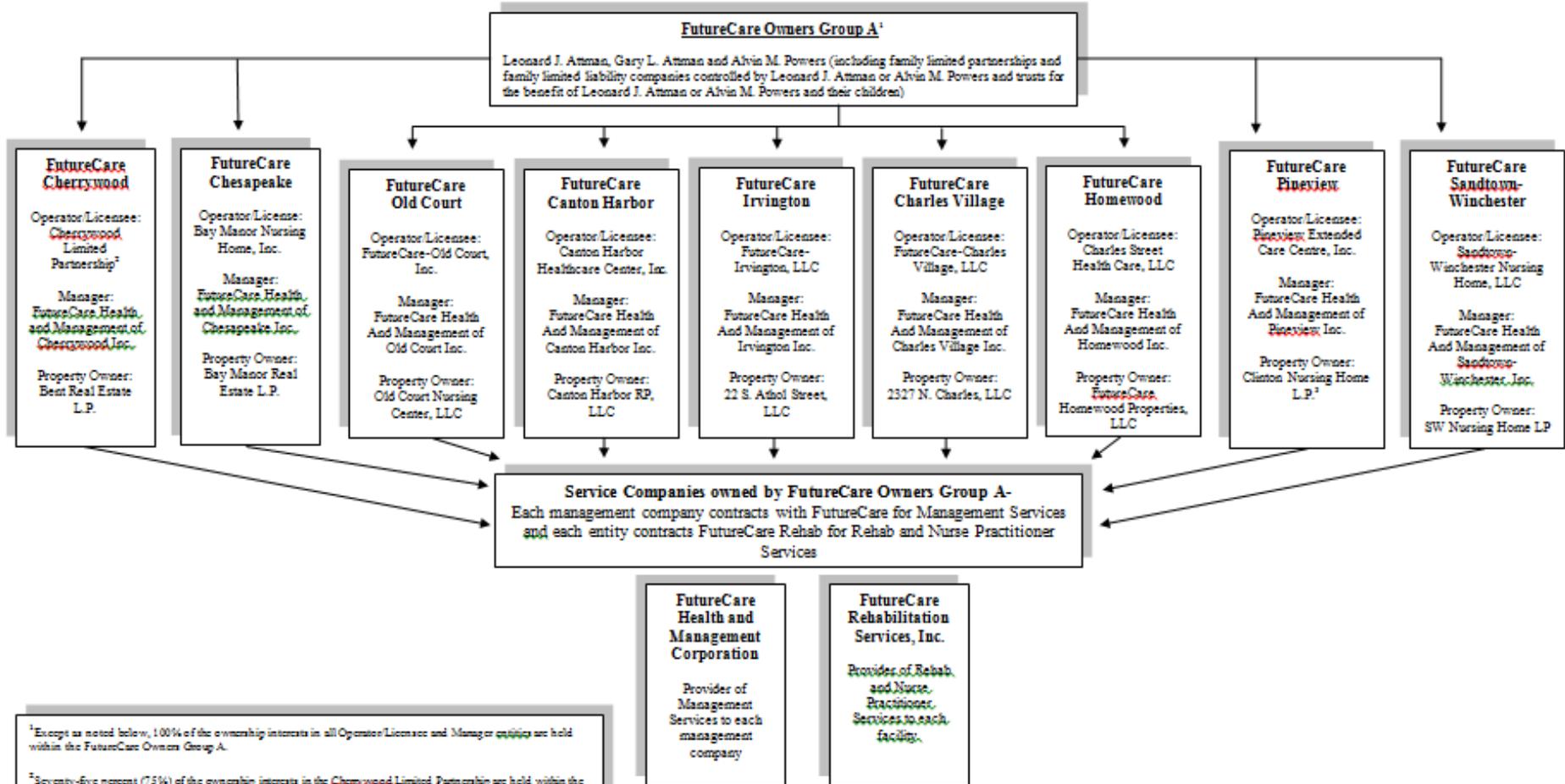
Please see attached reconciliation in Exhibit 14.

## Exhibits

- 1 Organizational Charts
- 2 Corrected Chart 1
- 3 Revised MVS Analysis
- 4 Capitalized Construction Interest Calculation
- 5 List of Facilities Contacted
- 6 Letter from Bruce Mclean of Susquehanna Bank
- 7 Detail of Patient Revenues
- 8 Detail of Other Operating Revenues
- 9 Revised Table 6
- 10 Details of Projected Costs of Supplies
- 11 Details of Projected Pharmacy, Food, and Management Fees
- 12 Details of Other Administration Costs
- 13 Revised Table 3
- 14 Reconciliation
- 15 Letters of Support
- 16 Affirmations

