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August 7, 2017

**Via Hand Delivery**

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

**Re: Broadmead Project to Renovate and Expand the Skilled Nursing  
Areas that House its 70 Beds  
Matter #17-03-2394  
Response to Mr. Parker's Medicaid Proposal**

Dear Mr. McDonald:

Thank you and Mr. Parker for meeting with Ms. Somers and me on Monday, July 31, 2017 to discuss the Medicaid requirement for Broadmead's seventy (70) public beds. Broadmead reviewed the financial impact of Mr. Parker's proposal to require 30% - 35% of all patient days be set aside for Medicaid participants. Unfortunately, after reviewing the financial impact of this proposal, it renders Broadmead's project to upgrade its skilled nursing beds not viable, and adds significant cost to moving forward.

Therefore, although Broadmead wished to maintain the flexibility of continuing to have seventy (70) public beds, we are now proposing to reconfigure the designation of the beds and restrict forty-eight (48) of the beds for continuing care residents, thus removing those beds from public availability in 2022 when the project is completed. This reconfiguration would leave twenty-two (22) beds for use by the public, and will allow the project to move forward and work within the financials that were submitted to the Commission. Broadmead commits that the twenty-two (22) public beds will serve a population of Medicaid patient days at least equal to 42.5%, as required by State Health Plan Standard COMAR 10.24.08.05A(2). Enclosed we are submitting an updated Table D and a Table G showing the payor mix for the 22 public beds. (If accepted, enclosed Table D would be substituted for the current Tab 12.D and enclosed Table G would be substituted for the current Tab 14.)

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Please inform us if this proposal would be acceptable to the Commission, since it allows the project to move forward.

Very truly yours,

A handwritten signature in blue ink that reads "Rose M. Matricciani" followed by a stylized flourish.

Rose M. Matricciani

RMM:mrn

Enclosure:

4 copies of updated Table D

4 copies of updated Table G

cc: Paul Parker, Director, Center for Health Care Facilities Planning and Development  
Maryland Health Care Commission

Ruby Potter, Administrator, Center for Health Care Facilities Planning and Development  
Maryland Health Care Commission

Robin Somers, Chief Operating Officer  
Broadmead, Inc.

John Palkovitz, Chief Financial Officer  
Broadmead, Inc.

Frank R. Muraca, President & Senior Planner  
ARCH Consultants Ltd.

Andrew L. Solberg, Consultant  
A.L.S. Healthcare Consultant Services

**REVISED**

**TABLE D**



**REVISED  
TABLE G**

