

**APPLICATION FOR CERTIFICATE OF NEED**

**for**

**40 Bed Addition in Renovated Unit**

*Submitted on behalf of*

LORIEN NURSING & REHABILITATION CENTER, INC.

DBA LORIEN COLUMBIA

For Review By the

MARYLAND HEALTH CARE COMMISSION

March 9, 2018

JAMES A. FORSYTH, ESQ.  
Law Offices of James A. Forsyth  
11604 Garrison Forest Road  
Owings Mills, MD 21117  
(Tel) 443 928 7936

Attorney for Applicant

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

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

**1. FACILITY**

**Name of Facility:** Lorien Nursing & Rehabilitation Center, Inc.  
dba Lorien Columbia

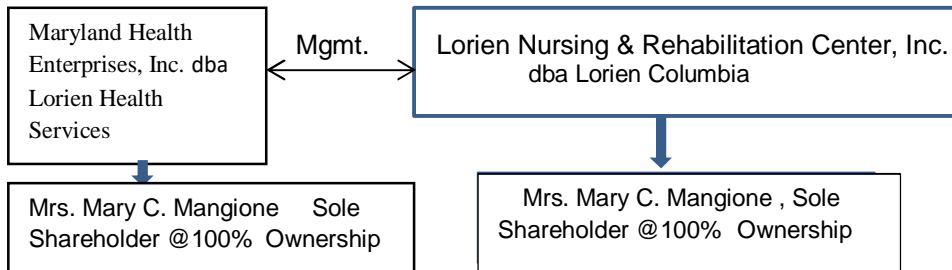
**Address:**

6634 Cedar Lane	Columbia	21044	Howard
Street	City	Zip	County

**2. Name of Owner:** Lorien Nursing & Rehabilitation Center, Inc. dba Lorien Columbia

**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.**

As stated in the Letter of Intent, the Applicant is a Corporation. The sole stockholder is Mary C. Mangione. The Chart below delineates the ownership structure, as well as the management company. There are no other related parent companies:



**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):** NA

**Address:** NA

Street	City	Zip	State	County
<b>Telephone:</b>				

**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
  - C. Partnership 
    - General
    - Limited
    - Limited liability partnership
    - Limited liability limited partnership
    - Other (Specify): \_\_\_\_\_
  - D. Limited Liability Company
  - E. Other (Specify): \_\_\_\_\_
- To be formed:   
Existing:

State & date of incorporation:  
Maryland; 8/16/1977

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

**A. Lead or primary contact:**

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

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

**Mailing Address:**

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

**Telephone:** 443 928 7936

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

**Fax:** NA

**If company name is different than applicant briefly describe the relationship** Attorney for Applicant

**B. Additional or alternate contact:**

**Name and Title:** Louis G. Grimmel, Sr., CEO \_\_\_\_\_

**Company Name** Maryland Health Enterprises, Inc. dba Lorien Health Services \_\_\_\_\_

**Mailing Address:**

3300 N. Ridge Road, Suite 390 \_\_\_\_\_ Ellicott City 21043 MD  
Street City Zip State

**Telephone:** 410 750 7500

**E-mail Address (required):** lggrimmel@lorienhealth.com \_\_\_\_\_

**Fax:** NA

**If company name is different than applicant briefly describe the relationship**

Lorien Health Services provides Management Services to Lorien Columbia (Lorien Health Services is 100% owned by Mrs. Mary C. Mangione.)

**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 Howard County Health Park, LLC. (a Mangione Family entity)

**Address:**

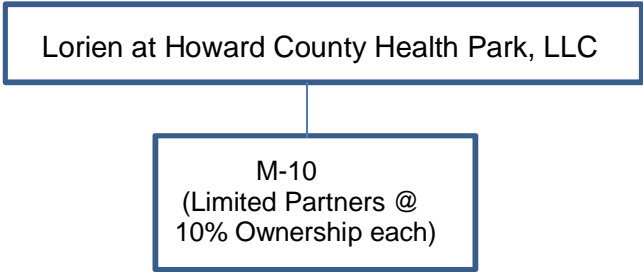
1205 York Road, Penthouse Suite, \_\_\_\_\_ Lutherville 21204 MD Balt0  
Street City Zip State County

**Telephone:** \_\_\_\_\_ 410 825 8400 \_\_\_\_\_

**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.**

As shown by the Chart on the next page, the real property is owned by a Maryland Limited Liability Company which includes 10 Members, each with a 10% interest: 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.





**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 3<sup>rd</sup> party):**

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

The Applicant, Lorien Nursing & Rehabilitation Center, Inc. dba Lorien Columbia, is the Owner of the Bed Rights.

**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. NA**

**Address:** NA

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.**

Maryland Health Enterprises, Inc. dba Lorien Health Services provides certain Management services to Lorien Columbia and will oversee renovations. These include management oversight services, clinical guidance, accounting, billing, legal, human resources, operational and planning services. Lorien Health Services does not have any ownership interests in the Applicant or the owner of the Real Property. As noted in the responses to Items 2 and 6 B above, Lorien Health Services is 100% owned by Mrs. Mary C. Mangione, who is also the sole shareholder of the facility.)

**Name of Management Company** Maryland Health Enterprises, Inc. dba Lorien Health Services

**Address:**

3300 N. Ridge Rd, Ste 390	Ellicott City	21043	MD	Howard
Street	City	Zip	State	County

Telephone: 410 750 7500

### 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](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

- (1) Description: Applicant proposes to completely renovate a Unit on the 3<sup>rd</sup> Floor (known as 3 South) and to bring it back into direct resident service as a 40 bed Nursing Unit using beds available under the SHP. Upon completion, this unit will have 40 beds as follows: 8 Single Occupancy Private Rooms and 16 Double Occupancy Semi Private Rooms all as shown on Table A, at APX. 1 *infra.* and the Drawing at APX. 2.
- (2) Rationale: This expansion is intended to help meet a portion of the Howard County Bed Need and to upgrade the physical plant.
- (3) Cost: The Total Project Cost is projected to be \$1,234,000 per Table C Project Budget at APX. 1.

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

(1) **Construction, renovation, and demolition plans** – The 3 South renovation project is intended to revitalize an 13,655 Square Foot existing section of Lorien Columbia which will house 40 new beds. The project area is located on the 3<sup>rd</sup> Floor of the original building

which was designed and constructed in 1977. The area is currently used as storage. The scope of the renovation work will include:

Complete replacement of all finishes and furnishings in the entire wing from floor to ceiling. Existing 12x12 Vinyl Tile will be removed and replaced with new vinyl plank flooring. Existing acoustical Ceiling Grid and Tile will be removed and replaced with a new Grid and Tile System.

A number of existing wall relocations will result in a floor plan specifically intended to create additional private rooms with full baths and showers.

The existing Dining/Day Room footprint will be expanded to double its former size to create more conducive space for resident activity and interaction.

The Nurse Station will remain in the same location however the actual work station will be redesigned with new casework focusing on increasing usable work space and resident accessibility to Nursing Staff.

The project will also include an upgrade of Mechanical, Electrical, Plumbing systems, equipment and fixtures serving the wing. In this regard, the existing Roof Top HVAC Unit Serving all areas of the Wing other than the resident rooms will be removed and replaced with a new unit. All through Wall Units serving Resident Rooms will be replaced. Modifications to Duct and exhaust accommodating new floor plan will also be made.

Plumbing fixtures, faucets, sinks, shower diverters will be replaced. It is possible some toilets and flush valves will be repurposed however it is likely the majority would be replaced. The Resident bath and shower rooms will be stripped of existing ceramic wall and floor tile. New cement board will be installed and be refinished. The project will also include modifications to plumbing supply and waste lines to accommodate new floor plan.

Regarding Electrical work, new switches, outlets, light fixtures will be installed. Wiring modifications will be made as required to accommodate the new floor plan. Fire Protection work will also be done including installation of new sprinkler heads and relocations accommodating the new floor plan.

Drywall surfaces will be repainted or re-wallpapered. Any existing Block Walls currently surfaced with wall liner will be laminated with new Drywall finish painted or wallpapered.

Windows on the unit were previously replaced. However, the renovation will include new window treatments.

The new 3 South Unit design capacity will be 40 beds between a total of 24 rooms broken down as follows. 8 Private Single Occupancy Rooms and 16 Semi Private Double Occupancy Rooms. The Drawing at APX. 2 shows the planned new floorplan and reconfigured beds.

**(2) Changes in square footage of departments and units** . The renovation will not affect the overall square footage of 3 South.

**(3) Physical plant or location changes** . There is no change in location. Changes to the physical plant are described above and are shown on Drawings at APX. 2.

**(4) Changes to affected services following completion of the project** . Services remain the same but will be delivered in 6 more Private Rooms (e.g. 8 instead of the original 2 per Table A).

**(5) Outline the project schedule**.- All dates run from CON Approval date: no additional land use approvals are required since the existing facility is currently zoned POR (Planned Office Research) which allows Nursing Homes as a matter of right. Finalize architectural drawings and sign construction contract within 12 months; begin construction within 4 months; construction and 1<sup>st</sup> Use within 12 months of contract signing.

**12. Complete Table A of the CON Table Package for Nursing Home (CCF) Applications .**

See Table A of the CON Table Package attached at APX. 1.



**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.**

No services will be affected.

**14. REQUIRED APPROVALS AND SITE CONTROL**

**A. Site size:** 4.28 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 X NO \_\_\_\_\_ (If NO, describe below the current status and timetable for receiving each of the necessary approvals.)**

The site is already owned by the Applicant's related company (see below) and is home to the Applicant's existing 205 bed Nursing Facility (see Response to Items 2 and 7, above). All infrastructure is in place and the site is currently zoned POR (Planned Office Research) which allows Nursing Facilities as a matter of right. There are no further zoning, traffic, or environmental required approvals. The Site Development Plan (SDP) may be amended / redlined and no problems are anticipated for this small scale project. Applicant projects securing all approvals for the renovation / bed addition within 6 mos. of CON Approval.

**C. Form of Site Control (Respond to the one that applies. If more than one, explain.):**

**(1) Owned by:** Lorien at Howard County Health Park, LLC (See Response to Item 7, above). This is a Mangione Family entity.

**(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).**

	<b>Proposed Project Timeline</b>	
<b>Obligation of 51% of capital expenditure from approval date</b>	12	<b>months</b>
<b>Initiation of Construction within 4 months of the effective date of a binding construction contract</b>	4	<b>months</b>
<b>Time to Completion of Construction from date of capital obligation</b>	8	<b>months</b>

**16. PROJECT DRAWINGS** – Please see APX 2, attached, for Drawings of Existing Unit & Proposed Renovated Unit Project.

**Projects involving new construction and/or renovations should include scalable schematic drawings of the facility at least 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”. See APX. 2**
- 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. N/A. This is a renovation project and does not involve any expansion of exterior walls, site work, or expansion of the facility footprint.**
- C. Specify dimensions and square footage of patient rooms. Room sizes vary by type of room. Please see Charts accompanying floor plan drawings at APX 2.**

## **17. FEATURES OF PROJECT CONSTRUCTION**

**If the project involves new construction or renovation, complete the Construction and Renovation Square Footage worksheet in the CON Table Package (Table B) –**

Please see Table B included in the CON Table Package 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.

As the MHCC is aware, the Applicant is an existing, Maryland licensed Nursing Facility located at 6334 Cedar Lane in Columbia, Howard County, Maryland. As such it is currently served by all required public utilities.

The following entities provide utilities to the facility:

Water & Sewer . Howard County Dept. of Public Works, Bureau of Utilities

Gas and Electricity . Baltimore Gas & Electric

Telephone . Windstream (Paetec)

Fios -Verizon

Data Lines -Howard County

Trash Services - Waste Management

Medical Waster . Stericycle



## **PART II - PROJECT BUDGET**

## **PART II - PROJECT BUDGET**

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

**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.)

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**RESPONSE:** See Table C and Statement of Assumptions (Explanations of Renovation Costs, Capitalized Interest, Contingencies, and Inflation) attached at APX 1.

**PART III – APPLICANT HISTORY, STATEMENT OF RESPONSIBILITY,  
AUTHORIZATION, RELEASE OF INFORMATION, AND SIGNATURES**

**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  
1205 York Road, Penthouse Suite  
Lutherville, Maryland 21093

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- 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 responsible persons listed above, and the Applicant Owner who became the sole owner of the Lorien management company in 2011 following the death of founder Nicholas B. Mangione, 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, 11150 Resort Road, Ellicott City, MD 21042 (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, 1501 Blenheim Farm Lane, Havre de Grace, MD 21078 (2008 to present); Lorien Harford, Inc. dba Lorien Belair, 1909 Emmorton Rd, Bel Air, MD 21015 (2000 to present).

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- 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.

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- 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.

(See Next Page)

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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.

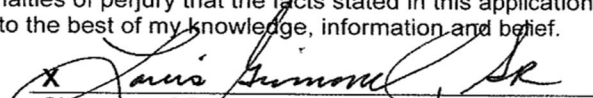
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One or more persons shall be officially authorized in writing by the applicant to sign for and act for the applicant for the project which is the subject of this application. Copies of this authorization shall be attached to the application. The undersigned 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.

March 5, 2018

Date

  
Signature of Owner or Board-designated Official  
CEO, Lorian Health Services  
Position/Title  
LOUIS G. GRIMMEL, SR.  
Printed Name

**BOARD AUTHORIZATION**

THIS IS TO CERTIFY that Louis G. Grimmel, Sr., CEO Lorien Health Services, and Vice President of Lorien Nursing & Rehabilitation Center, Inc. dba Lorien Nursing & Rehabilitation Center – Columbia, (the Applicant) has been authorized by the Applicant 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 on or about March 9, 2018.

DATE: Effective March 9, 2018

  
Name: LOUIS MANGIONE

Title: President

Lorien Nursing & Rehabilitation Center, Inc. dba

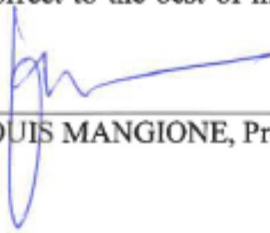
Lorien Nursing & Rehabilitation Center –

Columbia,

**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 March 5, 2018



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LOUIS MANGIONE, President

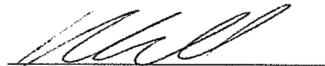




**AFFIRMATION**

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 3/5/2018

  
Norman E. Snowberger  
Chief Financial Officer

Lorien Health Services



# LORIEN HEALTH SERVICES

*Family caring for Families*

## 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 3/5/18

Name: J. Wayne Brannock  
Title: Chief Operating Officer

Lorien Health Services

**AFFIRMATION RE BUDGET AND OPERATING PROJECTIONS**

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

Date: Effective March 9, 2018



Name: Michael J. Snarski, CPA

Title: Member

Snarski Consulting, LLC

5608 Saint Albans Way

Baltimore, Maryland 21212

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

**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.

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**CONSISTENCY WITH STATE HEALTH PLAN STANDARDS**

***COMAR 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.*

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**RESPONSE:** The State Health Plan SHP currently in effect when the LOI was filed projects a current need for 105 additional Comprehensive Care beds to serve Howard County. However, on February 16, 2017, the MHCC approved Lorien Elkridge's request for 25 beds thereby reducing bed need to 80 beds. Accordingly, the proposed project is consistent with this standard since it seeks 40 of those 80 beds.

