

APPLICATION FOR CERTIFICATE OF NEED

For 28 Bed Addition
to an Existing 63 Bed Comprehensive Care Facility

Submitted By

LORIEN – HOWARD, INC.
dba Encore at Turf Valley
Applicant

For Review By the

MARYLAND HEALTH CARE COMMISSION

April 10, 2015

JAMES A. FORSYTH, ESQ.

Law Offices of James A. Forsyth
11604 Garrison Forest Road
Owings Mills, MD 21117
(Tel) 443 928 7935

Attorney for Applicant

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Introduction

Encore is an existing senior care facility located at 11150 Resort Road, Ellicott City, Maryland, within Howard County's Turf Valley planned community. It is located on a parcel of land near the intersection of Marriottsville Road and I-70 West near the intersection. The facility consists of a one story 63 bed Comprehensive Care Facility (CCF) connected to a separately licensed multi-level Assisted Living Facility. The CCF opened on May 7, 2010, and the ALF opened soon after.

This Application seeks CON approval to add 28 beds Comprehensive Care beds to the CCF. As more particularly described in responses to Item 11 at pages 12 and 13 below, these additional beds will be housed in new space to be constructed as either new wings or extensions of existing wings of the building. A total of 18 new Private, Single Occupancy Resident Rooms will be constructed, along with 5 new Semi – Private, Double Occupancy Resident Rooms. The 2 existing Nursing Units will be expanded from 39 Beds and 24 Beds to 46 Beds and 45 Beds.

The 28 bed addition will meet part of the newly identified need for 129 additional Comprehensive Care Beds to meet the needs of Howard County's growing Senior population. It represents only a small incremental expansion of the county's existing 578 bed inventory and will therefore not have any adverse impacts upon existing facilities.

The proposed project enjoys substantial community support and there is no known or reasonably anticipated opposition to the project. Encore's site is properly zoned for its use.

For internal staff use:

**MARYLAND
HEALTH
CARE
COMMISSION**

MATTER/DOCKET NO.

DATE DOCKETED

**COMPREHENSIVE CARE FACILITY (NURSING HOME)
APPLICATION FOR CERTIFICATE OF NEED**

ALL APPLICATIONS MUST FOLLOW THE FORMATTING REQUIREMENTS DESCRIBED IMMEDIATELY BELOW. NOT FOLLOWING THESE FORMATTING INSTRUCTIONS WILL RESULT IN THE APPLICATION BEING RETURNED.

Required Format:

Table of Contents. The application must include a Table of Contents referencing the location of application materials. Each section in the hard copy submission should be separated with tabbed dividers. Any exhibits, attachments, etc. should be similarly tabbed, and pages within each should be numbered independently and consecutively. **The Table of Contents must include:**

- **Responses to PARTS I, II, III, and IV of the COMPREHENSIVE CARE FACILITY (NURSING HOME) application form**
- **Responses to PART IV must include responses to the standards in the State Health Plan chapter, COMAR 10.24.08, *applicable to the type of nursing home project proposed.***
 - All Applicants must respond to the general standards, COMAR 10.24.08.05A.
 - Applicants proposing *new construction or expansion* of comprehensive care facility beds, including replacement of an existing facility or existing beds, if new outside walls are proposed must also respond to all the standards in COMAR 10.24.08.05B.
 - Applicants only proposing *renovations within existing facility* walls using beds currently shown in the Commission's inventory as authorized to the facility must respond to all the standards in COMAR 10.24.08.05C in addition to the standards in .05A. Applicants for such renovations should not respond to the standards in .05B.
 - All Applicants must respond to the Review Criteria listed at 10.24.01.08G(3)(b) through 10.24.01.08G(3)(f) as detailed in the application form.
- **Identification of each Attachment, Exhibit, or Supplement**

Application pages must be consecutively numbered at the bottom of each page. Exhibits attached to subsequent correspondence during the completeness review process shall use a consecutive numbering scheme, continuing the sequencing from the original application. (For example, if the last exhibit in the application is Exhibit 5, any exhibits used in subsequent responses should begin with Exhibit 6. However, a replacement exhibit that merely replaces an exhibit to the application should have the same number as the exhibit it is replacing, noted as a replacement.

SUBMISSION FORMATS:

We require submission of application materials and the applicant's responses to completeness questions in three forms: hard copy; searchable PDF; and in Microsoft Word.

- **Hard copy:** Applicants must submit six (6) hard copies of the application to:
Ruby Potter
Health Facilities Coordinator
Maryland Health Care Commission
4160 Patterson Avenue
Baltimore, Maryland 21215
- **PDF:** Applicants must also submit *searchable* PDF files of the application, supplements, attachments, and exhibits.¹ All subsequent correspondence should also be submitted both by paper copy and as *searchable PDFs*.
- **Microsoft Word:** Responses to the questions in the application and the applicant's responses to completeness questions should also be electronically submitted in Word. Applicants are strongly encouraged to submit any spreadsheets or other files used to create the original tables (the native format). This will expedite the review process.

Applicants are strongly encouraged to submit any spreadsheets or other files used to create the original tables (the native format). This will expedite the review process.

PDFs and spreadsheets should be submitted to ruby.potter@maryland.gov and kevin.mcdonald@maryland.gov.

Note that there are certain actions that may be taken regarding either a health care facility or an entity that does not meet the definition of a health care facility where CON review and approval are not required. Most such instances are found in the Commission's procedural regulations at COMAR 10.24.01.03, .04, and .05. Instances listed in those regulations require the submission of specified information to the Commission and may require approval by the full Commission. Contact CON staff at (410) 764-3276 for more information.

A pre-application conference will be scheduled by Commission Staff to cover this and other topics. Applicants are encouraged to contact Staff with any questions regarding an application.

¹ PDFs may be created by saving the original document directly to PDF on a computer or by using advanced scanning technology

PART I - PROJECT IDENTIFICATION AND GENERAL INFORMATION

1. FACILITY

Name of Facility: Lorien – Howard, Inc., dba Encore at Turf Valley _____

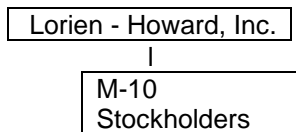
Address:

11150 Resort Road	Ellicott City	21042	Howard
Street	City	Zip	County

2. Name of Owner Lorien – Howard, Inc.

If Owner is a Corporation, Partnership, or Limited Liability Company, attach a description of the ownership structure identifying all individuals that have or will have at least a 5% ownership share in the applicant and any related parent entities. Attach a chart that completely delineates this ownership structure. The owner is a privately held Maryland corporation, the stock of which is 100% owned by individuals. None of the stock is held by a holding company, a parent entity or related entity / structure. As stated in the Letter of Intent, the following 10 individuals are the shareholders of the corporation, with each owning 10% of the stock in the corporation: Louis Mangione; John Mangione; Rosemary (Mangione) Juras; Linda (Mangione) Licata; Nicholas Mangione, Jr., Joanne (Mangione) Hock; Peter Mangione, Frances (Mangione) O'Keefe; Samuel Mangione; and Michele Mangione. The Applicant's stockholders may collectively be referred to as 'M-10'.

A chart delineating the Applicant's ownership structure would simply be:



3. APPLICANT. If the application has a co-applicant, provide the following information in an attachment.

Legal Name of Project Applicant (Licensee or Proposed Licensee): Lorien – Howard, Inc., dba Encore at Turf Valley _____

Address:

11150 Resort Road	Ellicott City	21042	MD	Howard
Street	City	Zip	State	County
Telephone:	(410) 461-7070			

4. NAME OF LICENSEE OR PROPOSED LICENSEE, if different from applicant:

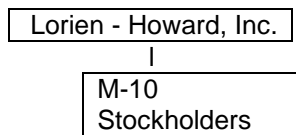
(same)

5. LEGAL STRUCTURE OF APPLICANT (and LICENSEE, if different from applicant).

Check or fill in applicable information below and attach an organizational chart showing the owners of applicant (and licensee, if different).

- A. Governmental
 - B. Corporation
 - (1) Non-profit
 - (2) For-profit
 - (3) Close State & date of incorporation
Maryland, 11/30/1998
 - C. Partnership
 - General
 - Limited
 - Limited liability partnership
 - Limited liability limited partnership
 - Other (Specify): _____
 - D. Limited Liability Company
 - E. Other (Specify): _____
- To be formed:
- Existing:

A chart delineating the Applicant's ownership structure would simply be:



6. PERSON(S) TO WHOM QUESTIONS REGARDING THIS APPLICATION SHOULD BE DIRECTED

A. Lead or primary contact:

Name and Title: Louis G. Grimmel, Sr. , CEO

Company Name Maryland Health Enterprises, Inc . dba Lorien Health Systems

Mailing Address:

3300 N. Ridge Road _____ Ellicott City 21043 MD
Street City Zip State

Telephone: (410)-750-7500

E-mail Address (required):

lgrimmel@lorienhealth.com

Fax: (410)-750-7902

If company name is different than applicant briefly describe the relationship

Maryland Health Enterprises, Inc. provides management services to the Applicant.

B. Additional or alternate contact:

Name and Title: James A. Forsyth, Esq., Attorney

Company Name: Law Offices of James A. Forsyth, Esq

Mailing Address:

11604 Garrison Forest Rd. Owings Mills 21117 MD
Street City Zip State

Telephone: (443) 928- 7936

E-mail Address (required): jaforsyth@comcast.net

Fax: N/A

If company name is different than applicant briefly describe the relationship
Attorney for Applicant and Maryland Health Enterprises, Inc.

7. NAME OF THE OWNER OR PROPOSED OWNER OF THE REAL PROPERTY and Improvements (if different from the licensee or proposed licensee)

Legal Name of the Owner of the Real Property

Lorien at Turf Valley, LLC

Address:

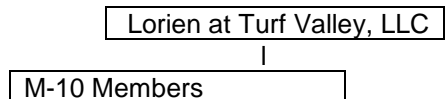
1205 York Road – PH Suite Lutherville 21093 MD Balto.
ATT: Samuel Mangione, Esq
Street City Zip State County

Telephone: (410)-825-8500

If Owner is a Corporation, Partnership, or Limited Liability Company attach a description of the ownership structure identifying all individuals that have or will have at least a 5% ownership share in the in the real property and any related parent entities. Attach a chart that completely delineates this ownership structure.

Lorien at Turf Valley, LLC has ten Members each with 10% ownership interest. The Members are: Louis Mangione; John Mangione; Rosemary (Mangione) Juras; Linda (Mangione) Licata; Nicholas Mangione, Jr., Joanne (Mangione) Hock; Peter Mangione, Frances (Mangione) O'Keefe; Samuel Mangione; and Michele Mangione. Collectively, the Members may be referred to as 'M-10 Members'.

A chart delineating this ownership structure would simply be:



8. NAME OF THE Owner of the Bed Rights (i.e., the person/entity that could sell the beds included in this application to a 3rd party):

Legal Name of the Owner of the Rights to Sell the CCF Beds

Lorien – Howard, Inc.(Licensee and Applicant)

If the Legal Entity that has or will have the right to sell the CCF beds is other than the Licensee or the Owner of the Real Property Identified Above Provide the Following Information. N/A

Address: N/A

Street	City	Zip	State	County
--------	------	-----	-------	--------

Telephone: _____

9. If a management company or companies is or will be involved in the clinical or financial management of the facility or will provide oversight of any construction or renovations proposed as part of this APPLICATION, identify each company or individual that will provide the services and describe the services that will be provided. Identify any ownership relationship between the management company and the owner of the facility and/or the real property or any related entity.

Name of Management Company Maryland Health Enterprises, Inc. DBA Lorien Health Systems

Address:

3300 N. Ridge Road	Ellicott City	21043	MD	Howard
Street	City	Zip	State	County

Telephone: (410) 750-7500

Maryland Health Enterprises, Inc. ('MHE') dba Lorien Health Systems provides management oversight services, clinical guidance, accounting, billing, legal, human resources, operational and planning services to Encore. MHE does not have any ownership interests in the Applicant or the owner of the Real Property.

10. TYPE OF PROJECT

The following list includes all project categories that require a CON pursuant to COMAR 10.24.01.02(A). Please mark all that apply in the list below.

If approved, this CON would result in (check as many as apply):

- (1) A new health care facility built, developed, or established
- (2) An existing health care facility moved to another site
- (3) A change in the bed capacity of a health care facility
- (4) A change in the type or scope of any health care service offered by a health care facility
- (5) A health care facility making a capital expenditure that exceeds the current threshold for capital expenditures found at:

http://mhcc.maryland.gov/mhcc/pages/hcfs/hcfs_con/documents/con_capital_threshold_20140301.pdf

11. PROJECT DESCRIPTION

A. Executive Summary of the Project: The purpose of this BRIEF executive summary is to convey to the reader a holistic understanding of the proposed project: what it is, why you need to do it, and what it will cost. A one-page response will suffice. Please include:

- (1) Brief Description of the project – what the applicant proposes to do
- (2) Rationale for the project – the need and/or business case for the proposed project
- (3) Cost – the total cost of implementing the proposed project

The Applicant proposes to expand its existing 63 Bed Comprehensive Care Facility by adding 28 new Beds thus bringing its bed complement to 91 beds. The facility is stable and experiencing utilization in excess of 90% (see Discussion of Need, *infra*). The Facility is expected to experience increasing demand as a result of the aging of the Howard County population, its modern physical plant and amenities, and the increasing desirability of its location within the Turf Valley community. Further, Encore's expansion will further its mission of serving the Howard County community by enabling it to meet part of the newly identified need for additional beds in Howard County resulting from the corrected State Health Plan Bed Need Projection. Finally, the proposed expansion project will allow Encore to add 18 new Private single occupancy Rooms thereby increasing its Private, single-occupancy Rooms from the current 5 to 23 Rooms. An additional 10 beds will be added in 5 Semi – Private Double Occupancy Rooms. The total Project Cost is \$ 3,369,000. Total Current Capital Cost is \$ 3,556,500

B. Comprehensive Project Description: The description should include details regarding:

- (1) Construction, renovation, and demolition plans
- (2) Changes in square footage of departments and units
- (3) Physical plant or location changes
- (4) Changes to affected services following completion of the project
- (5) Outline the project schedule.

(1) The project will involve the construction of new wings to the existing Encore Facility as additional ancillary space all totaling 13,212 sf of new construction and 2,120 sf of renovations as shown on the Drawings attached as Apx 1, and summarized below:

(a) East Wing - Construction of a 3,734 sf extension to the current East Wing to contain 10 Private, Single Occupancy Resident Rooms, including a new Elevator and Mechanical Room; over a newly constructed 3,786 sf storage area. Renovation of the area where the new extension meets the existing building (approx. 168 sf).

(b) New Northeast Wing - Construction of a new hallway and Wing comprising 3,208 sf to house 8 Private, Single Occupancy Resident Rooms, a Mechanical Room and Water Closet / Shower;); Renovation of the area where the new extension meets the existing building (approx. 800 sf).

(c) North Wing - Construction of a 1,319 sf extension of the existing North

Wing to house 6 new Beds in 3 Semi – Private Double Occupancy Resident Rooms, a new Mechanical Room and a new Clean Utility Room.

(d) Construction of a 1,165 sf New Dining / Day Room; Renovation of the area where it meets the existing building (approx. 488 sf)

(e) Renovation and Conversion of Existing Dining Room to 2 Semi – Private, Double occupancy Resident Rooms to house 4 new Beds in approx. 664 sf of space.

(2) A total of 13,212 sf will be added in the areas noted above, and 2,120 sf will be renovated.

(3) The Physical Plant will change as explained in response (1) above and As Shown on the Drawings attached as Apx. 1.

(4) Encore’s existing services will remain the same with increases in the volume of services due to the increased bed complement.

(5) The Projected Schedule is as follows:

-Submit CON Application: 4/10/2015

-Docketing of CON Application: 6/10/2015

-CON Award: 9/17/2015

Perf. Req. 1 (Sign Construction Contract): 3/17/2017

Perf. Req. 2 (Begin Construction): 3/17/2017

Perf. Req. 3 (1st Use): By 9/17/18

12. Complete Table A of the CON Table Package for Nursing Home (CCF) Applications – See completed Table A, infra at Apx. 2, CON Table Package.

13. Identify any community based services that are or will be offered at the facility and explain how each one will be affected by the project. A separately licensed, physically connected Assisted Living Facility is located adjacent to the Encore Comprehensive Care Facility. In addition, Encore offers community-based services via its referral practice with other providers, including Active Day Care, Winter Growth Day Care’ Johns Hopkins Home Health, Bayada Home Care’ Gilchrist Home Hospice, Harmony Hall AL, Lighthouse AL, Heartlands AL, Brightview AL, and Abundant Life AL. The proposed expansion of the CCF will mean more people will be served in the CCF and therefore increased volumes of community based services can be expected on discharge.

14. REQUIRED APPROVALS AND SITE CONTROL

A. Site size: **6.05** acres

B. Have all necessary State and local land use and environmental approvals, including zoning and site plan, for the project as proposed been obtained? YES _____ NO **X** (If NO, describe below the current status and timetable for receiving each of the necessary approvals.)

The Facility’s site is already properly zoned for the use. The proposed project must obtain Site Plan approval and other normal approvals in the development process including approval of water / sewer extensions, Site Plan revisions, grading and building permit approvals.

C. Form of Site Control (Respond to the one that applies. If more than one, explain):
 Note - This is a proposed expansion of an existing Facility on its current site.

- (1) Owned by: Lorien at Turf Valley, LLC (owned by the same individuals who are the shareholders of the Applicant, Lorien – Howard, Inc. dba Encore at Turf Valley – see Response to Item 7 above)
- (2) Options to purchase held by: _____
 Please provide a copy of the purchase option as an attachment.
- (3) Land Lease held by: _____
 Please provide a copy of the land lease as an attachment.
- (4) Option to lease held by: _____
 Please provide a copy of the option to lease as an attachment.
- (5) Other: _____
 Explain and provide legal documents as an attachment.

15. PROJECT SCHEDULE

In completing this section, please note applicable performance requirements time frames set forth in Commission regulations, COMAR 10.24.01.12. Ensure that the information presented in the following table reflects information presented in Application Item 11 (Project Description).

	Proposed Project Timeline	
Obligation of 51% of capital expenditure from approval date	18	months
Initiation of Construction within 4 months of the effective date of a binding construction contract	date of Contract Signing	months
Time to Completion of Construction from date of capital obligation	18	months

16. PROJECT DRAWINGS – Attached at Apx. 1

Projects involving new construction and/or renovations should include scalable schematic drawings of the facility at at least a 1/16” scale. Drawings should be completely legible and include dates.

These drawings should include the following before (existing) and after (proposed), as applicable:

- A. Floor plans for each floor affected with all rooms labeled by purpose or function, number of beds, location of bath rooms, nursing stations, and any proposed space for future expansion to be constructed, but not finished at the completion of the project, labeled as “shell space”.
- B. For projects involving new construction and/or site work a Plot Plan, showing the “footprint” and location of the facility before and after the project.
- C. Specify dimensions and square footage of patient rooms.

17. FEATURES OF PROJECT CONSTRUCTION

- A. If the project involves new construction or renovation, complete the Construction and Renovation Square Footage worksheet in the CON Table Package (Table B) – See Table B, *infra* at Apx. 2.
- B. Discuss the availability and adequacy of utilities (water, electricity, sewage, natural gas, etc.) for the proposed project and identify the provider of each utility. Specify the steps that will be necessary to obtain utilities.

The Applicant is an existing facility and is currently served by all public utilities (water, sewer, and electricity). Howard County Department of Public Works, Bureau of Utilities is the provider of Water & Sewer services. Electricity is provided by BGE. Encore will submit its plans for Water & Sewer extensions a part of the Site Plan approval process and subsequently schedule necessary hookups, including expanded electrical capacity during the building permit / construction phase. There are no known issues regarding the availability of capacity.

PART II - PROJECT BUDGET

Complete the Project Budget worksheet in the CON Table Package (Table C).

See Apx. 2 for Table C and Statement of Assumptions, Explanations of Cost Estimates & Contingencies, etc. on the following pages.

Note: Applicant should include a list of all assumptions and specify what is included in each budget line, as well the source of cost estimates and the manner in which all cost estimates are derived. Explain how the budgeted amount for contingencies was determined and why the amount budgeted is adequate for the project given the nature of the project and the current stage of design (i.e., schematic, working drawings, etc.)

PART III - APPLICANT HISTORY, STATEMENT OF RESPONSIBILITY, AUTHORIZATION AND RELEASE OF INFORMATION, AND SIGNATURE

1. List names and addresses of all owners and individuals responsible for the proposed project and its implementation.

Louis Mangione and John Mangione
Mangione Family Enterprises
1205 York Road, Penthouse Suite
Lutherville, Maryland 21093

2. Are the applicant, owners, or the responsible persons listed in response to Part 1, questions 2, 3, 4, 7, and 9 above now involved, or have they ever been involved, in the ownership, development, or management of another health care facility? If yes, provide a listing of these facilities, including facility name, address, and dates of involvement.

Yes, as to the Applicant Owners, including the individuals above, per these approximate dates: Lorien N & R Ctr. - Mt. Airy, 713 Midway, Mt. Airy, MD 21771 (1998 to present); Lorien N & R Ctr. - Riverside, 1123 Belcamp Garth, Belcamp, MD 21017 (1992 to present); Lorien N & R Ctr. - Taneytown, 100 Antrim Blvd., Taneytown, MD 21787 (2004 to present); Lorien N & R Ctr. - Mays Chapel, (2007 to present); Lorien N & R Ctr. - Ellicott City dba Encore at Turf Valley (1999 to present); Lorien N & R Ctr. Elkridge, 7615 Washington Blvd, Elkridge, MD 21075 (2002 to present); Lorien Harford II, Inc. dba Lorien Bulle Rock (2008 to present); In addition, the applicant's Owners had a 2% non-controlling ownership interest in Lorien N & R Ctr. - Frankford (1990 to May, 2007 when it was sold).

3. Has the Maryland license or certification of the applicant facility, or any of the facilities listed in response to Question 2, above, been suspended or revoked, or been subject to any disciplinary action (such as a ban on admissions) in the last 5 years? If yes, provide a written explanation of the circumstances, including the date(s) of the actions and the disposition. If the applicant, owners or individuals responsible for implementation of the Project were not involved with the facility at the time a suspension, revocation, or disciplinary action took place, indicate in the explanation.

No.

4. Other than the licensure or certification actions described in the response to Question 3, above, has any facility with which any applicant is involved, or has any facility with which any applicant has in the past been involved (listed in response to Question 2, above) received inquiries in last from 10 years from any federal or state authority, the Joint Commission, or other regulatory body regarding possible non-compliance with any state, federal, or Joint Commission requirements for the provision of, the quality of, or the payment for health care services that have resulted in actions leading to the possibility of penalties, admission bans, probationary status, or other sanctions at the applicant facility or at any facility listed in response to Question 2? If yes, provide, for each such instance, copies of any settlement reached, proposed findings or final findings of non-compliance and related documentation

including reports of non-compliance, responses of the facility, and any final disposition or conclusions reached by the applicable authority.

