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October 6, 2017

**Via Hand Delivery and E-Mail (paul.parker@maryland.gov)**

Paul E. Parker, Director  
Health Care Facilities Planning & Development  
Maryland Health Care Commission  
4160 Patterson Avenue  
Baltimore, MD 21215

**Re: Capital Expenditure  
Broadmead, Inc.  
Matter No. 17-03-2394  
Response to Questions Dated 9/1/2017**

Dear Mr. Parker:

I am in receipt of your correspondence dated September 1, 2017 which includes seven additional questions that needed to be answered.

Enclosed please find Broadmead's responses to your questions.

Very truly yours,



Rose M. Matricciani

RMM:mrm

Enclosure:  
Response to Correspondence of 9/1/2017  
Revised Tables D-G

Paul E. Parker, Director

October 6, 2017

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cc: Kevin McDonald, Chief, Certificate of Need  
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  
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Frank R. Muraca, President & Senior Planner  
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**Broadmead**  
**Matter # 17-03-2394**  
**Responses to Questions Received on 9/1/17**

The amendments propose that 48 of the existing 70 comprehensive care facility ("CCF") beds operated by Broadmead, Inc. be designated by the Maryland Health Care Commission ("MHCC") as beds excepted from Certificate of Need requirements pursuant to Health-General Article 19-114(d)(2).

This statute states that the term "'health care facility' does not include ... for the purpose of providing an exception to the requirement for a certificate of need under § 19-120 of this subtitle, a facility to provide comprehensive care constructed by a provider of continuing care, as defined in § 10-401 of the Human Services Article, if: 1. Except as provided under § 19-123 of this subtitle, the facility is for the exclusive use of the provider's subscribers who have executed continuing care agreements and paid entrance fees that are at least equal to the lowest entrance fee charged for an independent living unit or an assisted living unit before entering the continuing care community, regardless of the level of care needed by the subscribers at the time of admission; 2. The facility is located on the campus of the continuing care community; and 3. The number of comprehensive care nursing beds in the community does not exceed: A. 24 percent of the number of independent living units in a community having less than 300 independent living units; or B. 20 percent of the number of independent living units in a community having 300 or more independent living units."

Therefore, Broadmead, Inc. is proposing that the 70-bed CCF operating on its campus be transformed, through issuance of a CON, to a CCF with 22 beds constituting a "health care facility" subject to CON requirements and 48 beds operating as "exceptional" beds outside the meaning of "health care facility," as that term is used in defining the scope of CON regulation.

Broadmead is not proposing to "transform" the CCF beds on its campus through the issuance of a CON. Broadmead is exercising its right to designate CCF beds under Section 19-114(d)(2)(ii) of Health-Gen. II of the Annotated Code of Maryland (the "Statute") as beds that are for the exclusive use of its continuing care residents.

Broadmead's comprehensive care facility has always been a "health care facility" since all of its beds have been beds that were open to the public. The aforementioned Statute, however, permits Broadmead to designate its beds for its continuing care residents as long as the beds are for the exclusive use of its continuing care residents who have executed continuing care agreements and paid an entrance fee at least equal to the lowest entrance fee charged for an independent living unit or assisted living unit before entering the community; the CCF is located on the campus of the continuing care community; and the number of comprehensive care nursing beds in the community does not exceed 24 percent of the number of independent living units in a community having less than 300 independent living units; or 20 percent of the number of independent living units in a community having 300 or more independent living units.

Broadmead is proposing to comply with the Statute by designating forty-eight (48) of its seventy (70) public beds to the use of only CCRC residents. This designation complies with the Statute because: (1) the forty-eight beds will be for the exclusive use of its CCRC residents; (2) the CCRC residents will have paid an entrance fee at least equal to the lowest entrance fee

charged for an independent living unit or assisted living unit before entering the community; (3) the CCF is located on Broadmead's campus; and (4) the number of the beds set aside for CCRC residents is well below twenty-four percent (24%) of the 265 independent living units currently on campus. In fact, once the expansion of independent living beds is completed, Broadmead will have 301 independent living units, and forty-eight (48) beds dedicated to CCRC residents is still below twenty percent of the number of independent living units in a community having 300 or more independent living units. (The number that would be allowed under the Statute is 60 dedicated beds for CCRC residents.) Therefore, these beds would no longer be considered a "health care facility" for purposes of the Certificate of Need process.

Broadmead is proposing to designate its beds in accordance with the Statute and remove forty-eight (48) beds from public use which recognizes the excess CCF bed capacity in Baltimore County. Therefore, the removal of those beds from the Commission's inventory leaves only twenty-two (22) beds constituting a "health care facility" and under the purview of the Commission.

