



2401 W. Belvedere Ave
Baltimore, MD 21215

June 25, 2018

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

**Re: Brinton Woods Health and
Rehabilitation at Winfield**

Dear Mr. McDonald:

This letter is in response to your correspondence, dated June 4, 2018. The response to your completeness questions are below.

Project Description

1. The application makes a strong case for private rooms; however, the plans for the replacement facility call for 40 private rooms, with the other 10 being semi-private. If access to private rooms is so important and beneficial, why was the choice made to still build 33% of the beds as semi-privates?

APPLICANT RESPONSE:

Throughout its planning process, the Applicant evaluated several strategies for a new Brinton Woods facility on the Carroll Hospital campus. While the availability of private rooms was paramount, we needed to be sure the project was financially viable as well.

The two primary models we evaluated were a 60-bed all private facility and the 40 private/10 semi-private facility for which the CON was ultimately filed.

There are both financial and non-financial reasons for choosing the 40 private/10 semi-private model.

Non-Financial Considerations

- At the current location, the Applicant has found that some residents, both long-term and short-stay, prefer a semi-private environment. They enjoy the social interaction and adjust better to their surroundings with the company of others.

- While 10 of the rooms will be semi-private, those rooms will be much roomier, better equipped, more technologically advanced and provide much more comfort, privacy and safety for residents than what is currently available at Brinton Woods. Semi-private rooms in the new facility will be 360 sq. ft., approximately 140 sq. ft. larger, which is nearly 39% larger than Brinton Woods' current average room size. In addition, the new facility will have more comfortable and spacious shared/activity areas and the benefit of being a one-floor facility, which aids in patient mobility. Additionally, each room will have a private bath, which is not the case at the current location, where up to four patients share a bathroom.
- Even with 10 semi-private rooms, the new Brinton Woods facility will provide a higher ratio of private rooms (67%) than any other facility in Carroll County, except for the two Integrace locations in Eldersburg. See Table 1 below (Table 6 from the CON). The addition of 34 private beds in Carroll County will increase the county's overall private bed complement by 3%, from 20% to 23%.
- Frederick County has a private room complement of 28% compared to Carroll County's 20% and has a much lower ratio of triple and quad rooms than Carroll County as well. Carroll's quad-bed ratio is 18%/168 beds compared to Frederick's 2%/24 beds, and a triple-bed ratio of less than 1%/9 beds compared to Carroll's 11%/99 beds. See Table 2 below.
- At 66%, the proposed new Brinton Woods facility will provide a higher ratio of private beds than all but one of facilities located in Frederick County.

TABLE 1

Beds by Room Type - Carroll County Nursing Homes

Nursing Home	Semi-Private Beds	Triple Room Beds	Quad Room Beds	Private Room Beds	Total Beds	Private Room %
Brinton Woods Nursing and Rehabilitation Center	54	0	0	6	60	10%
Carroll Lutheran Village Healthcare Center	94	0	0	9	103	9%
Golden Living Center	56	78	16	8	158	5%
Integrace Copper Ridge Nursing Home	16	0	0	50	66	76%
Integrace Fairhaven, Inc.	12	0	0	67	79	85%
Long View Healthcare Center, LLC	80	0	0	28	108	26%
Lorien - Taneytown	60	0	0	3	63	5%
Lorien Mt. Airy	58	0	0	4	62	6%
Pleasant View Nursing Home of Mt. Airy	0	0	104	0	104	0%
Transitions Healthcare at Sykesville	44	21	48	5	118	4%
Totals	474	99	168	180	921	20%
With New Brinton Woods Bed Complement	440	99	168	214	921	23%

TABLE 2

Beds by Room Type- Frederick County Nursing Homes

Nursing Home	Semi-Private Beds	Triple Room Beds	Quad Room Beds	Private Room Beds	Total Beds	Private Room %
Ballenger Creek Center	82	0	0	48	130	37%
Buckingham's Choice, Inc.	0	0	0	42	42	100%
Citizens Care and Rehab Center of Frederick, LLC	96	0	0	74	170	44%
Genesis Glade Valley Center	116	0	0	8	124	6%
Golden LivingCenter Frederick	108	0	0	12	120	10%
Homewood at Crumland Farms	64	0	0	56	120	47%
Northampton Manor Health Care Center	194	0	0	2	196	1%
St. Joseph Ministries	64	0	0	49	113	43%
Vindobona Nursing & Rehabilitation Ctr.	26	9	24	6	65	9%
Totals	750	9	24	297	1,080	28%

Financial Considerations

A comparison of the construction costs between an all private room facility and the facility proposed in the Application is provided in TABLE 3 below.

- An all-private facility had a \$1.7 million impact on the overall cost of the project. \$1.6 million in construction costs and another \$100,000 in architect and engineering costs. The additional construction costs would add an average of \$70,000 in annual depreciation, eliminating nearly all of the projected profitability.
- Since the all-private footprint was 7,100 sq. ft. larger, the facility design would need to be modified to fit at the proposed site. The modifications would require a race-track style design, instead of a single, straight design. Regulations regarding the proximity of patient rooms to the nurse station and clear line of site for caregivers would require hiring a minimum of 1.4 additional FTEs, resulting in an estimated annual operational impact of \$66,000, further deteriorating projected profitability.