Regarding the facilities listed in response to Question 2 above, and referenced in response to Question 3, while survey deficiencies have been found on occasion over their years of operation just like other facilities in the industry, this has not resulted in formal actions to suspend the licensure of the facility.

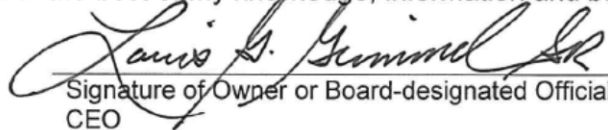
5. Have the applicant, owners or responsible individuals listed in response to Part 1, questions 2, 3, 4, 7, and 9, above, ever pled guilty to or been convicted of a criminal offense in any way connected with the ownership, development or management of the applicant facility or any of the health care facilities listed in response to Question 2, above? If yes, provide a written explanation of the circumstances, including as applicable the court, the date(s) of conviction(s), diversionary disposition(s) of any type, or guilty plea(s).

No.

One or more persons shall be officially authorized in writing by the applicant to sign for and act for the applicant for the project which is the subject of this application. Copies of this authorization shall be attached to the application. The undersigned is the owner(s), or Board-designated official of the proposed or existing facility.

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

April 9, 2015
Date


Signature of Owner or Board-designated Official

CEO

Position/Title

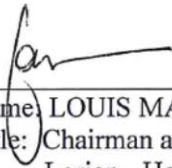
Louis G. Grimmel, Sr.

Printed Name

BOARD AUTHORIZATION

THIS IS TO CERTIFY that LOUIS G. GRIMMEL, SR, CEO Lorien Health Systems, has been authorized by Lorien - Howard, Inc. d/b/a Encore at Turf Valley to sign for and act on its behalf in connection with the filing and review of the attached Application for Certificate of Need submitted to the Maryland Health Care Commission.


DATE: 3/24/15


Name: LOUIS MANGIONE
Title: Chairman and President
Lorien - Howard, Inc.
dba Encore at Turf Valley

AFFIRMATION

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

Date: 3/24/15




LOUIS MANGIONE
Chairman and President
Lorien - Howard, Inc.
dba Encore at Turf Valley

AFFIRMATION

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

Date: Effective April 10, 2015

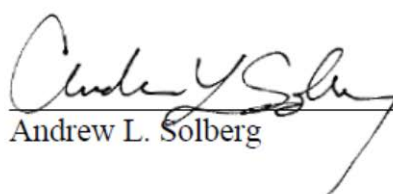


Norman E. Snowberger
Chief Financial Officer
Lorien Health Systems

AFFIRMATION

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

Date: April 10, 2015


Andrew L. Solberg

AFFIRMATION RE BUDGET AND OPERATING PROJECTIONS

I hereby declare and affirm under the penalties of perjury that the facts stated in this application (or completeness review responses) and its attachments are true and correct to the best of my knowledge, information and belief.

Date: Effective April 10, 2015



Name: Michael J. Snarski, CPA

Title: Member

Snarski Consulting, LLC

5608 Saint Albans Way

Baltimore, Maryland 21212

AFFIRMATION

I hereby declare and affirm under the penalties of perjury that the facts stated in the preliminary architectural schematic drawings this application dated April 10, 2015 and any of their related attachments are true and correct to the best of my knowledge, information and belief.

Date: effective April 10, 2015


Name: B. P. Meyers.

Title: Architect, Meyers and Affiliates, Inc.

AFFIRMATION

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

Date: Effective April 10, 2015



Name: Wayne Brannock
Title: Chief Operating Officer

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

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

An application for a Certificate of Need shall be evaluated according to all relevant State Health Plan standards and other review criteria.

If a particular standard or criteria is covered in the response to a previous standard or criteria, the applicant may cite the specific location of those discussions in order to avoid duplication. When doing so, the applicant should ensure that the previous material directly pertains to the requirement and the directions included in this application form. Incomplete responses to any requirement will result in an information request from Commission Staff to ensure adequacy of the response, which will prolong the application's review period.

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

Every Comprehensive Care Facility ("CCF" -- more commonly known as a nursing home) applicant must address each applicable standard from **COMAR 10.24.08: State Health Plan for Facilities and Services -- Nursing Home and Home Health Services**. Those standards follow immediately under **10.24.08.05 Nursing Home Standards**.

Please provide a direct, concise response explaining the project's consistency with each standard. In cases where demonstrating compliance with a standard requires the provision of specific documentation, please include the documentation as a part of the application.

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.

RESPONSE: The State Health Plan ("SHP") identifies a new need for an additional 129 comprehensive care beds to serve Howard County as of the date of publication in the Maryland Register October 3, 2014. This Bed Need projection remained in effect as of the date of the Applicant's submission of a Letter of Intent on February 6, 2014 as subsequently Modified. Accordingly, the 129 bed need projection is applicable to this review.

This Application may be docketed and approved since it proposes an addition of 28 beds which does not exceed the Need for 129 beds identified in the SHP.

(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 submits documentation or agrees to submit documentation of a written Memorandum of Understanding with Medicaid to maintain the proportion of Medicaid patient days required by .05A 2(b) of this Chapter.
- (b) Each applicant shall agree to serve a proportion of Medicaid patient days that is at least equal to the proportion of Medicaid patient days in all other nursing homes in the jurisdiction or region, whichever is lower, calculated as the weighted mean minus 15.5% based on the most recent 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 Medical Assistance Program of the Department of Health and Mental Hygiene to:
 - (i) Achieve or maintain the level of participation required by .05A 2(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.

RESPONSE: Encore is currently an enrolled participant in the Medical Assistance Program. The Applicant states its intention to continue such participation and is committed to meeting all the requirements of this standard. Encore projects a 49 + % Medicaid Occupancy percentage for ALL its beds which exceeds the current Howard County level of 44.73% and the regional level of 47.87%. (See Apx. 2 Table F Revenues & Expenses, Uninflated – Entire Facility Line Item 4 Patient Mix: Supplemental Patient Day Information, last line entitled ‘Medicaid Utilization %’). Further, the facility agrees to execute a MOU, as required, covering ALL its beds prior to pre-licensing certification and is willing to accept a condition to this effect, as customarily imposed. The applicant understands that it is not required to submit the new MOU now.

(3) Community-Based Services. An applicant shall demonstrate commitment to providing community-based services and to minimizing the length of stay as appropriate for each resident by:

- (a) Providing information to every prospective resident about the existence of alternative community-based services, including, but not limited to, Medicaid home and community-based waiver programs and other initiatives to promote care in the most appropriate settings;
- (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.

RESPONSE: Encore operates in compliance with the requirements of this standard and remains fully committed to continuing its commitment to meeting the requirements of the community - based services standard, as follows.

Encore will provide information to all prospective residents, including those under 65, and their families about the full range of alternative community-based services including all waiver programs and initiatives intended to promote care in the most appropriate settings. The facility will also initiate discharge planning on admission as is required and as part of its effort to ensure access to the most appropriate level of care. In addition, Encore will provide access to its facility, and encourage all *Olmstead* and any other efforts by DHMH to provide education and outreach for all residents and their families concerning home-based and other community-based alternatives, including the on-site Assisted Living alternatives available on the Encore campus. Accordingly, Encore will continue to be operated consistent with the requirements of this standard.

(4) Nonelderly Residents. An applicant shall address the needs of its nonelderly (<65 year old) residents by:

- (a) Training in the psychosocial problems facing nonelderly disabled residents; and
- (b) Initiating discharge planning immediately following admission with the goal of limiting each nonelderly resident's stay to 90 days or less, whenever feasible, and voluntary transfer to a more appropriate setting.

Response: Encore is fully committed to operating in compliance with this standard. Encore provides in-service training to its staff on the psychosocial problems facing non-elderly disabled residents. A copy of the Staff Development In-Service training policy and policies regarding Discharge Planning is included at Apx. 3. The expanded Encore commits to continuing to adhere to these policies.

As part of the development of individualized treatment plans for its non-elderly residents, Encore will initiate discharge planning immediately following admission with the goal of limiting each non-elderly resident's stay to 90 days or less, whenever feasible, and voluntary transfer to a more appropriate setting. Encore will facilitate contacts with vocational rehabilitation when appropriate, make every effort to room non-elderly residents near each other, and make every effort to meet their special needs.

Accordingly, the expanded Encore will continue to be consistent with the requirements of this standard.

(5) Appropriate Living Environment. An applicant shall provide to each resident an appropriate living environment, including, but not limited to:

(a) In a **new construction** project:

(i) Develop rooms with no more than two beds for each patient room;

(ii) Provide individual temperature controls for each patient room; and

(iii) Assure that no more than two residents share a toilet.

(b) In a **renovation** project:

(i) Reduce the number of patient rooms with more than two residents per room;

(ii) Provide individual temperature controls in renovated rooms; and

(iii) Reduce the number of patient rooms where more than two residents share a toilet.

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

RESPONSE: Encore's proposed addition will be consistent with the requirements of this standard. As shown on the Schematic Floor Plans attached at APX 1, all patient rooms in the facility are configured as either single or double occupancy and no more than two residents share a toilet. In addition, each patient room also contains a shower rather than the 'gang' showers in use in many other facilities. Finally, there will be through – wall units with individual temperature controls in each resident room. Accordingly, the project is consistent with the requirements of this standard.

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

RESPONSE: The proposed project is an expansion of an existing facility which is already served by public utilities including public water. It is located in a suburban area which has already seen development over the years. Further, the building is located within the Turf Valley development. As such, the existing facility and its expansion will continue to be served by all necessary public utilities, including public water, sewer, electricity (see also Response to Item 17 at page 13 above).

Accordingly, the proposed project remains consistent with this standard.

(7) Facility and Unit Design. An applicant must identify the special care needs of the resident population it serves or intends to serve and demonstrate that its proposed facility and unit design features will best meet the needs of that population. This includes, but is not limited to:

- (a) Identification of the types of residents it proposes to serve and their diagnostic groups;
- (b) Citation from the long term care literature, if available, on what types of design features have been shown to best serve those types of residents;
- (c) An applicant may show evidence as to how its proposed model, which is not otherwise documented in the literature, will best serve the needs of the proposed resident population.

RESPONSE: This is an Application by an existing 63 – bed Comprehensive Care Facility proposing to add 28 additional beds in additions to its existing modern physical plant.

The project will involve the construction of new wings to the existing Encore facility to house 18 new Private, Single Occupancy Resident Rooms (+ 18 new Beds) and 5 new Semi – Private Double Occupancy Resident Rooms (+ 10 new Beds) as shown on the Drawings attached as Apx 1. The construction can be summarized as follows:

- (1) East Wing - Construction of an extension to the current East Wing to contain 10 Private, Single Occupancy Resident Rooms.
- (2) New Northeast Wing - Construction of a new hallway and Wing to house 8 Private, Single Occupancy Resident Rooms.
- (3) North Wing - Construction of an extension of the existing North Wing to house 6 new Beds in 3 Semi – Private Double Occupancy Resident Rooms.
- (4) Dining Room Conversion - Renovation and Conversion of Existing Dining Room to create 2 Semi – Private, Double Occupancy Resident Rooms housing 4 new Beds.
- (5) Construction of a New expanded Dining / Day Room.

Encore's 63 existing beds are currently deployed in two Nursing Units. Existing Unit 1 contains 39 Beds located in 19 Semi-Private Double Occupancy Rooms and 1 Private Single Occupancy Room (19 x 2 = 38 Beds). Existing Unit 2 contains 24 Beds located in 10 Semi - Private Double Occupancy Rooms and 4 Private Single Occupancy Rooms (10 x 2 = 20 + 4 = 24 Beds).

The 28 new beds will increase Encore's Bed complement to 91 Beds ($63 + 28 = 91$). All these beds will be deployed so as to maintain the two existing Nursing Units. However, the unit sizes will be changed. Thus, the 39 bed Unit 1 will be re-configured to become a 46 Bed Unit consisting of 19 Semi – Private Double Occupancy Rooms and 8 Private Single Occupancy Rooms ($19 \times 2 = 38 + 8 = 46$ Beds). The existing 24 Bed Unit 2 will be enlarged to 45 Beds consisting of 15 Semi – Private Double Occupancy Rooms and 15 Private Single Occupancy Rooms ($15 \times 2 = 30 + 15 = 45$ Beds). (See Drawings at Apx. 1). Thus, as described below, Encore's design will continue the clustering of Resident Rooms near centrally located Nursing Stations which can easily service the resident rooms.

Encore's 'aging in place' model combines the Nursing Facility with an attached, separately licensed Assisted Living Facility to create an onsite continuum of institutional and non-institutional care under the same roof. Encore also provides an easy flow of transitioning as the needs of residents change. This concept continues as the Nursing component expands.

At the same time, Encore has been designed to enhance resident care through improved monitoring / observation in Nursing Units, clustering of acuity levels, and improvements in resident dignity and quality of life in a more upscale, less institutional environment. Rather than include extensive photographs of the facility, *Encore re-extends its previous invitations to MHCC Staff to conduct a site visit to gain first - hand knowledge of the amenities and features of the facility.* Encore is very proud of its modern but warm and inviting facility.

The bed configurations allow Encore to respond to the particularized needs of its resident population, while preserving the facility's flexibility to make adjustments depending on the changing acuity and differences in its resident population.

Thus, Encore will have an increased ability to care for Long Term Patients who are expected to be less ambulatory and who may benefit from a shared room. In addition, 18 new Private Single Occupancy Rooms will be available. Encore anticipates that these rooms will serve both Long Term residents as well as Short Term residents including those in need of Rehabilitation. The clustering of beds immediately around the Nurses Station in Unit 2 is expected to serve residents with higher acuities.

The design configuration also enhances Lorien Bel Air's ability to care for a mix of shorter stay and longer stay residents, including those admitted for rehabilitation services, as well as residents with ADRD. This population is anticipated to include low acuity, long term patients requiring chronic medical management; physical and occupational rehabilitation patients; dementia patients who would benefit from the social aspects of a shared room; and Alzheimer patients.

As mentioned above, the design also accommodates clustering of higher acuity residents, such as patients with chronic respiratory illness requiring frequent monitoring and clinical support; Alzheimer's residents who have acute coexisting conditions; patients requiring aggressive infection control and management of nosocomial infections resistant to common antibiotic therapies; bariatric patients requiring size appropriate equipment; patients requiring a multiplicity of medical equipment to manage their care; patients requiring aggressive bedside physical and occupational therapy support during convalescence who are unable to leave their room due to co-existing conditions; and patients who require extensive support by therapeutic recreation to manage their psychosocial needs during the acute phase of their rehabilitation.

Encore does not contain a discrete Alzheimer's Care Unit. However, Encore expects to treat residents with Alzheimer's Disease and Related Disorders throughout the facility. As related to building design, such residents will benefit from clustering of rooms near Nurse Stations which will increase Staff observation, interaction, security, and Staff intervention / re-direction. The design will create a therapeutic environment to assist in maximizing attempts to stimulate and enhance cognitive status. In addition, double occupancy rooms are available so that these residents may benefit from the social aspects of a shared room. In addition, these residents will be able to ambulate or be mobilized to the Dining / Day room for socialization and recreational activities, and utilize the Courtyard.

As noted above, and shown in the Floor Plan at Apx. 1, the room configurations allow for clustering of a number of rooms near Nurse Stations and Activities areas. This will avoid confusion and create a more residential feel throughout the facility. Colors, patterns, textures and lighting will be designed to create a soothing and non-institutional atmosphere. In addition, the walls will display art and displays of interest designed to engage the attention and interest of residents with

Alzheimer's disease and related dementia. Resident room doors and adjacent areas will feature personalized features such as 'shadow boxes' to assist in orientation and cueing. The design and decor will also meet resident needs for a less institutional setting, as described above. In addition, all resident rooms include individual bathrooms, wiring for cable TV and internet access.

Encore's objective of being sensitive to create a less institutional setting is supported by the literature on nursing facility design. (See e.g. *Nursing Home Design*, Cliff Arnold, *ezonearticles.com*, [http://ezonearticles.com/?Nursing – Home -Design&id=970551](http://ezonearticles.com/?Nursing-Home-Design&id=970551); and *Nursing Home*, Robert F. Carr, NIKA Technologies, Inc. for VA Office of Facilities Management, http://www.wbdg.org/design/nursing_home.php)

Accordingly, Encore continues to be consistent with 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.

RESPONSE: None of the Applicant's 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.

(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.

RESPONSE: As an existing licensed Nursing Facility, Encore already has established relationships with other types of providers and is always willing to enter into such collaborative relationships. Encore maintains relationships with other providers including Howard County General Hospital, Gilchrist Hospice Home Care, Johns Hopkins Home Health, Bayuda Home Care, and a variety of other Assisted Living providers including Harmony Hall, Lighthouse, Heartlands, Brightview and Abundant Life. These relationships will remain in effect and the expanded facility is committed to meeting the requirements of this standard.

Accordingly, the proposed project is consistent 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 expected changes in the next 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 expected changes in the next five years; and how access to, and/or quality of, needed services will be improved.

RESPONSE: This Standard will be addressed in the discussion of the Need Criterion, 10.24.01.08G (3)(b) beginning at page 44 herein.

(2) Facility Occupancy.

- (a) The Commission may approve a nursing home for expansion only if all of its beds are licensed and available for use, and it has been operating at 90 percent or higher, average occupancy for the most recent consecutive 24 months.
- (b) An applicant may show evidence why this rule should not apply.

RESPONSE: All of Encore's 63 beds have in fact been licensed and available for use as is intended by this standard. Further, Encore has been operating in excess of 90 percent for each of the last two years – 90.4% for FYE 12/31/2013 and 94.22% for FYE 12/31/2014 (see Cost Report pages at Apx. 4). Encore has never had any beds which are 'on the shelf' or which have been temporarily de-licensed, or which have been artificially withdrawn in order to increase occupancy percentages. Encore is genuinely in demand and its expansion is more than justified. Accordingly, the proposed expansion project is consistent with this standard.

(3) Jurisdictional Occupancy.

(a) The Commission may approve a CON application for a new nursing home only if the average jurisdictional occupancy for all nursing homes in that jurisdiction equals or exceeds a 90 percent occupancy level for at least the most recent 12 month period, as shown in the Medicaid Cost Reports for the latest fiscal year, or the latest Maryland Long Term Care Survey, if no Medicaid Cost Report is filed. Each December, the Commission will issue a report on nursing home occupancy.

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

RESPONSE: This is an Application for an expansion of an existing facility. Since this standard only applies to proposed new facilities, it is not applicable to this review.

(4) Medical Assistance Program Participation.

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

RESPONSE: Encore participates in the Maryland Medical Assistance Program and has previously submitted a copy of its MOU dated September 11, 2008 to the Commission. It should be noted that Encore projects a Medicaid Occupancy percentage for all of its nursing beds in its expanded facility which exceeds the current Howard County level of 44.73%. (See Apx. 2 Table F Revenues & Expenses, Uninflated – Entire Facility Line Item 4 Patient Mix: Supplemental Patient Day Information, last line entitled ‘Medicaid Utilization %’). Further, Encore agrees to execute a new MOU covering ALL its nursing beds, as required, prior to pre-licensing certification and is willing to accept a condition of Approval to this effect, as customarily imposed. Encore understands that it is not required to submit the countersigned MOU now.

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

RESPONSE: Encore does not have any outstanding Level G or higher deficiencies, as stated in a letter from Mr. Wayne Brannock, Lorien Health Systems' Chief Operating Officer (*See* Apx. 5). The facility maintains a demonstrated and detailed Quality Assurance program, as described in the Table of Contents attached to Mr. Brannock's letter. Further, the CMS Nursing Home Compare site gives Encore a 5 Star overall rating and a 5 Star Quality Rating. Mr. Brannock has also signed an Affirmation which is included at Part III of this Application.

Accordingly, Encore is consistent with this standard.

(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.

RESPONSE: This standard is not applicable to this project since this is not a relocation project.

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.

(2) **Medical Assistance Program Participation.** An applicant for a Certificate of Need for renovation of an existing facility:

- (a) Shall participate in the Medicaid Program;
- (b) May show evidence as to why its level of participation should be lower than that required in .05A2(b) of this Chapter because the facility has programs that focus on discharging residents to community-based programs or an innovative nursing home model of care;
- (c) Shall present a plan that details how the facility will increase its level of participation if its current and proposed levels of participation are below those required in .05A2(b) of this Chapter; and
- (d) Shall agree to accept residents who are Medicaid-eligible upon admission

(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.

RESPONSE: This standard is not applicable since this is an expansion project and cannot be accurately characterized as a renovation project. While areas where the new wings are attached to the existing building will require repairs or renovation to areas where walls are broken, this is only incidental to the primary project which is an expansion of the existing facility.

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.

INSTRUCTIONS: Fully address the way in which the proposed project is consistent with any specific applicable need standard or need projection methodology in the State Health Plan. If the current bed need projection published by the MHCC based on the need formula in the State Health Plan does not project a need for all of the beds proposed, the applicant should identify the need that will be addressed by the proposed project by quantifying the need for all facility and service capacity proposed for development, relocation or renovation in the project.

If the project involves modernization of an existing facility through renovation and/or expansion, provide a detailed explanation of why such modernization is needed by the service area population of the nursing home. Identify and discuss relevant building or life safety code issues, age of physical plant issues, or standard of care issues that support the need for the proposed modernization.

Please assure that all sources of information used in the need analysis are identified and identify all the assumptions made in the need analysis with respect to demand for services, the projected utilization rate(s), and the relevant population considered in the analysis with information that supports the validity of these assumptions. The existing and/or intended service area population of the applicant should be clearly defined.

Complete the Statistical Projection (Tables D and E, as applicable) worksheets in the CON Table Package, as required. Instructions are provided in the cover sheet of the CON package. Table D must be completed if the applicant is an existing facility. Table E must be completed if the application is for a new facility or service or if it is requested by MHCC staff.

RESPONSE: In accordance with the discussion of Need at the Pre-Application Conference, the Applicant relies on utilization data and the State Health Plan's (SHP) Bed Need Projection based upon its analysis of need.

According to the MHCC's new bed need projections, published October 3, 2014, Howard County needs 129 additional nursing home beds by 2016. This application proposes the addition of 28 beds to Encore's 63 bed complement, and is therefore consistent with the controlling bed need determination by the MHCC.

The SHP’s Bed Need Methodology projection reflects the demographic changes occurring in Howard County as the population continues to age. In this regard, Table 1, below, shows that the Maryland Department of Planning projects that Howard County population will grow from 309,040 in 2015 to 332,260 in 2020, an increase of 7.5%. However, the population age 65 and older will grow from 39,150 to 50,050, an increase of 27.8%.