**(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 documents 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:** The applicant participates in the Medical Assistance Program and has previously submitted to the MHCC a MOU with a now superseded required 54.3% Medicaid participation rate. However, the MHCC has lowered required participation levels statewide. The current rate applicable to Central Maryland / Howard County as published on the MHCC web site is 46.90

or 49.88% respectively. Lorien Columbia's Medicaid Participation rate was 82.21% in FY 2016, and 78.52% in FY 2017 and it projects a Medicaid rate in excess of the required minimum in years X1, X2, (see APX. 1, Table F, line item 4.b.2). Lorien Columbia has already requested a new, updated MOU covering all its beds (assuming its 40 bed CON Application is approved) and will provide MHCC with a copy once it is obtained.

\* \* \* \* \*

**(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.*

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**RESPONSE:** Lorien Columbia remains fully committed to meeting the requirements of the community-based services standard and the expanded facility will continue to be operated under the same existing procedures as set forth on APX. 3.

Lorien Columbia will continue to 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. Lorien Columbia will also continue to 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, Lorien Columbia will provide access to its facility, and encourage all *Olmstead* and any other efforts by the Maryland Department of Health to provide education and outreach

for all residents and their families concerning home-based and other community-based alternatives. Accordingly, the facility will continue to be operated consistent with the requirements of this standard (see Apx. 3).

\* \* \* \* \*

***(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:** Lorien commits to continuing to meet all the requirements of this standard. Lorien Columbia will continue to provide in-service training to its staff on the psychosocial problems facing non-elderly disabled residents. As part of the development of individualized treatment plans for its non-elderly residents, Lorien initiates 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. Lorien 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. A copy of Lorien's In-Service Training Policy and policies regarding Discharge Planning are attached as APX. 3.

\* \* \* \* \*

***(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.

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**RESPONSE:** The proposed project involves the addition of 40 new beds to be housed in the existing 3 South Unit which will undergo a floor to ceiling renovation. As shown and stated on the drawings attached at APX. 2, the 40 new beds will be housed in a mix of 8 Single and 16 Double Occupancy Resident Rooms (8 + 32 = 40 Beds). There will be no Resident Rooms housing more than two Residents per room. As shown on the drawings, Six Single Occupancy Rooms measure 380 SF and two measure 176 SF. The 16 Double Occupancy Rooms range in size from 174 to 520 SF.

The four Double Occupancy Type A Resident Rooms will still share a Toilet. However, the renovation plan will substantially reduce the number of Resident Rooms where more than two residents share a Toilet from 20 on the original floor plan shown at APX. 2 to only four as shown on the new floor plan as required by (b)(iii) above. Further, each resident room will be served by individual temperature controls on new through wall heat pumps as required. For all these reasons, the proposed 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:** Lorien Columbia is an existing facility currently served by all required public utilities. The proposed facility will continue to be served by public water provided by the Howard County Department of Public Works, Bureau of Utilities (see Application, Part I, Item 17 B, above). Accordingly, the proposed project is consistent with this criterion.

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*(6) 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:** Lorien Columbia's existing 3 South Unit was originally designed in 1977. The proposed renovation project includes floor to ceiling updates to enhance operational efficiencies and improve quality of Resident life.

The design balances the need for an efficient medical facility for residents with a wide range of health care needs with the desirability of a therapeutic and culturally appropriate setting that meets the needs of Howard County's diverse population. In this regard, the design recognizes the advantages of locating Resident Rooms in proximity to the expanded centralized Nurses Station to increase observation. Patients with higher acuties or in need of increased observation may be placed in rooms in closer proximity to the Nursing Station.

Further, the 40 ó bed Unit will also allow residents of different acuity levels and care needs to be grouped in appropriate areas. A number of rooms located near the Nurses Stations will allow for more intense monitoring, observation and interaction with Staff.

As shown by the drawings at APX. 2, the re-design facilitates the reconfiguration of Resident Rooms from the existing 29 Double Occupancy Rooms and two Single occupancy rooms to 16 Doubles and 8 Singles (32 + 8 = 40 beds). Further, as noted in response to COMAR 10.24.08.05 above, the re-design eliminates all but four of the original 20 Resident Rooms in which more than two Residents previously shared a toilet. There will be no Resident Rooms housing more than two Residents per room. The renovations will also result in generously sized Resident Rooms. As shown on the drawings, Six Single Occupancy Rooms measure 344 SF and two measure 177 SF. The 16 Double Occupancy Rooms range in size from 173 to 426 SF.

This design will facilitate Lorien Columbia's ability to adjust to the changing patient mix during ongoing operations. Lorien will be able to care for a mix of shorter stay and longer stay residents, including those admitted for rehabilitation services, as well as residents with ADRD.

The renovation increases the size of the Dining / Activity area and also includes an additional Dining / Activity Room to facilitate smaller group activities. The centralized in ó Unit elevator will allow residents to routinely ambulate or be mobilized to other areas of the facility for group socialization and recreation.

Thus, Lorien Columbia has been designed to enhance resident care through improved monitoring / observation by the expanded Nurse Station, clustering of acuity levels, and improvements in resident dignity and quality of life in a more upscale environment.

This design and bed configuration also provides Staff flexibility in grouping residents according to their needs as the patient mix changes during ongoing operations. Thus, the design enhances Lorien Columbia'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.

The patient 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.

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.

Lorien Columbia does not contain a discrete Alzheimer's Care Unit. However, the facility treats residents with Alzheimer's Disease and Related Disorders throughout the facility. As related to building design, such residents benefit from placement in 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.

Colors, patterns, textures and lighting will be designed to create a soothing and culturally sensitive atmosphere. In addition, the walls will display art and displays of interest designed to engage the attention and cultural interests of residents, including those 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. In addition, all Resident Rooms will include wiring for cable TV and internet access.

It should be noted that an important goal of Lorien Columbia's design is to upgrade existing infrastructure and achieving improved quality of life. These are important aspects of

resident care needs. Further, the new units will have rooms large enough to accommodate resident furnishings as well as allowing facility Staff to easily maneuver any necessary equipment required in the care of residents. Hallways and doorways will, of course, accommodate residents who use wheelchairs.

Lorien'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](http://www.wbdg.org/design/nursing_home.php))

Accordingly, the project is 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.*

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**RESPONSE:** None of the project's principals have pleaded guilty to or been convicted of a criminal offense in any way connected with the ownership, development, or management of a health care facility.

\* \* \* \* \*

(Continued on next page)

*(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 a provider of comprehensive care services in Howard County since 1977, Lorien Columbia currently complies with the requirements of this standard, and will continue to maintain its relationships with other providers as required by this standard. It should be noted that Lorien Columbia is located on the campus of the Howard County Health Park which also includes Harmony Hall, the county's first Senior housing and Assisted Living Community which is also operated by Lorien Health Services. The campus is also home to Gilchrist Hospice Care and Davita Cedar Lane Dialysis (located within Lorien Columbia) both of which have referral relationships with the Applicant. Lorien also has relationships with an array of providers including providers of less intensive care so each resident has access to the entire long term care continuum. Such relationships include the following:

Adult Day Care: Winter Growth Adult Day Care

Home Health: Johns Hopkins Home Care

Assisted Living: Harmony Hall

Hospital: with Howard County General Hospital

Accordingly, Lorien Columbia 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 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 how access to, and/or quality of, needed services will be improved.*

\* \* \* \* \*

**RESPONSE:** The proposed project is for the expansion of an existing facility utilizing beds identified in the current State Health Plan as being needed to serve the residents of Howard County. These beds are not in the Commission’s current inventory of beds, but are new beds identified as being needed under the State Health Plan. Therefore part (a) of this standard is not applicable to this review. Likewise, part (b) is not applicable since the proposed expansion does not include a relocation of existing comprehensive care beds. The factors addressed by the standard are matters which have already been addressed by the State Health Plan in its development of the Bed Need Projection showing the need for an additional 80 beds. Moreover, Need for the project is discussed further in this Application’s response to Criterion 10.24.01.08G(3)(b), Need, *infra*. Accordingly, the proposed project is consistent with this standard.

\* \* \* \* \*

**(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:** The proposed expansion project is consistent with this standard since all of its beds are licensed and available for use. Further, as shown by the relevant pages of its FYE 2016 and FYE 2017 Cost Reports included at APX. 4, Lorien Columbia has met the minimum 90% average occupancy requirement as follows: FY 2016 90.29%; FY 2017 6 91.67%. Further, Lorien Columbia projects a FYE 2018 occupancy of 92.8 % (See Table D, line item 4.a). Accordingly, the proposed 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.*

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

---

**RESPONSE:** This standard is not applicable to this review since the proposed project is not for a new nursing home but rather for a renovation and expansion of an existing facility. (However, the jurisdictional occupancy exceeds 90% for the most recent 12 month period (see APX. 4) and is discussed below in connection with 10.24.01.08G(3)(f). *Impact on Existing Providers.*)

\* \* \* \* \*



***(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:** As noted in its response to *COMAR 10.24.08.05.A(2)*, above, Lorien Columbia participates in the Medical Assistance Program. The facility signed an MOU with a 54.3% required Medicaid participation rate in connection with its 1991 bed expansion. The facility has far outstripped this level and has reported as shown by its filed Cost Reports at APX. 4 showing 82.21% and 78.52% Medicaid participation levels for FYE 6/30/2016 and 6/30/2017, respectively. Lorien Columbia projects

Lorien Columbia commits to meeting the requirements of applicable subsections (c) and (d) of this standard, and further, has already requested a new MOU to apply to all 245 beds (assuming this proposed expansion is approved) at MHCC's current participation level. Specifically, on February 13, 2018 the Applicant, by its counsel, contacted Susan P. Panek, Deputy Director Community Long Term Care and Nursing Home Services, Long Term Services and Supports Administration, Office of Health Services, Maryland Medicaid Program, MDH, to request a new MOU at the currently effective Medicaid participation rate of 46.90 and applicable to all of Lorien Columbia's 245 beds.

Finally, Lorien Columbia will certainly accept a condition of approval, if necessary, that it execute and obtain the revised MOU. Accordingly, the Applicant is consistent with the requirements of this standard.

\* \* \* \* \*

*(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.*

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**RESPONSE:** As shown by the letter from Mr. Wayne Brannock, Chief Operating Officer, Lorien Health Services, there are no current outstanding Level G deficiencies at the facility or at any of the comprehensive care facilities managed by Lorien Health Services (See APX. 5). In addition, the facility will continue to be operated in accordance with Lorien's Quality Assurance Program, a summary of which is also attached as APX. 3. Accordingly, this Application 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.*

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**RESPONSE:** The proposed project is not for the relocation of a facility as contemplated by this standard. Accordingly, this standard is not applicable to this 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.*

---

**RESPONSE:** Lorien Columbia is consistent with this standard since its license remains in good standing; and, further, there are no outstanding Level G or higher deficiencies at the facility (see APX. 5.) Accordingly, this Application is consistent with this standard.

\* \* \* \* \*

**(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.*

---

**RESPONSE:** Lorien Columbia is already enrolled as a Medicaid provider and far exceeds its required Medicaid participation level. It has requested a new MOU covering 245 beds at the current required participation level (assuming this 40 bed addition to its current 205 licensed beds is approved) which also includes its agreement to admit residents who are Medicaid eligible on admission. Accordingly, this Application is consistent with this standard.

\* \* \* \* \*

**(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:** The above standard is not applicable to this review since the proposed project is not a complete renovation of the entire facility. Rather, it is a 40-bed expansion project which also includes renovation of the unit which will house the additional beds. However, as shown in the project description, and the Responses to COMAR 10.24.08.05A.(5) Appropriate Living Environment and (7) Facility and Unit Design, above, the rehabilitation of the 3 South Unit will improve Resident Quality of Life and also improve Quality of Care by increasing Resident observation and activity area, while also creating a positive physical environment..

\* \* \* \* \*

**CONSISTENCY WITH COMAR CON REVIEW CRITERIA**

**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.*

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**RESPONSE:** In accordance with past MHCC practice, the Applicant relies on the utilization data and needs analysis already performed in the State Health Plan's (SHP) Bed Need Projection and finding of need by the MHCC. According to the MHCC's recently published new bed need projections (Maryland Register, Volume 43, Issue 9, Friday, April 29, 2016), Howard County needs 105 additional nursing home beds by 2016. However, 25 of those beds have been previously awarded thereby reducing bed need to 80 additional beds (*See Lorien Life Center Howard II, Inc. d/b/a Lorien Nursing & Rehabilitation Center ó Elkrigde, D.N. 16-13-2379, approved 2/16/2017.*)

This application proposes the addition of 40 of those beds to Lorien Columbia's existing 205 bed complement. It is therefore consistent with the controlling bed need determination by the MHCC. It must also be noted that 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, on the next page, 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**

<b>Age Cohort</b>	<b>2000</b>	<b>2010</b>	<b>% Change '00-'10</b>	<b>2015</b>	<b>% Change '10-'15</b>	<b>2020</b>	<b>% Change '15-'20</b>
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>)*

The proposed addition of these 40 beds will also result in the creation of single occupancy, Private Resident Rooms thereby bringing the unit's complement to 8 Private Rooms. The renovation will also substantially reduce the number of Resident Rooms in the existing Unit (before renovations) which share a toilet, thereby improving the patient experience and enabling Lorien Columbia to better serve the needs of the residents of Howard County, its primary service area.

It should also be noted that the proposed addition of 40 beds already found needed by the State Health Plan would not have any material negative impact on the County's existing providers since (1) it represents a small percentage of the existing inventory of 602 beds; and (2) the existing public providers have healthy occupancy levels. (See APX. 4; See also discussion under 10.24.01.08G(3)(f). *Impact on Existing Providers* below).

For all these reasons, the proposed expansion is consistent with this criterion and the Commission's own determination of Need.

As required, a Statement of Assumptions and Tables D and E are included with the CON Table Package at APX. 1.

\* \* \* \* \*

***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*

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**RESPONSE:** Lorien Columbia has intended to renovate the vacated 3 South Unit of its original building and to bring it back into service so that it could better meet the needs of the population and meet the expected demand for admission to a newly refurbished setting. With the redevelopment initiatives being undertaken in Columbia, the continued growth of Howard County, and the unfilled need for additional comprehensive care beds, the Applicant has determined the timing is appropriate for the renovation / expansion project to proceed. Further, the existing facility is operating with only 15 Private Rooms and the proposed addition will add a total of 8 additional Private Rooms to the bed complement (total = 23 Privates). In view of all of the above, Lorien Columbia's proposal to add 40 additional beds in newly renovated space can be easily accommodated.