TABLE 3

Item	Concept (1) 60 Beds 40 Private 10 Semi Private	Construction Costs	Concept (2) 60 Beds 60 Private	Construction Costs
Construction Cost				
Basement Support Space	12,500 Sq. Ft. x \$225	\$2,812,500	12,500 Sq. Ft. x \$225	\$2,812,500
First Floor Patients	35,000 Sq. Ft. x \$225	\$8,875,000	42,100 Sq. Ft. x \$225	\$10,472,500
Total Construction Cost		\$11,687,500		\$13,285,000
Project Cost				
Construction Cost		\$11,687,500		\$13,285,000
A/E Fees/Permits		\$1,400,000		\$1,550,000
Site Work/Improvements		\$750,000		\$750,000
Equipment/Furnishings		\$1,000,000		\$1,000,000
Total Project Cost		\$14,837,500		\$16,585,000

2. The stated need for this project relies, in part, on re-capturing some of the current outmigration from Carroll County. Please provide context for the inference that Carroll has excessive outmigration with a more complete migration analysis, including:
 - a) A comparison of Carroll outmigration to that of neighboring counties, and a statewide metric;
 - b) Data reflecting both out- and in-migration, for Carroll and the surrounding counties;
 - c) An analysis of the anticipated changes in both directions (i.e., in and out) following relocation of Brinton Woods.

APPLICANT RESPONSE:

Correction to CON Application Table 5 and Table 13

As we worked through the Minimum Dataset provided by the Maryland Health Care Commission through a special request made by BRG on the Applicant’s behalf, we found that the “admission” numbers were not accurately reflected in CON Application Table 5 and Table 13, which shows “Carroll County Residents, Distribution of Nursing Home Admissions by County.” The discrepancy affects both the number of admissions and the percentage of outmigration. The updated admission data does not impact any other information presented in our original application.

We ask that the Commission replace both of those tables (which were identical) with the table below.

Carroll County Residents
Summary of Admissions by Nursing Home County
CY 2015 vs CY 2016

Carroll	<u>2015</u>	%	<u>2016</u>	%	<u>Growth</u>
Carroll	1,271	72%	1,344	75%	73
Other	285	16%	279	16%	(6)
Baltimore	85	5%	78	4%	(7)
Howard	26	1%	13	1%	(13)
Frederick	90	5%	68	4%	(22)
Total	<u>1,757</u>	100%	<u>1,782</u>	100%	<u>25</u>

Notes:

[1] Source: Minimum Dataset provided through the Maryland Health Care Commission

Carroll County and Frederick County Data

As we discussed with you on Friday, June 8th, the Applicant made a special request to the Commission for Carroll and Frederick County migration data referenced in the CON Application because that information is not publicly reported. Accordingly, in lieu of making another special data request to the Commission, as we discussed with you, we are providing the information we obtained from the MHCC Minimum Dataset for Carroll and Frederick Counties only.

Table 4 below shows the distribution of admissions to nursing homes for Carroll County residents, by county. Table 5 shows the distribution of admissions to nursing homes for Frederick County residents, by county.

TABLE 4

Carroll County Residents
Summary of Admissions by Nursing Home County
CY 2015 vs CY 2016

	2015	%	2016	%	Growth
Carroll	1,271	72%	1,344	75%	73
Other	285	16%	279	16%	(6)
Baltimore	85	5%	78	4%	(7)
Howard	26	1%	13	1%	(13)
Frederick	90	5%	68	4%	(22)
Total	1,757	100%	1,782	100%	25

Notes:

[1] Source: Minimum Dataset provided through the Maryland Health Care Commission

TABLE 5

Frederick County Residents
Summary of Admissions by Nursing Home County
CY 2015 vs CY 2016

	2015	%	2016	%	Growth
Frederick	2,033	80%	2,199	81%	166
Montgomery	12	0%	32	1%	20
Other	388	15%	406	15%	18
Carroll	11	0%	14	1%	3
Washington	87	3%	70	3%	(17)
Total	2,531	100%	2,721	100%	190

Notes:

[1] Source: Minimum Dataset provided through the Maryland Health Care Commission

Analysis and Observations

In CY 2015, the MHCC Minimum Dataset documents Carroll County had a retention rate of 72% compared to Frederick County's 80%. An 8% variance is notable because Frederick County is the only county in the Western Maryland region with a skilled nursing bed need (66 beds). That being the case, it would be expected that Frederick County would have a higher percentage of patients needing to look outside the county for care, compared to a county like Carroll County that has no documented bed need. While the variance is smaller in 2016, the data still reflect that at 25%, Carroll County has a higher outmigration rate than Frederick County where only 19% of patients are admitted outside of the county.