**Exhibit 1**  
**Corrected FutureCare Organizational Charts**

## FUTURECARE ORGANIZATION CHART

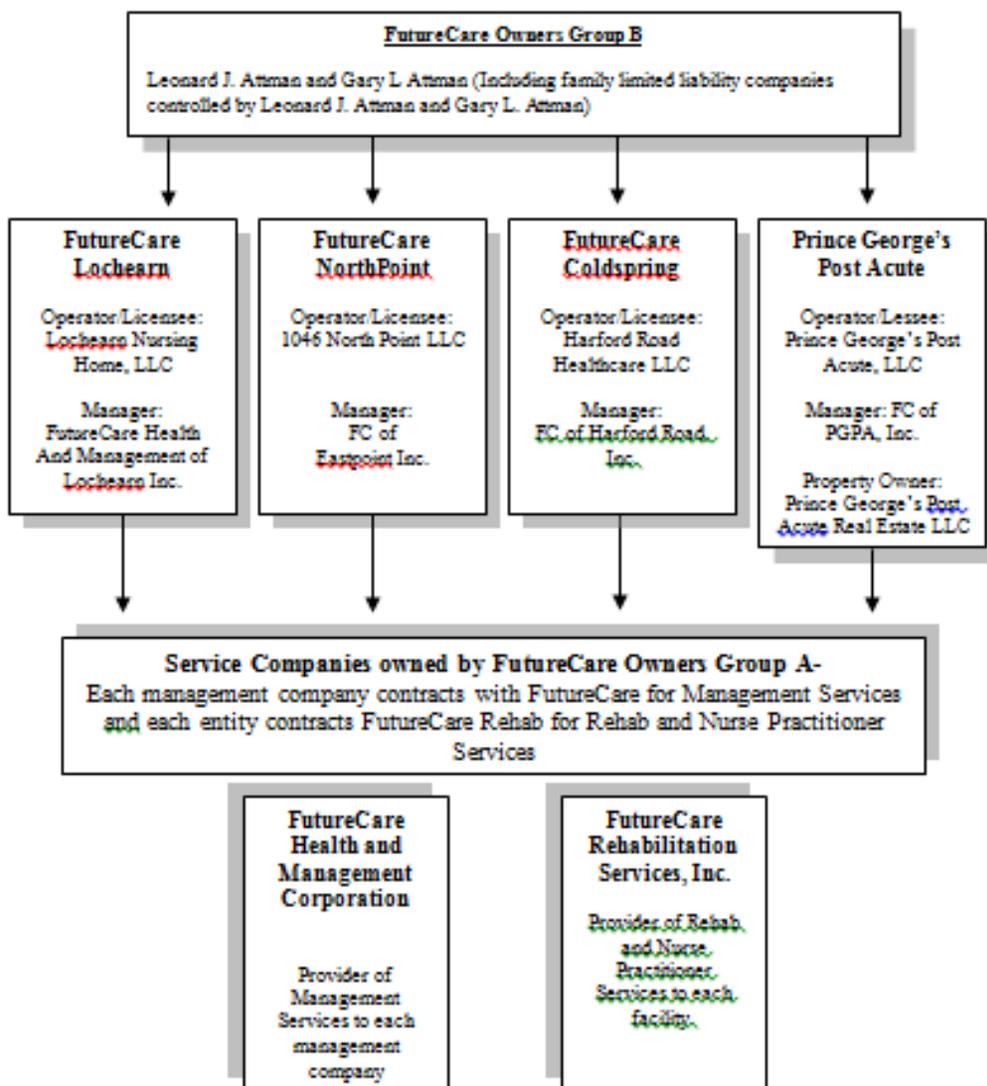


<sup>1</sup> Except as noted below, 100% of the ownership interests in all Operator/Licensee and Manager entities are held within the FutureCare Owners Group A.

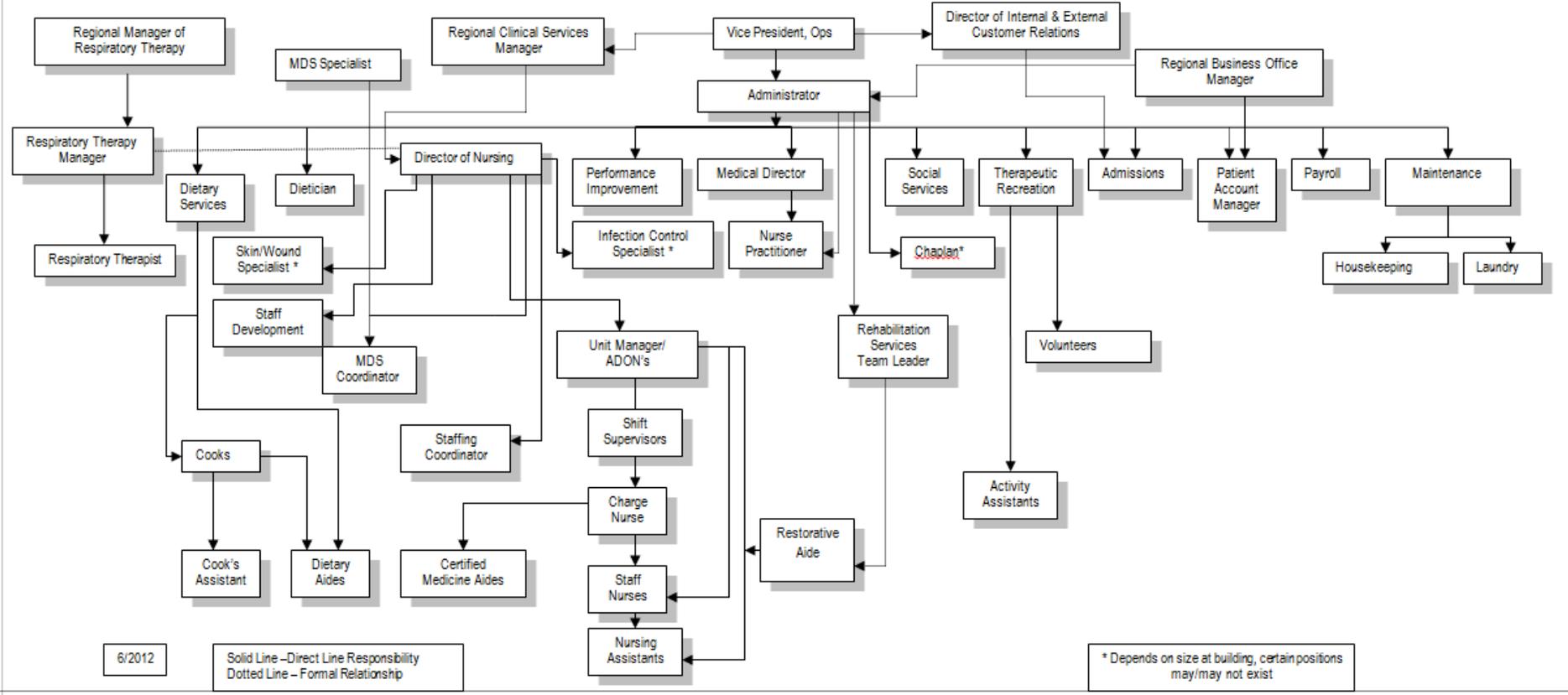
<sup>2</sup> Seventy-five percent (75%) of the ownership interests in the Cherrywood Limited Partnership are held within the FutureCare Owners Group A.