- 1. It would appear that the purpose of the statutory provisions at Health-General Article 19-114(d)(2) are to assure that CCRCs can have a complement of CCF beds for use by their continuing care contract holders outside of any considerations of CCF bed need for the general public. However, Broadmead, Inc. already has a more than adequate complement of CCF beds to meet the demand for CCF services by its continuing care contract holders. Why is it necessary for Broadmead, Inc. to seek restrictions on use of its CCF beds, under these circumstances?**

The Commission has always recognized that Broadmead is a CCRC with public beds. The reduction of public beds allows Broadmead to operate more efficiently within its total licensed bed capacity, and ensures that Broadmead will have sufficient CCF beds to meet the needs of its CCRC residents, especially after its expansion of its Independent Living facilities. This reduction addresses your comment that Broadmead, Inc. "already has a more than adequate complement of CCF bed to meet the demand for CCR services by its continuing care contract holders." In addition, by designating beds as exclusively CCRC beds, the Commission is assured less "public beds" in a county that the State Health Plan has designated as oversaturated with CCF beds.

- 2. Is Broadmead, Inc. aware of any precedent for altering the designation of existing CCF beds to CCRC-excepted beds?**

This designation is made by CCRCs all of the time when they are planning a new community and when they later add CCF beds.

In all due respect, Broadmead's designation is not setting a "precedent." Broadmead is acting in accordance with the Statute in designating its beds consistent with other CCRC facilities, and its reduction of beds is analogous to the delicensure or removal of beds similar to a reduction in beds at any non-CCRC nursing home.

- 3. Please explain how a requirement for at least 30% of patient days to be paid for by Medicaid adds significant cost to moving forward" with the proposed project.**

Please see the response to question 4 which explains the significant added cost.

The proposal for 30% of patient days does not appear in the regulations. However, Broadmead's proposal that it will serve 42.59% of its public patient days is consistent with the State Health Plan Standard COMAR 10.24.08.05A(2).

**4. Provide a detailed and specific analysis that demonstrates that the proposed project would not be viable if the Broadmead, Inc. CCF was required to maintain a minimum of 30% of total patient days as days paid for by Medicaid.**

In response to the Commission's request that Broadmead assess and summarize the financial impact of increasing the designated "Public" comprehensive care beds from 22 to 70 within the Certificate of Need Application and related Tables as previously defined in our communication to the Maryland Health Care Commission, please see the description below and alternate Tables D-G as requested by the Commission.

In relation to the request, the following assumptions have been made:

- All licensed beds have been identified within the Tables as "CCRC Grandfathered Beds" through the end of the proposed construction period.
- Following completion of construction, beginning in the fiscal year ended June 30, 2021, all beds have been classified as "Public."
- As construction is scheduled to be completed during the year ended June, 30, 2021, the first year of fully stabilized occupancy is the year ended June 30, 2022; therefore, all comparisons of financial results will be based on the 2022 fiscal year for purposes of consistency.
- Based on the Commission's proposal that 30-35% of all patient days be set aside for Medicaid participants following construction, Broadmead has assumed a 30.8% rate of Medicaid occupancy (based on patient days) for purposes of this evaluation, as noted in Table G, beginning in the FY 2022 (the first year of stabilized occupancy).

As a result of increasing the Medicaid occupancy rate as noted above, the following financial impacts have resulted for the fiscal year ended June 30, 2022, the first year of stabilized occupancy assumed:

- Projected annual revenue has decreased by \$994 thousand.
- Projected annual expense has decreased by \$256 thousand.
- Projected annual net loss has increased by \$738 thousand.
- The change decreases Broadmead's Debt Service Coverage Ratio from a previously calculated 1.77x maximum annual debt service to 1.61x maximum annual debt service. This change drops Broadmead below the CARF/CCAC Average Debt Service Coverage Ratio for Type A Continuing Care Communities of 1.74x. (Broadmead is a CARF accredited facility. CARF accreditation indicates a provider's commitment to excellence and accountability and performance standards.)

- The decrease will cause Broadmead's Days Cash on Hand to decrease by approximately 8.25 days for this and each succeeding year.

As a result of the estimated financial impact noted above, the project proposed by Broadmead, as approved by the Maryland Department of Aging, does not meet the standards for financial viability and sustainability that the Broadmead Board of Trustees feels appropriate in order to protect the residents of Broadmead. The reasons are that it commits Broadmead to:

- a lower than average debt service coverage ratio;
- a continually decreasing level of financial liquidity;
- GAAP (Generally Accepted Accounting Principles) basis losses approaching nearly \$2 million per year; and
- a lower level of flexibility in relation to likely debt covenant requirements to deal with changing market and financial conditions that could impact the organization during the course of normal business cycles (recession, rising interest rates, housing market downturns, changes in consumer preferences requiring future investment, etc.).

Additionally, it is a concern of Broadmead that by classifying all comprehensive care beds as "Public" and being subject to Medicaid participation rates at or above the 30% level, bed availability for residents of Broadmead in future years may become a challenge given the 20% expansion of our Independent Living facilities anticipated with our MDOA-approved Master Plan. Currently, Broadmead serves an average of 45 CCRC residents on a daily basis based on an Independent Living complement of 249 units. With reasonable occupancy assumptions, 92.8% of licensed beds (or 65 beds), the proposed Medicaid service requirement would require Broadmead to maintain an average Medicaid resident census of 20 persons, allowing no room to service the additional independent living population contemplated as a part of the approved Master Plan.

We therefore respectfully request that our original submission, with a classification of a maximum of 22 "Public" comprehensive care beds, be considered for approval purposes by the Commission.