Table 1
Howard County Population
2000, 2010, 2015, and 2020

Age Cohort			%			%	%
	2000	2010	Change '00-'10	2015	Change '10-'15	2020	Change '15-'20
0-4	18,248	17,363	-4.8%	17,950	3.4%	19,720	9.9%
5-19	55,837	63,360	13.5%	64,470	1.8%	65,540	1.7%
20-44	96,212	92,961	-3.4%	97,220	4.6%	106,260	9.3%
45-64	59,077	84,356	42.8%	90,250	7.0%	90,690	0.5%
65+	18,468	29,045	57.3%	39,150	34.8%	50,050	27.8%
Total	247,842	287,085	15.8%	309,040	7.6%	332,260	7.5%

Source: Maryland Department of Planning
(<http://planning.maryland.gov/MSDC/County/howa.pdf>), Accessed 10/30/14

There are four existing public Comprehensive Care Facilities (CCFs) in Howard County which serve the general public (see Table 2 on the following page). In addition, a CCRC known as Vantage House operates a small 44 Bed Nursing Facility which serves members of its own community and is not designed to serve the general public. For this reason, it should not be included in a consideration of the Need Criterion since its census and occupancy are therefore depressed² and the facility is not a measurement of public need.

² For informational purposes, FY 2012 data from the MHCC Public Use Database show that Vantage House Retirement Community’s Nursing Center had an occupancy of 65.3%

**Table 2
Licensed Beds, Patient Days, and Percent Occupancy FY 2013
Nursing Homes in Howard County**

Facilities	Lic. Beds	Potential Bed Days	Patient Days	% Occupancy
Lorien Nursing and Rehabilitation Center Columbia	209	76,285	68,149	89.3%
Ellicott City Health and Rehabilitation Center	155	56,575	46,459	82.1%
Encore at Turf Valley	63	22,995	20,779	90.4%
Lorien Nursing and Rehabilitation Center -Elkridge	<u>64</u> 491	<u>23,360</u> 179,215	<u>17,365</u> 152,752	<u>74.3%</u> 85.23%

Source: 2013 Medicaid Cost Reports

While several of these occupancy rates are below 90%, additional information puts this performance in perspective. Ellicott City Health and Rehabilitation Center appears to have had some physical plant issues and Quality issues as reflected in its low CMS Ranking. That facility took beds temporarily offline in the face of declining occupancies. Accordingly, its occupancy percentages were depressed. Lorien Elkridge was a new facility which opened in mid-2012 and was still in its fill up mode. When rounded, Lorien Columbia effectively reached 90% occupancy as did Encore at 90.4%.

More importantly, occupancy rates for FY 2014 show that occupancies were back up. Lorien Columbia achieved an occupancy of 92.5%. Encore achieved an occupancy rate of 94.22% and Lorien Elkridge achieved an Occupancy Rate of 91.77% even after adding 6 creep beds in July 2014 (see Medicaid Cost Reports attached as Exhibit 4). Further, even as it phased temporarily de-licensed beds back into service, and notwithstanding its 1 Star Overall CMS Ranking, Ellicott City Health and Rehabilitation Center achieved an 89.71% occupancy rate, which rounds to 90%³

Accordingly, occupancy rates at the 4 existing facilities which serve the general public validate the SHP's projection of beds needed to serve the residents of Howard County. Further,

³ Cost Report records indicate Ellicott City Health and Rehabilitation Center operated 160 beds on 7/1/2013; 165 on 10/1/2013; 173 on 11/1/2013; and 182 on 4/1/2014. (see also 2014 Medicaid Cost Report at Apx. 4).

Encore is intended to primarily serve the residents of Howard County and is so oriented. In this regard, it should be noted that Encore's 63 Nursing Beds were pre-existing beds which were previously in service at Lorien Nursing and Rehabilitation Center – Columbia ('Lorien Columbia'). The Columbia facility determined to downsize its then very large 361 bed complement and the MHCC approved those 63 beds for relocation from Lorien Columbia for use in Encore's new model of care.

Encore has also determined that in order to better serve the needs of Howard County residents it needs to increase its Private Single Occupancy Rooms from the current 5 Rooms by adding an additional 18 Private Single Occupancy Rooms with 10 Rooms deployed in the extended East Wing, and 8 Rooms deployed in the new Northeast Wing. In Encore's experience and in the view of its management, the existing 5 Rooms are not sufficient to meet the preferences of families and prospective residents who desire a Private Room. Although the SHP does not project a need for Private Rooms, Encore perceives that the MHCC and Staff encourage the development of such Private Rooms as a means of enhancing quality of life.

Accordingly, Encore's proposed 28 bed expansion project is consistent with the SHP need analysis and bed need projection and will allow the facility to better serve the needs of Howard County residents.

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

The Commission shall compare the cost effectiveness of the proposed project with the cost effectiveness of providing the service through alternative existing facilities, or through an alternative facility that has submitted a competitive application as part of a comparative review.

INSTRUCTIONS: Please describe the planning process that was used to develop the proposed project. This should include a full explanation of the primary goals or objectives of the project or the problem(s) being addressed by the project. It should also identify the alternative approaches to achieving those goals or objectives or solving those problem(s) that were considered during the project planning process, including the alternative of the services being provided by existing facilities.

For all alternative approaches, provide information on the level of effectiveness in goal or objective achievement or problem resolution that each alternative would be likely to achieve and the costs of each alternative. The cost analysis should go beyond development cost to consider life cycle costs of project alternatives. This narrative should clearly convey the analytical findings and reasoning that supported the project choices made. It should demonstrate why the proposed project provides the most effective goal and objective achievement or the most effective solution to the identified problem(s) for the level of cost required to implement the project, when compared to the effectiveness and cost of alternatives including the alternative 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.

RESPONSE: Encore has always intended to expand beyond its initial 63 bed complement so that it could better meet the needs of the population and the expected demand for admission to this facility at its Turf Valley site. Now that the State Health Plan identifies a need for an additional 129 beds, Encore's proposal to add 28 additional new beds can be easily accommodated.

The primary goals of the planning process were to (1) expand the bed complement so as to achieve greater economies of scale; (2) to increase the number of Private Single Occupancy Rooms so as to enhance the quality of life of Encore's residents and help meet consumer preferences; and (3) achieve business growth as a for-profit provider of quality health care services while contributing to growth in local and state economic development. In this regard, it should be noted that Encore has only 5 Private Single Occupancy Rooms, which it considers to be an inadequate number in view of increasing demand for Private Rooms.

Encore's internal planning process considered several alternatives. The alternative of converting Semi-Private Double Occupancy Rooms was rejected since it would come at the expense of losing existing economies of scale. Further, existing beds would either be lost or re-deployed in new space to be constructed without sufficient corresponding revenues associated with gaining additional beds. This alternative would not allow Encore to expand its business or to make a more positive impact on the local and state economies.

The alternative of doing nothing was considered and quickly rejected because it would mean

that Encore would be hamstrung in its ability to bring the benefits of its model of care to the county's aging population. Further, this alternative would effectively mean that Encore would shirk its mission of serving as an important community resource offering needed services. In addition, this alternative would be contrary to Encore's functioning as a for-profit, tax-paying business which provides employment and economic activity which benefit the local and state economies.

As the record shows and Staff is aware, no other existing facility is proposing to add beds to address the growing needs of Howard County's 65+ elderly population which is expected to increase by 27.8% by growing from 39,150 to 50,050 for the period 2015 – 2020. (See Table 1 above). Likewise, no other new provider has filed a letter of intent to expand or an Application to create a new facility to meet projected bed need. There simply is no other alternative before the MHCC.

In addition, existing Howard County facilities do not offer alternatives at this time. Lorien Elkridge has just completed its fill-up phase, is stabilizing, but cannot yet show 2 years of occupancy in excess of 90%. Ellicott City Nursing & Rehabilitation Center has experienced issues that have resulted in its failure to show 2 years of occupancy in excess of 90%. Lorien Columbia has completed its downsizing to 209 beds and has no current plans to increase its size.⁴

Finally, as shown by the financial Tables included in this Application and further discussed in consideration of COMAR 10.24.01.08G(3)(d), *infra*, all budgetary, financial projections and Staffing information is reasonable and show that the proposed project is quite cost – effective.

For all these reasons, Encore's proposed expansion project is a cost – effective means of achieving the project's goals, as well as the objective of contributing to meeting the SHP bed need. It is, therefore, consistent with this Criterion.

⁴ It should be noted here that the downsizing of Lorien Columbia, and subsequent MHCC approvals of the proposed re-location of existing beds to establish new facilities at both Encore and Lorien Elkridge, showed a forward-thinking approach to achieving increased geographic distribution of resources and bringing the benefits of the combined CCF – ALF model to the residents of Howard County. Thus, these facilities both demonstrated creative options for adaptive re-use of resources from outdated infrastructure.

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.

INSTRUCTIONS: Please provide a complete description of the funding plan for the project, documenting the availability of equity, grant(s), or philanthropic sources of funds and demonstrating, to the extent possible, the ability of the applicant to obtain the debt financing proposed. Describe the alternative financing mechanisms considered in project planning and provide an explanation of why the proposed mix of funding sources was chosen.

- Complete applicable Revenue & Expense Tables and the Workforce and Bedside Care Staffing worksheets in the CON Table Package, as required (Tables H and I for all applicants and Table F for existing facilities and/or Table G, for new facilities, new services, and when requested by MHCC staff). Attach additional pages as necessary detailing assumptions with respect to each revenue and expense line item. Instructions are provided in the cover sheet of the CON package and on each worksheet. Explain how these tables demonstrate that the proposed project is sustainable and provide a description of the sources and methods for recruitment of needed staff resources for the proposed project, if applicable. If the projections are based on Medicare percentages above the median for the jurisdiction in which the nursing home exists or is proposed, explain why the projected Medicare percentages are reasonable.
- Audited financial statements for the past two years should be provided by all applicant entities and parent companies to demonstrate the financial condition of the entities involved and the availability of the equity contribution. If audited financial statements are not available for the entity or individuals that will provide the equity contribution, submit documentation of the financial condition of the entities and/or individuals providing the funds and the availability of such funds. Acceptable documentation is a letter signed by an independent Certified Public Accountant. Such letter shall detail the financial information considered by the CPA in reaching the conclusion that adequate funds are available.
- If debt financing is required and/or grants or fund raising is proposed, detail the experience of the entities and/or individuals involved in obtaining such financing and grants and in raising funds for similar projects. If grant funding is proposed, identify the grant that has been or will be pursued and document the eligibility of the proposed project for the grant.
- Describe and document relevant community support for the proposed project.
- Identify the performance requirements applicable to the proposed project (see Part I question 15) and explain how the applicant will be able to implement the project in compliance with those performance requirements. Explain the process for completing the project design, obtaining State and local land use, environmental, and design approvals, contracting and obligating the funds within the prescribed time frame. Describe the construction process or refer to a description elsewhere in the application that demonstrates that the project can be completed within the applicable time frame(s).

RESPONSE: As set forth in Table C, attached as Apx. 2, Encore's expansion project will be financed with a package that includes \$ 569,000 in Equity Contribution, a Mortgage from a commercial bank in the amount of \$ 2,750,000 and an FF&E loan in the amount of \$ 320,000.

The project sponsors have ongoing relationships with commercial lenders. A letter from M&T Bank is attached at Apx. 6 to demonstrate the lender's interest in providing financing. The MHCC should note that the project sponsors have never encountered any difficulty in securing financing.

The Applicant's sponsor did not consider any other alternative means of financing the proposed project because it has an established banking relationship and is satisfied with the business relations and terms. This is a standard private sector development transaction.

All applicable Tables from the MHCC's CON Table Package, together with explanations of assumptions and a description of Encore's Staff Recruiting program, have been completed and are included at Apx 2. These Tables show reasonable assumptions and utilization projections and healthy net revenues. Therefore, the Tables demonstrate sustainability.

In addition, since this is an expansion of an existing facility, the Applicant should not have any difficulty with Staffing a modern facility in an attractive setting at Turf Valley. An overview of Encore's Staff Recruiting Plan is attached as Apx. 7.

Neither the Applicant nor its shareholders have audited financial statements. However, a letter from an independent Certified Public Accountant attesting that the sponsor has the ability to make the equity contribution is attached as Apx. 8. The MHCC has always accepted such documentation of an applicant's ability to finance a proposed project such as this.

The Applicant enjoys broad community support and has submitted a sampling of letters from community members and individuals who support the project and the facility as a whole (see Apx. 9). As additional letters are received, they will be submitted to the MHCC.

As an expansion project adding 28 beds to its existing 63 bed Comprehensive Care Facility, the Applicant anticipates 36 month performance requirements (18 months from CON Approval to obligate 51% of cost; initiate construction within 4 months of contract signing; licensing and first use within 18 month of capital obligation).

The Applicant reasonably expects that it will meet these requirements since the site is properly zoned for the use and only standard site plan / building permit approvals are required. The project design is already advanced as shown by the Drawings at Apx. 1. The sponsors own the land and building. There is no known or anticipated community opposition. The land use approval consists of Site Plan approval since zoning is already in place and the Building, grading and typical approvals / sign offs are expected to be routine. The project sponsors own their own construction company (Commercial Contractors, Inc.) which built the existing Encore facility and will also construct this expansion. Financing will be available. There are no impediments to timely construction, either known or reasonably foreseeable.

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 a written notice and explanation as to why the conditions or commitments were not met.

INSTRUCTIONS: List all of the Maryland Certificates of Need that have been issued to the project applicant, its parent, or its affiliates or subsidiaries over the prior 15 years, including their terms and conditions, and any changes to approved Certificates that needed to be obtained. Document that these projects were or are being implemented in compliance with all of their terms and conditions or explain why this was not the case.

RESPONSE: This response is supplied by counsel to the Applicant based on his limited records.

The Applicant has not maintained records going back 15 years on other CONs not filed by it, which Applicant believes are not relevant to this review and are not authorized by this regulation. The Applicant has filed an extensive request under the Maryland Public Information Act Request for all documents related to other projects as well as the Encore project.

This Criterion by its express terms applies to only to the Applicant in this review, i.e. Lorien Howard, Inc. dba Encore at Turf Valley. The Applicant is wholly owned by the ten shareholders listed in response to Item 2 of PART I - PROJECT IDENTIFICATION AND GENERAL INFORMATION, above. The Applicant does not have a parent, legal affiliates or subsidiaries. At the February 18, 2015 Pre-Application Conference with Staff, the Applicant was advised to provide a general answer concerning compliance with the conditions of the prior CON approval in response to this Criterion.

By way of background, it should be noted that Encore was originally conceived as a response to changing conditions in the health care delivery system, particularly the accelerating growth of Assisted Living as a community alternative to in-patient institutionalization in 'Nursing Homes'. At a time when the Nursing Facility industry viewed Assisted Living providers as adversaries which would encroach on their 'market share', the Applicant saw the growth of Assisted Living as a positive factor which contributed to the necessity of Nursing Facilities to evolve and assume a greater role as Post-Acute providers of care for those with higher acuities, and including those in need of short – term rehabilitation services. Further, the Applicant recognized

that Assisted Living and Nursing services should be offered in a coordinated setting and as parts of the continuum care senior care services.

The Applicant therefore decided to advance a model of care based on combined but separately licensed Assisted Living Facilities and Comprehensive Care Nursing Facilities under one roof. Operational efficiencies were created as a result of some shared personnel and space; and an on-site continuum of care was created which allowed residents to access a variety of services, including skilled nursing care, as they aged and their needs changed without having to leave their residential community.

At the same time Lorien Nursing & Rehabilitation Center – Columbia, which had been operating a 361 Bed nursing facility in Howard County determined to downsize its facility in response to changing consumer preferences for smaller scaled facilities. It should be noted that at the time of all approvals by the MHCC concerning Encore, there was no additional bed need projected by the SHP and the project did not propose to use new beds identified as being needed.

Thus, the Applicant determined to propose the ‘adaptive re-use’ of 63 existing beds previously in use at Lorien Columbia. As explained below, 3 CONs were issued for the ultimate development of the project.

The initial CON was issued in September, 1998 (D.N. 98-13-2035) for the development of this innovative project at a location on Carl’s Court near the intersection of Route 40 and N. Ridge Road in Ellicott City. However, as a result of the expansion of commercial development around the original proposed site, and the development of nearby assisted living, the Applicant determined that re-location to a new site was warranted both from a business perspective and in furtherance of an improved quality of life for its prospective residents. In this regard, the Applicant identified a parcel of land within the Turf Valley planned community as an appropriate and superior alternative setting for the proposed facility. The new site was on a parcel near Marriottsville Road and I-70 and adjacent to Turf Valley Resort & Conference Center.

Since relocation of a previously approved project to a new site required a new CON and not

just a project Modification, the Applicant filed a new Application in 2001 (D.N. 01-13-2084) to effectuate the change. The MHCC conducted its review which was without community or competitive opposition, and determined to approve the relocation. The MHCC Decision was very supportive of the Applicant's project finding that "Lorien's use of existing CCF beds to create an innovative model in which comprehensive care beds and assisted living units are integrated is to be commended and encouraged, as a model that contributes to a higher quality of life." (*See Decision, January 17, 2002, Lorien LifeCenter - Ellicott City; D.N.01-13-2084*).

All required Quarterly Reports were filed and the CON remained in good standing as pre-development activities proceeded. However, the project encountered unforeseen delays in securing local, State and federal approvals of the public road to the Master Development as a result of the environmental impacts caused by a required stream crossing necessary to allow access to the approved site. Litigation also delayed implementation of the project. Ultimately, the Applicant entered into an agreement with the MHCC to implement a creative solution that allowed re-locating the project to an adjacent site also within the Turf Valley community that avoided the necessity of crossing the environmentally sensitive stream, and which would also allow expeditious development.

However, even though the new site was in eyesight of the approved site, the MHCC required the Applicant to file a third new CON Application (D.N. 05-13-2159). The project then proceeded in active development and in good standing.

Unfortunately, the proposed Encore facility became ensnared in a massive and continuing series of appeals and litigation undertaken by a small group of anti-growth activists generally opposed to development in Howard County including the Turf Valley planned community. The Applicant's soldiered on and kept the MHCC fully informed of developments in all of its timely filed Quarterly Reports. This attachment from Quarterly Report 4 filed in October, 2006 summarized the status:

"Attachment 2 to Quarterly Report 3 previously summarized litigation undertaken by certain anti-growth activists opposed to the master development, the Turf Valley Planned Community, including a pending judicial action challenging Howard County's underlying

zoning system. Further, the attachment explained the Sponsor's belief that the noted litigious actions regarding the master development indicated the possibility that the opponents may also attempt to interfere directly with the development of Lorien - Ellicott City in the future. (In this regard, the attachment noted the development process afforded a number of potential opportunities to appeal required Howard County permit approvals as this health care project moves forward including the current subdivision / site plan approval process and the future issuance of required permits, including the building permit).

Since the filing of Quarterly Report 3, Lorien's project has continued to move forward. The Sponsor received approval of the sketch development plan from the Howard County Department of Planning and Zoning (HCPZ) on September 1, 2006, pursuant to notice dated September 18, 2006 (see item 1 attached). Accordingly, the Sponsor has been working with its engineers to move forward with the next step in the site development phase. **However, Lorien's concerns stated in Attachment 2 of Quarterly Report 3 have been born out.** The Sponsor has been advised by telephone that sometime after the September 1st approval, the opponents filed an appeal of the HCDZ approval and that this matter is now pending. The Sponsor has not been served but is awaiting receipt of copies of the appeal from Howard County's attorneys. As soon as it is received, it will forward a copy to the Commission. The Sponsor intends to file papers to participate in the appeal and defend the County's approval of Lorien's plan. Lorien will keep the Commission advised of the progress of the appeal.

The new appeal buttresses Lorien's earlier belief that appeals of the nursing home development approvals would potentially be undertaken in an attempt to simply delay timely implementation of Lorien - Ellicott City's development schedule or to gain leverage. In this regard, a wave of anti-development furor by certain activists has occurred this election year in Howard County. Although this activity is unrelated to the development at Turf Valley, and has not heretofore addressed the nursing project, Lorien believes it is part of the milieu faced by any development. (see items 2 and 3 for news reports regarding unrelated development opposition in other areas of Howard County).⁵

Lorien believes the appeal of its HCPZ plan approval fits a strategy of attempting to delay the development of its nursing home / assisted living facility so that it cannot be built within the time frames imposed by the performance requirements of its CON. The existence of development deadlines was public knowledge and known to any potential opponent of development. In this regard, a December 8, 2005 news report on Lorien's project in The Howard County Times made reference to the performance requirements,

⁵ It should be noted that Turf Valley's existing zoning is of many years' duration and was not involved in the "comp lite" re-zoning controversy.

stating:

"The Commission requires that Mangione build the facility by October 19, 2008, or lose the state's authorization, Barclay said. It also requires Lorien Health Systems to have a binding construction contract for the project within 18 months to ensure that the nursing home be built on schedule, she added."

(citing a statement by Pamela Barclay, Deputy Director, MHCC. Emphasis added. See Item 4, attached).

The above article also noted that a spokesman for the group opposing the Turf Valley development did not return a call seeking comment on the nursing home project.

Lorien remains fully committed to the development of its project and will defend any and all of its required approvals in Howard County's development process. However, Lorien cannot sit by and allow itself to be a victim of any potential strategy to 'run out the clock' on this needed senior care community or a pattern of appeals which could have the same effect. Likewise, the Commission itself has recognized the importance of granting stays of the performance requirements when appeals are filed. Accordingly, Lorien requests a stay of the performance requirements during the pending appeal until the final decision is obtained. Lorien will forward the notice of the appeal as soon as it is received."

As part of the web of litigation that engulfed Howard County and impacted development of Encore, even Howard County government was sued in connection with the county's land use approval process. As a result of all of the above, the MHCC stood by Encore's project, determined to issue a stay of the performance requirements applicable to the project, and held the project in continuous good standing.

As the Applicant became increasingly confident that the courts would uphold the County's land use approval process and also decisions approving Encore's development, it filed for modifications to the project including design changes (2006) and budget increases (2008). At each step, Encore complied with all applicable regulations, including timely filing of all Quarterly Reports, and kept the MHCC Executive Director aware of the status. Ultimately, the Applicant proceeded with construction of the facility even before the last appeal was decided based on its confidence level in success and desire to demonstrate its level of commitment to the Executive Director and the Commission .

Thus, the facility was constructed and opened early even though the Performance Requirements remained Stayed. On January 4, 2010 the Applicant filed its Request for 1st Use

Review and Approval. The MHCC determined the project was consistent and all conditions were met via granting 1st Use Approval. The Nursing Facility was licensed by OHCQ as of May 7, 2010, became operational and began admitting residents / patients. The non CON-regulated Assisted Living component was licensed by OHCQ as of July 8, 2010 and began admitting residents.

The Applicant respectfully states for the record that despite any mischaracterizations to the contrary, Staff has championed Encore's project in the past as an example of a creative and beneficial approach to meeting the needs of the Howard County community in a bold and innovative way. It has been held up as an innovative way of re-developing dated infrastructure. The well of good will ought not be tarnished or otherwise diminished by a misguided view concerning the Applicant's commitment to its project. The record shows that the Applicant fought hard to bring this project to fruition and persevered despite obstacles. Staff is invited to tour the facility to view the results of the Applicant's endeavor which was originally undertaken with strong Staff support.

The Applicant has not received any other CON approvals.

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.