<sup>3</sup> Sixty and One Half Percent (60.5%) of the ownership interests in Clinton Nursing Home Limited Partnership are held within FutureCare Owners Group A.

## FUTURECARE ORGANIZATION CHART



**FutureCare Health and Management Corporation  
Facility Organizational Chart**



6/2012

Solid Line – Direct Line Responsibility  
Dotted Line – Formal Relationship

\* Depends on size of building, certain positions may/may not exist

**Exhibit 2**  
**Corrected Chart 1**

Chart 1. Project Construction Characteristics and Costs

Chart 1. Project Construction Characteristics and Costs		
Base Building Characteristics	Complete if Applicable	
	New Construction	Renovation
Class of Construction		
Class A		
Class B		
Class C		
Class D	X	
Type of Construction/Renovation		
Low		
Average		
Good	X	
Excellent		
Number of Stories	2	
Total Square Footage	86,523	
Basement		
First Floor	45,727	
Second Floor	40,796	
Third Floor		
Fourth Floor		
Perimeter in Linear Feet		
Basement		
First Floor	1612' - 4"	
Second Floor	1524' - 7"	
Third Floor		
Fourth Floor		
Wall Height (floor to eaves)		
Basement		
First Floor	13' - 0"	
Second Floor	9' - 4"	
Third Floor		
Fourth Floor		
Elevators		

Freight	Type	Passenger	
0	Number	2	
Sprinklers (Wet or Dry System)		Wet	
Type of HVAC System		Through-wall PTACs in Resident Rooms; split systems in all other areas.	
Type of Exterior Walls		Steel studs with exterior brick veneer and siding.	

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

	Costs	Costs
Site Preparation Costs	\$573,860	\$
Normal Site Preparation*	\$184,625	
Storm Drains	\$107,225	
Rough Grading	\$52,000	
Demolition/Deforestation	\$0	
Therapy Pool	\$55,000	
Site Improvements	\$25,000	
Landscaping	\$55,000	
Roads	\$150,010	\$
Utilities		
Jurisdictional Hook-up Fees	\$100,000	
Signs	\$25,000	
Canopy	\$75,000	\$
		\$

**Exhibit 3**  
**Revised MVS Analysis**

## Cost Effectiveness of Construction

### FCOC's Project Costs are Reasonable.

As shown below, the cost per square foot for new construction in this project is lower than the MVS benchmark for Convalescent Hospitals. A complete Marshall Valuation Service ("MVS") analysis is included as Exhibit 6.

#### I. Marshall Valuation Service Valuation Benchmark

Type	Convalescent Hospital
Construction Quality/Class	D/Good
Stories	2
Perimeter	1,568
Height of Ceiling	11.27
Square Feet	86,523
f.1 Average floor Area	43,262
<b>A. Base Costs</b>	
Basic Structure	\$171.70 11/13
Elimination of HVAC cost for adjustment	0
HVAC Add-on for Mild Climate	0
HVAC Add-on for Extreme Climate	0
<b>Total Base Cost</b>	<b>\$171.70</b>
<b>B. Additions</b>	
Elevator (If not in base)	\$5.46
Other	\$0.00
<b>Subtotal</b>	<b>\$5.46</b>
<b>Total</b>	<b>\$177.16</b>
<b>C. Multipliers</b>	
Perimeter Multiplier	0.940254941
Product	166.5755654
Height Multiplier (plus/minus from 12')	0.983232823
Product	\$163.78
Multi-story Multiplier (0.5%/story above 3)	1
Product	\$163.78

**D. Sprinklers**

Sprinkler Amount	2.92
<b>Subtotal</b>	<b>\$166.70</b>

**E. Update/Location Multipliers**

Update Multiplier	1.01	11/13
Product	\$168.37	
Location Multiplier	1.04	10/13
Product	\$175.10	

**Final Square Foot Cost Benchmark** **\$175.10**

**II. Cost of New Construction****II. The Project**

<b>A. Base Calculations</b>	<b>Actual</b>	<b>Per Sq. Foot</b>
New Construction	\$9,714,315	\$112.27
Fixed Equipment	In Building	
Site Preparation	\$573,860	\$6.63
Architectural Fees	\$806,858	\$9.33
Capitalized Construction Interest + Loan Placement Fee	\$721,734	\$8.34
Permits	\$175,000	\$2.02
<b>Subtotal</b>	<b>\$11,991,768</b>	<b>\$138.60</b>

However, there are costs that are not included in the MVS benchmark that have to be deducted from the \$11,991,768.