5. **The first completeness letter asked the applicant to *provide a Table F for just the CCF portion of the operation*. In response Broadmead wrote: " ... see Tab 14. It includes a Table G for just the CCF portion of the facility." This is not what we asked for. While the tables are similar, Table G only projects the future, while Table F also captures data for the two most recent years. The purpose of the question was to array CCF - only actual performance with future projections. Therefore, please provide a Table F for just the CCF portion of Broadmead, Inc.'s operation.**

Table F is enclosed for just the CCF portion of Broadmead, Inc.'s operation.

- 6. Broadmead, Inc. projects Medicare patient days as ranging between 15 - 23. Based on data reported by the facility, it was a little over 8 in 2015. Please explain why Broadmead, Inc. anticipates more than doubling its volume of Medicare patient days.**

Broadmead is licensed for 70 skilled nursing beds, but currently operates 58 to 60 beds, as a result of turning semi-private rooms into private rooms in order to accommodate Residents' preferences. Broadmead's project will include the addition of a third floor skilled nursing household of 13 additional skilled beds. This will enable Broadmead to operate all 70 skilled nursing beds.

Effective August 1, 2017, Broadmead outsourced the CCRC physician practice (Broadmead Medical Services, Inc.) to Gilchrist Greater Living, an affiliate of the Greater Baltimore Medical Center (GBMC.) Broadmead will expand its offering of a short term rehab program for patients of Gilchrist Greater Living and GBMC, as well as other local hospitals. The Broadmead project will include the hiring of a full time Admissions Director to support the access and occupancy of the dedicated 17-bed short term rehabilitation household. The rehabilitation household will be staffed with specially trained and experienced acute and sub-acute nursing personnel, with the support of the Gilchrist Greater Living physicians and certified nurse practitioners. Broadmead has experienced a strong reputation in the northern Baltimore County communities for our successful rehabilitation program, and the partnership with Gilchrist/GBMC will enhance that program.

Broadmead anticipates an increased demand for short term rehabilitation admissions as a result of the new partnership with Gilchrist/GBMC, additional bed availability, the expansion of Broadmead's Independent Living community by 52 new apartments, and the expansion of our licensed assisted living beds from 30 to 42. With more independent and assisted living capacity, Broadmead will need to assure enough beds for its CCRC residents.

- 7. Your August 7 letter states that if Broadmead, Inc. were to dedicate a number of CCRC- restricted beds as part of this proposal, it would "remove those beds from public availability in 2022 when the project is completed." I note that - while other parts of the project would extend into 2022, the information provided to MHCC indicates that the CCF component of the total project would be completed in December of 2020. Please be aware that the Medicare MOU would take effect with first use of the CCF. Please be sure that any of the tables affected by that are revised to reflect this.**

Yes, we are aware that the Medicaid MOU would take effect with the first use of the CCF, and Broadmead is committed to meeting the requirements of the MOU as of that date.

**TABLE D**  
**UTILIZATION PROJECTIONS – ENTIRE FACILITY**



**TABLE D. UTILIZATION PROJECTIONS - ENTIRE FACILITY IF ALL PUBLIC COMPREHENSIVE CARE BEDS POST-CONSTRUCTION**

**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.

	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.						
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>Indicate CY or FY = FY</b>										
<b>1. ADMISSIONS</b>										
CCRC Grandfathered Beds	128	108	102	102	97	73	0			
a. Comprehensive Care (public)							110	123	123	123
b. Comprehensive Care (CCRC Restricted)										
<b>Total Comprehensive Care</b>	<b>128</b>	<b>108</b>	<b>102</b>	<b>102</b>	<b>97</b>	<b>73</b>	<b>110</b>	<b>123</b>	<b>123</b>	<b>123</b>
c. Assisted Living	11	8	8	8	8	9	12	11	12	12
d. Other (Specify/add rows of needed)	37	28	24	24	24	23	23	22	22	
<b>TOTAL ADMISSIONS</b>	<b>176</b>	<b>144</b>	<b>134</b>	<b>134</b>	<b>129</b>	<b>105</b>	<b>145</b>	<b>156</b>	<b>157</b>	<b>157</b>
<b>2. PATIENT DAYS</b>										
CCRC Grandfathered Beds	18,856	19,652	19,710	19,710	18,250	14,600	-			
a. Comprehensive Care (public)							21,900	23,725	23,725	23,725
b. Comprehensive Care (CCRC Restricted)										
<b>Total Comprehensive Care</b>	<b>18,856</b>	<b>19,652</b>	<b>19,710</b>	<b>19,710</b>	<b>18,250</b>	<b>14,600</b>	<b>21,900</b>	<b>23,725</b>	<b>23,725</b>	<b>23,725</b>
c. Assisted Living	9,302	9,494	9,490	9,490	9,490	10,950	14,600	13,578	14,235	14,235
d. Other - Independent Living	87,235	85,472	88,148	86,104	86,250	88,768	102,054	104,025	104,025	104,025
<b>TOTAL PATIENT DAYS</b>	<b>115,393</b>	<b>114,618</b>	<b>117,348</b>	<b>115,304</b>	<b>113,990</b>	<b>114,318</b>	<b>138,554</b>	<b>141,328</b>	<b>141,985</b>	<b>141,985</b>
<b>3. NUMBER OF BEDS</b>										
CCRC Grandfathered Beds	70	70	70	70	70	70	0			
a. Comprehensive Care (public)							70	70	70	70
b. Comprehensive Care (CCRC Restricted)										
<b>Total Comprehensive Care Beds</b>	<b>70</b>	<b>70</b>	<b>70</b>	<b>70</b>	<b>70</b>	<b>70</b>	<b>70</b>	<b>70</b>	<b>70</b>	<b>70</b>
c. Assisted Living	30	30	30	30	34	44	44	44	44	44
d. Other - Independent Living	265	265	249	249	249	301	301	301	301	301
<b>TOTAL BEDS</b>	<b>365</b>	<b>365</b>	<b>349</b>	<b>349</b>	<b>353</b>	<b>415</b>	<b>415</b>	<b>415</b>	<b>415</b>	<b>415</b>