INSTRUCTIONS: Please provide an analysis of the impact of the proposed project. Please assure that all sources of information used in the impact analysis are identified and identify all the assumptions made in the impact analysis with respect to demand for services, payer mix, access to service and cost to the health care delivery system including relevant populations considered in the analysis, and changes in market share, with information that supports the validity of these assumptions. Provide an analysis of the following impacts:

- a) On the volume of service provided by all other existing health care providers that are likely to experience some impact as a result of this project;
- b) On the payer mix of all other existing health care providers that are likely to experience some impact on payer mix as a result of this project. If an applicant for a new nursing home claims no impact on payer mix, the applicant must identify the likely source of any expected increase in patients by payer.
- c) On access to health care services for the service area population that will be served by the project. (State and support the assumptions used in this analysis of the impact on access);
- d) On costs to the health care delivery system.

If the applicant is an existing nursing home, provide a summary description of the impact of the proposed project on costs and charges of the applicant nursing home, consistent with the information provided in the Project Budget, the projections of revenues and expenses, and the work force information.

RESPONSE: The Commission has previously reviewed Encore's aging – in – place model in its consideration of a number of other projects and found that it would not have a negative impact on existing providers or the system. Indeed, the Commission recognized early on that the model proposed by the Applicant was to be commended and encouraged as an innovative approach in which comprehensive care beds and assisted living units are integrated in a model that contributes to a higher quality of life (See Decision dated January 17, 2002, Lorien LifeCenter Ellicott City; D.N. 01 – 13 - 2081). Implicit in the approval of Encore's aging – in – place model is the finding that it is of benefit to the health care system and does not negatively impact existing infrastructure.

In addition, it must be noted that no other Howard County provider of services to the general public offers Encore's combined model and the facility is not duplicative of existing resources. Indeed, Encore is a unique example of how outdated infrastructure which housed beds in 3 and 4 bed rooms can be re-developed in a creative way that responds to the needs of the elderly population.

As noted in the discussion under the Jurisdictional Occupancy Standard and the Need Criterion above and incorporated herein, the existing public facilities are meeting or exceeding 90% occupancy rates. Further, the 28 beds being applied for here are only 22% of the SHP's total identified new 129 bed need. In fact, the Encore expansion would add a very small percentage increase of only 28 beds to the existing 578 total bed inventory, or (0.048), according to the MHCC's October 3, 2015 calculation of the Howard County bed inventory (see MD Register, Volume 41, Issue 20, Friday, October 3, 2014). Such a small small increase in the inventory in the face of the MHCC's own calculation of substantial need could not, therefore, have a material negative impact on occupancy, costs or charges at other established providers which are demonstrating high occupancies.

Accordingly, the addition of these 28 beds to Encore is not expected to impact the volume of services provided by the other existing providers or their payer mix. At the same time, approval of the proposed project will improve access to an attractive, innovative aging - in - place facility which is easily accessible in Howard County. As such, the proposed project represents an ongoing and important investment in Howard County's health care infrastructure and affords more opportunity for residents to access needed services without having to migrate out of the county.

Regarding the impact on the costs and charges of Encore itself, the expansion of 28 comprehensive care beds will result in lower overall operating expenses on a per patient day basis, when analyzing on a pre-depreciation basis. This is the result of certain costs (such as department head positions, professional fees, etc.) not projected to increase from their current levels. Encore's charge structure is projected to be unchanged, including the projected Medicare and Medicaid per diem rates.

For all of these reasons, the proposed project will not adversely affect the existing providers and will have a positive impact upon the health care system. Therefore the proposed project is consistent with this review criterion.

APPENDIX

<u>Item</u>	<u>Apx No.</u>
Floor Plans / Drawings	1
CON Table Package	2
Inservice Training / Discharge Planning Policies	3
Medicaid Cost Reports Excerpts Showing Occupancies	4
Deficiencies & Quality Assurance Letter / Summary	5
Bank Letter re Interest in Financing	6
Staff Recruitment Overview	7
CPA Letter re Availability of Funding	8
Letters of Community Support	9
Daily Rates and Patient Charges	10

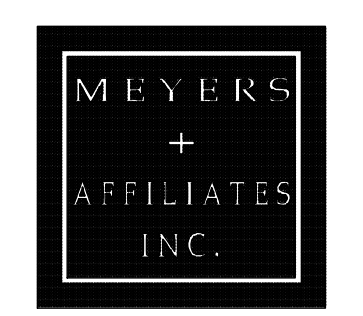


ROOM SQUARE FOOTAGE	
ROOM NAME	SQUARE FOOTAGE
STORAGE	3784 SQ FT
EAST STAIR	80 SQ FT
ELEVATOR / ELEVATOR CORRIDOR	84 SQ FT

TOTAL AFFECTED SQ. FT.	
STORAGE	3784 SQ FT
TOTAL ADDITIONAL SQUARE FOOTAGE	3784 SQ FT

EXISTING - NO CHANGE

REVISIONS	BY

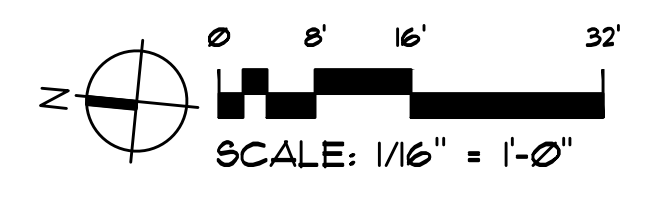


Professional Certification
 "I certify that these documents were prepared or approved by me, and that I am duly licensed architect under the laws of the State of Maryland, license number 2002 A, expiration date February 25, 2016."

Encore at Turf Valley
 11150 Resort Road
 Ellicott City, Maryland 21042

GROUND FLOOR LEVEL

DATE	April 2, 2015
SCALE	1/16" = 1'-0"
DRAWN	
JOB	
SHEET	A1.1
OF	SHEETS





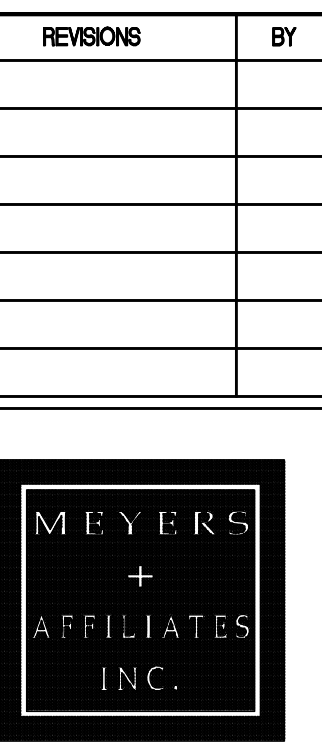
ROOM SQUARE FOOTAGE	
ROOM NAME	SQUARE FOOTAGE
PRIVATE RESIDENT ROOM	140 SQ FT
PRIVATE RESIDENT ROOM BATHROOM	63 SQ FT
PRIVATE RESIDENT ROOM #1	308 SQ FT
PRIVATE RESIDENT ROOM BATHROOM #1	63 SQ FT
2 BED RESIDENT ROOM #A	224 SQ FT
2 BED RESIDENT ROOM BATHROOM #A	68 SQ FT
2 BED RESIDENT ROOM #B	291 SQ FT
2 BED RESIDENT ROOM BATHROOM #B	68 SQ FT
EXISTING 2 BED RESIDENT ROOM #A	224 SQ FT
EXISTING 2 BED RESIDENT ROOM BATHROOM #A	68 SQ FT
EXISTING 2 BED RESIDENT ROOM #B	291 SQ FT
EXISTING 2 BED RESIDENT ROOM BATHROOM #B	68 SQ FT
EXISTING HSU 2 BED PATIENT ROOM	221 SQ FT
EXISTING HSU SINGLE PATIENT ROOM #C	161 SQ FT
EXISTING HSU SINGLE PATIENT ROOM #C BATHROOM	41 SQ FT
EXISTING HSU SINGLE PATIENT ROOM #D	152 SQ FT
EXISTING HSU SHARED PATIENT BATHROOM	87 SQ FT
EXISTING SINGLE PATIENT ROOM - N04	166 SQ FT
EXISTING SINGLE PATIENT BATHROOM - N04	61 SQ FT
H/C SHOWER #71	60 SQ FT - PREVIOUS 14 SQ FT
EAST MECHANICAL ROOM #662	60 SQ FT - PREVIOUS 64 SQ FT
NORTHEAST MECHANICAL ROOM	60 SQ FT
MECHANICAL ROOM #710	280 SQ FT - PREVIOUS 271 SQ FT
ELEVATOR / ELEVATOR CORRIDOR	124 SQ FT
EAST SOILED UTILITY #661	124 SQ FT - PREVIOUS 126 SQ FT
SOILED UTILITY #666	240 SQ FT - PREVIOUS 238 SQ FT
EAST CLEAN UTILITY #664	185 SQ FT - PREVIOUS 181 SQ FT
CLEAN UTILITY #664	178 SQ FT - PREVIOUS 171 SQ FT
EAST CORRIDOR	187 SQ FT
NORTH CORRIDOR	281 SQ FT
NORTHEAST CORRIDOR	411 SQ FT
EAST STAIR	83 SQ FT
DAYROOM / DINING #718	1446 SQ FT - PREVIOUS 1421 SQ FT
NOURISHMENT #716	266 SQ FT - PREVIOUS 266 SQ FT
HOB #713	71 SQ FT - PREVIOUS 10 SQ FT

TOTAL AFFECTED SQ. FT.	
EAST PING ADDITION	5,754 SQ FT
NORTHEAST PING ADDITION	8,208 SQ FT
NORTH PING ADDITION	1,311 SQ FT
DINING ROOM ADDITION	1,465 SQ FT
TOTAL ADDITIONAL SQUARE FOOTAGE	14,738 SQ FT
EAST PING RENOVATION	168 SQ FT
NORTHEAST PING RENOVATION	800 SQ FT
EXISTING DINING ROOM TO 2 BED PATIENT ROOMS	664 SQ FT
EXISTING DAY/DINING ROOM RENOVATION	466 SQ FT
TOTAL RENOVATED SQUARE FOOTAGE	2,100 SQ FT

EXISTING + NO CHANGE

SUMMARY - ADDITIONAL BEDS

QTY.	ROOM TYPE	TOTAL BEDS
5	2 BED RESIDENT ROOMS	10 BEDS
18	PRIVATE RESIDENT ROOMS	18 BEDS
		28 BEDS

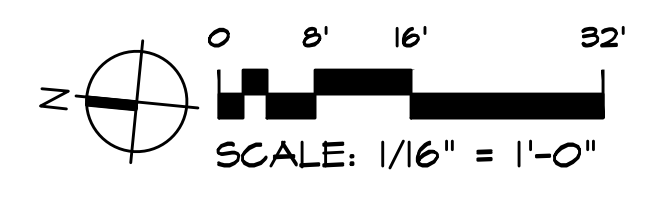


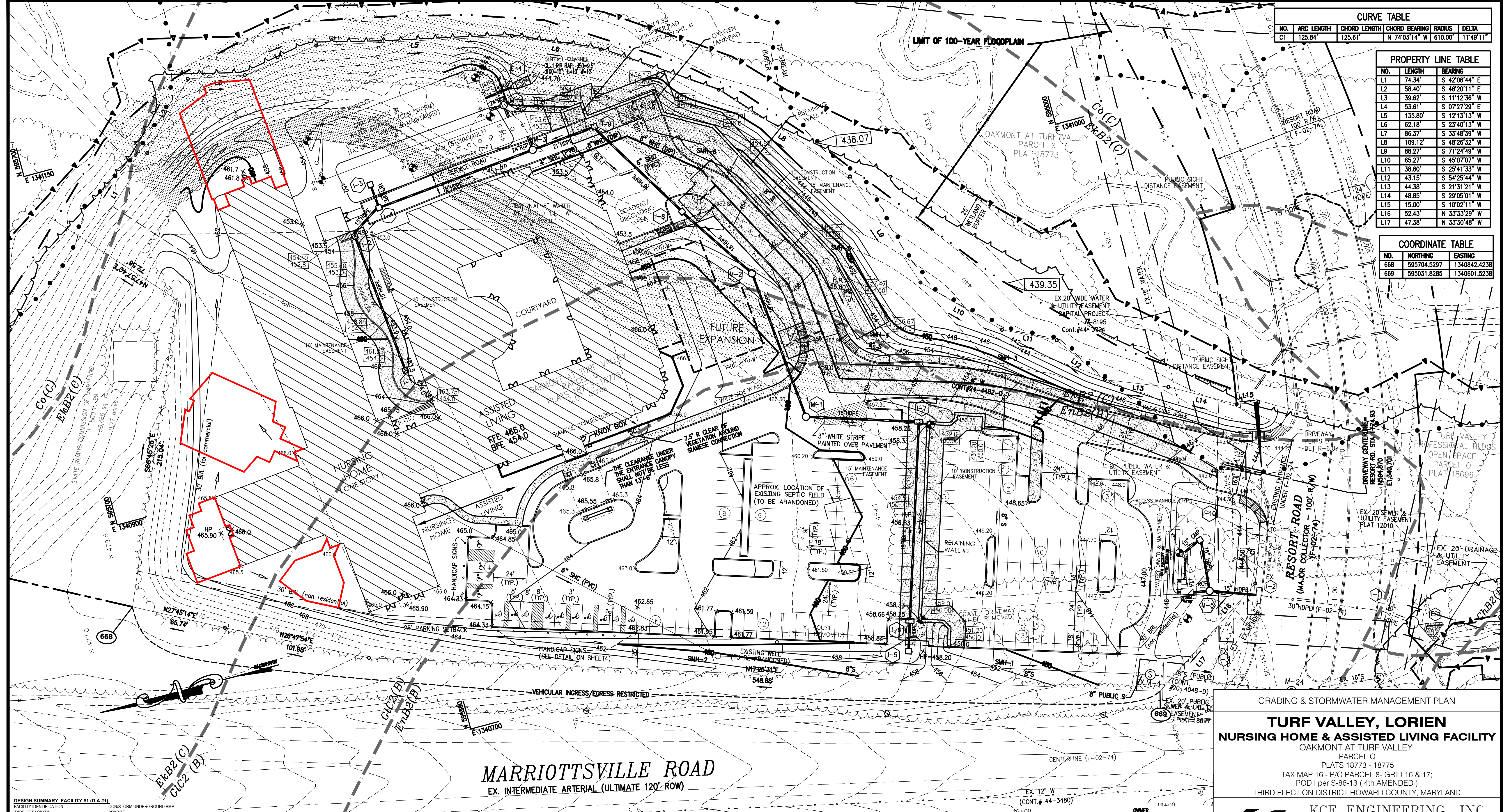
Professional Certification
I certify that these documents were prepared or approved by me, and that I am duly licensed architect under the laws of the State of Maryland, license number 2002 A, expiration date February 25, 2016.

Encore at Turf Valley
11150 Resort Road
Ellicott City, Maryland 21042

MAIN FLOOR LEVEL

DATE: April 2, 2015
SCALE: 1/16" = 1'-0"
DRAWN:
JOB:
SHEET: **A1.2**
OF SHEETS





NO.	ARC LENGTH	CHORD LENGTH	CHORD BEARING	RADIUS	DELTA
C1	125.84'	125.81'	N 74°03'14" W	610.00'	11°49'11"

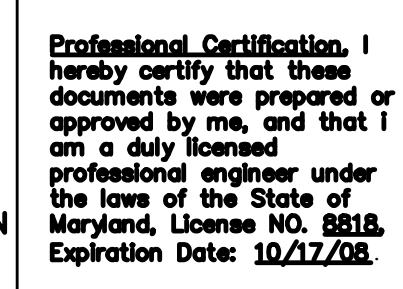
NO.	LENGTH	BEARING
L1	74.34'	S 42°06'44" E
L2	58.40'	S 46°20'11" E
L3	39.62'	S 11°12'36" W
L4	53.61'	S 07°27'29" E
L5	135.80'	S 12°13'13" W
L6	62.18'	S 23°40'13" W
L7	85.37'	S 33°48'39" W
L8	108.12'	S 48°28'52" W
L9	88.27'	S 71°24'49" W
L10	65.27'	S 45°07'07" W
L11	38.60'	S 25°41'33" W
L12	43.15'	S 54°29'44" W
L13	44.38'	S 21°31'21" W
L14	48.85'	S 29°05'01" W
L15	15.00'	S 10°02'11" W
L16	52.43'	N 33°33'29" W
L17	47.38'	N 33°30'48" W

NO.	NORTHING	EASTING
668	595704.5297	1340842.4238
669	595031.8285	1340601.5238

GRADING & STORMWATER MANAGEMENT PLAN

TURF VALLEY, LORIENT
NURSING HOME & ASSISTED LIVING FACILITY
 OAKMONT AT TURF VALLEY
 PARCEL Q
 PLATS 18773 - 18775
 TAX MAP 16 - P/O PARCEL 8 - GRID 16 & 17;
 POD I per S-86-13 (4th AMENDED)
 THIRD ELECTION DISTRICT HOWARD COUNTY, MARYLAND

KCE ENGINEERING, INC.
EXECUTIVE CENTER
 3300 NORTH RIDGE ROAD, SUITE 315
 ELLICOTT CITY, MARYLAND 21043
 PHONE (410) 203-9800 FAX (410) 203-9228



DRAWN BY: JMG SHEET: 3
 CHECKED BY: DJK OF
 SCALE: 1"=30'
 DATE: 04/30/2008 31

FACILITY IDENTIFICATION:	CON/STORM UNDERGROUND BMP
TYPE OF FACILITY:	PRIVATE
DRAINAGE AREA:	4 ACS
INVERT ELEVATION:	445.00
10-YR WSEL:	446.48
100-YR WSEL:	448.65
STORAGE VOL.:	0.36 AC.FT.
INFLOW RATE FOR 1-YR STORM:	4.43 cfs
OUTFLOW RATE FOR 1-YR STORM:	0.73 cfs
INFLOW RATE FOR 10-YR STORM:	11.41 cfs
OUTFLOW RATE FOR 10-YR STORM:	12.84 cfs
INFLOW RATE FOR 100-YR STORM:	17.33 cfs
OUTFLOW RATE FOR 100-YR STORM:	16.83 cfs
SPILLWAY TYPE, SIZE & MATERIAL:	24" RCSP
EMERGENCY SPILLWAY:	NONE

APPROVED
 PLANNING BOARD
 OF HOWARD COUNTY
 DATE _____

SOIL TYPE	DESCRIPTION
EXB2	C ELIOAK SILT LOAM, 3 TO 8% SLOPES, MODERATELY ERODED
ENB2	B ELSNBORO LOAM, 8 TO 15% SLOPES, MODERATELY ERODED
GIC2	B GLENELG LOAM, 8 TO 15% SLOPES, MODERATELY ERODED
SC	C COCORUS SILL LOAM

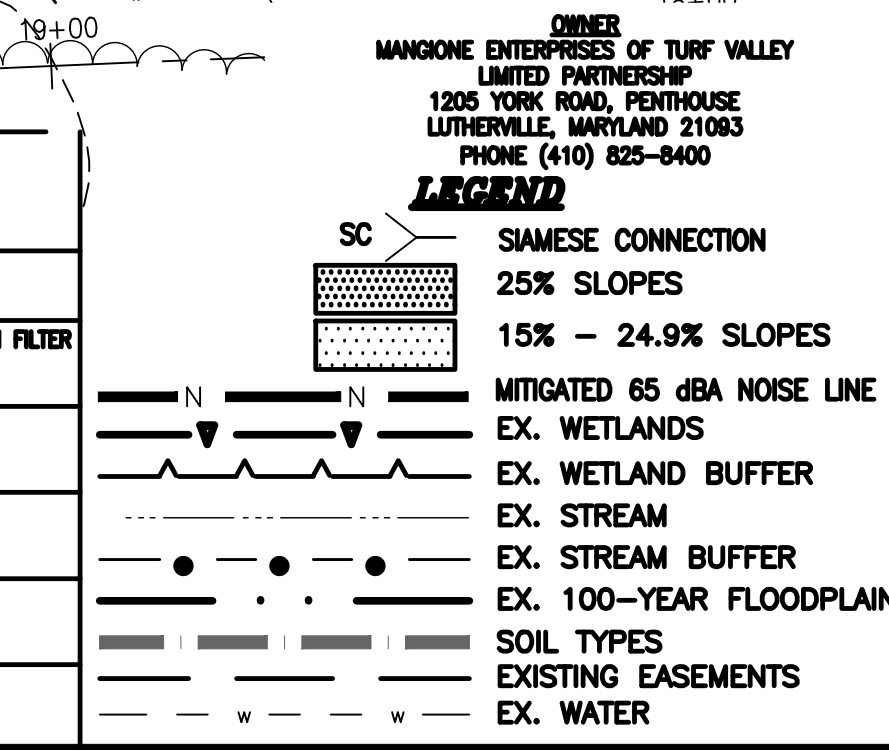
HOWARD COUNTY SOIL MAP # 9

STORMWATER MANAGEMENT REQUIREMENTS SUMMARY TABLE AREA 1 (4 ACS)

REQUIREMENT	VOLUME REQUIREMENT	VOLUME PROVIDED	NOTES
1 WATER QUALITY VOLUME WQV	0.21 AC.FT.	0.21 AC.FT.	PROVIDED WITH UNDERGROUND STORAGE FACILITY (STORM WALL)
2 RETENTION VOLUME	0.04 AC.FT.	0.055 AC.FT.	PROVIDED IN STONE STORAGE UNDER UNDERGROUND FACILITY (CON/STORM)
3 CHANNEL PROTECTION VOLUME CP	0.30 AC.FT.	0.36 AC.FT.	PROVIDED WITH UNDERGROUND STORAGE FACILITY (CON/STORM)
4 OVERHEAD FLOOD PROTECTION Q _{100P}	-	-	NOT REQUIRED
5 EXTREME FLOOD VOLUME Q _{100P}	-	-	NOT REQUIRED

STORMWATER MANAGEMENT REQUIREMENTS SUMMARY TABLE AREA 2 (1 AC)

REQUIREMENT	VOLUME REQUIREMENT	VOLUME PROVIDED	NOTES
1 WATER QUALITY VOLUME WQV	0.053 AC.FT.	0.053 AC.FT.	TREATMENT PROVIDED BY UNDERGROUND STORM FILTER STORAGE WITH UNDERGROUND CAP FACILITY
2 RETENTION VOLUME	0.011 AC.FT.	0.02 AC.FT.	INCLUDED IN WQV ABOVE
3 CHANNEL PROTECTION VOLUME CP	0.086 AC.FT.	-	WATER REQUESTED
4 OVERHEAD FLOOD PROTECTION Q _{100P}	-	-	NOT REQUIRED
5 EXTREME FLOOD VOLUME Q _{100P}	-	-	NOT REQUIRED



SDP-07-084

CON TABLE PACKAGE FOR NURSING HOME (CCFs) APPLICATIONS

Name of Applicant:

LORIEN HOWARD, INC. (Encore at Turf Valley)

Date of Submission:

10-Apr-15

***Applicants should follow additional instructions included at the top of each of the following worksheets.
Please ensure all green fields (see above) are filled.***

<u>Table</u>	<u>Table Title</u>	<u>Instructions</u>
Table A	Bed and Room Inventory	All Comprehensive Care facility applicants must complete Table A regardless of the project type and scope.
Table B	Construction and Renovation Square Footage	All applicants proposing new construction or renovation must complete Table B.
Table C	Project Budget	All applicants, regardless of project type or scope, must complete Table C.
Table D	Utilization - Entire Facility	Existing facility applicants must complete Table D. All applicants who complete this table must also complete Table F.
Table E	Utilization - New Facility or Service	Applicants who propose to: establish a new facility; a new service; or are directed by MHCC staff must complete Table E. All applicants who complete this table must also complete Table G.
Table F	Revenues & Expenses, Uninflated - Entire Facility	Existing facility applicants must complete Table F. The projected revenues and expenses in Table F should be consistent with the volume projections in Table D.
Table G	Revenues & Expenses, Uninflated - New Facility or Service	Applicants who propose to: establish a new facility; a new service and any other applicant who completes a Table D must complete Table G. The projected revenues and expenses in Table G should be consistent with the volume projections in Table E.
Table H	Workforce	All applicants, regardless of project type or scope, must complete Table H.
Table I	Bedside Care Staffing	All applicants, regardless of project type or scope, must complete Table I.