**B. Extraordinary Cost Adjustments**

	<b>Project Costs</b>	<b>Associated A&amp;E Fees</b>	<b>Associated Cap Interest</b>	<b>Total</b>	
Storm Drains	\$107,225	\$8,409		<b>\$115,634</b>	Site
Rough Grading	\$52,000	\$4,078		<b>\$56,078</b>	Site
Demolition/Deforestation	\$0	\$0		<b>\$0</b>	
Therapy Pool	\$55,000	\$4,313	\$3,522	<b>\$62,836</b>	Building
Site Improvements	\$25,000	\$1,961		<b>\$26,961</b>	Site
Landscaping	\$55,000	\$4,313		<b>\$59,313</b>	Site

Roads	\$150,010	\$11,765		<b>\$161,775</b>	Site
Utilities		\$0		<b>\$0</b>	
Jurisdictional Hook-up Fees	\$100,000	\$7,843		<b>\$107,843</b>	Permits
Signs	\$25,000	\$1,961	\$1,601	<b>\$28,562</b>	Building
Canopy	\$75,000	\$5,882	\$4,803	<b>\$85,685</b>	Building
<b>Total Cost Adjustments</b>	<b>\$644,235</b>	<b>\$50,525</b>	<b>\$9,926</b>	<b>\$704,686</b>	
<b>Per Square Foot</b>				<b>\$8.14</b>	

**C. Adjusted Project Cost**      \$11,287,082  
**Per square foot**                      \$130.45

- Signs, Canopy, Jurisdictional Hook-up Fees, Impact Fees, Paving and Roads, Storm Drains, Site Improvements, Rough Grading, and Landscaping— These costs are specifically excluded from the Marshall & Swift Valuation base square foot cost for a Class A – Good General Hospital per Section 1, page 3 of the Marshall Valuation Service.
- Therapy Pool - PGPA will include a therapy pool. Such pools are not usual in most facilities, and the cost of one would not be in the MVS benchmark.

### III. Comparison

<b>A. Adjusted Project Cost/Sq. Ft.</b>	\$130.45
<b>B. Marshall Valuation Service Benchmark</b>	\$175.10

The project is consistent with the MVS benchmark.

**Exhibit 4**  
**Capitalized Construction Interest Calculation**

Amount of Initial Financing	\$	15,000,000																			
Interest Rate		4.000%																			
		<u>Month 1</u>	<u>Month 2</u>	<u>Month 3</u>	<u>Month 4</u>	<u>Month 5</u>	<u>Month 6</u>	<u>Month 7</u>	<u>Month 8</u>	<u>Month 9</u>	<u>Month 10</u>	<u>Month 11</u>	<u>Month 12</u>	<u>Month 13</u>	<u>Month 14</u>	<u>Month 15</u>	<u>Month 16</u>	<u>Month 17</u>	<u>Month 18</u>	-	
Interest																				-	
Monthly		\$2,466	\$4,610	\$7,668	\$9,911	\$12,816	\$14,901	\$17,989	\$20,588	\$22,457	\$25,830	\$27,547	\$31,107	\$32,671	\$32,895	\$39,079	\$40,413	\$43,011	\$45,619		
Cumulative		\$2,466	\$7,076	\$14,744	\$24,655	\$37,471	\$52,372	\$70,361	\$72,960	\$95,416	\$121,246	\$148,793	\$179,900	\$212,572	\$245,467	\$284,546	\$324,958	\$367,970	\$413,588		
Borrowing/Construction Draws (assumed distributed prorata over an 18 month project)																					
Monthly		\$750,000	\$750,000	\$750,000	\$750,000	\$750,000	\$750,000	\$750,000	\$750,000	\$750,000	\$750,000	\$750,000	\$750,000	\$750,000	\$750,000	\$750,000	\$750,000	\$750,000	\$750,000	\$13,500,000	
Interest			\$2,466	\$4,610	\$7,668	\$9,911	\$12,816	\$14,901	\$20,588	\$22,457	\$25,830	\$27,547	\$31,107	\$32,671	\$32,895	\$39,079	\$40,413	\$43,011	\$45,619	\$375,638	
Cumulative		\$750,000	\$1,502,466	\$2,257,076	\$3,014,744	\$3,772,412	\$4,532,323	\$5,295,139	\$6,060,040	\$6,830,627	\$7,603,084	\$8,378,914	\$9,156,461	\$9,937,568	\$10,720,239	\$11,503,134	\$12,292,214	\$13,082,626	\$13,875,638		
Draw %		5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	90.0%	
Cumulative Draw %		5.0%	10.0%	15.0%	20.0%	25.0%	30.0%	35.0%	40.0%	45.0%	50.0%	55.0%	60.0%	65.0%	70.0%	75.0%	80.0%	85.0%	90.0%		