**TABLE D. UTILIZATION PROJECTIONS - ENTIRE FACILITY IF ALL PUBLIC COMPREHENSIVE CARE BEDS POST-CONSTRUCTION**

**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.

	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.						
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>Indicate CY or FY = FY</b>										
<b>4. OCCUPANCY PERCENTAGE *IMPORTANT NOTE: Leap year formulas should be changed by applicant to reflect 366 days per year.</b>										
<b>CCRC Grandfathered Beds</b>	73.8%	76.9%	77.1%	77.1%	71.4%	57.1%	85.7%	92.9%	92.9%	92.9%
a. Comprehensive Care (public)							85.7%	92.9%	92.9%	92.9%
b. Comprehensive Care (CCRC Restricted)										
<b>Total Comprehensive Care Beds</b>	73.8%	76.9%	77.1%	77.1%	71.4%	57.1%	85.7%	92.9%	92.9%	92.9%
c. Assisted Living	84.9%	86.7%	86.7%	86.7%	76.5%	68.2%	90.9%	84.5%	88.6%	88.6%
d. Other - Independent Living	90.2%	88.4%	97.0%	94.7%	94.9%	80.8%	92.9%	94.7%	94.7%	94.7%
<b>TOTAL OCCUPANCY %</b>	86.6%	86.0%	92.1%	90.5%	88.5%	75.5%	91.5%	93.3%	93.7%	93.7%
<b>5. OUTPATIENT (specify units used for charging and recording revenues)</b>										
a. Adult Day Care										
b. Other (Specify/add rows of needed)										
<b>TOTAL OUTPATIENT VISITS</b>	0	0	0	0	0	0	0	0	0	0

Note • Table represents all CCRC Operations and levels of care

**TABLE E**  
**UTILIZATION PROJECTIONS**  
**NEW FACILITY OR SERVICE**

**TABLE E. UTILIZATION PROJECTIONS - NEW FACILITY OR SERVICE IF ALL PUBLIC COMPREHENSIVE CARE BEDS POST-CONSTRUCTION**

*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 = FY	2018	2019	2020	2021	2022	2023	2024
<b>1. ADMISSIONS</b>							
CCRC Grandfathered Beds	102	97	73	0	0	0	0
a. Comprehensive Care (public)	0	0	0	110	123	123	123
b. Comprehensive Care (CCRC Restricted)	0	0	0	0	0	0	0
<b>Total Comprehensive Care</b>	<b>102</b>	<b>97</b>	<b>73</b>	<b>110</b>	<b>123</b>	<b>123</b>	<b>123</b>
c. Assisted Living							
d. Other (Specify/add rows of needed)							
<b>TOTAL ADMISSIONS</b>	<b>102</b>	<b>97</b>	<b>73</b>	<b>110</b>	<b>123</b>	<b>123</b>	<b>123</b>
<b>2. PATIENT DAYS</b>							
CCRC Grandfathered Beds	19,710	18,250	14,600	-	-	-	-
a. Comprehensive Care (public)	0	-	-	21,900	23,725	23,725	23,725
b. Comprehensive Care (CCRC Restricted)	0	0	0	0	0	0	0
<b>Total Comprehensive Care</b>	<b>19,710</b>	<b>18,250</b>	<b>14,600</b>	<b>21,900</b>	<b>23,725</b>	<b>23,725</b>	<b>23,725</b>
c. Assisted Living							
<b>TOTAL PATIENT DAYS</b>	<b>19,710</b>	<b>18,250</b>	<b>14,600</b>	<b>21,900</b>	<b>23,725</b>	<b>23,725</b>	<b>23,725</b>
<b>3. NUMBER OF BEDS</b>							
CCRC Grandfathered Beds	70	70	70	0	0	0	0
a. Comprehensive Care (public)	0	0	0	70	70	70	70
b. Comprehensive Care (CCRC Restricted)	0	0	0	0	0	0	0
<b>Total Comprehensive Care Beds</b>	<b>70</b>	<b>70</b>	<b>70</b>	<b>70</b>	<b>70</b>	<b>70</b>	<b>70</b>
c. Assisted Living							
d. Other (Specify/add rows of needed)							
<b>TOTAL BEDS</b>	<b>70</b>	<b>70</b>	<b>70</b>	<b>70</b>	<b>70</b>	<b>70</b>	<b>70</b>
<b>4. OCCUPANCY PERCENTAGE *IMPORTANT NOTE: Leap year formulas should be changed by applicant to reflect 366 days per year.</b>							
CCRC Grandfathered Beds	77.1%	71.4%	57.1%	0.0%	0.0%	0.0%	0.0%
a. Comprehensive Care (public)	0.0%	0.0%	0.0%	85.7%	92.9%	92.9%	92.9%
b. Comprehensive Care (CCRC Restricted)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Total Comprehensive Care Beds</b>	<b>77.1%</b>	<b>71.4%</b>	<b>57.1%</b>	<b>85.7%</b>	<b>92.9%</b>	<b>92.9%</b>	<b>92.9%</b>
c. Assisted Living							
d. Other (Specify/add rows of needed)							
<b>TOTAL OCCUPANCY %</b>	<b>77.1%</b>	<b>71.4%</b>	<b>57.1%</b>	<b>85.7%</b>	<b>92.9%</b>	<b>92.9%</b>	<b>92.9%</b>
<b>5. OUTPATIENT (specify units used for charging and recording revenues)</b>							
a. Adult Day Care							
b. Other (Specify/add rows of needed)							
<b>TOTAL OUTPATIENT VISITS</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