The primary goals of the planning process were to (1) to expand the bed complement to meet demand for additional services; (2) to expand the bed complement so as to achieve greater efficiencies and economies of scale; (3) to increase the number of Private Single Occupancy Rooms so as to enhance the quality of life of Lorien Columbia's residents and help meet consumer preferences; and (4) to achieve business growth as a for-profit provider of quality health care services while contributing to growth in local and state economic development.

The Applicant's internal planning process considered several alternatives. The alternative of doing nothing was considered and quickly rejected because it would mean Lorien Columbia's third floor South Unit would not be able to serve the residents it was built to serve. Further, this alternative would effectively mean that the Applicant would shirk its mission of serving as an important community resource offering needed services to a growing population, particularly at a time when important revitalization efforts are underway in Columbia. In addition, this alternative would be contrary to Lorien Columbia's functioning as a for-profit, tax-paying business which provides employment and economic activity which benefit the local and state economies.

The alternative of simply converting existing Private Occupancy Rooms to Semi ó Private, Double Occupancy Rooms was rejected since it would come at the expense of losing Private Rooms and would continue to maintain the 3 South Unit for non ó patient uses. This alternative would also not allow Lorien Columbia to make a more positive impact on the local and state economies.

No other alternatives were available to the Applicant's desire to increase its complement of Private Patient Rooms and to bring a renovated Unit back online. Likewise, in the last two review cycles, no other applicants have stepped forward to meet any of the County's bed need. Further, other Lorien managed facilities cannot contribute to meeting the need for additional services since Encore at Turf Valley and Lorien Elkridge are currently undergoing their own bed expansion projects (28 beds at Encore and 25 beds at Elkridge.).

The applicant thus determined that a 40 bed increase coupled with a renovation of its existing Unit would provide a very cost effective method of increasing its supply of Private Rooms while helping to meet the need for additional beds in Howard County as identified by the



State Health Plan. In addition, the Applicant's Project Costs for this expansion are much less expensive than a newly constructed facility.

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, Lorien Columbia'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 State Health Plan identified bed need for Howard County. It is, therefore, consistent with this Criterion.

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***10.24.01.08G(3)(d). Viability of the Proposal.***

***For purposes of evaluating an application under this subsection, the Commission shall consider the availability of financial and non-financial 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.***

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**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.*
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**RESPONSE:** The proposed project will be funded through a combination of owners' equity contribution and commercial lending (mortgage plus FFE loan), as shown on Table C, Project Budget at APX. 1. A favorable borrowing climate and the sponsor's excellent relationship with lenders made conventional financing the most attractive option. The project sponsor has not had any difficulties in obtaining financing for any of its nursing facility developments, as shown by the letter of interest in providing financing from a Bank lender included at APX. 6.

The applicable Utilization, Revenue & Expense Tables and the Workforce and Bedside Care Staffing worksheets from the CON Table Package included following the Statement of Assumptions, show that the project is financially viable and feasible. The Statement of Assumptions and additional information provided at APX. 1 demonstrates that reasonable operating projections support the project. The Applicant does not have audited financial statements. However, a letter from an independent certified public accountant (Michael J. Snarski, CPA) is also included at APX. 6. This letter documents Mr. Snarski's familiarity with the financial condition of the Owners and their financial ability to meet the funding requirements of the project.

A Statement of Daily Rates and Charges is included at APX. 7. Letters of support for the proposed project are included at APX. 8. Additional letters of support for the project will be submitted to the Commission as they are received.

Staffing patterns are appropriate as shown by the information contained in the Workforce and Staffing Tables H and I attached as APX. 1. Lorien does not anticipate difficulty in recruiting the small number of additional incremental staffing required as a result of its very well ó maintained facility and readily accessible location. Typically, Lorien utilizes a Staff Recruitment Plan that features the following efforts, as necessary:

*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 Expos: Lorien Recruiting Staff will regularly attend Job expos and all appropriate scheduled community events.*

*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.*

Tables E through I are included in the CON Table Package at APX. 1 which also includes a Statement of Assumptions re Utilization, Revenue and Expense Projectionsø used in the Tables D through H.

Accordingly, the proposed project is consistent with this criterion.

#### 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 preferences in obtaining each previous Certificate of Need, or provide the Commission with 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.*

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**RESPONSE:** The Applicant is an independent entity formed in 1977. It is the only facility owned by its sole stockholder (*see* PART I - PROJECT IDENTIFICATION AND GENERAL INFORMATION, Responses to Questions 2 and 9, above.) Lorien Columbia has not received any CONs within the last 15 years. It does not have a parent corporation, formal affiliates or subsidiaries. However, the sole stockholder's adult children own other existing Nursing Facilities managed by Lorien Health Services which have received a number of CONs in the last 15 years, as discussed below. On information and belief, none of these facilities were involved in comparative reviews that involved the awarding of preferences. Each facility has met all requirements and remains in good standing with Federal and State requirements. Based on counsel's records, these facilities have received the following CONs in the last 15 years:

**Lorien Elkridge (2007, 2008, and 2017):** Lorien Elkridge has received three CONs in the last 15 years. D.N. 06-13-2185 was approved September 20, 2007 and authorized the establishment of a 60 bed nursing facility using beds transferred from Lorien Columbia. On February 19, 2009, while the original project was being developed, the MHCC also approved D.N. 08-13-2246 which authorized an additional 4 beds (64 total. *Note:* 6 creep beds were added in 2014 bringing the bed complement to the current 70 beds) which had been found to be needed by new SHP bed need projections. Both approvals carried the same standard conditions, namely submission of a Medicaid MOU; submission of Transfer and Referral Agreements prior to pre-licensure certification; and development of no more than 2 beds per patient room. On March 5, 2012, the Applicant submitted its request for pre-licensure certification with

documentation demonstrating compliance with the first two conditions. The licensing survey demonstrated compliance with the third condition regarding the prohibition of more than two beds per room. The Commission granted First Use Approval on April 18, 2012 and found all three Conditions had been met. Lorien Elkridge opened in July, 2012 ahead of its September, 2012 deadline for completion and First Use. The required utilization in the Medicaid MOU has been met per the facility's filed Cost Reports: FY 2014 - 51% and FY 2015 - 47.92%.

During the course of its development, the project received two Modifications in response to the economic pressures and housing collapse caused by the Great Recession and the subsequent Stimulus funding enacted to jump start the economy, as follows:

*First Modification* - Initially, the approved project combined the Nursing Facility with an attached, non-CON regulated Assisted Living Facility (ALF) to be constructed on its site along the Route 1 Revitalization Corridor in Elkridge, a long neglected area which Howard County officials prioritized for revitalization and modern re-development. However, following Lorien Columbia's CON approvals, the economy crashed as a result of the Great Recession. The housing market was severely impacted. Since utilization of Lorien ALFs is dependent on the prior sale of private residences, the applicant determined it would be prudent to convert the Nursing Facility to a freestanding facility to ensure it would not be impacted by a potentially underperforming ALF caused by conditions in the housing market. Accordingly, revised Drawings and budgetary / operating projections were submitted. The Commission approved the first Modification in February 2010.

*Second Modification* - The Howard County government singled out Lorien Elkridge as eligible for stimulus bond financing under the American Recovery and Reinvestment Act (ARRA). On December 16, 2010, the Commission approved the change in financing to tax exempt ARRA-funded Recovery Zone Facility Bonds and minor design changes deemed not to be significant. The Commission calculated that this change would save the State of Maryland \$109,000 per year in reduced Medicaid reimbursement to the facility.

Lorien Elkridge received its third CON authorizing a 25 bed expansion on February 16, 2017 (D.N. D.N. 16-13-2379). The project is in the development phase and remains in good standing.

**Lorien Mays Chapel (2005 & 2005):** Lorien LifeCenter Baltimore County dba Lorien Mays Chapel, has received two CONs within the last 15 years. The first, Docket No. 04 ó 03 - 2143, authorized the construction of a 70 ó bed freestanding Nursing Facility on a site within a Planned Unit Development known as Mays Chapel North, at 12230 Roundwood Road in Cockeysville, Baltimore County. These 70 beds were purchased by the sponsors from another facility where they were deployed in Quad four-bed rooms in an obsolete physical plant.

While the project was under development, the sponsors also purchased 15 more beds from a defunct nursing facility. A second CON Application (D.N. 05 ó 03 ó 2168) was filed and Approved on November 22, 2005 authorizing the relocation of those 15 beds thereby increasing the total bed complement to 85 beds at the new facility. The project sponsors moved forward with a 27 month accelerated development schedule made possible by the fact that the project was located within a Planned Unit Development, thus streamlining and simplifying the development process.

A number of conditions were imposed including submission of Transfer and Referral Agreements, a Medicaid MOU, a Resident and Family Council Grievance Procedure, and no more than two beds per room. Development proceeded as planned and without complications. On June 20, 2007 MHCC Staff accompanied OHCQ on the licensing agency's survey. On June 21, 2007 the facility was officially licensed, open and accepting patients, thereby meeting the requirements of its accelerated development schedule. On June 22, 2007, the MHCC issued First Use Approval finding that the project was consistent with the CON Approval.

The facility's Cost Reports demonstrate that it has maintained its required Medicaid Utilization levels per its MOU, as follows: FY 2014: 62.34%; FY 2015 62.01 %.

**Encore at Turf Valley (originally called ‘Lorien LifeCenter - Ellicott City’)**: Encore has received three CONs in the last 15 years: D.N. 01-13-2084; D.N. 05-13-2159; and D.N. 15-13-2365 (expansion). These projects are discussed below.

D.N. 01-13-2084 was approved in 2002 for a 63 bed Nursing Facility attached to a non 6 CON regulated Assisted Living Facility at a site across the Little Patuxent River in the luxurious Turf Valley planned golf course community then under development in Ellicott City. 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 project’s approved site in the Master Development as a result of the environmental impacts caused by a required stream crossing necessary to allow site access. 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 parcel of land also within the Turf Valley community. The new site avoided the necessity of crossing the environmentally sensitive stream, and also allowed expeditious development of the project.

However, even though the new site was in eyesight of the approved site, the MHCC required the Applicant to file a new CON Application (D.N. 05-13-2159). This application was approved October 19, 2006 without conditions, except for the Performance Requirements. The project then proceeded in active development and remained in in good standing through its opening.

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 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:

o 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).

o 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.

o 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.



**“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, citing a statement by Pamela Barclay, Deputy Director, MHCC:

-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.

öThe 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.

öLorien 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. Thus, on October 5, 2006, the MHCC's Executive Director granted the Applicant a Stay of the running of the Performance Requirements.

As the Mangione Family became increasingly confident that the courts would uphold the County's land use approval process and also decisions approving Encore's development, they filed for modifications to the project including design changes (2006) and budget increases

(2008).<sup>1</sup> 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. By letter dated September 17, 2008, Encore submitted its Medicaid MOU dated September 11, 2008 and specifying a Medicaid Utilization level of 47.35% in satisfaction of the Condition. On January 4, 2010, and again on March 18, 2010, the Applicant filed its Request for 1st Use Review and Approval. The MHCC determined the project was consistent with the CON approval and that all conditions were met via granting 1<sup>st</sup> 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 also began admitting residents).

Accordingly, the MHCC and Staff have 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. The record shows that the Applicant fought hard to bring this project to fruition and persevered despite obstacles.

As a result of the popularity of Encore and the need for additional beds to serve the residents of Howard County, the sponsors determined to seek a 28 bed expansion of the Nursing Facility. Accordingly, on September 17, 2015 the MHCC approved Encore's CON Application and awarded the sponsors a new CON (D.N. 15 ó 13 ó 2365) authorizing development of a 28 bed addition. The only condition was submission of the required Medicaid MOU at the time of First Use Review. The project is in good standing and is nearing completion and first use. The

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<sup>1</sup> It should be noted that the October 18, 2008 Modification to update the Budget due to the delays encountered by the appeals, formalized a new set of Performance Requirements requiring that the sponsors had until 2 years and 14 days from the date of a final judicial decision resolving the appeals to execute a Construction Contract and 18 months from that date to license the facility.

sole Condition was met on January 13, 2018 when a new Medicaid MOU was submitted to the Commission as part of Encore's Request for 1<sup>st</sup> Use Review.

Finally, Cost Reports show that Encore is meeting its current 47.35% required Medicaid MOU utilization level: FY 2014 ó 50.43%; FY 2015 ó 56.21%; and 51.18% FY 2016.

**Lorien Nursing & Rehabilitation Center - Belair:** Lorien Bel Air has received three CONs in the last 15 years, D.N. 01 - 12 ó 2085, D.N. 13 ó 12 ó 2345, and D.N. 15 ó 12 ó 2358, as follows.

D.N. 01 - 12 - 2085 was approved in June, 2002 and authorized a 22 bed expansion of the previously approved 40 bed Nursing Facility (with a 56 unit non CON- regulated ALF.) The 22-Bed CON was issued with Conditions as follows: (1) Obligate 51% of the approved capital expenditure by September, 2002; (2) Complete project by March 21, 2003; (3) no more than two beds per room; (4) submission of transfer / referral agreements prior to licensing; (5) submission of Medicaid MOU prior to pre-licensure certification; (6) No extensions of Performance Requirements except for extraordinary cause shown. This 22 bed project was completed and the beds were licensed in October, 2002 *five months ahead of the March 2003 deadline imposed by Condition 2.* The MHCC issued Pre-licensure Certification authorizing licensure and finding that all conditions had been met, including submission of transfer and referral agreements and the Medicaid MOU.

Regarding the MOU, the original required Medicaid utilization level was 66.5%. Initially, Lorien Bel Air experienced difficulty in attaining what soon became clear was an unrealistically high Medicaid utilization level for a number of reasons. First, the health care system had entered a transitional phase with greater emphasis on community based alternatives to traditional long term Medicaid stays. In recognition of this, as further discussed below, after Lorien Bel Air signed the MOU at the 66.5% level, the MHCC and Medical Assistance Program joined in adjusting the required utilization levels by reducing them by 15.5% to reflect these changing realities, effective March 12, 2007.

In evaluating its Medicaid Utilization in its early years, it should be noted that Lorien Bel Air was designed to provide a substantial portion of its services for shorter term rehabilitation patients who would be returned to residential settings rather than transitioning to long term Medicaid stays. Secondly, the calculation of Medicaid Utilization levels failed to acknowledge that the methodology was skewed against a facility with a small number of Nursing beds (e.g. initially 62, then 69 effective 12/1/2005 due to adding 7 creep beds). For a facility with fewer beds like Lorien Bel Air, a small number of residents can result in substantial changes in Medicaid Utilization. Further, when a Medicaid patient is transferred to a hospital for acute care, that patient will become a Medicare patient for a time upon returning to the facility after a three day qualifying hospital stay since such patients are typically dually eligible under both the Medicare and Medicaid programs. The result is to further decrease Medicaid Utilization even though the facility is serving the same patients and is *not* refusing to serve Medicaid patients.