Withhold	10.0%	\$1,500,000
Total Financing & Interest		\$15,375,638

**Exhibit 5**  
**Facilities Contacted Regarding Collaboration**

<b>Company Name</b>	<b>Phone Number</b>	<b>Address</b>	<b>Contact Name</b>	<b>Date Called</b>
Morning Star Assisted Living	301-604-0971	13311 Santa Anita Rd., Laurel, MD 20708	Ms. Anderson, RN, Owner	11/5/2013
* Riderville Assisted Living	301-604-7118	13205 Clarington Ct., Laurel, MD 20708	Ms. Anderson, RN, Owner	11/5/2013
Compassionate Care Assisted Living, LLC	301-467-9316	2214 Pecan Ln., Bowie, MD 20716	Paula Charles, RN, CM, DN, Owner	11/5/2013
* Elsie's Place Assisted Living, LLC	301-467-9316 C	15611 Peach Walker Dr., Bowie, MD 20716	Paula Charles, RN, CM, DN, Owner	11/5/2013
Caring Hearts Assisted Living	240-432-2375	2707 Spindle Ln., Bowie, MD 20715	Nicole Thezard	11/7/2013
Springtime Home I	301-661-7268	3708 Warner Ave., Hyattsville, MD 20784	Dana Lee, Owner	11/14/2013
Home Away From Home, LLC	301-209-0333	4002 Ingraham St., Hyattsville, MD 20781	Glenda Harman, Mgr., Care Giver	11/14/2013
Morningside House of Laurel	301-725-2220	7700 Cherry Ln., Laurel, MD 20707	Cindy Blevins, Marketing	11/14/2013
The Residence On Greenbelt	301-486-1590	9885 Greenbelt Rd., Lanham, MD 20706	Brent Maynard, Dir. of Sales & Marketing	11/14/2013
Refreshing Springs Assisted Living	301-352-7240	12301 Kemmerton Ln., Bowie, MD 20715	Andrew Robb, Mgr., Owner	11/14/2013
Sure Health Assisted Living	202-650-9302	10402 Meadow Ridge Ln., Bowie, MD 20721	Uchae Okeke, Owner	11/14/2013
Castle of Love Assisted Living Llc	301-249-4594	15554 Peach Walker Dr., Bowie, MD 20716	Charlotte Branch, Owner	11/14/2013

**Exhibit 6**  
**Letter from Bruce Mclean Of Susquehanna Bank**



**Bruce D. McLean**  
**Commercial Banking**  
**307 International Circle**  
**Suite 600**  
**Hunt Valley, MD 21030-1376**  
**410-316-0273**  
**[Bruce.McLean@susquehanna.net](mailto:Bruce.McLean@susquehanna.net)**

November 18, 2013

Mr. Kevin McDonald  
Maryland Health Care Commission  
4160 Patterson Avenue  
Baltimore, Maryland 21215

***RE: Prince George's Post Acute, LLC – Proposed 150 bed nursing home***

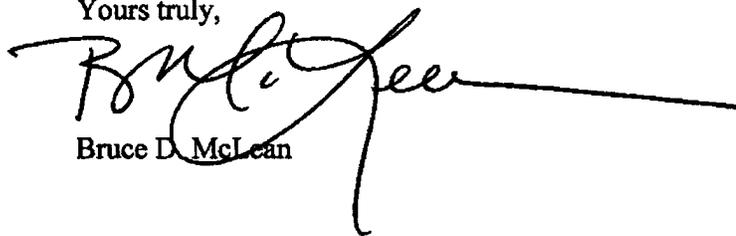
Dear Mr. McDonald:

We understand that Prince George's Post Acute, LLC is seeking Certificate of Need approval from the Maryland Health Care Commission to construct a new 150 bed skilled nursing facility in Upper Marlboro, Prince George's MD. The project will be undertaken by a new limited liability company with common ownership to be formed and under control of FutureCare Health and Management Company (Gary and Leonard Attman). This is to advise you that upon personal knowledge and review of FutureCare's financial information and the Attmans' personal financials that there is sufficient liquidity for their contribution of \$1,660,552. This is also to advise you that Susquehanna Bank would welcome the opportunity to consider providing the construction and acquisition financing for this project.

Please let us know if we can be of further assistance.

Best regards.

Yours truly,



Bruce D. McLean

**Exhibit 7**  
**Detail of Patient Revenues**

Standard Room Rate \$ 298

	Revenues	Census	per day		difference	contractual allowance
Private	\$435,140	1,460	298.04	**	0.04	\$60
Medicare	7,532,642	14,600	515.93	**	217.93	3,181,842
Medicaid	7,729,155	32,120	240.63	**	(57.37)	(1,842,605)
Managed Care	384,345	1,095	351.00	**	53.00	58,035
Hospice	89,790	365	246.00	**	(52.00)	(18,980)
Elder Health	151,475	365	415.00	**	117.00	42,705
Part B Therapy	182,304					
Totals	\$16,504,851 Table 4, Line 1c	50,005				\$ 1,421,057

\*\* Please refer to response to 19a.