Note - Table represents only Licensed Comprehensive Care Operations

**TABLE F**  
**REVENUES & EXPENSES, UNINFLATED**  
**ENTIRE FACILITY**

**TABLE F. REVENUES & EXPENSES, UNINFLATED - ENTIRE FACILITY IF ALL PUBLIC COMPREHENSIVE CARE BEDS POST-CONSTRUCTION**

*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.*

	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.						
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>Indicate CY or FY = FY</b>										
<b>1. REVENUE</b>										
a. Inpatient Services	\$ 17,641,000	\$ 19,158,000	\$ 19,644,000	\$ 19,541,000	\$ 19,396,000	\$ 19,861,000	\$ 23,903,000	\$ 25,190,000	\$ 25,271,000	\$ 25,362,000
b. Outpatient Services										
<b>Gross Patient Service Revenues</b>	<b>\$ 17,641,000</b>	<b>\$ 19,158,000</b>	<b>\$ 19,644,000</b>	<b>\$ 19,541,000</b>	<b>\$ 19,396,000</b>	<b>\$ 19,861,000</b>	<b>\$ 23,903,000</b>	<b>\$ 25,190,000</b>	<b>\$ 25,271,000</b>	<b>\$ 25,362,000</b>
c. Allowance For Bad Debt										
d. Contractual Allowance							\$ 394,000	\$ 532,000	\$ 532,000	\$ 532,000
e. Charity Care										
<b>Net Patient Services Revenue</b>	<b>\$ 17,641,000</b>	<b>\$ 19,158,000</b>	<b>\$ 19,644,000</b>	<b>\$ 19,541,000</b>	<b>\$ 19,396,000</b>	<b>\$ 19,861,000</b>	<b>\$ 23,509,000</b>	<b>\$ 24,658,000</b>	<b>\$ 24,739,000</b>	<b>\$ 24,830,000</b>
f. Other Operating Revenues (Specify/add rows if needed)										
Amortization of entrance fees	\$ 4,661,000	\$ 4,742,000	\$ 4,610,000	\$ 4,748,000	\$ 4,891,000	\$ 6,052,000	\$ 7,260,000	\$ 7,416,000	\$ 7,576,000	\$ 7,742,000
Investment income	\$ 1,572,000	\$ 1,015,000	\$ 779,000	\$ 846,000	\$ 1,015,000	\$ 1,229,000	\$ 1,342,000	\$ 1,273,000	\$ 1,254,000	\$ 1,239,000
Other	\$ 1,440,000	\$ 1,107,000	\$ 1,126,000	\$ 1,126,000	\$ 1,126,000	\$ 1,138,000	\$ 1,209,000	\$ 1,233,000	\$ 1,237,000	\$ 1,241,000
<b>NET OPERATING REVENUE</b>	<b>\$ 25,314,000</b>	<b>\$ 26,022,000</b>	<b>\$ 26,159,000</b>	<b>\$ 26,281,000</b>	<b>\$ 26,428,000</b>	<b>\$ 28,280,000</b>	<b>\$ 33,320,000</b>	<b>\$ 34,580,000</b>	<b>\$ 34,806,000</b>	<b>\$ 35,052,000</b>
<b>2. EXPENSES</b>										
a. Salaries & Wages (including benefits)	\$ 7,922,000	\$ 8,224,000	\$ 8,246,000	\$ 8,246,000	\$ 8,270,000	\$ 8,287,000	\$ 9,458,000	\$ 10,790,000	\$ 10,790,000	\$ 10,790,000
b. Contractual Services										
c. Interest on Current Debt	109,000	140,000	146,000	149,000	55,000	78,000	276,000	264,000	261,000	256,000
d. Interest on Project Debt	-	-	-	-	-	1,034,000	3,673,000	3,514,000	3,462,000	3,408,000
e. Current Depreciation	2,798,000	3,348,000	4,135,000	4,614,000	4,894,000	4,894,000	4,773,000	5,640,000	5,875,000	6,118,000
f. Project Depreciation	-	-	-	-	-	953,000	2,032,000	2,160,000	2,160,000	2,160,000
g. Current Amortization	15,000	15,000	-	-	-	147,000	147,000	147,000	147,000	147,000
h. Project Amortization										
i. Supplies	1,090,000	1,156,000	919,000	842,000	791,000	740,000	705,000	524,000	529,000	522,000
j. Other Expenses (Specify/add rows if needed)										
Dining Services	3,075,000	3,266,000	3,257,000	3,239,000	3,241,000	3,246,000	3,327,000	3,378,000	3,377,000	3,379,000
General and Administrative	4,621,000	5,270,000	5,372,000	5,356,000	5,427,000	5,522,000	5,849,000	6,048,000	6,065,000	6,083,000
Plant Operations	1,288,000	1,482,000	1,722,000	1,714,000	1,715,000	1,715,000	1,730,000	1,738,000	1,738,000	1,738,000
Housekeeping	881,000	783,000	642,000	639,000	639,000	706,000	927,000	985,000	990,000	994,000
Utilities	979,000	975,000	952,000	952,000	952,000	952,000	1,118,000	1,294,000	1,304,000	1,315,000
Loss on Disposal of Equipment	39,000	-	-	-	-	-	-	-	-	-
<b>TOTAL OPERATING EXPENSES</b>	<b>\$ 22,817,000</b>	<b>\$ 24,659,000</b>	<b>\$ 25,391,000</b>	<b>\$ 25,751,000</b>	<b>\$ 25,984,000</b>	<b>\$ 28,274,000</b>	<b>\$ 34,015,000</b>	<b>\$ 36,482,000</b>	<b>\$ 36,698,000</b>	<b>\$ 36,910,000</b>