TABLE A. BED CAPACITY BY FLOOR AND NURSING UNIT BEFORE AND AFTER PROJECT

INSTRUCTION: Identify the location of each nursing unit (add or delete rows if necessary) and specify the room and bed count before and after the project.

Applicants should add columns and recalculate formulas to address any rooms with 3 and 4 bed capacity. See additional instruction in the column to the right of the table.

Before the Project						After Project Completion						
Service Location (Floor/Wing)	Current Licensed Beds	Based on Physical Capacity				Physical Bed Capacity	Service Location (Floor/Wing)	Based on Physical Capacity			Physical Bed Capacity	
		Room Count			Total Rooms			Room Count				Total Rooms
		Private	Semi-Private	Total Rooms				Private	Semi-Private	Total Rooms		
COMPREHENSIVE CARE						COMPREHENSIVE CARE						
Unit #1	39	1	19	20	39	Unit #1	8	19	27	46		
Unit #2	24	4	10	14	24	Unit #2	15	15	30	45		
				0	0				0	0		
				0	0				0	0		
				0	0				0	0		
SUBTOTAL Comprehensive Care	63	5	29	34	63	SUBTOTAL	23	34	57	91		
ASSISTED LIVING						ASSISTED LIVING						
1st Floor	21	21			21		21			21		
2nd Floor	36	36			36		36			36		
3rd Floor	37	37			37		37			37		
TOTAL ASSISTED LIVING	94	94	0	0	94	TOTAL ASSISTED LIVING	94	0	0	94		
Other (Specify/add rows as needed)				0	0	Other (Specify/add rows as needed)			0	0		
TOTAL OTHER						TOTAL OTHER						
FACILITY TOTAL	157	99	29	34	157	FACILITY TOTAL	117	34	57	185		

Note 1- All Assisted Living units are "private" rooms, but licensing allows some of the units to house a second occupant (i.e. spouse).

TABLE B. PROPOSED NEW CONSTRUCTION AND RENOVATION SQUARE FOOTAGE

INSTRUCTION: Account for all existing and proposed square footage by floor. Further breakdown by nursing unit and building wing are at Applicants discretion and should be used by applicants if it adds valuable information to the description of the existing and proposed facilities. Add or delete rows if necessary. See additional instruction in the column to the right of the table.

Gross Square Footage by Floor/Nursing Unit/Wing	DEPARTMENTAL GROSS SQUARE FEET				
	Current	To be Added Thru New Construction	To Be Renovated	To Remain As Is	Total After Project Completion
Basement (Note 1)	11,110			11,110	11,110
Comp. Care - Lower Level	0	3,786		0	3,786
Comp. Care - 1st Floor	24,023	9,426	2,120	21,903	33,449
Assisted Living - 1st Floor (Note 2)	21,445			21,445	21,445
Assisted Living - 2nd Floor	22,813			22,813	22,813
Assisted Living - 3rd Floor	22,799			22,799	22,799
					0
					0
					0
					0
					0
					0
					0
					0
					0
					0
					0
Total	102,190	13,212	2,120	100,070	115,402

Note 1- Basement area mainly utilized for both comprehensive care and assisted living services, but some areas are comprehensive care specific.

Lorien Howard, Inc.

(Encore at Turf Valley)

28 Comprehensive Care Beds

Project Budget

Capitalized Interest

With respect to the project budget, the following details the calculation of capitalized construction period interest.

Capitalized Construction Interest Calculation: Estimated construction period interest was calculated on the following assumptions:

Projected Mortgage Debt at Opening	<u>\$ 2,750,000</u>				
Average Outstanding Construction Loan	\$ 1,375,000				
Estimated Monthly Interest Rate (5.325% annual rate)	0.4438%				
Construction Period, # months	20				
	<u>8.8750%</u>				
Construction Period Interest	\$ 122,031				

It is anticipated that the minor movable equipment costs will be incurred within 30 days of opening and that the vendors' terms will allow a 30 day term before payment/financing will occur. As a result, no capitalized interest costs will be incurred on the minor equipment purchases.

Contingencies

Contingencies have been estimated at \$100,000. This amount have been estimated by the project's construction team who each have approximately forty years of construction experience, including construction of this applicant's original project.

Inflation Allowance

The inflation allowance is estimated based upon a 32 month time frame from application date to midpoint of construction (December 2017) at an estimated inflation rate of 3% per year (8.00% for the 32 month period). This inflation allowance rate of 8.00% is multiplied by Total Current Capital Costs to result in estimated inflation of \$254,400.

The 3% annual inflation rate is a projected estimate based upon historical inflation data, rounded upward do as to be conservative. The United States of America, Bureau of Labor Statistics "CPI Detailed Report Data for December 2014" reports the annual increase in overall CPI (Consumer Price Index) to be 0.8% and the "Housing- Shelter" component to be 2.9%.

Statement of Assumptions re: Revenue and Expense projections Tables F, G, & H:

All assumptions used in developing revenue and expense projections in Table F, G, and H have been determined by a team of health care professionals based upon market conditions, known operational costs and budgets (including the existing operating results of Lorien Howard, Inc.'s existing facility), phase up assumptions in years #20X1 and #20X2 based upon previous experience, and market knowledge. The health care team includes several individuals, each with experience of 15 to 40 years of financial, operational, and/or healthcare experience.

Patient Services Revenue Assumptions

As to specific revenue assumptions, the following information is provided, as follows:

Medicare Part A rates vary depending upon the RUGS level. Existing Medicare utilization results in a Medicare Part A rate of approximately \$540.29 per patient day. For the proposed 28 bed project, the average Medicare Part A rate is estimated to be \$540.29 per patient day.

Private Pay Rate Assumption- The average room rate is estimated to be \$382.50 per day for private pay patients in years 20X1 - 20X3. No inflation adjustments applied to the rate.

The average Insurance rate is \$429.00 per day for the existing operations and for the proposed 28 bed project, the average private insurance rate is projected to be \$415.00 per patient day. The blended rate is estimated at \$424.33 for the entire facility in 20X3.

Medicaid rates are calculated based upon the newly implemented prospective reimbursement system, which became effective on January 1, 2015. The new system has issued a prospective rate of \$246.59 per patient day. However, there is a phase-in period for this new rate. The January 1, 2015 rate is \$248.25 and will be phased in to the \$246.59 rate over eighteen months, with the \$246.59 rate fully effective on July 1, 2016. For year 20X3, the Medicaid rate is projected at \$246.59 per patient day.

A supplemental schedule which details the calculations of Patient Service Revenues has been included as a supplemental table with the financial tables.

Expense Assumptions- Supply Cost and Other Expenses

Supply Costs- Supply costs have been estimated based upon an estimated amount per patient day. Most supply costs are calculated based upon the estimated cost PPD multiplied by the total number of patient days (nursing, over the counter drugs, raw food, activities, dietary, housekeeping, laundry, maintenance, and office supplies) while certain other supply costs are calculated based upon an estimated cost PPD multiplied by only Medicare and Commercial Insurance days (prescription drugs). This is because prescription drugs for Medicaid patients are billed directly by the pharmacy to the Medicaid's Pharmacy Program.

Other Costs- The largest item of other expenses is Medicaid Provider Taxes which is a PPD tax charged to all patient days except for Medicare. The material balance of the remaining items in other costs are fixed monthly estimates, of which some are based upon an annual billing (such as real estate taxes, and insurance premiums).

Expense Assumptions- Financing and Project Depreciation

As for the expense assumptions developed by the team of healthcare professional, specific costs for year 20X3 are detailed at Table H of the application for labor and contractual services and schedules of Other Expenses are included as supplemental data at Tables F & G. Additional assumptions include the following:

- Variable rate financing for property mortgage debt has been estimated at 5.325% (which is consistent with current mortgage rate on the existing mortgage) and equipment loan financing is at an estimated rate of 6% per annum
- Depreciation of real property over an estimated useful life of 40 years
- Depreciation of personal property (equipment) over an estimated average useful life of 10 years

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TABLE C. PROJECT BUDGET

INSTRUCTION: Estimates for Capital Costs (1.a-e), Financing Costs and Other Cash Requirements (2.a-g), and Working Capital Startup Costs (3) must reflect current costs as of the date of application and include all costs for construction and renovation. Explain the basis for construction cost estimates, renovation cost estimates, contingencies, interest during construction period, and inflation in an attachment to the application. If the project involves services other than CCF such as assisted living explain the allocation of costs between the CCF and the other service(s). See additional instruction in the column to the right of the table.

NOTE: Inflation should only be included in the Inflation allowance line A.1.e. The value of donated land for the project should be included on Line A.1.a as a use of funds and on line B.8 as a source of funds

	CCF Nursing Home	Cost of Other Service Areas	Total
A. USE OF FUNDS			
1. CAPITAL COSTS			
a. Land Purchased/Donated			\$0
b. New Construction			
(1) Building	\$2,100,000		\$2,100,000
(2) Fixed Equipment			\$0
(3) Site and Infrastructure	\$300,000		\$300,000
(4) Architect/Engineering Fees	\$100,000		\$100,000
(5) Permits (Building, Utilities, Etc.)	\$60,000		\$60,000
SUBTOTAL New Construction	\$2,560,000	\$0	\$2,560,000
c. Renovations			
(1) Building	\$200,000		\$200,000
(2) Fixed Equipment (not included in construction)			\$0
(3) Architect/Engineering Fees			\$0
(4) Permits (Building, Utilities, Etc.)			\$0
SUBTOTAL Renovations	\$200,000	\$0	\$200,000
d. Other Capital Costs			
(1) Movable Equipment	\$320,000		\$320,000
(2) Contingency Allowance	\$100,000		\$100,000
(3) Gross interest during construction period	\$122,100		\$122,100
(4) Other (Specify/add rows if needed)			\$0
SUBTOTAL Other Capital Costs	\$542,100	\$0	\$542,100
TOTAL CURRENT CAPITAL COSTS	\$3,302,100	\$0	\$3,302,100
e. Inflation Allowance	\$254,400		\$254,400
TOTAL CAPITAL COSTS	\$3,556,500	\$0	\$3,556,500
2. Financing Cost and Other Cash Requirements			
a. Loan Placement Fees	\$27,500		\$27,500
b. Bond Discount			\$0
c. Legal Fees	\$30,000		\$30,000
d. Non-Legal Consultant Fees			\$0
e. Liquidation of Existing Debt			\$0
f. Debt Service Reserve Fund			\$0
g. Other (Specify/add rows if needed)- CON	\$25,000		\$25,000
SUBTOTAL	\$82,500		\$82,500
3. Working Capital Startup Costs	\$0		\$0
TOTAL USES OF FUNDS	\$3,639,000	\$0	\$3,639,000
B. Sources of Funds			
1. Cash	\$569,000		\$569,000
2. Philanthropy (to date and expected)			\$0
3. Authorized Bonds			\$0
4. Interest Income from bond proceeds listed in #3			\$0
5. Mortgage	\$2,750,000		\$2,750,000
6. Working Capital Loans			\$0
7. Grants or Appropriations			
a. Federal			\$0
b. State			\$0
c. Local			\$0
8. Other - FFE Loan	\$320,000		\$320,000
TOTAL SOURCES OF FUNDS	\$3,639,000		\$3,639,000
Annual Lease Costs (if applicable)			
1. Land			\$0
2. Building			\$0
3. Major Movable Equipment			\$0
4. Minor Movable Equipment			\$0
5. Other (Specify/add rows if needed)			\$0

Describe the terms of the lease(s) below, including information on the fair market value of the item(s), and the number of years, annual cost, and the interest rate for the lease.

TABLE D. UTILIZATION PROJECTIONS - ENTIRE FACILITY

INSTRUCTION : Complete this table for the entire facility, including the proposed project. Account for all inpatient and outpatient volume that produce or will produce revenue. Indicate on the table if the reporting period is Calendar Year (CY) or Fiscal Year (FY). For sections 3 & 4, the number of beds and occupancy percentage should be reported on the basis of licensed beds. In an attachment to the application, provide an explanation or basis for the projections and specify all assumptions used. Applicants must explain why the assumptions are reasonable. See additional instruction in the column to the right of the table.

Indicate CY or FY- Calendar	Two Most Recent Years (Actual)		Current Year Projected	Projected Years - ending with full utilization and financial stability (3 to 5 years post project completion) Add columns if needed.						
	2013	2014	2015	20X1	20X2	20X3				
1. ADMISSIONS										
a. Comprehensive Care (public)	435	430	430	585	582	582				
b. Comprehensive Care (CCRC Restricted)										
Total Comprehensive Care	435	430	430	585	582	582	0	0	0	0
c. Assisted Living	44	38	42	42	42	42				
d. Other (Specify/add rows of needed)										
TOTAL ADMISSIONS	479	468	472	627	624	624				
2. PATIENT DAYS										
a. Comprehensive Care (public)	20,779	21,665	21,535	28,105	31,025	31,025				
b. Comprehensive Care (CCRC Restricted)										
Total Comprehensive Care	20,779	21,665	21,535	28,105	31,025	31,025	0	0	0	0
c. Assisted Living	26,752	27,883	27,448	27,448	27,448	27,448				
d. Other (Specify/add rows of needed)										
TOTAL PATIENT DAYS	47,531	49,548	48,983	55,553	58,473	58,473				
3. NUMBER OF BEDS										
a. Comprehensive Care (public)	63	63	63	91	91	91				
b. Comprehensive Care (CCRC Restricted)										
Total Comprehensive Care Beds	63	63	63	91	91	91	0	0	0	0
c. Assisted Living	94	94	94	94	94	94				
d. Other (Specify/add rows of needed)										
TOTAL BEDS	157	157	157	185	185	185	0	0	0	0
4. OCCUPANCY PERCENTAGE *IMPORTANT NOTE: Leap year formulas should be changed by applicant to reflect 366 days per year.										
a. Comprehensive Care (public)	90.4%	94.2%	93.7%	84.6%	93.4%	93.4%	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
b. Comprehensive Care (CCRC Restricted)										
Total Comprehensive Care Beds	90.4%	94.2%	93.7%	84.6%	93.4%	93.4%	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
c. Assisted Living	78.0%	81.3%	80.0%	80.0%	80.0%	80.0%	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
d. Other (Specify/add rows of needed)										
TOTAL OCCUPANCY %	82.9%	86.5%	85.5%	82.3%	86.6%	86.6%	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
5. OUTPATIENT (specify units used for charging and recording revenues)										
a. Adult Day Care										
b. Other (Specify/add rows of needed)										
TOTAL OUTPATIENT VISITS	0	0	0	0	0	0	0	0	0	0

TABLE E. UTILIZATION PROJECTIONS - NEW FACILITY OR SERVICE

INSTRUCTION: After consulting with Commission Staff, complete this table for the new facility or service (the proposed project). Account for all inpatient and outpatient volume that produce or will produce revenue. Indicate on the table if the reporting period is Calendar Year (CY) or Fiscal Year (FY). For sections 3 & 4, the number of beds and occupancy percentage should be reported on the basis of proposed beds. In an attachment to the application, provide an explanation or basis for the projections and specify all assumptions used. Applicants must explain why the assumptions are reasonable.

	Projected Years - ending with full utilization and financial stability (3 to 5 years post project completion) Add columns if needed.						
Indicate CY or FY- Calendar	20X1	20X2	20X3				
1. ADMISSIONS							
a. Comprehensive Care (public)	155	152	152				
b. Comprehensive Care (CCRC Restricted)							
Total Comprehensive Care	155	152	152	0	0	0	0
c. Assisted Living							
d. Other (Specify/add rows of needed)							
TOTAL ADMISSIONS							
2. PATIENT DAYS							
a. Comprehensive Care (public)	6,570	9,490	9,490				
b. Comprehensive Care (CCRC Restricted)							
Total Comprehensive Care	6,570	9,490	9,490	0	0	0	0
c. Assisted Living							
TOTAL PATIENT DAYS							
3. NUMBER OF BEDS							
a. Comprehensive Care (public)	28	28	28				
b. Comprehensive Care (CCRC Restricted)							
Total Comprehensive Care Beds	28	28	28	0	0	0	0
c. Assisted Living							
d. Other (Specify/add rows of needed)							
TOTAL BEDS	28	28	28	0	0	0	0
4. OCCUPANCY PERCENTAGE <i>*IMPORTANT NOTE: Leap year formulas should be changed by applicant to reflect 366 days per year.</i>							
a. Comprehensive Care (public)	64.3%	92.9%	92.9%				
b. Comprehensive Care (CCRC Restricted)							
Total Comprehensive Care Beds	64.3%	92.9%	92.9%	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
c. Assisted Living							
d. Other (Specify/add rows of needed)							
TOTAL OCCUPANCY %	0.0%	0.0%	0.0%	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
5. OUTPATIENT (specify units used for charging and recording revenues)							
a. Adult Day Care							
b. Other (Specify/add rows of needed)							
TOTAL OUTPATIENT VISITS	0	0	0	0	0	0	0

TABLE F. REVENUES & EXPENSES, UNINFLATED - ENTIRE FACILITY

INSTRUCTION: Complete this table for the entire facility, including the proposed project. The table should reflect current dollars (no inflation). Projected revenues and expenses should be consistent with the utilization projections in Table D reflecting changes in volume and with the costs of the Workforce identified in Table H. Indicate on the table if the reporting period is Calendar Year (CY) or Fiscal Year (FY). In an attachment to the application, provide an explanation or basis for the projected revenue and expenses specifying all assumptions used. Applicants must explain why the assumptions are reasonable. Revenue should be projected based on actual charges with calculations detailed in the attachment and Contractual Allowance should not be included if it is a positive adjustment to gross revenue. Specify the sources of non-operating income. See additional instruction in the column to the right of the table.

All \$ Amounts in Thousands	Two Most Recent Years (Actual)		Current Year Projected	Projected Years - ending with full utilization and financial stability (3 to 5 years post project completion) Add columns if needed.						
	2013	2014	2015	20X1	20X2	20X3				
1. REVENUE										
a. Inpatient Services	\$ 12,416	\$ 13,307	\$ 12,965	\$ 15,436	\$ 16,539	\$ 16,539				
b. Outpatient Services										
Gross Patient Service Revenues	\$ 12,416	\$ 13,307	\$ 12,965	\$ 15,436	\$ 16,539	\$ 16,539	\$ -	\$ -	\$ -	\$ -
c. Allowance For Bad Debt	\$ 171	\$ 48	\$ 129	\$ 215	\$ 247	\$ 247				
d. Contractual Allowance										
e. Charity Care										
Net Patient Services Revenue	\$ 12,245	\$ 13,259	\$ 12,836	\$ 15,221	\$ 16,292	\$ 16,292	\$ -	\$ -	\$ -	\$ -
f. Other Operating Revenues (Specify/add rows if needed)	\$ 135	\$ 155	\$ 133	\$ 141	\$ 145	\$ 145				
NET OPERATING REVENUE	\$ 12,380	\$ 13,414	\$ 12,969	\$ 15,362	\$ 16,437	\$ 16,437	\$ -	\$ -	\$ -	\$ -
2. EXPENSES										
a. Salaries & Wages (including benefits)	\$ 5,173	\$ 5,648	\$ 5,868	\$ 6,931	\$ 7,176	\$ 7,176				
b. Contractual Services	\$ 2,192	\$ 2,425	\$ 2,085	\$ 2,551	\$ 2,771	\$ 2,771				
c. Interest on Current Debt	\$ 739	\$ 712	\$ 699	\$ 696	\$ 684	\$ 669				
d. Interest on Project Debt				\$ 166	\$ 163	\$ 160				
e. Current Depreciation	\$ 1,033	\$ 983	\$ 987	\$ 987	\$ 987	\$ 987				
f. Project Depreciation				\$ 113	\$ 113	\$ 113				
g. Current Amortization										
h. Project Amortization				\$ 16	\$ 16	\$ 16				
i. Supplies	\$ 1,299	\$ 1,111	\$ 1,085	\$ 1,277	\$ 1,365	\$ 1,365				
j. Other Expenses (Specify/add rows if needed)	\$ 1,757	\$ 1,945	\$ 1,897	\$ 2,339	\$ 2,485	\$ 2,485				
TOTAL OPERATING EXPENSES	\$ 12,193	\$ 12,824	\$ 12,621	\$ 15,076	\$ 15,760	\$ 15,742	\$ -	\$ -	\$ -	\$ -
3. INCOME										
a. Income From Operation	\$ 187	\$ 590	\$ 348	\$ 286	\$ 677	\$ 695	\$ -	\$ -	\$ -	\$ -
b. Non-Operating Income										
SUBTOTAL	\$ 187	\$ 590	\$ 348	\$ 286	\$ 677	\$ 695	\$ -	\$ -	\$ -	\$ -
c. Income Taxes										
NET INCOME (LOSS)	\$ 187	\$ 590	\$ 348	\$ 286	\$ 677	\$ 695	\$ -	\$ -	\$ -	\$ -

TABLE F. REVENUES & EXPENSES, UNINFLATED - ENTIRE FACILITY

INSTRUCTION: Complete this table for the entire facility, including the proposed project. The table should reflect current dollars (no inflation). Projected revenues and expenses should be consistent with the utilization projections in Table D reflecting changes in volume and with the costs of the Workforce identified in Table H. Indicate on the table if the reporting period is Calendar Year (CY) or Fiscal Year (FY). In an attachment to the application, provide an explanation or basis for the projected revenue and expenses specifying all assumptions used. Applicants must explain why the assumptions are reasonable. Revenue should be projected based on actual charges with calculations detailed in the attachment and Contractual Allowance should not be included if it is a positive adjustment to gross revenue. Specify the sources of non-operating income. See additional instruction in the column to the right of the table.