In reviewing its early Medicaid Utilization, it should also be noted that Lorien Bel Air's FY is based on the Calendar Year. Thus, the facility's first *full year of operations* was not FY 2003 since Lorien Bel Air did not open until *October, 2002*. Under the MOU a facility has three years to reach the required Medicaid Utilization level. In Lorien Bel Air's case, its Medicaid Utilization levels during its first three years of full operations were 34% in 2004, 37.6% in 2005, and 39.1% in 2006. While these percentages were short of the unrealistically high 66.5% specified in its outdated 2002 MOU, they were found to represent substantial progress in a letter dated June 29, 2005 from Elizabeth Groninger, Chief, Division of LTC, DHMH.

Further, Lorien notes that aside from the level specified in the MOU, the *actual* Medicaid participation level *fluctuates* based on the yearly changes noted in the regular updates to the minimum Medicaid Participation Levels the MHCC publishes in periodic updates to Supplement 3 of the Long Term Care Chapter of the State Health Plan. Lorien Bel Air's early Medicaid Utilization was, in fact, close to the Medicaid Utilization specified in the MHCC's Supplement 3 which reflected actual experience in Central Maryland and Harford County. Thus, even though Lorien Bel Air did not reach the unrealistic 66.5% Medicaid Utilization rate specified in its 2002 MOU, by its fifth full year of operations in 2008, its Medicaid utilization paralleled the actual Harford County average as follows:

<u>Fiscal Year</u>	<u>Harford County Medicaid Level</u>	<u>Lorien Bel Air Medicaid Level<sup>2</sup></u>
2007	46.82%	47.86%

In addition, the record reflects that Lorien Bel Air's request to reduce the required Medicaid utilization rate by the new 15.5% adjustment slipped through the cracks. MHCC Staff did not reply to Lorien Bel Air's request in letters to Mr. Parker dated December 14, 2007 and February 13, 2008 for approval to enter into a new MOU with a reduced utilization rate. Nevertheless, the Medical Assistance Program entered into a new MOU effective December, 2007 with a revised Medicaid Utilization Rate of 46.8%.

As the MHCC found in its July 16, 2013 Decision approving a further expansion of Lorien Bel Air (*see* D.N. 15 ó 12 ó 2358), the facility has met its adjusted Medicaid Utilization Level in years FY 2008 through FY 2013. Further, the facility's filed Cost Reports show that in FYE 2014 and 2015, Lorien Bel Air experienced Medicaid Utilization Rates of 49.73% and 47.45% respectively, thus continuing to meet the MOU's required rate.

A second CON, D.N. 13 ó 12 ó 2345, was approved in February, 2014 to add 21 additional beds to the facility. However, following approval, the MHCC discovered it had erred in its projections and released corrected bed need projections in October, 2014 showing the need for 97 beds for the same 2016 Target Year. Accordingly, Lorien Bel Air determined to enlarge its expansion project and filed a CON Application for an additional 27 beds. This new application, D.N. 15 ó 12 ó 2358, was approved on July 16, 2015. It superseded the earlier 21 bed project authorized by D.N. 13 ó 12 ó 2345, and authorized an expansion totaling 48 beds (21 + 27 beds = 48). This project included only one condition, namely submission at the time of first use review of a new Medicaid MOU covering all the facility's beds. The CON is in good standing and the project is in the development phase and will soon be under construction.

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<sup>2</sup> Source: Lorien records based on MHCC Medicaid Participation Rate Updates and Lorien Bel Air Cost Reports

**Lorien Nursing & Rehabilitation Center – Bulle Rock:** Lorien Bulle Rock received one CON, D.N. 08 ó 12 ó 2288 which was approved on April 16, 2009 authorizing construction of a 78 bed Nursing Facility on a site along U.S. Route 40 adjacent to the golf course community of Bulle Rock in Havre de Grace, in Harford County. The project utilized 61 beds found to be needed under the State Health Plan and 17 Nursing beds acquired from Harford Memorial Hospital which was eliminating its subacute unit (61 + 17 = 78 beds). The project also received approval of a Modification Request on December 15, 2011 covering certain design changes and re-positioning the facility so that it was perpendicular rather than parallel to railroad tracks at the rear of the site.

Two standard conditions were placed on the approval: submission of a Medicaid MOU prior to first use approval; and submission of transfer and referral agreements prior to first use approval.

By letter dated February 14, 2013, Lorien Bulle Rock, by its counsel, requested First Use Review and Approval. This request also included submission of the required Medicaid MOU with a 47.92 Utilization level; and written Transfer and Referral Agreements with other health care providers within the long term care continuum. On April 2, 2013, the MHCC issued First Use Approval which included the finding that the project is complete and consistent with the terms of the April 16, 2009 CON and the December 15, 2011 Modification.

Based on its Cost Reports, Lorien Bulle Rock has exceeded the required Medicaid Utilization level and has reported the following Medicaid percentages in its second and third years of operation: FY 2014 ó 50.67% and FY 2015 ó 55.04%.

**Lorien Harford III, LLC (D.N. 15-12-2359):** This project was approved June 18, 2015 for a 70 bed freestanding Nursing Facility planned to be located on a site at 2000 Rock Spring Road in Forest Hill, Harford County. The project was envisioned as an inpatient component of a campus that ultimately would also include a Geriatric Urgent Care Center. However, the project encountered difficulties with access to the site since the sponsors could not obtain approval for both left and right

turn access to the site from Rock Spring Road. In addition, the sponsor had anticipated that a hospital would locate the urgent care center on the site. However, a different site was selected.

Although the sponsor sought a meeting with MHCC Staff to discuss options for bringing these beds into service, the meeting was not productive. Thereafter, the sponsor acceded to the Executive Director's February 5, 2016 recommendation that it relinquish the CON with the option of re-applying for these beds in the future. Accordingly, by letter dated February 25, 2016 the sponsors relinquished the CON.

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**10.24.01.08G(3)(f). Impact on Existing Providers.**

***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:** In a CON review decided September 17, 2015, the Commission determined that the addition of 28 beds to the 63 bed Encore at Turf Valley facility will not have a significant impact on the market share or financial performance of other CCFs in Howard County, while the incremental increase would allow greater access for the elderly population (See *Lorien Howard, Inc., D.N. 15 – 13 – 2365*; Decision at p. 20). Further, Staff concluded that the addition of those beds would not negatively impact existing providers while having a positive impact on the residents of Howard County (Decision at p. 21).

Further, in another CON review decided a little over one year ago on February 16, 2017, the Commission approved the addition of 25 beds to Lorien Elkridge and found that the minor increase in beds (4.2%) would not have a negative impact on other county providers or the health care system. Staff's finding that the project was consistent with this criterion also rested on the finding that the State Health Plan identified the beds as being needed, and that the Department of State Planning projected that the population aged 65+ will grow 27.8% between 2015 and 2020. (see *Lorien Life Center Howard II, Inc. d/b/a Lorien Nursing & Rehabilitation – Elkridge, D.N. 16-13-2379*; Decision at pp. 19 - 20.)

The very same rationale applies to Lorien Columbia's proposal to add 40 beds. There is a need for 80 beds in Howard County and the proposed addition is for a similarly small number of beds. Further, the other public facilities in Howard County are experiencing healthy occupancy levels. Thus, approval of this project would not have an adverse impact on other County providers serving the general public while having a positive impact on the residents of Howard County by helping to meet the need for additional beds identified by the State Health Plan.

In this regard, the four Nursing Facilities which currently serve the county's general population (e.g. non-CCRCs not open to the public) have shown healthy occupancies with a 92.38 combined facility average as shown by Table 2, below.



**Table 2**  
**Licensed Beds, Patient Days, and Percent Occupancy FY 2016**  
**Non-CCRC Nursing Homes in Howard County**

Facilities	% Occupancy
Lorien Nursing and Rehabilitation Center Columbia	90.29%
Ellicott City Health & Rehabilitation Center	95.85%
Encore at Turf Valley	93.40%
Lorien Nursing and Rehabilitation Center - Elkridge	<u>89.98%</u>
Average	92.38%

*Source:* Applicable Medicaid Cost Reports for all facilities (see APX. 4).

In addition, the FYE 6/30/2017 Cost Report attached at APX 4 also shows that Lorien Columbia has continued to experience a healthy occupancy level of 91.67%. Given the SHP’s finding that 105 additional beds are *needed in 2016* and that the proposed 40 beds will not come online until 2019, there will be even more built up demand. Therefore, at most, these new beds can have only a negligible impact on the volume of services or patient mix at existing facilities.

It should also be noted that there are 602 beds in the Howard County Bed inventory. The addition of only 40 new beds amounts to so small an increase (0.066%) that it cannot be reasonably found to have a potentially meaningful negative impact on the existing facilities or costs to the system while increasing access to services. As discussed in the Statement of Assumptions re Utilization, Revenue, and Expense projections Tables D to H included at APX. 1, this 40 bed project is not projected to have an adverse impact on private pay charges of the facility and no or minimal impact on the charges related to Medicaid and Medicare patients.

Further, as shown by Project Budget at Table C (APX. 1) the project's construction costs are reasonable for the scope of renovations. Likewise, the operating projections set forth above in the various Tables at APX. 1 demonstrate financial feasibility and reasonable costs to the system.

Finally, approval of this modest expansion project will have a positive impact on the existing health care system because it will allow existing, outdated infrastructure to be renovated in a way that increases the number of Private, single occupancy resident rooms.

For all of these reasons, the proposed Lorien Columbia project is consistent with this Criterion.

[ END ]

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**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		
<b>COMPREHENSIVE CARE</b>						<b>COMPREHENSIVE CARE</b>						
1st - Renaissance Wing	61	9	26	35	61	1st - Renaissance Wing	9	26	35	61		
2nd - Renaissance Wing	53	3	25	28	53	2nd - Renaissance Wing	3	25	28	53		
2nd - West Wing	31	3	14	17	31	2nd - West Wing	3	14	17	31		
2nd - South Wing	60	0	30	30	60	2nd - South Wing	0	30	30	60		
3rd - South Wing	0			0	0	3rd - South Wing	8	16	24	40		
<b>SUBTOTAL Comprehensive Care</b>	<b>205</b>	<b>15</b>	<b>95</b>	<b>110</b>	<b>205</b>	<b>SUBTOTAL</b>	<b>23</b>	<b>111</b>	<b>134</b>	<b>245</b>		
<b>ASSISTED LIVING</b>						<b>ASSISTED LIVING</b>						
<b>TOTAL ASSISTED LIVING</b>						<b>TOTAL ASSISTED LIVING</b>						
<b>Other (Specify/add rows as needed)</b>				0	0	<b>Other (Specify/add rows as needed)</b>			0	0		
<b>TOTAL OTHER</b>						<b>TOTAL OTHER</b>						
<b>FACILITY TOTAL</b>	<b>205</b>	<b>15</b>	<b>95</b>	<b>110</b>	<b>205</b>	<b>FACILITY TOTAL</b>	<b>23</b>	<b>111</b>	<b>134</b>	<b>245</b>		

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**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				Total After Project Completion
	Current	To be Added Thru New Construction	To Be Renovated	To Remain As Is	
Basement	5,938			5,938	5,938
First Floor - South Wing	9,495			9,495	9,495
First Floor- Subleased Area	4,160			4,160	4,160
Second Floor - South	13,655			13,655	13,655
Third Floor - South	13,655		13,655	0	13,655
First Floor - West Wing	14,396			14,396	14,396
Second Floor - West	14,396			14,396	14,396
1st Floor - Renaissance Wing	22,795			22,795	22,795
2nd Floor- Renaissance	22,795			22,795	22,795
Connecting Corridor	1,243			1,243	1,243
					0
					0
					0
					0
					0
<b>Total</b>	<b>122,528</b>	<b>0</b>	<b>0</b>	<b>108,873</b>	<b>122,528</b>

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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
<b>A. USE OF FUNDS</b>			
<b>1. CAPITAL COSTS</b>			
a. Land Purchased/Donated			\$0
<b>b. New Construction</b>			
(1) Building			\$0
(2) Fixed Equipment			\$0
(3) Site and Infrastructure			\$0
(4) Architect/Engineering Fees			\$0
(5) Permits (Building, Utilities, Etc.)			\$0
<b>SUBTOTAL New Construction</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>c. Renovations</b>			
(1) Building	\$700,000		\$700,000
(2) Fixed Equipment (not included in construction)	\$20,000		\$20,000
(3) Architect/Engineering Fees	\$60,000		\$60,000
(4) Permits (Building, Utilities, Etc.)	\$20,000		\$20,000
<b>SUBTOTAL Renovations</b>	<b>\$800,000</b>	<b>\$0</b>	<b>\$800,000</b>
<b>d. Other Capital Costs</b>			
(1) Movable Equipment	\$300,000		\$300,000
(2) Contingency Allowance	\$50,000		\$50,000
(3) Gross interest during construction period	\$0		\$0
(4) Other (Specify/add rows if needed)			\$0
<b>SUBTOTAL Other Capital Costs</b>	<b>\$350,000</b>	<b>\$0</b>	<b>\$350,000</b>
<b>TOTAL CURRENT CAPITAL COSTS</b>	<b>\$1,150,000</b>	<b>\$0</b>	<b>\$1,150,000</b>
e. Inflation Allowance	\$84,000		\$84,000
<b>TOTAL CAPITAL COSTS</b>	<b>\$1,234,000</b>	<b>\$0</b>	<b>\$1,234,000</b>
<b>2. Financing Cost and Other Cash Requirements</b>			
a. Loan Placement Fees	\$8,000		\$8,000
b. Bond Discount			\$0
c. Legal Fees	\$7,500		\$7,500
d. Non-Legal Consultant Fees	\$12,500		\$12,500
e. Liquidation of Existing Debt			\$0
f. Debt Service Reserve Fund			\$0
g. Other - Legal CON	\$25,000		\$25,000
<b>SUBTOTAL</b>	<b>\$53,000</b>	<b>\$0</b>	<b>\$53,000</b>
<b>3. Working Capital Startup Costs</b>			
			\$0
<b>TOTAL USES OF FUNDS</b>	<b>\$1,287,000</b>	<b>\$0</b>	<b>\$1,287,000</b>
<b>B. Sources of Funds</b>			
1. Cash	\$187,000		\$187,000
2. Philanthropy (to date and expected)			\$0
3. Authorized Bonds			\$0
4. Interest Income from bond proceeds listed in #3			\$0
5. Mortgage	\$800,000		\$800,000
6. Working Capital Loans			\$0
<b>7. Grants or Appropriations</b>			
a. Federal			\$0
b. State			\$0
c. Local			\$0
8. Other - FFE Loan	\$300,000		\$300,000
<b>TOTAL SOURCES OF FUNDS</b>	<b>\$1,287,000</b>	<b>\$0</b>	<b>\$1,287,000</b>
<b>Annual Lease Costs (if applicable)</b>			
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.			