**TABLE F. REVENUES & EXPENSES, UNINFLATED - ENTIRE FACILITY IF ALL PUBLIC COMPREHENSIVE CARE BEDS POST-CONSTRUCTION**

**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

	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.						
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>3. INCOME</b>										
a. Income From Operation	\$ 2,497,000	\$ 1,363,000	\$ 768,000	\$ 510,000	\$ 444,000	\$ 6,000	\$ (695,000)	\$ (1,902,000)	\$ (1,892,000)	\$ (1,858,000)
b. Non-Operating Income										
<b>SUBTOTAL</b>	<b>\$ 2,497,000</b>	<b>\$ 1,363,000</b>	<b>\$ 768,000</b>	<b>\$ 510,000</b>	<b>\$ 444,000</b>	<b>\$ 6,000</b>	<b>\$ (695,000)</b>	<b>\$ (1,902,000)</b>	<b>\$ (1,892,000)</b>	<b>\$ (1,858,000)</b>
c. Income Taxes										
<b>NET INCOME (LOSS)</b>	<b>\$ 2,497,000</b>	<b>\$ 1,363,000</b>	<b>\$ 768,000</b>	<b>\$ 510,000</b>	<b>\$ 444,000</b>	<b>\$ 6,000</b>	<b>\$ (695,000)</b>	<b>\$ (1,902,000)</b>	<b>\$ (1,892,000)</b>	<b>\$ (1,858,000)</b>
<b>4. PATIENT MIX</b>										
<b>a. Percent of Total Revenue</b>										
1) Medicare	5.2%	7.3%	6.0%	7.4%	7.4%	7.2%	4.6%	3.5%	3.9%	3.8%
2) Medicaid	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	3.5%	6.7%	6.6%	6.6%
3) Blue Cross										
4) Commercial Insurance										
5) Self-pay	94.8%	92.7%	94.0%	92.6%	92.6%	92.8%	91.9%	89.8%	89.5%	89.5%
6) Other										
<b>TOTAL</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
<b>b. Percent of Inpatient Days</b>										
1) Medicare	2.4%	3.6%	2.0%	2.1%	2.1%	2.1%	1.6%	1.2%	1.4%	1.4%
2) Medicaid	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	2.6%	5.2%	5.1%	5.1%
3) Blue Cross										
4) Commercial Insurance										
5) Self-pay	97.6%	96.4%	98.0%	97.9%	97.9%	97.9%	95.8%	93.6%	93.5%	93.5%
6) Other										
<b>TOTAL</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