All \$ Amounts in Thousands	Two Most Recent Years (Actual)		Current Year Projected	Projected Years - ending with full utilization and financial stability (3 to 5 years post project completion) Add columns if needed.						
	2013	2014	2015	20X1	20X2	20X3				
4. PATIENT MIX										
a. Percent of Total Revenue										
1) Medicare	35.7%	30.5%	33.5%	37.0%	38.1%	38.1%				
2) Medicaid	18.0%	20.0%	20.3%	22.2%	22.9%	22.9%				
3) Blue Cross										
4) Commercial Insurance	2.3%	2.7%	2.4%	2.5%	2.8%	2.8%				
5) Self-pay	43.6%	44.3%	43.5%	37.9%	35.8%	35.8%				
6) Other- Medicare Part B	0.4%	2.5%	0.3%	0.4%	0.4%	0.4%				
TOTAL	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	0.0%	0.0%	0.0%	0.0%
b. Percent of Inpatient Days										
1) Medicare	18.2%	15.4%	16.4%	19.1%	20.0%	20.0%				
2) Medicaid	19.5%	22.1%	21.6%	25.0%	26.2%	26.2%				
3) Blue Cross										
4) Commercial Insurance	1.5%	1.8%	1.5%	1.6%	1.9%	1.9%				
5) Self-pay	60.8%	60.7%	60.5%	54.3%	51.9%	51.9%				
6) Other										
TOTAL	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	0.0%	0.0%	0.0%	0.0%

TABLE F. REVENUES & EXPENSES, UNINFLATED - ENTIRE FACILITY

INSTRUCTION: Complete this table for the entire facility, including the proposed project. The table should reflect current dollars (no inflation). Projected revenues and expenses should be consistent with the utilization projections in Table D reflecting changes in volume and with the costs of the Workforce identified in Table H. Indicate on the table if the reporting period is Calendar Year (CY) or Fiscal Year (FY). In an attachment to the application, provide an explanation or basis for the projected revenue and expenses specifying all assumptions used. Applicants must explain why the assumptions are reasonable. Revenue should be projected based on actual charges with calculations detailed in the attachment and Contractual Allowance should not be included if it is a positive adjustment to gross revenue. Specify the sources of non-operating income. See additional instruction in the column to the right of the table.

All \$ Amounts in Thousands	Two Most Recent Years (Actual)		Current Year Projected	Projected Years - ending with full utilization and financial stability (3 to 5 years post project completion) Add columns if needed.					
	2013	2014	2015	20X1	20X2	20X3			

TABLE F: SUPPLEMENTAL INFORMATION

REVENUE RECONCILIATION- INPATIENT SERVICES

1. a. Inpatient Services	\$ 12,416	\$ 13,307	\$ 12,965	\$ 15,436	\$ 16,539	\$ 16,539				
Medicare- Days	8677	7634	8030	10585	11680	11680				
Medicare- Avg Rate PPD	\$ 509.75	\$ 532.27	\$ 540.29	\$ 540.29	\$ 540.29	\$ 540.29				
Medicare Revenue	\$ 4,423,101	\$ 4,063,349	\$ 4,338,529	\$ 5,718,970	\$ 6,310,587	\$ 6,310,587	\$ -	\$ -	\$ -	\$ -
Medicaid- Days	9258	10925	10585	13870	15330	15330				
Medicaid- Avg Rate PPD	\$ 241.72	\$ 243.14	\$ 248.25	\$ 246.59	\$ 246.59	\$ 246.59				
Medicaid Revenue	\$ 2,237,844	\$ 2,656,305	\$ 2,627,726	\$ 3,420,203	\$ 3,780,225	\$ 3,780,225	\$ -	\$ -	\$ -	\$ -
Commercial Insurance Days	690	879	730	913	1095	1095				
Commercial Insurance- Avg Rate PPD	\$ 417.88	\$ 411.45	\$ 429.00	\$ 426.20	\$ 424.33	\$ 424.33				
Commercial Insurance Revenue	\$ 288,337	\$ 361,665	\$ 313,170	\$ 389,121	\$ 464,641	\$ 464,641	\$ -	\$ -	\$ -	\$ -
Self Pay- Comp Care Days	2154	2227	2190	2737	2920	2920				
Self Pay- Average Rate	\$ 341.98	\$ 381.42	\$ 382.50	\$ 382.50	\$ 382.50	\$ 382.50				
Self Pay Revenue	\$ 736,625	\$ 849,422	\$ 837,675	\$ 1,046,903	\$ 1,116,900	\$ 1,116,900	\$ -	\$ -	\$ -	\$ -
Self Pay- ALU Days	26752	27883	27448	27448	27448	27448				
Self Pay- Average Rate	\$ 174.86	\$ 181.01	\$ 175.04	\$ 175.04	\$ 175.04	\$ 175.04				
Self Pay Revenue	\$ 4,677,855	\$ 5,047,102	\$ 4,804,498	\$ 4,804,498	\$ 4,804,498	\$ 4,804,498	\$ -	\$ -	\$ -	\$ -
Medicare Part B- Est Revenue	\$ 52,030	\$ 328,890	\$ 43,285	\$ 56,491	\$ 62,360	\$ 62,360				
TOTAL Inpatient Revenue	\$ 12,415,791	\$ 13,306,732	\$ 12,964,883	\$ 15,436,185	\$ 16,539,211	\$ 16,539,211	\$ -	\$ -	\$ -	\$ -
				55553	58473	58473				

1. f. Other Operating Revenues										
Television & Telephone	\$ 62	\$ 63	\$ 60	\$ 64	\$ 66	\$ 66				
Barber & Beauty	42	47	42	46	48	48				
Café and Guest Meals	27	32	30	30	30	30				
Prior Year Revenue Adjustments	-	10	-							
Other/Miscellaneous	4	3	1	1	1	1				
Total Other Operating Revenue	\$ 135	\$ 155	\$ 133	\$ 141	\$ 145	\$ 145				

TABLE F. REVENUES & EXPENSES, UNINFLATED - ENTIRE FACILITY

INSTRUCTION: Complete this table for the entire facility, including the proposed project. The table should reflect current dollars (no inflation). Projected revenues and expenses should be consistent with the utilization projections in Table D reflecting changes in volume and with the costs of the Workforce identified in Table H. Indicate on the table if the reporting period is Calendar Year (CY) or Fiscal Year (FY). In an attachment to the application, provide an explanation or basis for the projected revenue and expenses specifying all assumptions used. Applicants must explain why the assumptions are reasonable. Revenue should be projected based on actual charges with calculations detailed in the attachment and Contractual Allowance should not be included if it is a positive adjustment to gross revenue. Specify the sources of non-operating income. See additional instruction in the column to the right of the table.

All \$ Amounts in Thousands <i>Indicate CY or FY- Calendar</i>	Two Most Recent Years (Actual)		Current Year Projected	Projected Years - ending with full utilization and financial stability (3 to 5 years post project completion) Add columns if needed.			
	2013	2014	2015	20X1	20X2	20X3	
2. j. Other Expenses (Specify/add rows if needed)	\$ 1,757	\$ 1,945	\$ 1,897	\$ 2,339	\$ 2,485	\$ 2,485	
Cable TV	6	6	6	7	7	7	
Repairs & Maintenance	62	72	76	86	91	91	
Utilities	192	193	198	238	248	248	
Sewer & Water	50	52	47	56	56	56	
Help Wanted Advertising	10	12	11	13	13	13	
Promotional Advertising	37	65	56	63	67	67	
Minor Equipment	18	44	50	56	59	59	
Data Processing	54	92	89	102	108	108	
Property & Liability Insurance	79	80	78	103	103	103	
Legal Fees	8	28	5	5	5	5	
Accounting	13	14	13	13	13	13	
Management Fees	402	437	448	600	660	660	
Licenses & Permits	35	38	33	37	39	39	
Telephone & Postage	34	28	28	32	33	33	
Dues & Subscriptions	32	62	48	54	57	57	
Meetings & Seminars	19	9	11	13	13	13	
Fines & Penalties	3	-	-	-	-	-	
Auto, gas & diesel	14	10	9	10	11	11	
Bank Fees	9	9	9	11	11	11	
Contributions	1	6	3	4	4	4	
Personal Property Taxes	21	22	14	15	15	15	
Real Estate Taxes	233	200	201	251	251	251	
Medicaid QA/Provider Taxes	282	331	328	426	470	470	
Building's Ground Rent	60	60	60	60	60	60	
Equipment Rental	79	74	71	78	82	82	
Employee Benefit Administration	-	-	-	6	6	6	
Sales Tax	4	1	1	1	1	1	
Other/Rounding	-	-	4	(1)	2	2	
	\$ 1,757	\$ 1,945	\$ 1,897	\$ 2,339	\$ 2,485	\$ 2,485	\$ - \$ - \$ - \$ -

TABLE F. REVENUES & EXPENSES, UNINFLATED - ENTIRE FACILITY

INSTRUCTION: Complete this table for the entire facility, including the proposed project. The table should reflect current dollars (no inflation). Projected revenues and expenses should be consistent with the utilization projections in Table D reflecting changes in volume and with the costs of the Workforce identified in Table H. Indicate on the table if the reporting period is Calendar Year (CY) or Fiscal Year (FY). In an attachment to the application, provide an explanation or basis for the projected revenue and expenses specifying all assumptions used. Applicants must explain why the assumptions are reasonable. Revenue should be projected based on actual charges with calculations detailed in the attachment and Contractual Allowance should not be included if it is a positive adjustment to gross revenue. Specify the sources of non-operating income. See additional instruction in the column to the right of the table.

All \$ Amounts in Thousands	Two Most Recent Years (Actual)		Current Year Projected	Projected Years - ending with full utilization and financial stability (3 to 5 years post project completion) Add columns if needed.					
	2013	2014	2015	20X1	20X2	20X3			

4. Patient Mix: Supplemental Patient Day Information						
Total Days	47,531	49,548	48,983	55,553	58,473	58,473
Less ALU Days	26,752	27,883	27,448	27,448	27,448	27,448
Comprehensive Care Days	20,779	21,665	21,535	28,105	31,025	31,025
Comprehensive Care Utilization						
Medicare- Days	8,677	7,634	8,030	10,585	11,680	11,680
Medicaid- Days	9,258	10,925	10,585	13,870	15,330	15,330
Commercial Insurance Days	690	879	730	913	1,095	1,095
Self Pay- Comp Care Days	2,154	2,227	2,190	2,737	2,920	2,920
Total Comprehensive Care Days	20,779	21,665	21,535	28,105	31,025	31,025
Medicaid Utilization %	44.55%	50.43%	49.15%	49.35%	49.41%	49.41%

TABLE G. REVENUES & EXPENSES, UNINFLATED - NEW FACILITY OR SERVICE

INSTRUCTION: After consulting with Commission Staff, complete this table for the new facility or service (the proposed project). This table should reflect current dollars (no inflation). Projected revenues and expenses should be consistent with the utilization projections in Table E and with the Workforce costs identified in Table H. Indicate on the table if the reporting period is Calendar Year (CY) or Fiscal Year (FY). In an attachment to the application, provide an explanation or basis for the projections and specify all assumptions used. Applicants must explain why the assumptions are reasonable. Revenue should be projected based on actual charges with detailed calculation by payer in the attachment. The contractual allowance should not be reported if it is a positive adjustment to gross revenue. Specify the sources of non-operating income. See additional instructions in the column to right of the table.

All \$ Amounts in Thousands	Projected Years (ending five years after completion) Add columns of needed.						
Indicate CY or FY- Calendar	20X1	20X2	20X3				
1. REVENUE							
a. Inpatient Services	\$ 2,489	\$ 3,592	\$ 3,592				
b. Outpatient Services							
Gross Patient Service Revenues	\$ 2,489	\$ 3,592	\$ 3,592	\$ -	\$ -	\$ -	\$ -
c. Allowance For Bad Debt	\$ 86	\$ 118	\$ 118				
d. Contractual Allowance							
e. Charity Care							
Net Patient Services Revenue	\$ 2,403	\$ 3,474	\$ 3,474	\$ -	\$ -	\$ -	\$ -
f. Other Operating Revenues - B&B/TV	\$ 8	\$ 12	\$ 12				
NET OPERATING REVENUE	\$ 2,411	\$ 3,486	\$ 3,486	\$ -	\$ -	\$ -	\$ -
2. EXPENSES							
a. Salaries & Wages (including benefits)	\$ 1,063	\$ 1,309	\$ 1,309				
b. Contractual Services	\$ 466	\$ 685	\$ 685				
c. Interest on Current Debt							
d. Interest on Project Debt	\$ 166	\$ 163	\$ 160				
e. Current Depreciation							
f. Project Depreciation	\$ 113	\$ 113	\$ 113				
g. Current Amortization							
h. Project Amortization	\$ 16	\$ 16	\$ 15				
i. Supplies	\$ 192	\$ 280	\$ 280				
j. Other Expenses (Specify)	\$ 442	\$ 588	\$ 588				

TABLE G. REVENUES & EXPENSES, UNINFLATED - NEW FACILITY OR SERVICE

INSTRUCTION: After consulting with Commission Staff, complete this table for the new facility or service (the proposed project). This table should reflect current dollars (no inflation). Projected revenues and expenses should be consistent with the utilization projections in Table E and with the Workforce costs identified in Table H. Indicate on the table if the reporting period is Calendar Year (CY) or Fiscal Year (FY). In an attachment to the application, provide an explanation or basis for the projections and specify all assumptions used. Applicants must explain why the assumptions are reasonable. Revenue should be projected based on actual charges with detailed calculation by payer in the attachment. The contractual allowance should not be reported if it is a positive adjustment to gross revenue. Specify the sources of non-operating income. See additional instructions in the column to right of the table.

All \$ Amounts in Thousands	Projected Years (ending five years after completion) Add columns of needed.						
Indicate CY or FY- Calendar	20X1	20X2	20X3				
TOTAL OPERATING EXPENSES	\$ 2,458	\$ 3,154	\$ 3,150	\$ -	\$ -	\$ -	\$ -
3. INCOME							
a. Income From Operation	\$ (47.00)	\$ 332.00	\$ 336.00	\$ -	\$ -	\$ -	\$ -
b. Non-Operating Income							
SUBTOTAL	\$ (47.00)	\$ 332.00	\$ 336.00	\$ -	\$ -	\$ -	\$ -
c. Income Taxes							
NET INCOME (LOSS)	\$ (47.00)	\$ 332.00	\$ 336.00	\$ -	\$ -	\$ -	\$ -
4. PATIENT MIX							
a. Percent of Total Revenue							
1) Medicare	55.5%	54.9%	54.9%				
2) Medicaid	32.5%	32.6%	32.6%				
3) Blue Cross							
4) Commercial Insurance	3.1%	4.2%	4.2%				
5) Self-pay	8.4%	7.8%	7.8%				
6) Other- Medicare Part B	0.5%	0.5%	0.5%				
TOTAL	100.0%	100.0%	100.0%	0.0%	0.0%	0.0%	0.0%
b. Percent of Inpatient Days							
1) Medicare	38.9%	38.5%	38.5%				
2) Medicaid	50.0%	50.0%	50.0%				
3) Blue Cross							
4) Commercial Insurance	2.8%	3.8%	3.8%				
5) Self-pay	8.3%	7.7%	7.7%				

TABLE G. REVENUES & EXPENSES, UNINFLATED - NEW FACILITY OR SERVICE

INSTRUCTION: After consulting with Commission Staff, complete this table for the new facility or service (the proposed project). This table should reflect current dollars (no inflation). Projected revenues and expenses should be consistent with the utilization projections in Table E and with the Workforce costs identified in Table H. Indicate on the table if the reporting period is Calendar Year (CY) or Fiscal Year (FY). In an attachment to the application, provide an explanation or basis for the projections and specify all assumptions used. Applicants must explain why the assumptions are reasonable. Revenue should be projected based on actual charges with detailed calculation by payer in the attachment. The contractual allowance should not be reported if it is a positive adjustment to gross revenue. Specify the sources of non-operating income. See additional instructions in the column to right of the table.

All \$ Amounts in Thousands	Projected Years (ending five years after completion) Add columns of needed.						
Indicate CY or FY- Calendar	20X1	20X2	20X3				
6) Other							
TOTAL	100.0%	100.0%	100.0%	0.0%	0.0%	0.0%	0.0%

TABLE G: SUPPLEMENTAL INFORMATION

REVENUE RECONCILIATION- INPATIENT SERVICES			
Medicare- Days	2555	3650	3650
Medicare- Avg Rate PPD	\$ 540.29	\$ 540.29	\$ 540.29
Medicare Revenue	\$ 1,380,441	\$ 1,972,059	\$ 1,972,059
Medicaid- Days	3285	4745	4745
Medicaid- Avg Rate PPD	\$ 246.59	\$ 246.59	\$ 246.59
Medicaid Revenue	\$ 810,048	\$ 1,170,070	\$ 1,170,070
Commercial Insurance Days	183	365	365
Commercial Insurance- Avg Rate PPD	\$ 415.03	\$ 415.00	\$ 415.00
Commercial Insurance Revenue	\$ 75,951	\$ 151,475	\$ 151,475
Self Pay- Comp Care Days	547	730	730
Self Pay- Average Rate	\$ 382.50	\$ 382.50	\$ 382.50
Self Pay Revenue	\$ 209,228	\$ 279,225	\$ 279,225
Medicare Part B- Est Revenue	\$ 13,206	\$ 19,075	\$ 19,075
TOTAL Inpatient Revenue	\$ 2,488,874	\$ 3,591,903	\$ 3,591,903
	6570	9490	9490

TABLE H. WORKFORCE INFORMATION

INSTRUCTION: List the facility's existing staffing and changes required by this project. Include all major job categories under each heading provided in the table. The number of Full Time Equivalents (FTEs) should be calculated on the basis of 2,080 paid hours per year equals one FTE. In an attachment to the application, explain any factor used in converting paid hours to worked hours. Please ensure that the projections in this table are consistent with expenses provided in uninflated projections in Tables F and G. See additional instruction in the column to the right of the table.

Job Category	CURRENT ENTIRE FACILITY			PROJECTED CHANGES AS A RESULT OF THE PROPOSED PROJECT THROUGH THE LAST YEAR OF PROJECTION (CURRENT DOLLARS)			OTHER EXPECTED CHANGES IN OPERATIONS THROUGH THE LAST YEAR OF PROJECTION (CURRENT DOLLARS)			PROJECTED ENTIRE FACILITY THROUGH THE LAST YEAR OF PROJECTION (CURRENT DOLLARS) *	
	Current Year FTEs	Average Salary per FTE	Current Year Total Cost	FTEs	Average Salary per FTE	Total Cost (should be consistent with projections in Table H, if submitted)	FTEs	Average Salary per FTE	Total Cost	FTEs	Total Cost (should be consistent with projections in Table G)
1. Regular Employees											
<i>Administration (List general categories, add rows if needed)</i>											
Administrator	1.00	\$ 132,379	\$ 132,379			\$0			\$0	1.00	132,379
Business Office Manager	1.00	53,905	53,905			\$0			\$0	1.00	53,905
Business Office Assistant	-	-	-	1.00	33,889	\$33,889			\$0	1.00	33,889
Payroll/HR Staff	1.00	56,235	56,235			\$0			\$0	1.00	56,235
Staffing Coordinator	1.00	47,657	47,657			\$0			\$0	1.00	47,657
Quality Assurance	0.50	106,920	53,460			\$0			\$0	0.50	53,460
Staff Development/Education	1.00	62,314	62,314			\$0			\$0	1.00	62,314
Receptionists	2.40	21,964	52,714			\$0			\$0	2.40	52,714
Admissions Director	1.00	55,642	55,642			\$0			\$0	1.00	55,642
AL Marketing	1.00	65,321	65,321			\$0			\$0	1.00	65,321
Admissions Assistant				1.00	38,125	\$38,125			\$0		38,125
			-			\$0			\$0	-	-
Total Administration	9.90		\$ 579,627	2.00		\$ 72,014			\$0	11.90	\$651,641
<i>Direct Care Staff (List general categories, add rows if needed)</i>											
Director of Nursing	0.50	106,920	53,460	0.50	106,920	\$53,460			\$0	1.00	106,920
Unit Managers	2.00	74,959	149,917	0.80	74,959	\$59,967			\$0	2.80	209,884
Evening/Night Supervisors- RN or LPN	1.40	63,626	89,077			\$0			\$0	1.40	89,077
Registered Nurses/Licensed Practical Nurses	14.00	63,500	888,995	5.60	63,500	\$355,600			\$0	19.60	1,244,595
Certified Medicine Aides	1.40	36,379	50,931			\$0			\$0	1.40	50,931
Certified GNA's	19.69	31,096	612,203	11.81	31,096	\$367,322			\$0	31.50	979,524
MDS Coordinator	1.00	73,709	73,709	0.50	73,709	\$36,855			\$0	1.50	110,564
Unit Secretaries	1.00	34,842	34,842	1.00	34,842	\$34,842			\$0	2.00	69,684
Central Supply Clerk	0.50	38,952	19,476			\$0			\$0	0.50	19,476
Unit Manager- ALU	1.40	81,994	114,791			\$0			\$0	1.40	114,791
Unit Secretary- ALU	1.00	34,237	34,237			\$0			\$0	1.00	34,237
House Nurse/Med Reviews- ALU	0.20	76,105	15,221			\$0			\$0	0.20	15,221
Registered Nurses/Licensed Practical Nurses- ALU	7.00	55,952	391,664			\$0			\$0	7.00	391,664
Certified Medicine Aides- ALU	7.00	34,050	238,347			\$0			\$0	7.00	238,347
Certified GNA's- ALU	25.20	29,601	745,945			\$0			\$0	25.20	745,945
Total Direct Care	83.29		3,512,815	20.21		908,045			\$0	103.50	\$4,420,859
<i>Support Staff (List general categories, add rows if needed)</i>											
Security/Transportation	1.00	28,361	28,361			-			\$0	1.00	28,361
Social Services Director	1.00	31,771	31,771			-			\$0	1.00	31,771
Social Services Assistant	1.00	55,917	55,917			-			\$0	1.00	55,917
Activities Director	1.00	46,725	46,725			-			\$0	1.00	46,725
Activities Assistant	4.00	36,007	144,029	0.50	36,007	18,004			\$0	4.50	162,033
Case Manager	0.18	75,278	13,550			-			\$0	0.18	13,550
Housekeeping Manager	1.00	51,363	51,363			-			\$0	1.00	51,363
Housekeepers- SNF	2.40	19,857	47,657	1.40	19,857	27,800			\$0	3.80	75,457
Housekeepers- ALU	2.40	19,857	47,657			-			\$0	2.40	47,657
Floor Technicians	1.00	21,181	21,181			-			\$0	1.00	21,181
Laundry	4.20	19,857	83,399			-			\$0	4.20	83,399
Campus Maintenance Director	1.00	54,540	54,540			-			\$0	1.00	54,540
Facility Maintenance Staff	1.00	25,417	25,417			-			\$0	1.00	25,417
Medical Records	0.50	38,952	19,476	0.50	38,952	19,476			\$0	1.00	38,952
Total Support	21.68		671,043	2.40		65,280			\$0	24.08	\$736,323
REGULAR EMPLOYEES TOTAL	114.87		4,763,485	24.61		1,045,338			\$0	139.48	\$5,808,823

TABLE H. WORKFORCE INFORMATION

INSTRUCTION: List the facility's existing staffing and changes required by this project. Include all major job categories under each heading provided in the table. The number of Full Time Equivalents (FTEs) should be calculated on the basis of 2,080 paid hours per year equals one FTE. In an attachment to the application, explain any factor used in converting paid hours to worked hours. Please ensure that the projections in this table are consistent with expenses provided in uninflated projections in Tables F and G. See additional instruction in the column to the right of the table.