**Exhibit 8**  
**Detail of Other Operating Revenues**

RESPONSE TO QUESTION 19d

BARBER AND BEAUTY	\$	22,200	
DIALYSIS SPACE RENTAL		50,000	
VENDING MACHINES		2,400	
EMPLOYEE AND GUEST MEALS		1,200	
TELEPHONE SERVICE		8,760	
CABLE TV SERVICE		12,252	
VACCINES		2,100	
		<hr/>	
	\$	98,912	Table 4 , Line 1 h

**Exhibit 9**  
**Revised Table 6**

RESPONSE FOR QUESTION 19e

YEAR 3

ADMINISTRATOR	149,356
AGENCY NURSING	20,040
SOCIAL SERVICE	3,000
NURSE PRACTITIONER	114,000
MEDICAL DIRECTOR	48,000
PSYCHOGERIATRIC CONSULTANT	2,700
DENTIST	9,600
BARBER AND BEAUTY	18,500
PHARMACY CONSULTANT	10,032
PHYSICAL THERAPY	692,359
OCCUPATIONAL THERAPY	545,047
SPEECH THERAPY	235,700

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1,848,334 Table 4 , Line 2 b

Position	Current No FTEs	Change in FTEs (+/-)	Average Salary	Employee/ Contractual	Total Cost
<b>Administration</b>					
Administrator				management employee	149,356
Admissions		0.92	31.60	employee	60,552
Clerical		0.92	18.60	employee	35,641
Quality Assurance		0.92	41.84	employee	80,169
Reception		2.21	12.21	employee	56,184
Business Office		2.76	23.95	employee	137,655
Medical Records		0.92	16.84	employee	32,263
Inservice Training		0.46	37.36	employee	35,713
<b>Direct Care</b>					
DON		0.92	57.79	employee	110,725
RN		7.04	34.91	employee	510,879
LPN		22.12	30.53	employee	1,404,618
CNA		47.85	16.14	employee	1,606,332
Restorative Aide		1.81	16.42	employee	61,810
Unit Manager		2.76	33.19	employee	190,617
Shift Supervisor		3.22	39.53	employee	264,404
Unit Secretaries		2.76	16.83	employee	96,681
MDS Coordinator		1.93	34.52	employee	138,579
Pharmacy				contractual	10,032
Agency				contractual	20,040
Physical Therapy				contractual	692,359
Occupational Therapy				contractual	545,047
Speech Therapy				contractual	235,700

Support

Activities		3.06	16.62	employee	105,779
Dietary		14.24	17.12	employee	507,285
Laundry		3.70	13.68	employee	105,165
Housekeeping		9.60	12.27	employee	245,183
Maintenance		2.62	18.25	employee	99,291
Social Service		3.76	26.80	employee	209,322
Social Service				contractual	3,000
Nurse Practitioner				contractual	114,000
Medical Director				contractual	48,000
Psychogeriatric				contractual	2,700
Dentist				contractual	9,600
Barber and Beauty				contractual	18,500

TOTAL		136.51			7,943,181
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Total Salaries and Employee Benefits	7,850,520	Employee Benefits	1,755,673
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Total Contractual	1,848,334		
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	9,698,854	Total	9,698,854
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Total Employee Benefits	1,755,673
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Total Salaries	6,094,847
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	28.8%
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**Exhibit 10**  
**Details of Projected Costs Of Supplies**

RESPONSE FOR QUESTION 19f                      YEAR 3

MEDICAL SUPPLIES	187,019
ENTERAL SUPPLIES	19,123
OXYGEN SUPPLIES	26,998
ACTIVITY SUPPLIES	19,004
PATIENT PERSONAL CARE SUPPLIES	53,008
DIETARY SUPPLIES	51,005
LAUNDRY SUPPLIES	20,500
LINEN PURCHASES	21,499
DIAPERS & DISPOSABLES	51,501
HOUSEKEEPING SUPPLIES	59,507
THERAPY SUPPLIES	10,800
MEDICAL RECORDS SUPPLIES	5,003

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524,967 Table 4 , Line 2 i

**Exhibit 11**  
**Details of Projected Pharmacy, Food, And Management Fees**

RESPONSES FOR QUESTION 19g

YEAR 3

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OVER THE COUNTER DRUGS	34,004	
PRESCRIPTIONS MEDICARE	477,713	
PRESCRIPTIONS MANAGED CARE	100,740	
PRESCRIPTIONS MEDICAID	21,600	
I.V THERAPY EXPENSE	115,047	
	<hr/>	
	749,104	Table 4, Line 4 2j1

RAW FOOD	279,530	
OTHER FOOD	53,008	
	<hr/>	
	332,538	Table 4, Line 4 2j6

MANAGEMENT FEE	1,128,000	Table 4, Line 4 2j2
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**Exhibit 12**  
**Details of Other Administration Costs**

## RESPONSE TO QUESTION 19h

### Other Administration

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ADVERTISING -HELP WANTED	26,516
AUTO	1,999
BANK CHARGES	9,502
DATA PROCESSING	19,004
DUES & SUBSCRIPTIONS	27,506
INSURANCE-NON PROPERTY	116,700
OFFICE SUPPLIES	48,509
ACCOUNTING	12,000
LEGAL & CONSULTING	39,007
LICENSES & PERMITS	3,003
TELEPHONE	33,005
EDUCATION & TRAINING EXPENSE	4,800
MEETINGS & SEMINARS	1,800
INTEREST-WORKING CAPITAL	56,246
ADVERTISING-MEDIA	12,000
PRINTING & VIDEO PRODUCTION	3,864
MEETINGS WITH REFERRAL SOURCES	1,548
PROMOTIONAL GIFTS	4,800
COMMUNITY RELATIONS	4,800
CONTRIBUTIONS	600
AMORTIZATION OF STARTUP COSTS	40,000