Note - Table represents all CCRC Operations and levels of care

**SUPPLEMENTAL TABLE F**  
**REVENUES & EXPENSES, UNINFLATED**



**SUPPLEMENTAL TABLE F. REVENUES & EXPENSES, UNINFLATED - Comprehensive Care Only in response to Comment 5**

*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.*

	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.						
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>Indicate CY or FY = FY</b>										
<b>1. REVENUE</b>										
a. Inpatient Services	\$ 6,423,000	\$ 7,183,000	\$ 8,318,000	\$ 8,506,000	\$ 8,584,000	\$ 8,638,000	\$ 10,010,000	\$ 11,006,000	\$ 11,051,000	\$ 11,120,000
b. Outpatient Services										
<b>Gross Patient Service Revenues</b>	<b>\$ 6,423,000</b>	<b>\$ 7,183,000</b>	<b>\$ 8,318,000</b>	<b>\$ 8,506,000</b>	<b>\$ 8,584,000</b>	<b>\$ 8,638,000</b>	<b>\$ 10,010,000</b>	<b>\$ 11,006,000</b>	<b>\$ 11,051,000</b>	<b>\$ 11,120,000</b>
c. Allowance For Bad Debt										
d. Contractual Allowance							394,000	532,000	532,000	532,000
e. Charity Care										
<b>Net Patient Services Revenue</b>	<b>\$ 6,423,000</b>	<b>\$ 7,183,000</b>	<b>\$ 8,318,000</b>	<b>\$ 8,506,000</b>	<b>\$ 8,584,000</b>	<b>\$ 8,638,000</b>	<b>\$ 9,616,000</b>	<b>\$ 10,474,000</b>	<b>\$ 10,519,000</b>	<b>\$ 10,588,000</b>
f. Other Operating Revenues (Specify/add rows if needed)										
Amortization of entrance fees	\$ 766,000	\$ 779,000	\$ 757,000	\$ 817,000	\$ 846,000	\$ 1,047,000	\$ 1,225,000	\$ 1,251,000	\$ 1,278,000	\$ 1,306,000
Investment income	\$ 258,000	\$ 167,000	\$ 128,000	\$ 146,000	\$ 176,000	\$ 213,000	\$ 227,000	\$ 217,000	\$ 218,000	\$ 220,000
Other										
<b>NET OPERATING REVENUE</b>	<b>\$ 7,447,000</b>	<b>\$ 8,129,000</b>	<b>\$ 9,203,000</b>	<b>\$ 9,469,000</b>	<b>\$ 9,606,000</b>	<b>\$ 9,898,000</b>	<b>\$ 11,068,000</b>	<b>\$ 11,942,000</b>	<b>\$ 12,015,000</b>	<b>\$ 12,114,000</b>
<b>2. EXPENSES</b>										
a. Salaries & Wages (including benefits)	\$ 3,665,000	\$ 3,914,000	\$ 3,881,000	\$ 3,994,000	\$ 3,994,000	\$ 3,994,000	\$ 4,689,000	\$ 5,268,000	\$ 5,268,000	\$ 5,268,000
b. Contractual Services										
c. Interest on Current Debt	18,000	23,000	24,000	26,000	10,000	13,000	47,000	45,000	44,000	43,000
d. Interest on Project Debt	-	-	-	-	-	208,000	738,000	706,000	695,000	684,000
e. Current Depreciation	460,000	550,000	679,000	794,000	847,000	847,000	805,000	951,000	991,000	1,032,000
f. Project Depreciation	-	-	-	-	-	191,000	408,000	434,000	434,000	434,000
g. Current Amortization	2,000	2,000	-	-	-	-	-	-	-	-
h. Project Amortization										
i. Supplies	1,090,000	1,156,000	919,000	842,000	791,000	740,000	767,000	780,000	780,000	780,000
j. Other Expenses (Specify/add rows if needed)										
Dining Services	595,000	629,000	631,000	657,000	661,000	662,000	661,000	670,000	670,000	670,000
General and Administrative	982,000	980,000	982,000	1,026,000	1,048,000	1,064,000	1,089,000	1,122,000	1,125,000	1,128,000
Plant Operations	364,000	362,000	364,000	380,000	382,000	382,000	375,000	376,000	376,000	376,000
Housekeeping	139,000	138,000	139,000	145,000	145,000	160,000	206,000	218,000	219,000	220,000
Utilities	161,000	160,000	156,000	164,000	165,000	165,000	189,000	218,000	220,000	222,000
Loss on Disposal of Equipment	6,408	-	-	-	-	-	-	-	-	-
Loss on Refunding of Debt				13,941						
<b>TOTAL OPERATING EXPENSES</b>	<b>\$ 7,482,408</b>	<b>\$ 7,914,000</b>	<b>\$ 7,775,000</b>	<b>\$ 8,041,941</b>	<b>\$ 8,043,000</b>	<b>\$ 8,426,000</b>	<b>\$ 9,974,000</b>	<b>\$ 10,788,000</b>	<b>\$ 10,822,000</b>	<b>\$ 10,857,000</b>



**TABLE G**  
**REVENUES & EXPENSES, UNINFLATED**  
**NEW FACILITY OR SERVICE**

**TABLE G. REVENUES & EXPENSES, UNINFLATED - NEW FACILITY OR SERVICE - JUST 70 SKILLED BEDS IF ALL PUBLIC COMPREHENSIVE CARE BEDS POST-CONSTRUCTION**