Job Category	CURRENT ENTIRE FACILITY			PROJECTED CHANGES AS A RESULT OF THE PROPOSED PROJECT THROUGH THE LAST YEAR OF PROJECTION (CURRENT DOLLARS)			OTHER EXPECTED CHANGES IN OPERATIONS THROUGH THE LAST YEAR OF PROJECTION (CURRENT DOLLARS)			PROJECTED ENTIRE FACILITY THROUGH THE LAST YEAR OF PROJECTION (CURRENT DOLLARS) *	
	Current Year FTEs	Average Salary per FTE	Current Year Total Cost	FTEs	Average Salary per FTE	Total Cost (should be consistent with projections in Table H, if submitted)	FTEs	Average Salary per FTE	Total Cost	FTEs	Total Cost (should be consistent with projections in Table G)
2. Contractual Employees											
<i>Administration (List general categories, add rows if needed)</i>											
Contracted Office Staff	0.05		1,469	-		285				0.05	1,754
Employee Background Checks- Contracted	0.10		12,246	0.02		2,372				0.12	14,618
Training	0.10		4,898	0.02		949			\$0	0.12	5,847
Total Administration	0.25		18,613	0.04		3,606			\$0	0.29	22,219
<i>Direct Care Staff (List general categories, add rows if needed)</i>											
Physical Therapists	6.00		502,164	3.00		230,371			\$0	9.00	732,535
Occupational Therapists	5.00		428,932	2.50		196,775			\$0	7.50	625,707
Speech Pathologists	1.25		115,079	0.60		52,794			\$0	1.85	167,873
Pharmacy Consultant	0.10		6,858	0.02		1,328				0.12	8,186
Medical Director	0.25		36,000	0.08		12,000				0.33	48,000
Laboratory Services	0.25		42,615	0.02		8,257				0.27	50,872
Radiology	0.25		58,780	0.02		11,388				0.27	70,168
Consolidated Billing Related Items			9,307			1,803					11,110
Ambulance Services			13,715			1,329					15,044
Vaccines			5,878			1,139			\$0	-	7,017
Total Direct Care Staff	13.10		1,219,328	6.24		517,184			\$0	19.3	\$1,736,512
<i>Support Staff (List general categories, add rows if needed)</i>											
Activity Programs, including Special Costs	1.00		42,615	0.20		8,257			\$0	1.20	50,872
Beauty and Barber	1.00		38,697	0.20		7,497			\$0	1.20	46,194
Contracted Dietary Services	19.00		710,743	4.00		137,700			\$0	23.00	848,443
Contracted Trash Removal			24,981			4,840				-	29,821
Medical Records			2,200			1,000					3,200
Contracted- Other Physical Plant Work			27,920			5,410			\$0	-	33,330
Total Support Staff	21.00		847,156	4.40		164,704			\$0	25.4	\$1,011,860
CONTRACTUAL EMPLOYEES TOTAL	34.35		2,085,097	10.68		685,494			\$0	45.0	\$2,770,591
Benefits (State method of calculating benefits below):			1,104,032			263,360					1,367,392
Employee Benefits calculated based upon prior actual rates of 23.2% with estimayed incremental benefit ratio increasing to 25.2% for staffing changes (related to Nursing specific PTO ratio), resulting in Total Project rate of 23.5% in Years 20X2 & 20X3.											
TOTAL COST	149.22		\$ 7,952,614	35.29		\$1,994,192	0.0		\$0		\$9,946,806

TABLE I. Scheduled Staff for Typical Work Week

INSTRUCTION: Quantify the staff that will provide bedside care that would be counted toward the current minimum staffing as required by COMAR 10.07.02.12

UNIT #1	Weekday Hours Per Day				Weekend Hours Per Day				
	Day	Evening	Night	Total	Day	Evening	Night	Total	
Registered Nurses	8.0	8.0	8.0	24.0	8.0	8.0	8.0	24.0	
L. P. N. s	8.0	8.0	8.0	24.0	8.0	8.0	8.0	24.0	
Unit Mgr/Ev Super.	8.0	4.0		12.0	8.0	4.0		12.0	
Aides				-				-	
C. N. A.s	37.5	30.0	22.5	90.0	37.5	30.0	22.5	90.0	
Medicine Aides	4.0			4.0	4.0			4.0	
Total	65.5	50.0	38.5	154.0	65.5	50.0	38.5	154.0	
Licensed Beds at Project Completion				46	Licensed Beds at Project Completion				46
Hours of Bedside Care per Licensed Bed Per Day				3.35	Hours of Bedside Care per				3.35
Ward Clerks (bedside care time calculated at 50%)	4.0			4.0				-	
50% of Ward Clerks Time	69.5	50.0	38.5	158.0	65.5	50.0	38.5	154.0	
Total Hours of Bedside Care per Licensed Bed				3.43	Total Hours of Bedside Care				3.35

UNIT #2	Weekday Hours Per Day				Weekend Hours Per Day				
	Day	Evening	Night	Total	Day	Evening	Night	Total	
Registered Nurses	8.0	8.0	8.0	24.0	8.0	8.0	8.0	24.0	
L. P. N. s	16.0	16.0	8.0	40.0	16.0	16.0	8.0	40.0	
Unit Mgr/Ev Super.	8.0	4.0		12.0	8.0	4.0		12.0	
Aides				-				-	
C. N. A.s	37.5	30.0	22.5	90.0	37.5	30.0	22.5	90.0	
Medicine Aides	4.0			4.0	4.0			4.0	
Total	73.5	58.0	38.5	170.0	73.5	58.0	38.5	170.0	
Licensed Beds at Project Completion				45	Licensed Beds at Project				45
Hours of Bedside Care per Licensed Bed Per Day				3.78	Hours of Bedside Care per				3.78
Ward Clerks (bedside care time calculated at 50%)	4.0			4.0				-	
Total Including 50% of Ward Clerks Time	77.5	58.0	38.5	174.0	73.5	58.0	38.5	170.0	
Total Hours of Bedside Care per Licensed Bed				3.87	Total Hours of Bedside Care				3.78

Combined Unit/Facility Totals							
Total Including 50% of Ward Clerks Time				332.00			324.00
Licensed Beds at Project Completion				91			91
Total Hours of Bedside Care per Licensed Bed				3.65			3.56

Staff Development In-Service Training

—General Policies

Policy Statement

It is the policy of this facility that all personnel must attend and participate in regularly scheduled in-service training programs.

Procedure

1. The primary purpose of our facility's in-service training program is to provide our employees with an in-depth review of our established operational policies and procedures, their positions, methods and procedures to follow in implementing assigned duties, and to provide up-to-date information that will assist in providing quality care.
2. We are an equal opportunity organization, and our in-service training programs apply equally to all personnel without regard to race, color, creed, national origin, age, sex, religion, or handicap.
3. The primary objectives of our facility's in-service training programs are:
 - a. To plan and organize a system of training that begins with an orientation program and continues throughout employment through scheduled in-service training programs;
 - b. To develop in each employee an awareness of his/her abilities and limitations in providing care for residents;
 - c. To develop the abilities of each employee;
 - d. To assist employees in seeing themselves as others see them;
 - e. To develop and maintain a cooperative attitude among all employees;
 - f. To develop an awareness of the many teaching/learning experiences, and the contribution made by the employee to these experiences;
 - g. To teach each employee the specific policies and procedures of our facility;
 - h. Based on outcomes of performance reviews (trends);
 - i. Sufficient to ensure continuing competence of each department (no less than 12 hours per year);
 - j. Reflective of facilities scope of services and special needs inherent in this area.

Last Revised 04/09/02

Discharge Planning of the Non-elderly Disabled Resident

Policy Statement

It is the policy of this company to assure timely discharge planning for non-elderly disabled resident's to receive care in the least restrictive therapeutic setting including the community with appropriate support.

Procedure

To assure that residents receive care in the least restrictive therapeutic setting including the community with appropriate support, this facility will assure that non-elderly disabled resident's discharge planning process shall begin immediately following admission; and further shall contain the following elements as appropriate:

1. A discharge date, if appropriate, within 90-days of admission to the nursing facility, and voluntary transfer to a more appropriate setting.
2. Evaluation of the resident's needs to determine the least restrictive care setting based on available personal and community resources.
3. Based on the interdisciplinary care teams evaluation, determination of physical/environmental barriers that need to be overcome for the resident to return the community or a lesser level of care.
4. Determination of community resources for habilitation, housing and assistance with activities of daily living.
5. Determination of the educational needs of the resident, their family and/or caregivers in medical/nursing procedures and scheduling appropriate educational resident/family teaching sessions. These sessions should be scheduled so that there is sufficient time to have a didactic, demonstration and competency component.
6. Involving the resident in determining and applying for various community based programs. These include but are not limited to:
 - a. Section 8 Housing
 - b. Meals on Wheels
 - c. Nursing Home Waiver Program
 - d. Younger Adults Waiver Program
 - e. Medical Assistance Program

- f. Medicare Program
 - g. Various Durable Medical Equipment Programs
 - h. Community Based Support Groups that target their disability
 - i. MTA Mobility Program
 - j. Specific educational resources such as the Maryland School for the Blind, Hearing and Speech Society, various academic and employment re-training programs.
 - k. Vocational Rehabilitation programs.
 - l. Drug and Alcohol Counseling.
7. If the non-elderly resident's stay in a nursing facility does exceed 90-days, the discharge plan should be re-evaluated every 90-days thereafter to determine if the resident's status has changed and care in a lesser non-instructional setting would be appropriate. During non-elderly residents' lengths of stay, the facility shall make every effort to room non-elderly residents near each other, and make every effort to meet their special needs.

Page Updated on 07/03/2008

Resident's Plan of Care

Policy Statement

It is the policy of this facility to develop and maintain an individualized plan of care for each resident.

Procedure

1. The nursing staff, in coordination with other resident care services, develops and maintains a plan of care for each resident.
2. The care plan is developed from the resident assessment (MDS) and in coordination with the attending physician's regimen of care. The plan is reviewed as necessary, but at least quarterly, by all professional personnel involved in the care of the resident.
3. The care plan is available for use by all personnel providing care/services to/for the resident. It includes, but is not limited to:
 - a. The identification of problem;
 - b. Any risk factor(s) associated with the problem;
 - c. Goals to achieve in preventing, reversing, or maintaining the problem;
 - d. Approaches to use in resolving problems or risk factors;
 - e. Which professional service is responsible for each element of care; and
 - f. Evaluations.
 - g. Discharge Planning
 - h. Comfort Care
4. The care plan is implemented within twenty-one (21) days of the resident's admission, and the resident and family are encouraged to participate in the development of his/her care plan.
5. Policies governing the development of care plans are located in a separate chapter of this manual entitled "Care Plans."

Last Revised 05/04/07

Discharge Plan

Policy Statement

It is the policy of this facility that, when a resident is discharged, a post-discharge plan shall be provided to the resident, and his/her representative (sponsor).

Procedure

1. When the facility anticipates a resident's discharge to a private residence or to another nursing care facility (i.e., skilled, intermediate care, ICF/MR, etc.), a post-discharge plan will be developed which will assist the resident to adjust to his/her new living environment.
2. The post-discharge plan will be developed by the care plan team with the assistance of the resident and his/her family.
3. The resident or representative (sponsor) should provide the facility with a seven day notice of discharge to assure that an adequate discharge plan can be developed. Failure to comply with this rule could result in the facility being unable to develop a discharge plan. (**Note:** The medical record must be documented as to the reason why a discharge plan was not developed.)
4. The post-discharge plan will be documented and a copy of follow-up instructions will be given to the resident/family.
5. Social services will review the plan with the resident and family before the discharge is to take place.
6. A copy of the post-discharge plan will be provided to the resident and receiving facility, and a copy will be filed in the resident's medical records.

Last Revised 04/09/02

Post-Discharge Plan

Policy Statement

It is the policy of this facility that, when a resident is discharged, a post-discharge plan shall be provided to the resident, and/or his or her representative.

Procedure

1. When the facility anticipates a resident's discharge to a private residence, assisted living, or another nursing care facility, (i.e., skilled, intermediate care, ICF/MR, etc.), a post-discharge plan will be developed which will assist the resident to adjust to his or her new living environment.
2. The post-discharge plan will be developed by social work and reviewed by the Care Planning/ Interdisciplinary Team with the assistance of the resident and his or her family.
3. When a discharge is planned by the resident, family, and/or legal representative, the resident or representative (sponsor) should provide the facility with a the courtesy of a seven day notice to assure that an adequate discharge plan can be developed. Failure to comply with this rule could result in the facility being unable to develop a discharge plan. (**Note:** The medical record must be documented as to the reason why a discharge plan was not developed.)
4. As a minimum, the post-discharge plan will include:
 - a. A description of the resident's and family's preferences for care;
 - b. A description of how the resident and family will access and pay for such services;
 - c. A description of how the care should be coordinated if continuing treatment involves multiple caregivers;
 - d. Identification of specific resident needs after discharge (i.e, personal care, sterile dressings, physical therapy, etc.); and
 - e. A description of how the resident and family need to prepare for the discharge.
5. The social services department will review the plan with the resident and receiving facility, and a copy will be filed in the resident's medical record.
1. Administrative policies governing transfers and discharges are outlined in a separate chapter of this manual entitled "Transfers and Discharges."

Last Revised 04/09/02

Preparing a Resident for Voluntary Transfer or Discharge

Policy Statement

It is the policy of this facility to prepare a resident for transfer or discharge.

Procedure

1. When a resident is scheduled for transfer or discharge, the business office will notify nursing service of the transfer or discharge so that appropriate procedures can be implemented.
2. Nursing services will be responsible for:
 - a. Bathing the resident (if applicable);
 - b. Packing and collecting personal possessions (if the resident is not expected to return);
 - c. Assisting with transportation as applicable (i.e., calling for an ambulance);
 - d. Escorting the resident to transportation;
 - e. Preparing the discharge summary;
 - f. Preparing medications (as permitted by law);
 - g. Forwarding charge slips to the business office;
 - h. Directing the resident or representative to the business office prior to the transfer or discharge;
 - i. Reviewing the clothing list and having it signed by the resident or representative;
 - j. Providing the resident or representative with required documents; and
 - k. Forwarding completed records to the business office.
3. The business office will be responsible for:
 - a. Informing appropriate departments of the resident's transfer or discharge.
 - b. Informing the resident, or his/her representative (sponsor) of our facility's readmission appeal rights, bed-holding policies, etc.
 - c. Others as appropriate or as necessary.
4. Administrative policies and procedures governing any funds held by the facility for the resident are outlined in a separate chapter of this manual entitled "Resident Rights."

Last Revised 04/09/02

ENCORE

OCCUPANCY AND RATE DATA

PART I - INPATIENT DAYS BY CLASS OF LICENSE

MONTH	COMPREHENSIVE CARE				NON-COMPREHENSIVE CARE		TOTAL OF FACILITY
	PRIVATE	MARYLAND MEDICAL ASSISTANCE	MEDICAID HOSPICE	OTHER GOVT.	DOMICILIARY	(SPECIFY) ASST LIVING	
	1. JANUARY	294	791		661		
2. FEBRUARY	285	703		727		1,767	3,482
3. MARCH	264	825		752		1,975	3,816
4. APRIL	214	787		745		2,143	3,889
5. MAY	294	779		688		2,234	3,995
6. JUNE	308	746		537		2,299	3,890
7. JULY	246	769		775		2,467	4,257
8. AUGUST	214	801		609		2,449	4,073
9. SEPTEMBER	189	747		638		2,319	3,893
10. OCTOBER	154	775		882		2,346	4,157
11. NOVEMBER	176	701		892		2,319	4,088
12. DECEMBER	206	834		771		2,397	4,208
12a.							
12b.							
13. TOTALS	2,844	9,258		8,677		26,752	47,531

14. Total Comprehensive Care Days
 (Add Line 13, Col. 1, Col. 2, Col. 3 & Col. 4)

20,779

PART II - BED CAPACITY

- 15. Licensed beds at beginning of period
- 16. Licensed beds at end of period
- 17. Date(s) of change in number of certified beds, if applicable (month/day)
- 18. Beds Days available during the period

63		97	160
63		97	160
22,995		35,405	58,400

PART III - PERCENT OCCUPANCY

19. Total from Line 13 or 14, Part I divided by Line 18, Part II

90.36%		75.56%	81.39%
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PART IV - DAILY MINIMUM SEMI-PRIVATE RATES AS OF LAST DAY OF REPORTING PERIOD

- 20. Private pay patients
- 21. Medicare patients
- 22. Medicaid patients
- 23. Other (Specify)
- 24.

\$320.00			

OCCUPANCY AND RATE DATA

PART I - INPATIENT DAYS BY CLASS OF LICENSE

MONTH	COMPREHENSIVE CARE				NON-COMPREHENSIVE CARE		TOTAL OF FACILITY
	PRIVATE	MARYLAND MEDICAL ASSISTANCE	MEDICAID HOSPICE	OTHER GOVT.	DOMICILIARY	(SPECIFY)	
						ASST LIVING	
1. JANUARY	228	808		836		2,473	4,345
2. FEBRUARY	295	743		645		2,251	3,934
3. MARCH	335	821		600		2,511	4,267
4. APRIL	285	893		582		2,389	4,149
5. MAY	308	903		638		2,465	4,314
6. JUNE	307	823		655		2,257	4,042
7. JULY	211	1,017		668		2,217	4,113
8. AUGUST	226	964		672		2,298	4,160
9. SEPTEMBER	248	921		529		2,230	3,928
10. OCTOBER	231	995		646		2,327	4,199
11. NOVEMBER	204	986		593		2,211	3,994
12. DECEMBER	228	1,051		570		2,254	4,103
12a.							
12b.							
13. TOTALS	3,106	10,925		7,634		27,883	49,548

14. Total Comprehensive Care Days
 (Add Line 13, Col. 1, Col. 2, Col. 3 & Col. 4)

21,665

PART II - BED CAPACITY

15. Licensed beds at beginning of period	63	97	160
16. Licensed beds at end of period	63	97	160
17. Date(s) of change in number of certified beds, if applicable (month/day)			
18. Beds Days available during the period	22,995	35,405	58,400

PART III - PERCENT OCCUPANCY

19. Total from Line 13 or 14, Part I divided by Line 18, Part II

94.22%		78.75%	84.84%
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PART IV - DAILY MINIMUM SEMI-PRIVATE RATES AS OF LAST DAY OF REPORTING PERIOD

20. Private pay patients	\$350.00		
21. Medicare patients			
22. Medicaid patients			
23. Other (Specify)			
24.			

OCCUPANCY AND RATE DATA

PART I - INPATIENT DAYS BY CLASS OF LICENSE

MONTH	COMPREHENSIVE CARE				NON-COMPREHENSIVE CARE		TOTAL OF FACILITY
	PRIVATE	MARYLAND MEDICAL ASSISTANCE	MEDICAID HOSPICE	OTHER GOVT.	DOMICILIARY	(SPECIFY)	
1. JANUARY	303	876		708			1,887
2. FEBRUARY	272	820		656			1,748
3. MARCH	305	887		697			1,889
4. APRIL	342	892		532			1,766
5. MAY	301	913		663			1,877
6. JUNE	239	913		620			1,772
7. JULY	288	988		600			1,876
8. AUGUST	280	1,129		626			2,035
9. SEPTEMBER	289	1,121		456			1,866
10. OCTOBER	364	1,077		526			1,967
11. NOVEMBER	316	880		627			1,823
12. DECEMBER	418	929		548			1,895
12a.							
12b.							
13. TOTALS	3,717	11,425		7,259			22,401

14. Total Comprehensive Care Days
 (Add Line 13, Col. 1, Col. 2, Col. 3 & Col. 4)

22,401

PART II - BED CAPACITY

- 15. Licensed beds at beginning of period
- 16. Licensed beds at end of period
- 17. Date(s) of change in number of certified beds, if applicable (month/day)
- 18. Beds Days available during the period

64			64
70			70
7/10/2014			
24,410			24,410

PART III - PERCENT OCCUPANCY

19. Total from Line 13 or 14, Part I divided by Line 18, Part II

91.77% 91.77%

PART IV - DAILY MINIMUM SEMI-PRIVATE RATES AS OF LAST DAY OF REPORTING PERIOD

- 20. Private pay patients
- 21. Medicare patients
- 22. Medicaid patients
- 23. Other (Specify)
- 24.

\$310.00			

OCCUPANCY AND RATE DATA

PART I - INPATIENT DAYS BY CLASS OF LICENSE

1.	MONTH	COMPREHENSIVE CARE				NON-COMPREHENSIVE CARE		TOTAL OF FACILITY
		PRIVATE	MARYLAND MEDICAL ASSISTANCE	MEDICAID HOSPICE	OTHER GOVT.	DOMICILIARY	(SPECIFY)	
2.	JULY	451	4,289	152	754			5,646
3.	AUGUST	420	4,188	133	1,003			5,742
4.	SEPTEMBER	442	3,971	89	1,058			5,560
5.	OCTOBER	368	4,366	117	1,065			5,916
6.	NOVEMBER	448	4,354	77	1,086			5,965
7.	DECEMBER	402	4,482	50	1,055			5,989
8.	JANUARY	546	4,320	42	1,278			6,186
9.	FEBRUARY	474	3,878	94	1,185			5,631
10.	MARCH	377	4,391	72	984			5,824
11.	APRIL	371	4,250	67	1,040			5,728
12.	MAY	474	4,729	83	801			6,087
13.	JUNE	453	4,709	65	723			5,950
12a.								
12b.								
13.	TOTALS	5,226	51,925	1,041	12,032			70,224

14. Total Comprehensive Care Days
 (Add Line 13, Col. 1, Col. 2, Col. 3 & Col. 4)

70,224

PART II - BED CAPACITY

- 15. Licensed beds at beginning of period
- 16. Licensed beds at end of period
- 17. Date(s) of change in number of certified beds, if applicable (month/day)
- 18. Beds Days available during the period

209			209
209			209
76,285			76,285

PART III - PERCENT OCCUPANCY

19. Total from Line 13 or 14, Part I divided by Line 18, Part II

92.05%

PART IV - DAILY MINIMUM SEMI-PRIVATE RATES AS OF LAST DAY OF REPORTING PERIOD

- 20. Private pay patients
- 21. Medicare patients
- 22. Medicaid patients
- 23. Other (Specify)
- 24.