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## **PROJECT BUDGET STATEMENT OF ASSUMPTIONS**

### **Renovation Cost Estimates**

The construction budget estimates were developed by the Applicant's affiliated construction management firm, Commercial Contractors, Inc., based upon their many years of experience in the construction industry and knowledge of current industry conditions. Financial aspects of the Budget were developed by the project sponsors and financial consultant and are also based on their years of experience as developers of a variety of commercial building projects, including hotels, office buildings, conference centers and health care facilities.

### **Capitalized Interest**

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

*Capitalized Construction Interest Calculation:* No estimated construction period interest is projected as the owner will fund construction/renovation costs until the completion of the project and permanent financing is placed.

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 \$50,000. 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 25 month time frame from application date to midpoint of construction (April 2020) at an estimated inflation rate of 3.5% per year (7.29% for the 25 month period). This inflation allowance rate of 7.29% is multiplied by Total Current Capital Costs to result in estimated inflation of \$84,000.

The 3.5% annual inflation rate is a projected estimate based upon historical inflation data, rounded upward so as to be conservative. The United States of America, Bureau of Labor Statistics "Consumer Price Index- January 2018" news release dated February 14, 2018 reports the annual increase in overall CPI (Consumer Price Index) to be 2.1% and the "Housing-Shelter" component to be 3.2%.



**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.

	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.						
Indicate CY or FY- FY June	2016	2017	2018	20X1	20X2					
<b>1. ADMISSIONS</b>										
a. Comprehensive Care (public)	482	572	600	744	720					
b. Comprehensive Care (CCRC Restricted)										
<b>Total Comprehensive Care</b>	<b>482</b>	<b>572</b>	<b>600</b>	<b>744</b>	<b>720</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
c. Assisted Living										
d. Other (Specify/add rows of needed)										
<b>TOTAL ADMISSIONS</b>	<b>482</b>	<b>572</b>	<b>600</b>	<b>744</b>	<b>720</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>2. PATIENT DAYS</b>										
a. Comprehensive Care (public)	68,412	68,595	69,645	76,371	82,784					
b. Comprehensive Care (CCRC Restricted)										
<b>Total Comprehensive Care</b>	<b>68,412</b>	<b>68,595</b>	<b>69,645</b>	<b>76,371</b>	<b>82,784</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
c. Assisted Living										
d. Other (Specify/add rows of needed)										
<b>TOTAL PATIENT DAYS</b>	<b>68,412</b>	<b>68,595</b>	<b>69,645</b>	<b>76,371</b>	<b>82,784</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>3. NUMBER OF BEDS</b>										
a. Comprehensive Care (public)	207.01	205	205	245	245					
b. Comprehensive Care (CCRC Restricted)										
<b>Total Comprehensive Care Beds</b>	<b>207</b>	<b>205</b>	<b>205</b>	<b>245</b>	<b>245</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
c. Assisted Living										
d. Other (Specify/add rows of needed)										
<b>TOTAL BEDS</b>	<b>207</b>	<b>205</b>	<b>205</b>	<b>245</b>	<b>245</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>4. OCCUPANCY PERCENTAGE *IMPORTANT NOTE: Leap year formulas should be changed by applicant to reflect 366 days per year.</b>										
a. Comprehensive Care (public)	90.3%	91.7%	92.8%	85.4%	92.6%	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
b. Comprehensive Care (CCRC Restricted)										
<b>Total Comprehensive Care Beds</b>	<b>90.3%</b>	<b>91.7%</b>	<b>92.8%</b>	<b>85.4%</b>	<b>92.6%</b>	<b>#DIV/0!</b>	<b>#DIV/0!</b>	<b>#DIV/0!</b>	<b>#DIV/0!</b>	<b>#DIV/0!</b>
c. Assisted Living										
d. Other (Specify/add rows of needed)										
<b>TOTAL OCCUPANCY %</b>	<b>90.3%</b>	<b>91.7%</b>	<b>92.8%</b>	<b>85.4%</b>	<b>92.6%</b>	<b>#DIV/0!</b>	<b>#DIV/0!</b>	<b>#DIV/0!</b>	<b>#DIV/0!</b>	<b>#DIV/0!</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>	<b>0</b>	<b>0</b>	<b>0</b>

Note- FY 2016 # of Beds based upon weighted average for the year (209 beds from 7/1 through 12/31/15, then 205 beds effective 1/1/2016).

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## **Statement of Assumptions re: Utilization, Revenue, and Expense projections Tables D to H**

All assumptions used in developing utilization, revenue, and expense projections in Table D, E, 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 Columbia'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.

### **Utilization**

It is estimated that the 40 bed project will phase up its occupancy over twelve months. Upon reaching stabilized occupancy, it is projected that the 40 beds will maintain occupancy of 90% and the overall facility will maintain an overall occupancy level of 92.2%.

### **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 \$523.44 per patient day. For the proposed 40 bed project, the average Medicare Part A rate is estimated to be \$465.95 per patient day. When blending estimated rates of the existing facility with the 40 bed project, it is estimated that the average Medicare Part A rate will average \$516.40 per patient day in Year 20X2.

Private Pay Rate Assumption- The current private pay rates vary depending upon the nursing unit, patient's services, and the configuration of the unit (semi-private room or private room). The average private pay rate is \$367.06 per day for the existing operations, and for the proposed 40 bed project the average room rate is estimated to be \$375.00 per day for private pay patients in years 20X1 - 20X2. The reason for the estimated rate exceeding the current average rate correlates to the higher percentage of private rooms in the 40 bed project (8 private beds out of the 40 bed project) than the current configuration of the facility 915 private beds out of 205 licensed beds). No inflation adjustments applied to the rate.

The average Insurance rate is \$517.26 per day for the existing operations and for the proposed 40 bed project, the average private insurance rate is projected to be \$415.00 per patient day. The blended rate is estimated at \$503.36 for the entire facility in 20X2.

Medicaid rates are calculated based upon the State of Maryland's prospective reimbursement system, which became effective on January 1, 2015 and was fully implemented as of January 2017. The current Medicaid rate (as of January 1, 2018) is \$240.03 per patient day for long term care patients and \$739.34 per patient day for ventilator patients. For year 20X2, the Medicaid rate is projected to remain at \$240.03 and \$739.34 for long term care and ventilator care patients,

respectively. This rate assumption assumes that the facilities case mix index will remain the same as its current level.

As detailed above, the 40 bed project is projected to have no impact on private pay charges of the facility and no or minimal impact on the charges related to Medicaid and Medicare patients.

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

### **Payer Mix**

The projected payer mix is expected to have a slightly higher Medicaid utilization than the current payer mix of the facility.

### **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 insurance premiums).

### **Expense Assumptions- Financing and Project Depreciation**

As for the expense assumptions developed by the team of healthcare professional, specific costs for year 20X2 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 4.5% (which is consistent with current mortgage rate on the existing mortgage) and equipment loan financing is at an estimated rate of 5.5% 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

**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.

Indicate CY or FY- FY June	Projected Years - ending with full utilization and financial stability (3 to 5 years post project completion) Add columns if needed.					
	20X1	20X2				
<b>1. ADMISSIONS</b>						
a. Comprehensive Care (public)	144	120				
b. Comprehensive Care (CCRC Restricted)						
<b>Total Comprehensive Care</b>	<b>144</b>	<b>120</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
c. Assisted Living						
d. Other (Specify/add rows of needed)						
<b>TOTAL ADMISSIONS</b>						
<b>2. PATIENT DAYS</b>						
a. Comprehensive Care (public)	6,727	13,140				
b. Comprehensive Care (CCRC Restricted)						
<b>Total Comprehensive Care</b>	<b>6,727</b>	<b>13,140</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
c. Assisted Living						
<b>TOTAL PATIENT DAYS</b>						
<b>3. NUMBER OF BEDS</b>						
a. Comprehensive Care (public)	40	40				
b. Comprehensive Care (CCRC Restricted)						
<b>Total Comprehensive Care Beds</b>	<b>40</b>	<b>40</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
c. Assisted Living						
d. Other (Specify/add rows of needed)						
<b>TOTAL BEDS</b>	<b>40</b>	<b>40</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>4. OCCUPANCY PERCENTAGE</b> <i>*IMPORTANT NOTE: Leap year formulas should be changed by applicant to reflect 366 days per year.</i>						
a. Comprehensive Care (public)	46.1%	90.0%				
b. Comprehensive Care (CCRC Restricted)						
<b>Total Comprehensive Care Beds</b>	<b>46.1%</b>	<b>90.0%</b>				
c. Assisted Living						
d. Other (Specify/add rows of needed)						
<b>TOTAL OCCUPANCY %</b>	<b>0.0%</b>	<b>0.0%</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>

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**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.

Dollar 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.						
	2016	2017	2018	20X1	20X2					
<b>1. REVENUE</b>										
a. Inpatient Services	\$ 22,726	\$ 22,728	\$ 22,585	\$ 24,469	\$ 26,265					
b. Outpatient Services										
<b>Gross Patient Service Revenues</b>	<b>\$ 22,726</b>	<b>\$ 22,728</b>	<b>\$ 22,585</b>	<b>\$ 24,469</b>	<b>\$ 26,265</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
c. Allowance For Bad Debt	\$ 174	\$ 35	\$ 42	\$ 46	\$ 49					
d. Contractual Allowance										
e. Charity Care										
<b>Net Patient Services Revenue</b>	<b>\$ 22,552</b>	<b>\$ 22,693</b>	<b>\$ 22,543</b>	<b>\$ 24,423</b>	<b>\$ 26,216</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
f. Other Operating Revenues (Specify/add rows if needed)	\$ 226	\$ 261	\$ 149	\$ 154	\$ 159					
<b>NET OPERATING REVENUE</b>	<b>\$ 22,778</b>	<b>\$ 22,954</b>	<b>\$ 22,692</b>	<b>\$ 24,577</b>	<b>\$ 26,375</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>2. EXPENSES</b>										
a. Salaries & Wages (including benefits)	\$ 12,454	\$ 13,093	\$ 13,018	\$ 14,311	\$ 14,946					
b. Contractual Services	\$ 2,221	\$ 2,424	\$ 2,464	\$ 2,635	\$ 2,798					
c. Interest on Current Debt	\$ 188	\$ 194	\$ 192	\$ 186	\$ 184					
d. Interest on Project Debt				\$ 49	\$ 49					
e. Current Depreciation	\$ 695	\$ 770	\$ 811	\$ 811	\$ 811					
f. Project Depreciation				\$ 43	\$ 43					
g. Current Amortization				\$ -	\$ -					
h. Project Amortization				\$ 10	\$ 10					
i. Supplies	\$ 2,023	\$ 2,059	\$ 2,075	\$ 2,266	\$ 2,441					
j. Other Expenses (Specify/add rows if needed)	\$ 3,722	\$ 3,721	\$ 2,789	\$ 3,045	\$ 3,212					
<b>TOTAL OPERATING EXPENSES</b>	<b>\$ 21,303</b>	<b>\$ 22,261</b>	<b>\$ 21,349</b>	<b>\$ 23,356</b>	<b>\$ 24,494</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>3. INCOME</b>										
a. Income From Operation	\$ 1,475	\$ 693	\$ 1,343	\$ 1,221	\$ 1,881	\$ -	\$ -	\$ -	\$ -	\$ -
b. Non-Operating Income										
<b>SUBTOTAL</b>	<b>\$ 1,475</b>	<b>\$ 693</b>	<b>\$ 1,343</b>	<b>\$ 1,221</b>	<b>\$ 1,881</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
c. Income Taxes										
<b>NET INCOME (LOSS)</b>	<b>\$ 1,475</b>	<b>\$ 693</b>	<b>\$ 1,343</b>	<b>\$ 1,221</b>	<b>\$ 1,881</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

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**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.

Dollar 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.						
Indicate CY or FY- FY June	2016	2017	2018	20X1	20X2					
<b>4. PATIENT MIX</b>										
<b>a. Percent of Total Revenue</b>										
1) Medicare	20.67%	23.11%	24.27%	23.82%	23.46%					
2) Medicaid	71.03%	66.77%	65.50%	65.77%	66.00%					
3) Blue Cross										
4) Commercial Insurance	4.08%	5.06%	5.32%	5.22%	5.15%					
5) Self-pay	3.25%	3.56%	3.49%	3.80%	4.05%					
6) Other - Medicare Part B	0.97%	1.49%	1.42%	1.38%	1.35%					
<b>TOTAL</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>
<b>b. Percent of Inpatient Days</b>										
1) Medicare	12.84%	14.69%	15.03%	14.69%	14.41%					
2) Medicaid	82.21%	78.52%	78.52%	78.70%	78.85%					
3) Blue Cross										
4) Commercial Insurance	2.69%	3.36%	3.33%	3.28%	3.24%					
5) Self-pay	2.26%	3.43%	3.11%	3.32%	3.50%					
6) Other - Medicare Part B										
<b>TOTAL</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>

**TABLE F: SUPPLEMENTAL INFORMATION**

<b>REVENUE RECONCILIATION- INPATIENT SERVICES</b>										
1. a. Inpatient Services	\$ 22,726	\$ 22,728	\$ 22,585	\$ 24,469	\$ 26,265					
Medicare- Days	8784	10077	10471	11218	11931					
Medicare- Avg Rate PPD	\$ 534.87	\$ 521.24	\$ 523.44	\$ 519.61	\$ 516.40					
Medicare Revenue	\$ 4,698,298	\$ 5,252,535	\$ 5,480,940	\$ 5,829,005	\$ 6,161,227	\$ -	\$ -	\$ -	\$ -	\$ -
Medicaid- Days	56241	53859	54687	60106	65272					
Medicaid- Avg Rate PPD	\$ 287.01	\$ 281.78	\$ 270.51	\$ 267.76	\$ 265.56					
Medicaid Revenue	\$ 16,141,729	\$ 15,176,389	\$ 14,793,380	\$ 16,093,940	\$ 17,333,780	\$ -	\$ -	\$ -	\$ -	\$ -
Commercial Insurance Days	1838	2303	2321	2508	2686					
Commercial Insurance- Avg Rate PPD	\$ 504.49	\$ 499.69	\$ 517.26	\$ 509.64	\$ 503.36					
Commercial Insurance Revenue	\$ 927,253	\$ 1,150,786	\$ 1,200,560	\$ 1,278,165	\$ 1,352,035	\$ -	\$ -	\$ -	\$ -	\$ -
Self Pay- Comp Care Days	1549	2356	2165	2539	2895					
Self Pay- Average Rate	\$ 476.61	\$ 343.50	\$ 364.38	\$ 365.94	\$ 367.06					
Self Pay Revenue	\$ 738,269	\$ 809,286	\$ 788,883	\$ 929,133	\$ 1,062,633	\$ -	\$ -	\$ -	\$ -	\$ -
Medicare Part B- Revenue	\$ 220,840	\$ 338,946	\$ 321,286	\$ 338,776	\$ 355,450					
<b>TOTAL Inpatient Revenue</b>	<b>\$ 22,726,389</b>	<b>\$ 22,727,943</b>	<b>\$ 22,585,050</b>	<b>\$ 24,469,019</b>	<b>\$ 26,265,126</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
			69644	76371	82784	0				

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**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.