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467,209 Table 4 , Line 2 J3

**Exhibit 13**  
**Revised Table 3**

CY or FY (circle)	1 CY 20X1	2 CY 20X2	3 CY 20X3
<b>Revenue</b>			
a. Inpatient Services	8,228,648	16,258,236	16,504,851
b. Outpatient Services	-	-	-
c. Gross Patient Services Revenues	8,228,648	16,258,236	16,504,851
d. Allowance for Bad Debt	(132,060)	(260,905)	(264,860)
e. Contractual Allowance & Adjustments			
f. Charity Care			
g. Net Patient Services Revenue	8,096,588	15,997,331	16,239,991
h. Other Operating Revenues			
Miscellaneous Revenue	25,104	98,300	98,912
Total Other Operating Revenue	25,104	98,300	98,912
i. Net Operating Revenues	8,121,692	16,095,631	16,338,903
<b>Expenses</b>			
Salaries, Wages and Professional Fees (inc. a. benefits)	4,632,001	7,828,701	7,850,520
b. Contractual Services	1,178,349	1,848,002	1,848,334
c. Interest on Current Debt	-	-	-

d. Interest on Project Debt	-	-	-
e. Current Depreciation	-	-	-
f. Project Depreciation	-	-	-
g. Current Amortization	-	-	-
h. Project Amortization	-	-	-
i. Supplies	231,391	515,714	524,967
j. Other Expenses	-	-	-
Pharmacy	441,809	748,492	749,104
Management Fee	480,000	1,020,000	1,128,000
Other Administration	336,832	471,414	467,209
Food	144,992	326,551	332,538
Utilities	169,178	308,383	314,037
Taxes/Property/Insurance	532,501	1,019,173	1,039,819
Rental of Facility	986,780	986,780	986,780
Equipment Rental/Repairs & Maint	127,010	232,883	236,114
Lab, Xray, Ambulance Services	120,069	215,857	215,857
j. Total Other Expenses	3,339,171	5,329,533	5,469,458
k. Total Operating Expenses	9,380,911	15,521,950	15,693,279

**Income**

a. Income from Operation	(1,259,219)	573,682	645,624
b. Non-Operating Income			
c. Income	(1,259,219)	573,682	645,624
d. Income Taxes			
e. Net Income (Loss)	(1,259,219)	573,682	645,624

**Patient Mix**

A. Percent of Net Patient Revenue

1) Medicare	53.21%	46.05%	45.37%
2) Medicaid	35.03%	45.77%	46.55%
3) Commercial Insurance	5.61%	3.82%	3.77%
4) Self-Pay	4.63%	2.66%	2.62%
5) Part B therapy, Other Patient Revenues	1.51%	1.70%	1.69%
6) Total	100.00%	100.00%	100.00%

B. Percent of Patient Days by Payer Source

1) Medicare	39.05%	29.73%	29.20%
2) Medicaid	48.93%	63.58%	64.23%
3) Commercial Insurance	4.89%	2.97%	2.92%
4) Self-Pay	5.87%	2.97%	2.92%
5) Hospice	1.26%	0.74%	0.73%
6) Total	100.00%	100.00%	100.00%

**From Table 5:**

C			
. Medicaid Analysis	Patient Days	Patient Days	Patient Days

a. Light	854	2,496	2,567
b. Moderate	4,267	12,488	12,847
c. Heavy	5,015	14,673	15,096
d. Heavy Special	533	1,563	1,610
<hr/>			
e. Total	10,669	31,220	32,120

C

. Medicaid Analysis	Daily Rate	Daily Rate	Daily Rate
a. Light	239.47	209.90	210.95
b. Moderate	262.07	232.26	233.29
c. Heavy	266.18	236.38	237.39
d. Heavy Special	296.55	266.28	267.12
e. Additional Services	7.09	5.67	5.51

**Exhibit 14  
Reconciliation**

Response to question 25

Administration Employees per staff analysis	587,074
Remove contracted management employee	(149,356)
	<hr/>
	437,718
Direct Care Employees per staff analysis	4,608,909
Remove ADON not in submitted CON	(78,000)
Remove RN unit manager not in submitted CON	(145,766)
	<hr/>
	4,385,143
Support Employees per staff analysis	1,272,205
Adjusted Employees from staff analysis	6,095,066
Employees per staffing Table 6	6,094,847
Variance	(219)
	<hr/> <hr/>

Employee Benefits were improperly stated in the filed CON. The correct Employee Benefits are 28.8%

A revised Table 6 is attached showing the Employee Benefits % calculation

**Exhibit 15**  
**Letters of Support**



**Dimensions Healthcare System**  
**Prince George's Hospital Center**

October 30, 2013

Ben Steffen  
Executive Director  
Maryland Health Care Commission  
4160 Patterson Avenue  
Baltimore, Maryland 21215-2299

RE: FutureCare Comprehensive Care Facility

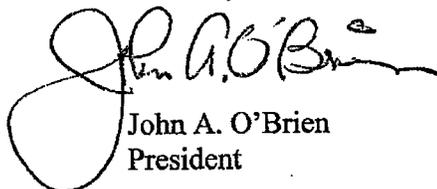
Dear Mr. Steffen:

I am writing to express my strong support for the Certificate of Need application filed by FutureCare Health & Management Corp. to develop a new 150 bed Comprehensive Care facility in Prince George's County. I believe that these beds are needed and that FutureCare is the right provider to meet that need. I am familiar with FutureCare's other nursing home in Prince George's County. FutureCare is a highly responsible and responsive company that has been reliable in recent years as a collaborator in assuring an appropriate continuum of care for patients in Prince George's County. FutureCare assisted Prince George's Hospital Center in the closure of the Gladys Spellman skilled nursing facility. The company continues to assist us in helping to place patients requiring the appropriate care offered by their facilities. I have great confidence that FutureCare will provide high quality services to residents of Prince George's County.