For both Carroll and Frederick Counties, over 2015 and 2016, an average of 16% of Carroll County and 15% of Frederick County residents chose nursing homes in locations other than the counties listed in the tables above. The "other" category represents nursing homes with fewer than 11 admissions.

In Carroll County overall, the MHCC Minimum Dataset shows slight growth (25 admissions) between CY 2015 and 2016. In 2015, the MHCC Minimum Dataset shows that, of the 486 patients who traveled outside of Carroll County for services, most traveled to Frederick and Baltimore Counties for care. In 2015, approximately 19%/90 patients, traveled to Frederick (5% of total admissions). In 2016, of the 438 patients who left Carroll County, 15%/68 (4% of total admissions) patients traveled to Frederick. An equal percentage of patients (based on overall admissions) also traveled to Baltimore County for care both in 2015 17%/68 patients (5% of total admissions) and in 2016 18%/78 patients (4% of total admissions).

In Frederick County overall, the MHCC Minimum Dataset shows a 7% growth in admissions between CY 2015 and 2016 (190 admissions). In 2015, of Frederick's 498 residents who out-migrated for services, the MHCC Minimum Dataset shows that most went to Washington County 17%/87 patients (3% of total admissions). The same was true for the 522 residents who out-migrated in 2016, with 13%/70 patients choosing care in Washington County. For both 2015 and 2016, the MHCC Minimum Dataset data reflect that between 0-1% of Frederick County residents chose Montgomery and Carroll Counties. In 2016, a total of 12 patients chose Montgomery and 11 chose Carroll for care. In 2016, 32 patients chose Montgomery and 14 chose Carroll.

While the data above makes it difficult to draw any definitive conclusions, we feel there are several trends to consider:

- While admissions continue to grow in Frederick County (the only county in the region with a documented bed need), Frederick County retains 8% more of its residents than Carroll County, which has no documented bed need.
- Over CY 2015 and 2016 an average of 79 Carroll County residents chose Frederick County for care, compared to 12 patients on average of Frederick County residents who chose Carroll County.
- Although a majority of patients stay in their home counties, with hundreds of nursing home patients in Carroll and Frederick Counties leaving their resident counties for care, those patients are stratified throughout a broad range of locations and geography. While there is no way to be certain why, we believe it is reasonable to assume that proximity to family, services offered, quality and amenities would drive decisions for short-term rehabilitation and long-term care.

It is likely that these trends are not unique to Carroll and Frederick Counties, and are experienced to some extent across every jurisdiction in the State.

As the Applicant explained in the Application, the new facility will offer patients and their families more services, comfort, privacy, safety, space and amenities than are offered at Brinton Woods' current location. The information regarding outmigration of patients from Carroll was not intended to suggest that Carroll County's retention rate was high or low in comparison to other jurisdictions or counties. Rather, we believe that it is likely that some patients who currently travel outside of Carroll for skilled nursing care, particularly those who want private rooms, will choose the new, centrally located Brinton Woods facility rather than leave the County for care.

We did not estimate a specific number of patients that would choose the new Brinton Woods facility instead of leaving Carroll County for care in the Application. The Applicant's projections incorporate modest incremental growth, and the Applicant assumes that this growth will include some patients who would otherwise have left Carroll County for care. This assumption was based on input from Carroll Hospital's clinical experts who place patients in long-term and rehabilitation facilities every day and from the current operator of the Brinton Woods facility.

While the Applicant does not have and is not aware of any survey data or other information that would explain why patients leave their home jurisdiction for care, patients and family members often indicate that a primary driver of their decision to leave Carroll County is their desire for a private room. Specifically, while the Applicant does not have data on the number of times the preference for a private room is stated as a reason for selecting a facility outside of Carroll County, Carroll Hospital Case Management clinical staff report that it is the most common motive mentioned among patients and family members for selecting a facility outside the County.

Three hard copies of this response have been delivered to the Commission's office and it also has been sent electronically, in both Word and PDF format, to Ruby Potter (ruby.potter@maryland.gov).

My affirmation is attached to this correspondence.

Should you have any questions regarding this matter, please contact me at (410)469-5220.

Sincerely,

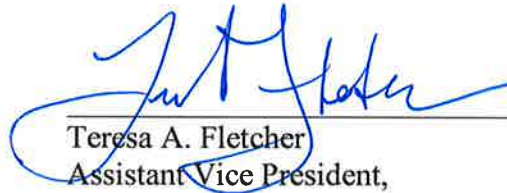


Teresa A. Fletcher
Assistant Vice President,
Business Development
LifeBridge Health

cc: Edwin Singer, LEHS, Carroll County Health Officer, 290 Center Street, Westminster, MD 21157

AFFIRMATION

I hereby declare and affirm under the penalties of perjury that the facts stated in the Applicant's responses to the Commission's June 4, 2018 Completeness Questions are true and correct to the best of my knowledge, information, and belief.



Teresa A. Fletcher
Assistant Vice President,
Business Development
LifeBridge Health