Dollar Amounts in Thousands Indicate CY or FY- FY June	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.						
	2016	2017	2018	20X1	20X2					
<b>2. j. Other Expenses (Specify/add rows if needed)</b>	\$ 3,722	\$ 3,721	\$ 2,789	\$ 2,789	\$ 2,789					
Gas & Electric	264	268	268	292	292					
Water & Sewer	85	79	81	90	99					
Insurance	123	147	152	191	191					
Mgt Fees	1,017	1,046	1,047	1,122	1,197					
Advertising	29	25	27	30	32					
Auto	6	9	9	10	11					
Bk Fees	12	9	8	9	10					
DP	101	80	81	97	97					
Dues&Sub	55	72	78	86	92					
Accounting	17	15	18	18	18					
Legal	27	19	26	26	26					
Telephone	44	54	56	61	66					
Equip Rental	108	146	154	161	168					
Seminars/Ed	12	3	6	7	7					
Meals & Ent	2	3		-	-					
Ground Rent	-	-	-	-	-					
Minor Equipment	38	39	26	29	31					
Building Rental	-	-	-	-	-					
R&M	150	96	142	156	168					
Contributions	6	10	13	14	15					
Other Prof Fees	-	-	-	-	-					
Fines & Penalties	-	-	-	-	-					
Cable TV	17	20	21	23	25					
Licenses & Fees	27	20	23	25	27					
RE Taxes	115	116	116	116	116					
Sales Tax	4	1	1	1	2					
TPPT Taxes	19	16	16	19	19					
Provider Tax	1,443	1,424	416	458	498					
Other/Rounding	1	4	4	4	5					
	<b>\$ 3,722</b>	<b>\$ 3,721</b>	<b>\$ 2,789</b>	<b>\$ 3,045</b>	<b>\$ 3,212</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

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**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.

Dollar Amounts in Thousands	Projected Years (ending five years after completion) Add columns of needed.						
Indicate CY or FY- FY June	20X1	20X2					
<b>1. REVENUE</b>							
a. Inpatient Services	\$ 1,884	\$ 3,680					
b. Outpatient Services							
<b>Gross Patient Service Revenues</b>	<b>\$ 1,884</b>	<b>\$ 3,680</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
c. Allowance For Bad Debt	\$ 4	\$ 7					
d. Contractual Allowance							
e. Charity Care							
<b>Net Patient Services Revenue</b>	<b>\$ 1,880</b>	<b>\$ 3,673</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
f. Other Operating Revenues (Specify)	\$ 5	\$ 10					
<b>NET OPERATING REVENUE</b>	<b>\$ 1,885</b>	<b>\$ 3,683</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>2. EXPENSES</b>							
a. Salaries & Wages (including benefits)	\$ 1,293	\$ 1,928					
b. Contractual Services	\$ 171	\$ 334					
c. Interest on Current Debt							
d. Interest on Project Debt	\$ 49	\$ 49					
e. Current Depreciation							
f. Project Depreciation	\$ 43	\$ 43					
g. Current Amortization							
h. Project Amortization	\$ 10	\$ 10					
i. Supplies	\$ 191	\$ 366					
j. Other Expenses (Specify)	\$ 256	\$ 423					
<b>TOTAL OPERATING EXPENSES</b>	<b>\$ 2,013</b>	<b>\$ 3,153</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

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**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.

Dollar Amounts in Thousands	Projected Years (ending five years after completion) Add columns of needed.						
Indicate CY or FY- FY June	20X1	20X2					
<b>3. INCOME</b>							
a. Income From Operation	\$ (128)	\$ 530	\$ -	\$ -	\$ -	\$ -	\$ -
b. Non-Operating Income							
<b>SUBTOTAL</b>	<b>\$ (128)</b>	<b>\$ 530</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
c. Income Taxes							
<b>NET INCOME (LOSS)</b>	<b>\$ (128)</b>	<b>\$ 530</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>4. PATIENT MIX</b>							
<b>a. Percent of Total Revenue</b>							
1) Medicare	18.48%	18.49%					
2) Medicaid	69.03%	69.03%					
3) Blue Cross							
4) Commercial Insurance	4.12%	4.12%					
5) Self-pay	7.44%	7.44%					
6) Other- Medicare Part B	0.93%	0.93%					
<b>TOTAL</b>	<b>100.0%</b>	<b>100.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>
<b>b. Percent of Inpatient Days</b>							
1) Medicare	11.10%	11.11%					
2) Medicaid	80.56%	80.56%					
3) Blue Cross							
4) Commercial Insurance	2.78%	2.78%					
5) Self-pay	5.56%	5.56%					
6) Other							
<b>TOTAL</b>	<b>100.0%</b>	<b>100.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>

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**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.

Dollar Amounts in Thousands	Projected Years (ending five years after completion) Add columns of needed.					
Indicate CY or FY- FY June	20X1	20X2				

**TABLE G: SUPPLEMENTAL INFORMATION**

REVENUE RECONCILIATION- INPATIENT SERVICES							
1. a. Inpatient Services	\$ 1,884	\$ 3,680	\$ -				
Medicare- Days	747	1460					
Medicare- Avg Rate PPD	\$ 465.95	\$ 465.95					
Medicare Revenue	\$ 348,065	\$ 680,287	\$ -	\$ -	\$ -	\$ -	\$ -
Medicaid- Days	5419	10585					
Medicaid- Avg Rate PPD	\$ 240.00	\$ 240.00					
Mediciad Revenue	\$ 1,300,560	\$ 2,540,400	\$ -	\$ -	\$ -	\$ -	\$ -
Commercial Insurance Days	187	365					
Commercial Insurance- Avg Rate PPD	\$ 415.00	\$ 415.00					
Commercial Insurance Revenue	\$ 77,605	\$ 151,475	\$ -	\$ -	\$ -	\$ -	\$ -
Self Pay- Comp Care Days	374	730					
Self Pay- Average Rate	\$ 375.00	\$ 375.00					
Self Pay Revenue	\$ 140,250	\$ 273,750	\$ -	\$ -	\$ -	\$ -	\$ -
Medicare Part B- Est Revenue	\$ 17,490	\$ 34,164					
<b>TOTAL Inpatient Revenue</b>	<b>\$ 1,883,970</b>	<b>\$ 3,680,076</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
	6727	13140	0	0	0	0	0

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**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.

Dollar Amounts in Thousands	Projected Years (ending five years after completion) Add columns of needed.						
Indicate CY or FY- FY June	20X1	20X2					
<b>2. j. Other Expenses (Specify/add rows if needed)</b>							
Gas & Electric	24	24					
Water & Sewer	9	18					
Insurance	39	39					
Mgt Fees	75	150					
Advertising	3	5					
Auto	1	2					
Bk Fees	1	2					
DP	16	16					
Dues&Sub	8	14					
Accounting	-	-					
Legal	-	-					
Telephone	5	10					
Equip Rental	7	14					
Seminars/Ed	1	1					
Meals & Ent	-	-					
Ground Rent	-	-					
Minor Equipment	3	5					
Building Rental		-					
R&M	14	26					
Contributions	1	2					
Other Prof Fees	-	-					
Fines & Penalties	-	-					
Cable TV	2	4					
Licenses & Fees	2	4					
RE Taxes	-	-					
Sales Tax	-	1					
TPPT Taxes	3	3					
Provider Tax	42	82					
Other/Rounding		1					
	<b>\$ 256</b>	<b>\$ 423</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

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**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)
<b>1. Regular Employees</b>											
<i>Administration (List general categories, add rows if needed)</i>											
Administrator	1.00	\$ 168,300	\$ 168,300			\$0			\$0	1.00	168,300
Assistant Administrator	1.00	\$ 96,215	96,215			\$0			\$0	1.00	96,215
Business Office Staff	2.00	59,065	118,131	1.00	36,067	\$36,067			\$0	3.00	154,198
HR Manager	1.00	53,040	53,040			\$0			\$0	1.00	53,040
Payroll/HR Staff	1.00	45,869	45,869	1.00	45,869	\$45,869			\$0	2.00	91,738
Staffing Coordinator	1.00	65,579	65,579			\$0			\$0	1.00	65,579
Assistant Staffing Coordinator	1.00	45,890	45,890			\$0			\$0	1.00	45,890
Quality Assurance / In-Service Training	1.00	79,581	79,581			\$0			\$0	1.00	79,581
Receptionists	7.00	27,581	193,066			\$0			\$0	7.00	193,066
Admissions Staff	1.00	59,829	59,829			\$0			\$0	1.00	59,829
Admissions Assistant	1.00	35,685	35,685	0.5	42,432	\$21,216			\$0	1.50	56,901
<b>Total Administration</b>	<b>18.00</b>		<b>\$ 961,184</b>	<b>2.50</b>		<b>\$ 103,152</b>			<b>\$0</b>	<b>20.50</b>	<b>\$1,064,337</b>
<i>Direct Care Staff (List general categories, add rows if needed)</i>											
Director of Nursing	1.00	127,487	127,487			\$0			\$0	1.00	127,487
Unit Managers	4.00	80,621	322,483	1.00	80,621	\$80,621			\$0	5.00	403,104
Evening/Night Supervisors- RN or LPN	3.20	74,256	237,619			\$0			\$0	3.20	237,619
Respiratory Therapists	4.20	92,288	387,527			\$0			\$0	4.20	387,527
Registered Nurses/Licensed Practical Nurses	47.60	61,526	2,928,657	8.40	61,951	\$520,386			\$0	56.00	3,449,043
Certified Medicine Aides	7.00	37,319	261,233	1.40	37,446	\$52,425			\$0	8.40	313,657
Certified GNA's	69.56	33,415	2,324,445	11.81	33,946	\$400,982			\$0	81.38	2,725,427
MDS Coordinator	2.00	81,597	163,193	1.00	81,597	\$81,597			\$0	3.00	244,790
Unit Secretaries	4.00	37,807	151,228	1.00	37,807	\$37,807			\$0	5.00	189,035
Central Supply Clerk	1.60	30,763	49,221			\$0			\$0	1.60	49,221
Orientation GNA	0.80	22,065	17,652			\$0			\$0	0.80	17,652
Orientation- RN/LPN	1.20	42,432	50,918			\$0			\$0	1.20	50,918
Restorative Aides	2.40	39,929	95,828			\$0			\$0	2.40	95,828
Escorts	1.50	29,596	44,394			\$0			\$0	1.50	44,394
<b>Total Direct Care</b>	<b>150.06</b>		<b>7,161,886</b>	<b>24.61</b>		<b>1,173,818</b>			<b>\$0</b>	<b>174.68</b>	<b>\$8,335,704</b>
<i>Support Staff (List general categories, add rows if needed)</i>											
Security/Transportation	1.00	28,642	28,642			-			\$0	1.00	28,642
Social Services Director	2.00	71,477	142,953			-			\$0	2.00	142,953
Social Services Assistant	2.00	42,432	84,864	0.50	42,432	21,216			\$0	2.50	106,080
Activities Director	2.00	35,707	71,413			-			\$0	2.00	71,413
Activities Assistant	4.00	25,459	101,837	1.00	25,459	25,459			\$0	5.00	127,296
Dietary Manager	1.00	106,695	106,695			-			\$0	1.00	106,695
Cooks	7.00	32,418	226,926	1.00	32,418	32,418			\$0	8.00	259,344
Cooks Helpers	21.15	24,398	516,120	2.88	24,398	70,380			\$0	24.04	586,500
Porter	0.94	20,558	19,273			-			\$0	0.94	19,273
Dietician	2.00	68,952	137,904	0.50	68,952	34,476			\$0	2.50	172,380
Housekeeping Manager	1.00	67,637	67,637			-			\$0	1.00	67,637
Housekeepers- SNF	11.81	21,216	250,614	3.94	21,216	83,538			\$0	15.75	334,152
Floor Technicians	4.20	27,390	115,037			-			\$0	4.20	115,037
Laundry	9.19	22,277	204,668			-			\$0	9.19	204,668
Facility Maintenance Director	1.00	72,813	72,813			-			\$0	1.00	72,813
Facility Maintenance Staff	4.00	43,196	172,783			-			\$0	4.00	172,783
Medical Records	1.00	56,074	56,074			-			\$0	1.00	56,074
<b>Total Support</b>	<b>75.29</b>		<b>2,376,254</b>	<b>9.82</b>		<b>267,487</b>			<b>\$0</b>	<b>85.11</b>	<b>\$2,643,742</b>
<b>REGULAR EMPLOYEES TOTAL</b>	<b>243.35</b>		<b>10,499,325</b>	<b>36.93</b>		<b>1,544,457</b>			<b>\$0</b>	<b>280.29</b>	<b>\$12,043,782</b>

APR 1 04

**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)
<b>2. Contractual Employees</b>											
<i>Administration (List general categories, add rows if needed)</i>											
Administration	0.25		14,625	0.01		642			\$0	0.26	15,267
Employee Benefits Administration	0.75		55,017	0.15		10,151			\$0	0.90	65,168
Contracted Office Staff	0.33		26,340			-			\$0	0.33	26,340
Consulting									\$0		
<b>Total Administration</b>	<b>1.33</b>		<b>95,982</b>	<b>0.16</b>		<b>10,793</b>			<b>\$0</b>	<b>1.49</b>	<b>106,775</b>
<i>Direct Care Staff (List general categories, add rows if needed)</i>											
Contracted Nursing (IV etc.)	0.50		41,090	0.08		7,581			\$0	0.58	48,671
Physical Therapists	5.50		705,733	0.75		94,033			\$0	6.25	799,766
Occupational Therapists	5.00		605,643	0.75		80,697			\$0	5.75	686,340
Speech Pathologists	2.00		235,979	0.40		31,442			\$0	2.40	267,421
Part B Therapy	2.00		250,603			26,648			\$0	2.00	277,251
Pharmacy Consultant	0.15		19,501	0.03		3,598			\$0	0.18	23,099
Medical Director	0.50		84,996			-			\$0	0.50	84,996
Laboratory Services	1.00		69,645	0.20		13,140			\$0	1.20	82,785
Radiology	1.00		61,984	0.20		11,695			\$0	1.20	73,679
Consolidated Billing Related Items	0.10		10,447	0.02		1,927			\$0	0.12	12,374
Ambulance Services	0.10		13,232	0.02		2,497			\$0	0.12	15,729
<b>Total Direct Care Staff</b>	<b>17.85</b>		<b>2,098,853</b>	<b>2.45</b>		<b>273,258</b>			<b>\$0</b>	<b>20.30</b>	<b>\$2,372,111</b>
<i>Support Staff (List general categories, add rows if needed)</i>											
Activity Programs, including Special Costs	1.50		85,663	0.25		15,804			\$0	1.75	101,467
Contracted Social Services	1.00		49,448	0.20		9,123			\$0	1.20	58,571
Beauty and Barber	0.50		18,108	0.10		3,341			\$0	0.60	21,449
Contracted Dietary	0.10		4,875	0.02		899			\$0	0.12	5,774
Contracted Housekeeping	0.20		10,447	0.02		1,927			\$0	0.22	12,374
Contracted Trash Removal			64,073			11,821			\$0	-	75,894
Contracted- Other Physical Plant Work			34,126			6,296			\$0	-	40,422
Contracted Medical Records			2,089			385			\$0	-	2,474
<b>Total Support Staff</b>	<b>3.30</b>		<b>268,829</b>	<b>0.59</b>		<b>49,596</b>			<b>\$0</b>	<b>3.89</b>	<b>\$318,425</b>
<b>CONTRACTUAL EMPLOYEES TOTAL</b>	<b>22.48</b>		<b>2,463,664</b>	<b>3.20</b>		<b>333,647</b>			<b>\$0</b>	<b>25.68</b>	<b>\$2,797,311</b>
<b>Benefits (State method of calculating benefits below):</b>											
<b>Projected Employee Benefits are estimated based upon historical data.</b>											
<b>TOTAL COST</b>	<b>265.83</b>		<b>\$ 15,482,112</b>	<b>40.1</b>		<b>\$2,261,959</b>	<b>0.0</b>		<b>\$0</b>		<b>\$17,744,071</b>