*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.*

	Projected Years (ending five years after completion) Add columns of needed.					
Indicate CY or FY = FY	2019	2020	2021	2022	2023	2024
<b>1. REVENUE</b>						
a. Inpatient Services	\$ 8,584,000	\$ 8,638,000	\$ 9,766,000	\$ 10,028,000	\$ 10,094,000	\$ 10,164,000
b. Outpatient Services						
<b>Gross Patient Service Revenues</b>	<b>\$ 8,584,000</b>	<b>\$ 8,638,000</b>	<b>\$ 9,766,000</b>	<b>\$ 10,028,000</b>	<b>\$ 10,094,000</b>	<b>\$ 10,164,000</b>
c. Allowance For Bad Debt						
d. Contractual Allowance			\$ 394,000	\$ 532,000	\$ 532,000	\$ 532,000
e. Charity Care						
<b>Net Patient Services Revenue</b>	<b>\$ 8,584,000</b>	<b>\$ 8,638,000</b>	<b>\$ 9,372,000</b>	<b>\$ 9,496,000</b>	<b>\$ 9,562,000</b>	<b>\$ 9,632,000</b>
f. Other Operating Revenues (Specify)						
Amortization of entrance fees	\$ 846,000	\$ 1,047,000	\$ 1,225,000	\$ 1,251,000	\$ 1,278,000	\$ 1,306,000
Investment income	\$ 176,000	\$ 213,000	\$ 226,000	\$ 215,000	\$ 212,000	\$ 209,000
Other						
<b>NET OPERATING REVENUE</b>	<b>\$ 9,606,000</b>	<b>\$ 9,898,000</b>	<b>\$ 10,823,000</b>	<b>\$ 10,962,000</b>	<b>\$ 11,052,000</b>	<b>\$ 11,147,000</b>
<b>2. EXPENSES</b>						
a. Salaries & Wages (including benefits)	\$ 3,994,000	\$ 3,994,000	\$ 4,689,000	\$ 5,268,000	\$ 5,268,000	\$ 5,268,000
b. Contractual Services						
c. Interest on Current Debt	10,000	13,000	47,000	45,000	44,000	43,000
d. Interest on Project Debt	-	208,000	738,000	706,000	695,000	684,000
e. Current Depreciation	847,000	847,000	805,000	951,000	991,000	1,032,000
f. Project Depreciation	-	191,000	408,000	434,000	434,000	434,000
g. Current Amortization						
h. Project Amortization						
i. Supplies	791,000	740,000	705,000	524,000	529,000	522,000
j. Other Expenses (Specify)						
Dining Services	661,000	662,000	661,000	670,000	670,000	670,000
General and Administrative	1,048,000	1,064,000	1,089,000	1,122,000	1,125,000	1,128,000
Plant Operations	382,000	382,000	375,000	376,000	376,000	376,000
Housekeeping	145,000	160,000	206,000	218,000	219,000	220,000
Utilities	165,000	165,000	189,000	218,000	220,000	222,000
<b>TOTAL OPERATING EXPENSES</b>	<b>\$ 8,043,000</b>	<b>\$ 8,426,000</b>	<b>\$ 9,912,000</b>	<b>\$ 10,532,000</b>	<b>\$ 10,571,000</b>	<b>\$ 10,599,000</b>

**TABLE G. REVENUES & EXPENSES, UNINFLATED - NEW FACILITY OR SERVICE - JUST 70 SKILLED BEDS IF ALL PUBLIC COMPREHENSIVE CARE BEDS POST-CONSTRUCTION**

*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.*

	Projected Years (ending five years after completion) Add columns of needed.					
Indicate CY or FY = FY	2019	2020	2021	2022	2023	2024
<b>3. INCOME</b>						
a. Income From Operation	\$ 1,563,000	\$ 1,472,000	\$ 911,000	\$ 430,000	\$ 481,000	\$ 548,000
b. Non-Operating Income						
<b>SUBTOTAL</b>	<b>\$ 1,563,000</b>	<b>\$ 1,472,000</b>	<b>\$ 911,000</b>	<b>\$ 430,000</b>	<b>\$ 481,000</b>	<b>\$ 548,000</b>
c. Income Taxes						
<b>NET INCOME (LOSS)</b>	<b>\$ 1,563,000</b>	<b>\$ 1,472,000</b>	<b>\$ 911,000</b>	<b>\$ 430,000</b>	<b>\$ 481,000</b>	<b>\$ 548,000</b>
<b>4. PATIENT MIX</b>						
<b>a. Percent of Total Revenue</b>						
1) Medicare	7.4%	7.2%	18.5%	14.5%	15.8%	15.6%
2) Medicaid	0.0%	0.0%	13.9%	27.6%	27.3%	26.9%
3) Blue Cross	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
4) Commercial Insurance	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
5) Self-pay	92.6%	92.8%	67.6%	57.9%	56.9%	57.4%
6) Other	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>TOTAL</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
<b>b. Percent of Inpatient Days</b>						
1) Medicare	14.8%	14.8%	10.0%	7.4%	8.1%	8.1%
2) Medicaid	0.0%	0.0%	16.5%	30.8%	30.8%	30.8%
3) Blue Cross	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
4) Commercial Insurance	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
5) Self-pay	85.2%	85.2%	73.5%	61.8%	61.1%	61.1%
6) Other	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>TOTAL</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

Note - Table represents only Licensed Comprehensive Care Operations