\$268.00			

OCCUPANCY AND RATE DATA

PART I - INPATIENT DAYS BY CLASS OF LICENSE

MONTH	COMPREHENSIVE CARE				NON-COMPREHENSIVE CARE		TOTAL OF FACILITY
	1	2	3	4	5	6	
	PRIVATE	MARYLAND MEDICAL ASSISTANCE	MEDICAID HOSPICE	OTHER GOVT.	DOMICILIARY	(SPECIFY)	
1. JULY	366	2,861	128	880			4,235
2. AUGUST	356	2,888	224	1,034			4,502
3. SEPTEMBER	273	2,996	204	770			4,243
4. OCTOBER	398	2,971	191	996			4,556
5. NOVEMBER	412	3,067	120	816			4,415
6. DECEMBER	444	3,393	140	805			4,782
7. JANUARY	380	3,329	93	1,095			4,897
8. FEBRUARY	362	2,850	122	1,059			4,393
9. MARCH	548	3,016	161	1,251			4,976
10. APRIL	496	2,972	166	1,385			5,019
11. MAY	393	3,246	131	1,250			5,020
12. JUNE	340	3,215	124	931			4,611
12a. 0							
12b. 0							
13. TOTALS	4,768	36,805	1,804	12,272			55,649

14. Total Comprehensive Care Days
 (Add Line 13, Col. 1, Col. 2, Col. 3, & Col 4)

55,649

PART II - BED CAPACITY

15. Licensed beds at beginning of period

160			160
-----	--	--	-----

16. Licensed beds at end of period

182			182
-----	--	--	-----

17. Date(s) of change in number of certified beds, if applicable (month/day)

7/1/13, 10/1/13, 1/1/14, 4/1/14			
---------------------------------	--	--	--

18. Beds Days available during the period

62,032			62,032
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PART III - PERCENT OCCUPANCY

19. Total from Line 13 or 14, Part I divided by Line 18, Part II

89.71%			89.71%
--------	--	--	--------

PART IV - DAILY MINIMUM SEMI-PRIVATE RATES AS OF LAST DAY OF REPORTING PERIOD

20. Private pay patients

\$281.52			
----------	--	--	--

21. Medicare patients

\$281.52			
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22. Medicaid patients

\$281.52			
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23. Other (Specify)

\$281.52			
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24. 0

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March 26, 2015

James A. Forsyth, Esq.
11604 Garrison Forest Road
Owings Mills, Maryland 21117

Dear Mr. Forsyth:

In response to your recent inquiry concerning Lorien Howard, Inc. d/b/a Encore at Turf Valley's Quality Assurance and Performance Improvement Program and survey history, I am pleased to provide you with the following information. The QAPI Programs at all Lorien facilities are under my direction.

The facility Quality Assurance and Performance Improvement (QAPI) program complies with COMAR 10.07.02.45 and 10.07.02.46. The plan also complies with suggested guidance from CMS to comply with the Affordable Care Act regulations and CFR 425483.75(o).

I have attached the table of contents of the Quality Improvement Program. Should you have any questions concerning a specific aspect of the program, please do not hesitate to contact me.

Encore at Turf Valley has a very impressive survey history as evidenced by their CMS 5 star rating of 5 of 5 Stars in overall facility scoring and a 5 star quality measures rating. The facility does not have any outstanding deficiencies.

If I can be of any further assistance in this matter, please contact me.

Sincerely,

A handwritten signature in black ink, appearing to read "J. Wayne Brannock", with a long horizontal flourish extending to the right.

J. Wayne Brannock, CPHQ, CPHRM
Chief Operations Officer

Lorien Health Systems

3300 North Ridge Road, Suite 390 | Ellicott City, MD 21043
Tel: (410) 750-7500 | Fax: (410) 750-7902 | TTY: (800) 735-2258

www.lorienhealth.com

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Performance Improvement Activity Organizational Flow Chart
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Quality Assurance/Performance Improvement Minutes
Selecting a Quality Assurance Performance Improvement Project and Setting Priorities
Measurement Study Assessment/Quality Assurance/Performance Improvement Report Form
Quality Assurance/Performance Improvement Individual/Team Guidelines
Monthly Totals of Quality Assurance/Performance Improvement Logs
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Psychoactive Medication Report Form

Restraint Report Form to Quality Assurance/Performance Improvement

Restorative Care Report Form to Quality Assurance/Performance Improvement

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Restorative Care Assessment Form

Restorative Nursing Care Monthly Summary Form

Care Plan Concern Checklist Rehabilitation Department and Restorative Nursing Care Form

Restorative Aide Documentation Form

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25 South Charles Street 17th Fl., Baltimore, MD 21201

April 6, 2015

Mr. Louis Mangione
1205 York road – PH Suite
Lutherville, Maryland 21093

RE: Lorien Howard, Inc. DBA: Encore At Turf Valley

Dear Mangione:

We understand that you and your family are filing an Application for Certificate of Need seeking approval to construct a 28 bed addition to your existing Nursing Facility, Encore at Turf Valley in Howard County. I understand the building will comprise approximately 13,212 square foot of new construction and 2,120 square foot of renovations. I also understand the projected cost to be \$3.64 Million Dollars, including a \$2.75 Million Dollar Mortgage and a \$320,000 FF&E Loan.

In accordance with your request, the writer would be willing to consider recommending for credit approval a construction loan for the project following CON approval. If approved, the length of the commitment could be for 60 to 120 days to allow sufficient time for closing.

Please understand that this correspondence is not to be construed as a commitment letter. Loan approvals require formal approval, and these would be communicated to you in writing. Obviously I will need the Certificate of Need, the plans, specifications, contract, costs, etc., to state the underwriting process. When you are ready, please forward the information to my attention.

We value our relationship with you and your family. Hopefully, we can reach a mutually agreeable structure for financing the planned addition to the combined nursing and assisted living facility. Our past financings have always been handled as agreed and we look forward to expanding our business with you.

Sincerely,

Barbara L. Simmons
Group Vice President

ENCORE AT TURF VALLEY STAFF RECRUITING PLAN OVERVIEW

Activity Timeline:

1. Executive Staff (Administrator, Director of Nursing, Social Work, Business Office, Food service Director, Environmental Services Director, MDS and QA Nursing) Recruiting efforts begin 180 days prior to opening
2. Nursing Staff (RN, LPN.CMA, GNA) Recruiting efforts begin 120 days prior to opening.
3. Hourly Support Services Staff (Cooks, Housekeepers, Porters, Maintenance) Recruiting efforts begin 90 days prior to opening.

Targeted Institutions: Human Resources and Recruiting personnel will identify all Community Colleges, Vocational Schools and High Schools offering related programs (i.e. Nursing, Food Service. Job offers will be posted through the appropriate department of these institutions).

Targeted Civil and Government Organizations: Lorien Recruiting Staff will regularly visit and coordinate employment opportunities with the local Job Corps, the Mayor's Office of Unemployment and Maryland Job Service.

Targeted Fairs and Expo's: Lorien Recruiting Staff will regularly attend Job expos and all appropriate scheduled community events. Additionally 45 days prior to opening Lorien Recruiting staff will host a job fair on site.

Targeted Media: Lorien will advertise online with CareerBuilder.com, Indeed.com, Lorien Health Websites, and other media as necessary.

Lorien Health Resources: Lorien Health promotes and provides educational assistance along the nursing career ladder.

Michael J. Snarski

Certified Public Accountant

5608 St. Albans Way • Baltimore, Maryland 21212 • 410-532-7245

April 10, 2015

Maryland Health Care Commission
4260 Patterson Avenue
Baltimore, MD 21215

Re: Lorien- Howard, Inc. dba
Encore at Turf Valley
28 Comprehensive Beds

To Whom It May Concern:

I have been the accountant for sixteen years of Maryland Health Enterprises, Inc., and the related health care entities of the Mangione family. I have prepared Medicaid cost reports, corporate income tax returns, and performed various other accounting and reimbursement services for their health care related entities.

I have been provided financial statements and accounting records of the health care entities and related real estate entities owned by the Mangione family, including the December 31, 2014 financial statements of Lorien Howard, Inc. and M 10 Health Care at Turf Valley, LLC.

Based on this knowledge, it is my opinion that the Mangione family have the financial resources and assets available to fulfill the equity contribution and equipment loan requirements in the above referenced Certificate of Need application.

Respectfully submitted,



Michael J. Snarski
Certified Public Accountant

April 1, 2015

Louis Grimmel, Jr.
Administrator
Encore at Turf Valley
11150 Resort Road
Ellicott City, MD 21042

Dear Administrator Grimmel,

I understand that you are seeking the state's permission to expand nursing beds at Encore, and I wholeheartedly support your expansion project. Your larger facility will enhance Encore's ability to offer comprehensive care services which will meet the needs of the community and will enhance the quality of life of our Howard county residents and their families.

Your facility enjoys an excellent reputation in the community. The location in Turf Valley makes for a perfect, readily accessible setting which allows seniors to maximize their independence and to live with dignity. Please note my support for this important community resource.

Truly,

A handwritten signature in black ink, appearing to read "Shakunmala Gupta", written over a horizontal line.

Dr. Shakunmala Gupta, MD
9650 Santiago Road
Suite 6
Columbia, MD 21045

March 31, 2015

Louis G. Grimmel, Jr.
Administrator
Encore at Turf Valley
11150 Resort Road
Ellicott City, MD 21042

Dear Mr. Grimmel,

I understand you are seeking the State's permission to expand nursing beds at Encore. I am in complete support of this project moving forward. My spouse has been residing at this facility for almost 4 years and I could not be more pleased with the services and care my spouse has received. Expanding the facility will help give other families the wonderful opportunities for their loved ones that I have experienced. The staff at Encore works in a high level of professionalism and care that helps give reassurance to the families and residents.

Expanding to the facility will not only help benefit families looking for a place for their loved ones, but will expand the family atmosphere I have experienced through the last 4 years. I hope to see Encore at Turf Valley grow in the near future and continue the excellent care they provide.

Sincerely,



David Eccles
11019 Two Ships Court
Columbia, MD 21044

April 1, 2015

Louis G. Grimmel, Jr.
Administrator
Encore at Turf Valley
11150 Resort Road
Ellicott City, MD 21042

Dear Mr. Grimmel,

Please be advised that I am in full support of an expansion to Encore at Turf Valley to include more nursing and rehabilitation beds. My wife resided at Encore for several years and I could not have asked for a better place to care for her needs. As I visited Encore every day, the caring and compassionate staff treated my spouse like she was family.

The community needs a highly professional facility like Encore to care for the aging population. I look forward to seeing this new project take shape.

Sincerely,

A handwritten signature in cursive script that reads "George McKenna".

George McKenna
5117 Ilchester Woods Way
Ellicott City, MD 21043

March 31, 2015

Louis G. Grimmel, Jr.
Administrator
Encore at Turf Valley
11150 Resort Road
Ellicott City, MD 21042

Dear Mr. Grimmel,

I understand that Encore is looking to expand the number of beds at your facility. Your facility has an outstanding reputation as I know first hand. My wife was a resident on the skilled side for long term care for several years and she received the utmost care. The nursing and administrative staff are excellent and very compassionate. They treat each and every one of their residents as family.

I believe with the quality of services Encore has to offer to the growing elder population, they should be granted this new proposed project. I look forward to seeing Encore expand to new heights.

Sincerely,



Dale Phenicie
13301 Royden Ct.
Ellicott City, MD 21042

March 31, 2015

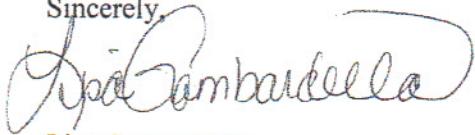
Louis G. Grimmel, Jr.
Administrator
Encore at Turf Valley
11150 Resort Road
Ellicott City, MD 21042

Dear Mr. Grimmel,

I am writing this letter in regard to Encore's proposed expansion project. I am in 100% support of Encore expanding their beds. Working in admissions I can tell you this will be a huge benefit when working with families and hospitals every day. There is a need for more rehab and LTC beds with all the referrals we receive and how many families we are unable to provide for due to having our beds full.

Being able to provide more beds will really help a great deal with helping more families in the community and provided the services they need. Being a well-liked facility puts us in a position of having to turn away families due to beds being full. Increasing the number of beds will be a positive impact for Encore and I hope to see this project move forward in the future.

Sincerely,

A handwritten signature in cursive script, appearing to read "Lisa Gambardella".

Lisa Gambardella
8106 Bright link Court
Ellicott City, MD 21043

April 2, 2015

Louis Grimmel, Jr.
Nursing Home Administrator
Encore at Turf Valley
11150 Resort Road
Ellicott City, Maryland 21042

Dear Mr. Grimmel:

This letter is in support of the proposed expansion of the Skilled Nursing Unit at Encore at Turf Valley. As a 5 star facility, we have provided the highest level of quality nursing and rehab care for the past several years to the community we serve. The teamwork and morale of the staff far exceeds any other facility that I have been a part of over the past 40 plus years.

As the Director of Nursing, I am proud of the reputation we have within our community for the quality care we provide to our patients. The proposed expansion would allow Encore to serve more seniors within our aging community. I am proud to be a part of a fabulous team and wholeheartedly support the proposed expansion.

Sincerely,



Nancy Butler, R.N.
10322 Pine Ridge Drive
Ellicott City, Maryland 21042

April 2, 2015

Louis G. Grimmel, Jr.
Administrator
Encore at Turf Valley
11150 Resort Road
Ellicott City, MD 21042

Dear Mr. Grimmel,

As the Admissions Director for skilled nursing at Encore at Turf Valley I am in full support of an expansion to our facility to include additional nursing and rehabilitation beds. I have been employed with Encore for five years and I have seen the facility grow from the ground up. There is a great demand for our services and on numerous occasions we were at full capacity and were unable to accept patients. Working with our professional and courteous staff, I could not ask for a better place to be employed.

With the expanding population, the community will require a higher level of care for the elderly. I look forward to being a part of this exciting new project.

Sincerely,



Cindy Chaconas
11795 Triadelphia Road
Ellicott City, MD 21042

April 6, 2015

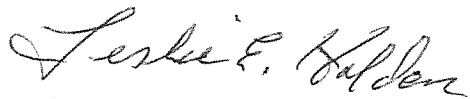
Louis G. Grimmel, Jr.
Administrator
Encore at Turf Valley
11150 Resort Road
Ellicott City, MD 21042

Dear Mr. Grimmel,

I understand that Encore at Turf Valley is looking to expand their facility to include more nursing and rehabilitation beds. I am in complete and full support of this project. My wife has resided at Encore for several years on both the assisted living and skilled nursing side of the building. We have experienced nothing but excellent care from the nurses, administrative staff, housekeeping, and dietary departments.

This is the place everyone wants their loved ones to be placed. As I visit on a daily basis, I see that the community is in need of more beds to care for our aging population. I look forward to seeing this project take off the ground.

Sincerely,



Leslie Holden
2100 Ganton Green #204
Woodstock, MD 21163

April 6, 2015

Louis G. Grimmel, Jr.
Administrator
Encore at Turf Valley
11150 Resort Road
Ellicott City, MD 21042

Dear Mr. Grimmel,

I have been informed that Encore at Turf Valley may be expanding their facility to include more beds. As a family member of a resident for two years, I am encouraging for this project to be approved. I visit on a daily basis and I see the need for additional rehabilitation and long-term beds. The staff are so very kind to everyone from the nurses to the housekeepers to the administrative staff; I could not ask for a better place for my son. The professionalism and high quality of the staff and the administrator are second to none.

I certainly hope in the near future that I will see the construction of this expansion project. The Howard County/Ellicott City community is in great need of this type of facility that Encore has proven to be successful at operating.

Sincerely,



Nancy McDermott
10203 Green Clover Ct.
Ellicott City, MD 21042

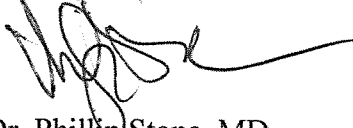
April 6, 2015

Mr. Louis Grimmel, Jr.
Administrator
Encore at Turf Valley
11150 Resort Road
Ellicott City, MD 21042

Dear Mr. Grimmel,

I understand and fully support the development of Encore's proposed expansion project at its Resort Road location in Ellicott City. Your facility currently plays a vital role in meeting the community's needs. The facility is known for its excellent quality of care, as well as its very attractive surroundings. The additional beds will allow Encore to offer seniors increased access to quality services for the county's growing elderly population and their families. I enthusiastically support your new project proposal.

Thank you,

A handwritten signature in black ink, appearing to read "Phillip Stone", with a long horizontal flourish extending to the right.

Dr. Phillip Stone, MD
6334 Cedar Lane
Suite 103
Columbia, MD 21044

April 7, 2015

Louis Grimmel, Jr.
Administrator
Encore at Turf Valley
11150 Resort Road
Ellicott City, MD 21042

Dear Mr. Grimmel,

I wholeheartedly support the development of Encore's proposed expansion project at its Resort Road location in Ellicott City. Your facility currently plays an important role in meeting the community's needs. The facility is known for its outstanding quality of care, as well as the beautiful surroundings. The additional beds will allow Encore to offer seniors increased access to quality services for the county's growing elderly population and their families. I enthusiastically support your new project proposal.

Thank you,



Dr. Teizu Wolokolie, MD
2240 Sussex Way
Woodstock, MD 21163

EXHIBIT 1

FOR PRIVATE-PAY RESIDENTS

A. Items and Services Included in the Daily Rate

The daily rates and the items and services they include are listed below (effective 1/01/2015):

Room Type	Daily Room and Board Price Range
Semi-Private-LTC/Rehab	\$365.00
Private - LTC/Rehab (1)	\$415.00

Description of Items and Services Included in the Daily Rate	
1.	Room
2.	Board
3.	Social services
4.	Nursing care, including: <ul style="list-style-type: none"> a. The administration of prescribed oral medications and ordered diet (except supplements); b. The provision of care to prevent skin breakdown, bedsores, and deformities; c. The provision of care to keep the resident comfortable, clean, and well-groomed; d. The provision of care to protect the resident from accident, injury, and infection; e. The provision of care necessary to encourage, assist, and train the resident in self-care and group activities.
5.	Other:

B. Items and Services Not Included in the Daily Rate

The items and services available in the Facility that are not included in the daily rate are listed below. You may be charged for these items and services if you (or your physician) ask for them and you receive them. If you are eligible for Medicare and/or private insurance, and you believe that Medicare and/or the private insurance may cover an item or service listed below, you should ask us to submit the bill to Medicare and/or the private insurer.

Category/Item	Price Range
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Bathing/bedside care supplies, ea.	\$00.27 - \$18.50
Catheter care/daily charge	\$5.00
Colostomy care, daily charge	\$5.00
Dressing supplies, ea.	\$00.18 - \$150.00
Emergency equipment (crash cart use)	\$50.00
Feedings – enteral, daily charge	\$10.00
Feedings – personal, daily charge	\$2.00 - \$6.00
Incontinence, daily charge	\$8.00
Incontinence supplies, ea.	\$1.29 - \$150.40
Injections, charge per injection	\$3.00
Injection supplies, ea.	\$00.49 - \$7.25
Isolation, daily charge	\$25.00
IV pump rentals, monthly charge	\$187.00 - \$425.00
IV supplies, ea.	\$1.29 - \$94.00
IV, daily charge	\$15.00 - \$25.00
Laundry, daily charge	\$1.50
Medical equipment rental, monthly charge	\$95.00 - \$225.00
Medical equipment purchase	Price varies
Nutritional supplements, per unit	\$1.08 - \$35.00
Oxygen supplies, ea.	\$1.20 - \$57.50
Oxygen liquid	Dependent upon usage
Oxygen concentrator, daily charge	\$13.00
Personal clothing labels	\$15.00
Personal hygiene supplies, ea.	\$00.27 - \$9.50
Protective skin care supplies, ea.	\$00.89 - \$121.00
Pulse oximeter, daily charge	\$10.00
Restraint/protective device, ea.	\$3.50 - \$52.60
Specialty bed rental, daily charge	\$60.00 - \$340.00
Suctioning/tracheostomy care, daily charge	\$6.00 - \$12.00
Tracheostomy supplies, ea.	\$4.27 - \$174.50
Tube feeding supplies, ea.	\$29.75 - \$340.00
Ventilator supplies, Ventilator Care/daily	\$27.50 - \$500.00
Wound care, per treatment	\$12.00
Beauty Shop	
Shampoo	Price
Shampoo	\$10.00
Shampoo & Set	\$23.00
Shampoo & Wet Cut	\$30.00
Shampoo/Blow Dry/Cut & Curl	\$35.00
Hair Cut - Male	\$18.00
Perm (Includes Haircut and Set)	\$90.00
Color	\$60.00
Manicure	\$16.00
Wax (chin, lip or brow - one only)	\$10.00

Wax (two of the above)	\$14.00
Relaxer (includes haircut and set)	\$90.00
Jheri Curl (Long Hair)	\$100.00
Shampoo/Blow Dry & Straighten	\$30.00
Beard Clean up	\$8.00
Men's Nail Trim	\$10.00
Deep Conditioning	\$10.00
Scalp Treatments	\$10.00
Guest Trays	
	Price
Guest tray – dinner	\$5.00
Guest tray – lunch	\$5.00
Guest tray – special	varies

THE FOLLOWING ARE NOT INCLUDED IN THE FACILITY'S DAILY RATE,
AND ARE THE RESPONSIBILITY OF THE RESIDENT AND/OR AGENT

Dental services	
• Consultation	from \$35.00
• Prophylaxis	from \$20.00
• X-rays	from \$30.00
• Fillings	from \$30.00
• Denture repair	from \$35.00
• Root canal therapy	from \$225.00
• Full denture (upper or lower)	from \$495.00
• Partial denture (upper or lower)	from \$560.00
• Other dental services may be available. Contact provider directly for prices.	
*Laboratory services	
Medicare co-insurance	\$157.50
Mental health services:	
• Initial consult by psychiatrist	\$150.00 - \$200.00
• Initial consult by psychologist	\$150.00
• Initial consult by social worker	\$150.00
Newspapers	
• Daily Baltimore Sun Papers	Current vendor pricing
• Howard County Times	Current vendor pricing
Optometry	
• Routine eye exam	from \$89.00
*Pharmacy	
Physician services	from \$75.00
Private duty nurses or GNA	
• Base service/two hours, M-F	From \$46.50 base rate
• Additional consecutive hours	
• M-F, 7 AM to 5 PM	from \$15.95 per hour
• M-F, 5 PM to 7 AM	from \$16.95 per hour

*Radiology	
Rehabilitation services:	
• Physical therapy	\$20.00 to \$100.00 per 15 minutes visit
• Occupational therapy	\$25.00 to \$150.00 per 15 minute visit
• Speech therapy	\$25.00 to \$150.00 per 15 minute visit
Specialist services, for example:	
• *Podiatry services	
Telephone services:	
• Initial hook-up	from \$10.00
• Average basic service	from \$30.00 per month
Television rental	\$15.00 - \$30.00 per month

OTHER ITEMS MAY NEED TO BE ORDERED AS RESIDENT CARE DICTATES.
 COST INFORMATION WILL BE AVAILABLE FROM THE FACILITY OR OUTSIDE
 PROVIDER AT THAT TIME.

*Contact provider directly for prices (see Exhibit 6).