AR 1 B5

**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

<b>1 Renaissance</b>	<b>Weekday Hours Per Day</b>				<b>Weekend Hours Per Day</b>				
<b>Staff Category</b>	<b>Day</b>	<b>Evening</b>	<b>Night</b>	<b>Total</b>	<b>Day</b>	<b>Evening</b>	<b>Night</b>	<b>Total</b>	
Registered Nurses	16.00	16.00	16.00	48.00	16.00	16.00	16.00	48.00	
L. P. N. s	24.00	24.00	16.00	64.00	24.00	24.00	16.00	64.00	
Respiratory Ther.	12.00	12.00		24.00	12.00	12.00		24.00	
Unit Mgr/Super- RN	8.00			8.00	8.00		8.00	16.00	
C. N. A.s	52.50	45.00	37.50	135.00	52.50	45.00	37.50	135.00	
Medicine Aides				-				-	
<b>Total</b>	<b>112.50</b>	<b>97.00</b>	<b>69.50</b>	<b>279.00</b>	<b>104.50</b>	<b>105.00</b>	<b>77.50</b>	<b>287.00</b>	
<b>Licensed Beds at Project Completion</b>				<b>61</b>	<b>Licensed Beds at Project Completion</b>				<b>61</b>
<b>Hours of Bedside Care per Licensed Bed Per Day</b>				<b>4.57</b>	<b>Hours of Bedside Care per Licensed Bed Per Day</b>				<b>4.70</b>
Ward Clerks (bedside care time calculated at 50%)	4.00			4.00				-	
<b>Total Including 50% of Ward Clerks Time</b>	<b>116.50</b>	<b>97.00</b>	<b>69.50</b>	<b>283.00</b>	<b>104.50</b>	<b>105.00</b>	<b>77.50</b>	<b>287.00</b>	
<b>Total Hours of Bedside Care per Licensed Bed Per Day</b>				<b>4.64</b>	<b>Total Hours of Bedside Care per Licensed Bed Per Day</b>				<b>4.70</b>

<b>2 West</b>	<b>Weekday Hours Per Day</b>				<b>Weekend Hours Per Day</b>				
<b>Staff Category</b>	<b>Day</b>	<b>Evening</b>	<b>Night</b>	<b>Total</b>	<b>Day</b>	<b>Evening</b>	<b>Night</b>	<b>Total</b>	
Registered Nurses	8.00	8.00	8.00	24.00	8.00	8.00	8.00	24.00	
L. P. N. s	16.00	16.00	8.00	40.00	16.00	16.00	8.00	40.00	
Unit Mgr/Super- RN	8.00			8.00		8.00	8.00	16.00	
C. N. A.s	22.50	22.50	15.00	60.00	22.50	22.50	15.00	60.00	
Medicine Aides	8.00			8.00	8.00			8.00	
<b>Total</b>	<b>62.50</b>	<b>46.50</b>	<b>31.00</b>	<b>140.00</b>	<b>54.50</b>	<b>54.50</b>	<b>39.00</b>	<b>148.00</b>	
<b>Licensed Beds at Project Completion</b>				<b>31</b>	<b>Licensed Beds at Project Completion</b>				<b>31</b>
<b>Hours of Bedside</b>				<b>4.52</b>	<b>Hours of</b>				<b>4.77</b>
Ward Clerks (bedside care time calculated at 50%)	4.00			4.00				-	
<b>Total Including 50% of Ward Clerks Time</b>	<b>66.50</b>	<b>46.50</b>	<b>31.00</b>	<b>144.00</b>	<b>54.50</b>	<b>54.50</b>	<b>39.00</b>	<b>148.00</b>	
<b>Total Hours of Bedside Care per Licensed Bed Per Day</b>				<b>4.65</b>	<b>Total Hours of Bedside Care per Licensed Bed Per Day</b>				<b>4.77</b>

AR 1  
8/6

**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

<b>3 South</b>		<b>Weekday Hours Per Day</b>				<b>Weekend Hours Per Day</b>			
<b>Staff Category</b>	<b>Day</b>	<b>Evening</b>	<b>Night</b>	<b>Total</b>	<b>Day</b>	<b>Evening</b>	<b>Night</b>	<b>Total</b>	
Registered Nurses	8.00	8.00	8.00	24.00	8.00	8.00	8.00	24.00	
L. P. N. s	8.00	8.00	8.00	24.00	8.00	8.00	8.00	24.00	
Unit Mgr/Super- RN	8.00			8.00				-	
C. N. A.s	30.00	22.50	15.00	67.50	30.00	22.50	15.00	67.50	
Medicine Aides	8.00			8.00	8.00			8.00	
<b>Total</b>	<b>62.00</b>	<b>38.50</b>	<b>31.00</b>	<b>131.50</b>	<b>54.00</b>	<b>38.50</b>	<b>31.00</b>	<b>123.50</b>	
<b>Licensed Beds at Project Completion</b>				<b>40</b>	<b>Licensed Beds at Project</b>				<b>40</b>
<b>Hours of Bedside Care per Licensed Bed Per Day</b>				<b>3.29</b>	<b>Hours of Bedside Care per</b>				<b>3.09</b>
Ward Clerks (bedside care time calculated at 50%)	4.00			4.00				-	
<b>Total Including 50% of Ward Clerks Time</b>	<b>66.00</b>	<b>38.50</b>	<b>31.00</b>	<b>135.50</b>	<b>54.00</b>	<b>38.50</b>	<b>31.00</b>	<b>123.50</b>	
<b>Total Hours of Bedside Care per Licensed Bed Per Day</b>				<b>3.39</b>	<b>Total Hours of Bedside Care per Licensed Bed Per Day</b>				<b>3.09</b>

<b>2 South</b>		<b>Weekday Hours Per Day</b>				<b>Weekend Hours Per Day</b>			
<b>Staff Category</b>	<b>Day</b>	<b>Evening</b>	<b>Night</b>	<b>Total</b>	<b>Day</b>	<b>Evening</b>	<b>Night</b>	<b>Total</b>	
Registered Nurses	8.00	8.00	8.00	24.00	8.00	8.00	8.00	24.00	
L. P. N. s	8.00	8.00	8.00	24.00	8.00	8.00	8.00	24.00	
Respiratory Ther.				-				-	
Unit Mgr/Super- RN	8.00			8.00		8.00	8.00	16.00	
C. N. A.s	45.00	37.50	30.00	112.50	45.00	37.50	30.00	112.50	
Medicine Aides	8.00	8.00		16.00	8.00	8.00		16.00	
<b>Total</b>	<b>77.00</b>	<b>61.50</b>	<b>46.00</b>	<b>184.50</b>	<b>69.00</b>	<b>69.50</b>	<b>54.00</b>	<b>192.50</b>	
<b>Licensed Beds at Project Completion</b>				<b>60</b>	<b>Licensed Beds at Project</b>				<b>60</b>
<b>Hours of Bedside Care per Licensed Bed Per Day</b>				<b>3.08</b>	<b>Hours of Bedside Care per</b>				<b>3.21</b>
Ward Clerks (bedside care time calculated at 50%)	4.00			4.00				-	
<b>Total Including 50% of Ward Clerks Time</b>	<b>81.00</b>	<b>61.50</b>	<b>46.00</b>	<b>188.50</b>	<b>69.00</b>	<b>69.50</b>	<b>54.00</b>	<b>192.50</b>	
<b>Total Hours of Bedside Care per Licensed Bed</b>				<b>3.14</b>	<b>Total Hours of Bedside Care</b>				<b>3.21</b>

APR 1 27

**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

2 Renaissance Staff Category	Weekday Hours Per Day				Weekend Hours Per Day				
	Day	Evening	Night	Total	Day	Evening	Night	Total	
Registered Nurses	8.00	8.00	8.00	24.00	8.00	8.00	8.00	24.00	
L. P. N. s	8.00	8.00	8.00	24.00	8.00	8.00	8.00	24.00	
Unit Mgr/Super- RN	8.00			8.00		8.00	8.00	16.00	
C. N. A.s	37.50	30.00	22.50	90.00	37.50	30.00	22.50	90.00	
Medicine Aides	8.00	8.00		16.00	8.00	8.00		16.00	
<b>Total</b>	<b>69.50</b>	<b>54.00</b>	<b>38.50</b>	<b>162.00</b>	<b>61.50</b>	<b>62.00</b>	<b>46.50</b>	<b>170.00</b>	
<b>Licensed Beds at Project Completion</b>				<b>53</b>	<b>Licensed Beds at Project</b>				<b>53</b>
<b>Hours of Bedside Care per Licensed Bed Per Day</b>				<b>3.06</b>	<b>Hours of Bedside Care per</b>				<b>3.21</b>
Ward Clerks (bedside care time calculated at 50%)	4.00			4.00				-	
<b>Total Including 50% of Ward Clerks Time</b>	<b>73.50</b>	<b>54.00</b>	<b>38.50</b>	<b>166.00</b>	<b>61.50</b>	<b>62.00</b>	<b>46.50</b>	<b>170.00</b>	
<b>Total Hours of Bedside Care per Licensed Bed Per Day</b>				<b>3.13</b>	<b>Total Hours of Bedside Care per Licensed Bed Per Day</b>				<b>3.21</b>
<b>Combined Unit/Facility Totals</b>									
<b>Total Including 50% of Ward Clerks Time</b>				<b>917.00</b>				<b>921.00</b>	
<b>Licensed Beds at Project Completion</b>				<b>245</b>				<b>245</b>	
<b>Total Hours of Bedside Care per Licensed Bed</b>				<b>3.74</b>				<b>3.76</b>	

APP 1  
EB



LORIEN COLUMBIA 40 BED 3 SOUTH RENOVATIONS

*Renovated Resident Room Measurements per attached 2/19/2018 drawing*

Type A Room: 17'3" x 13' 6" = 232.875 sf Less Shared Toilet & Sinks 4 x 12 = 24 sf Total  
(12sf deducted per Room) = 208.875 Less PTAC Unit @ 3 sf = **Total 205.875 (206 sf)**

Type B Room: 14'3" x 16' = 228 sf Less Half Bath 3'6" x 7' = 24.5 sf & Sink 2x3 = 6 sf Less  
PTAC Unit 3 sf = **Total 194.5 sf**

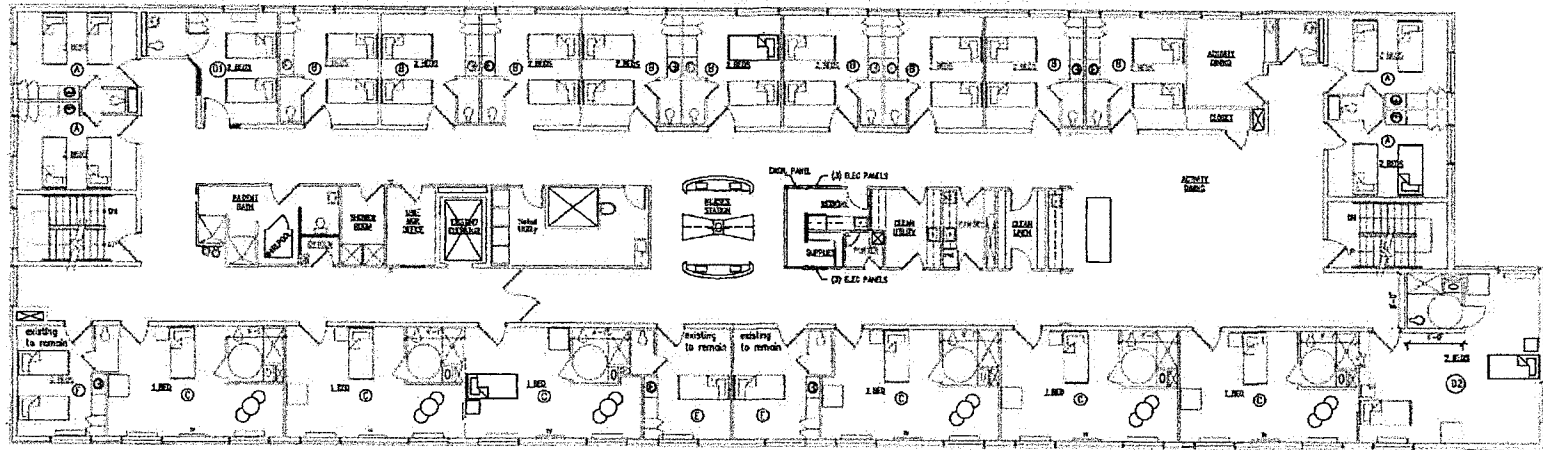
Type C Room: 25'6 x 16 = 408 sf Less Full Bath 8'x 7'6" Less PTAC 3 sf = 64 sf = **Total 344  
sf**

Type D1 Room: 11' x 16" Room Full Bath/ Shower 6' x 7 Less PTAC Unit 3 sf = **Total 173 sf**

Type D2 Room: 13' x 24' & 11'6" x 16 = 496 Less Full Bath 8' x 8' = 64 sf Less PTAC Unit (2)  
6 sf = **Total 426 sf**

Type E Room: 12'6" x 16 = 200 Less Half Bath 4' x 5' = 20 sf Less PTAC Unit 3 sf = **Total 177  
sf**

Type F Room: 13' x 16' = 208 Less Half bath 4' x 5' = 20 sf Less PTAC Unit 3 sf = **Total 185  
sf**