I look forward to coordinating with FutureCare to meet the needs of Prince George's County residents.

I support this project and hope that the Commission approves FutureCare's CON application.

Sincerely,



John A. O'Brien  
President

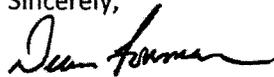
Dear Maryland Health Care Commission:

I understand that FutureCare Health and Management Corporation has filed an application to build a 150 comprehensive care facility in Prince Georges County. Seasons Hospice & Palliative Care has had a business association to provide hospice services to FutureCare sites in other parts of the state and have found them to be a willing partner in the provision of hospice services to the surrounding community. The leadership and staff of FutureCare homes have proven to be cognizant of the importance of this end of life service, and how it can help individuals, families and communities give dignity to the dying process.

In our relationship with FutureCare, we have consistently found that they have offered caring staff and a wonderful attitude about the mission of hospice. Their facilities offer a clean environment, with delicious food and an atmosphere of respect for individual needs and rights. When issues have arisen, we have found the management and staff eager to listen and cooperate for the benefit of the patient and their family.

While we are engaged in the mission of Hospice care, it has been our experience that being at their sites, FutureCare Health and Management run their entire facility with professionalism and cutting art methodologies. Included in this is a move to EMR and advance rehab and therapy modalities. Seasons Hospice & Palliative Care looks forward to the development of a FutureCare home to service the residents and community of Prince Georges County in the Landover area. We would anticipate that our affiliation with FutureCare in this new home would continue, if asked to participate in providing hospice services.

Sincerely,



Dean Forman

Executive Director



Accredited by  
The Joint Commission



7 October 2013

To: Maryland Health Care Commission

Re: Letter of Support for Futurecare Health & Management

Radiation Physics is a portable x-ray service based in Prince Georges County. We provide services to the long term care community as well as home health care companies.

Radiation Physics has had a 10+ year relationship with Futurecare Health and Management. During that time we have provided diagnostic x-ray and ultrasound services to all of their facilities. We have always had a good working relationship with the company both at a facility level as well as a corporate level. The management team has always been readily available to us both on an operational level as well as for ongoing quality assurance programs.

Based on my personal knowledge of the company as well as public recognitions they have received, I would fully support their plans to build a nursing home in Prince Georges County. Futurecare would be a positive addition to the community.

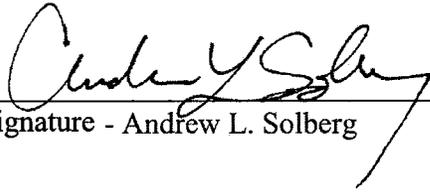
Sincerely,

A handwritten signature in black ink, appearing to read 'Louis Rubin', written in a cursive style.

Louis Rubin  
President

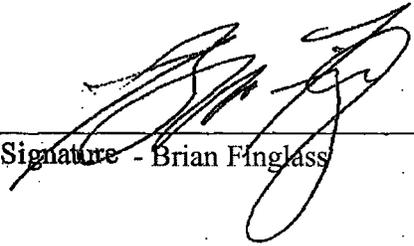
**Exhibit 16**  
**Affirmations**

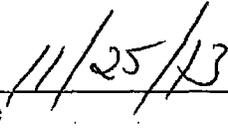
I hereby declare and affirm under the penalties of perjury that the facts stated in this Completeness and Additional Information response are true and correct to the best of my knowledge, information, and belief.

  
\_\_\_\_\_  
Signature - Andrew L. Solberg

11/25/13  
\_\_\_\_\_  
Date

I hereby declare and affirm under the penalties of perjury that the facts stated in this Completeness and Additional Information response are true and correct to the best of my knowledge, information, and belief.

  
\_\_\_\_\_  
Signature - Brian Finglass

  
\_\_\_\_\_  
Date

I hereby declare and affirm under the penalties of perjury that the facts stated in this Completeness and Additional Information response are true and correct to the best of my knowledge, information, and belief.

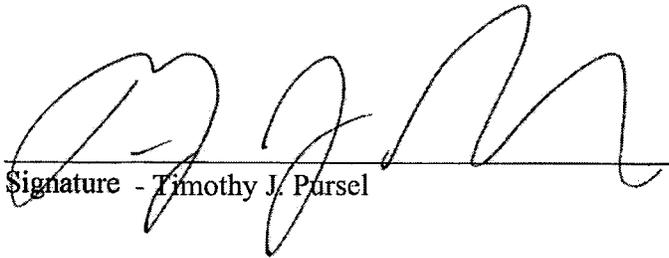
Leslie D. Goldschmidt

Signature - Leslie D. Goldschmidt

11/25/13

Date

I hereby declare and affirm under the penalties of perjury that the facts stated in this Completeness and Additional Information response are true and correct to the best of my knowledge, information, and belief.



Signature - Timothy J. Pursel

11/25/13

Date