8 single occupancy + 16 double occupancy = 40 beds

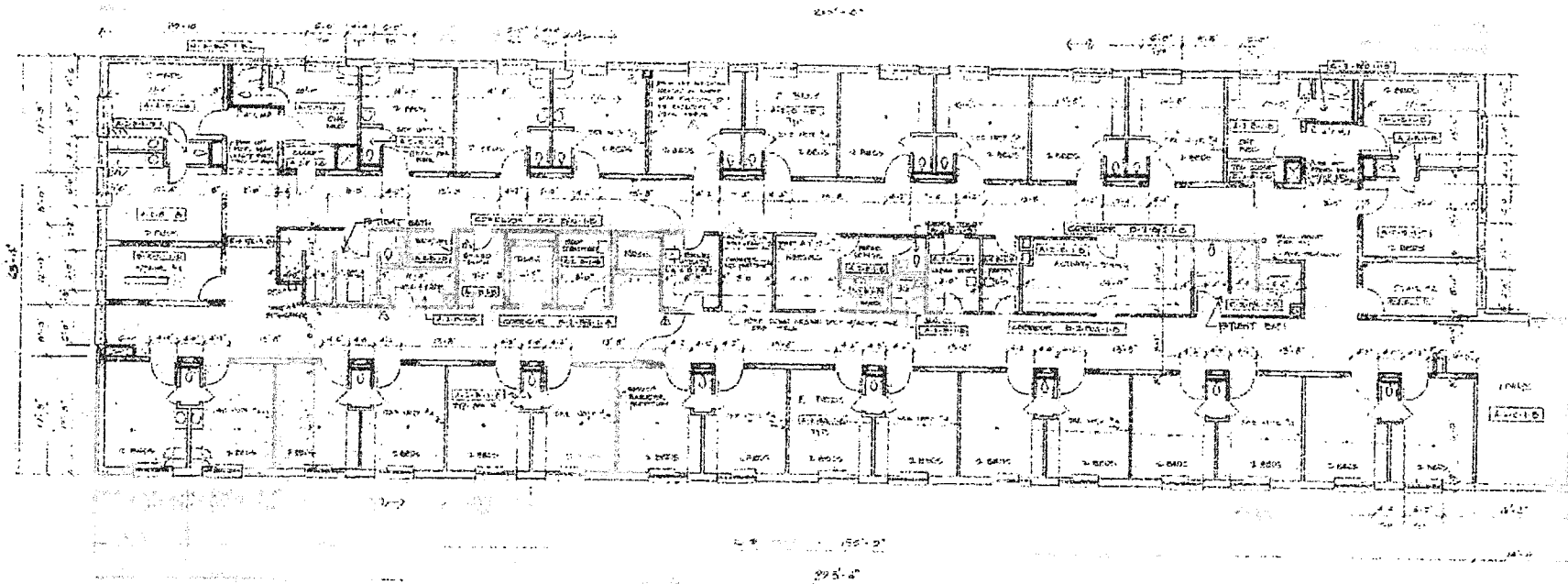
# of Rooms	Type	Description	Total Beds	Room SF	Less Bath	Beds/Total SF
4	A	Locker/Compass, Shared Toilet	8	228 +/-	-	24 +/-
8	B	Double Occupancy, Shared Toilet	16	194.5 +/-	-	38.5 +/-
6	C	Large Occupancy, Full Bathroom and Shower	6	344 +/-	-	64 +/-
1	D1	Double Occupancy, Full Bathroom and Shower	2	173 +/-	-	40 +/-
1	D2	Double Occupancy, Full Bathroom and Shower	2	426 +/-	-	64 +/-
2	E	Single Occupancy, Half Bathroom	2	177 +/-	-	20 +/-
1	F	Double Occupancy, Half Bathroom	2	185 +/-	-	20 +/-
21			40			

LOREN COLUMBA  
3rd Floor South Wing Renovation  
Revised 2/19/18  
Prepared by CCI Design

16 2 91  
APR 2 91

GENERAL NOTES

1. ALL WORK SHALL BE IN ACCORDANCE WITH THE LATEST EDITIONS OF THE BUILDING CODES AND SPECIFICATIONS.  
2. THE CONTRACTOR SHALL BE RESPONSIBLE FOR OBTAINING ALL NECESSARY PERMITS AND APPROVALS.  
3. THE CONTRACTOR SHALL MAINTAIN ACCESS TO ALL ADJACENT PROPERTIES AT ALL TIMES.  
4. ALL MATERIALS AND WORKMANSHIP SHALL BE SUBJECT TO INSPECTION AND APPROVAL BY THE ARCHITECT.



CONTRACT NO. 16 2 91

DATE: APR 2 1991  
BY: [Signature]

APR 2 1991

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# Staff Development In-Service Training

## —General Policies

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### 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

*CM*

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# Discharge Planning of the Non-elderly Disabled Resident

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## 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

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# Resident's Plan of Care

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## 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

**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	430	4,595		712			5,737
2. AUGUST	363	4,685		757			5,805
3. SEPTEMBER	334	4,630		679			5,643
4. OCTOBER	224	4,871		627			5,722
5. NOVEMBER	222	4,650		796			5,668
6. DECEMBER	237	4,792		724			5,753
7. JANUARY	302	4,718		640			5,660
8. FEBRUARY	210	4,520		723			5,453
9. MARCH	295	4,797		689			5,781
10. APRIL	266	4,624		835			5,725
11. MAY	267	4,784		901			5,952
12. JUNE	237	4,575		701			5,513
12a.							
12b.							
13. TOTALS	3,387	✓ 56,241	✓	8,784			68,412

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

✓

**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
205			205
1/1/16			
75,766			75,766

**PART III - PERCENT OCCUPANCY**

90.29%

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

✓  ✓

**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.

\$284.00			



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)	
1. JULY	278	4,365	240	741			5,624
2. AUGUST	314	4,258	159	831			5,662
3. SEPTEMBER	309	4,094	202	846			5,451
4. OCTOBER	516	4,355	215	780			5,866
5. NOVEMBER	436	4,326	132	773			5,667
6. DECEMBER	375	4,391	209	699			5,674
7. JANUARY	278	4,275	222	961			5,736
8. FEBRUARY	341	3,634	226	820			5,221
9. MARCH	485	4,253	250	1,069			6,057
10. APRIL	486	4,229	261	983			5,959
11. MAY	452	4,479	244	815			5,990
12. JUNE	389	4,375	265	659			5,688
12a.							
12b.							
13. TOTALS	4,659	✓ 51,234	✓ 2,625	10,077			68,595

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

✓

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

205			205
205			205
74,825			74,825

PART III - PERCENT OCCUPANCY

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

91.67%

✓

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.

\$284.00			

*ENCLOSURE AT HEEF VALLEY  
 FYE 12/31/16*

**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	2	3	4	5	6	
1. JANUARY	293	934		580		2,684	4,491
2. FEBRUARY	315	884		504		2,472	4,185
3. MARCH	328	978		525		2,631	4,462
4. APRIL	351	892		521		2,609	4,373
5. MAY	281	908		692		2,672	4,553
6. JUNE	173	995		571		2,635	4,374
7. JULY	185	1,140		517		2,793	4,635
8. AUGUST	200	1,069		502		2,792	4,563
9. SEPTEMBER	244	982		518		2,657	4,401
10. OCTOBER	277	988		568		2,608	4,441
11. NOVEMBER	268	979		540		2,339	4,126
12. DECEMBER	315	1,043		466		2,469	4,293
12a.							
12b.							
13. TOTALS	3,230	11,802		6,504		31,361	52,897

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

21,536
--------

**PART II - BED CAPACITY**

15. Licensed beds at beginning of period	63	110	173
16. Licensed beds at end of period	63	110	173
17. Date(s) of change in number of certified beds, if applicable (month/day)			
18. Beds Days available during the period	23,058	40,260	63,318

**PART III - PERCENT OCCUPANCY**

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

93.40%	77.90%	83.54%
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*93.40%*

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

20. Private pay patients	\$400.00		
21. Medicare patients			
22. Medicaid patients			
23. Other (Specify)			
24.			

*APX 4 98*

*WORTH LUNNBERG 12/14/16*

**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	252	1,089	5	554		
2. FEBRUARY	346	942	12	418			1,718
3. MARCH	364	1,020	31	606			2,021
4. APRIL	408	990	30	413			1,841
5. MAY	411	1,018	36	549			2,014
6. JUNE	344	984	60	538			1,926
7. JULY	429	1,069	81	473			2,052
8. AUGUST	328	1,020	95	551			1,994
9. SEPTEMBER	328	1,039	73	403			1,843
10. OCTOBER	320	1,069	20	562			1,971
11. NOVEMBER	272	946	42	572			1,832
12. DECEMBER	318	900	69	653			1,940
12a.							
12b.							
13. TOTALS	4,120	12,086	554	6,292			23,052

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

23,052
--------

**PART II - BED CAPACITY**

15. Licensed beds at beginning of period	70			70
16. Licensed beds at end of period	70			70
17. Date(s) of change in number of certified beds, if applicable (month/day)				
18. Beds Days available during the period	25,620			25,620

**PART III - PERCENT OCCUPANCY**

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

<i>89.98%</i>	89.98%			89.98%
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**PART IV - DAILY MINIMUM SEMI-PRIVATE RATES AS OF LAST DAY OF REPORTING PERIOD**

20. Private pay patients	\$340.00			
21. Medicare patients				
22. Medicaid patients				
23. Other (Specify)				
24.				

*APX 4 99*

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. JULY	334	3,783	33	1,169			5,319
2. AUGUST	420	3,912	39	908			5,279
3. SEPTEMBER	338	3,622	17	1,107			5,084
4. OCTOBER	134	3,968	75	1,317			5,494
5. NOVEMBER	270	3,617	54	1,388			5,329
6. DECEMBER	228	3,748	28	1,281			5,285
7. JANUARY	605	3,595		1,227			5,427
8. FEBRUARY	190	3,739	19	1,113			5,061
9. MARCH	216	4,101	39	1,170			5,526
10. APRIL	199	3,970	30	1,119			5,318
11. MAY	201	4,037	56	1,164			5,458
12. JUNE	178	3,979	84	1,024			5,265
12a. 0							
12b. 0							
13. TOTALS	3,313	46,071	474	13,987			63,845

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

63,845
--------

PART II - BED CAPACITY

15. Licensed beds at beginning of period	182			182
16. Licensed beds at end of period	182			182
17. Date(s) of change in number of certified beds, if applicable (month/day)	0			
18. Beds Days available during the period	86,612			66,612

PART III - PERCENT OCCUPANCY

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

95.85%	95.85%
--------	--------

*95.85%*

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

20. Private pay patients	\$290.00			
21. Medicare patients	\$290.00			
22. Medicaid patients	\$290.00			
23. Other (Specify)	\$290.00			
24. 0				



# LORIEN HEALTH SERVICES

*Family caring for Families*

March 5, 2018

James A. Forsyth, Esq.  
Law Offices of James A. Forsyth  
11604 Garrison Forest Rd.  
Owings Mills, MD 21117

Re: Lorien Columbia

Dear Mr. Forsyth:

Please be advised that I am Lorien Health Services' Chief Operating Officer. My duties include overseeing implementation of our Quality Assurance Program at all Lorien managed facilities, including Lorien Columbia. I attach a summary of our Quality Assurance Program for inclusion in the Application for Certificate of Need for the expansion / renovation project at Lorien Columbia.

In addition, I work with Lorien facility Administrators during the Surveys performed by the Maryland Office of Health care Quality. In the event deficiencies are found during the course of surveys, facilities abate them and file Plans of Correction, as required.

Please be advised that there are no outstanding Level G deficiencies or any other deficiencies at Lorien Columbia or at any Lorien managed facility.

Very truly yours,

J. WAYNE BRANNOCK  
Chief Operating Officer  
Lorien Health Services

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Quality Assurance, Performance Improvement Plan Guidelines  
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Selecting a Quality Assurance Performance Improvement Project and Setting Priorities  
Measurement Study Assessment/Quality Assurance/Performance Improvement Report Form  
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Resident Grievances and Complaints Investigations  
Resident Grievances and Complaints Report  
Resident Grievances and Complaints Tracking Instructions  
Compliant Categories  
Monthly Complaint Form  
Patient Complaint Concern Log Form  
Resident/Patient Complaint Form  
Resident, Patient and Employee Unusual Occurrence Investigations and Logs

Employee Unusual Occurrence Log Form  
Report of Unusual Occurrence  
Occurrence Monitoring Form  
Unusual Occurrence Report Form  
Quality Assurance/Performance Improvement Abuse Log  
Abuse and/or Resident Neglect Investigation  
Abuse Reporting  
Investigation Form (Including Employee Statement)  
Quality Assurance Resident/Patient Abuse Log Form  
Unexpected/Emergency Transfer Investigation/CQI (Quality Review and Documentation) Form  
Unexpected Death Investigation/CQI (Review and Documentation) Form  
Infection Control Monthly Monitoring/Resident and Patient  
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Nosocomial Infection Report Form  
Nosocomial Infection Report Conclusions Form  
Quality Assurance/Concurrent Review of Resident/Patient  
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Clinical Investigation Report, Staff Documentation, and Conclusion Form  
Quality Assurance/Performance Improvement Committee Report to Ombudsman, Resident and Family Councils  
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Quality Assurance/Performance Improvement: Nursing Staffing and Posting  
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Quality Assurance/Performance Improvement Relocation Plan

Quality Assurance/Performance Improvement Notification of Resident/Patient Family or Guardian, If Known

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Medication Error Report Form

Security Report for Quality Assurance/Performance Improvement

Monthly Safety/Security Report Form

Resident Restraint Report

Monthly Resident Restraint Report Form

Quarterly Admission's Office Report to Quality Assurance/Performance Improvement

Admissions Office Quality Assurance Report Form

Quarterly Acuity Report to Quality Assurance/Performance Improvement

Acuity Report Form

Monthly Pressure Sore Report to Quality Assurance/Performance Improvement

Pressure Ulcer Report Form

Monthly GNA Report to Quality Assurance/Performance Improvement

Monthly GNA Report Form

Monthly Dietitian's Report to Quality Assurance/Performance Improvement

Monthly Dietitian's Report Form

Psychoactive Medication Log Form to Quality Assurance/Performance Improvement

Psychoactive Medication Report Form

Restraint Report Form to Quality Assurance/Performance Improvement

• Restorative Care Report Form to Quality Assurance/Performance Improvement



# Michael J. Snarski

Certified Public Accountant

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

March 9, 2018

Maryland Health Care Commission  
4260 Patterson Avenue  
Baltimore, MD 21215

Re: Lorien Nursing & Rehabilitation Center, Inc.  
dba "Lorien Columbia"  
40 Comprehensive Beds

To Whom It May Concern:

I have been the accountant for nearly twenty 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 fiscal year ending June 30, 2017 and 2016 financial statements of Lorien Nursing & Rehabilitation Center, Inc.

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*

Michael J. Snarski  
Certified Public Accountant



February 20, 2018

Mr. Louis Mangione  
1205 York Road -- PH Suite  
Lutherville, Maryland 21093

Re: Lorien Nursing & Rehabilitation Center, Inc. dba Lorien Columbia

Dear Mr. Mangione:

We understand that Lorien Columbia is filing an Application for Certificate of Need ("CON") seeking approval from the Maryland Health Care Commission to add 40 comprehensive care beds in renovated space in the existing 3 South Unit. Upon project completion, the facility, located at 6634 Cedar Lane, Columbia, MD 21044, will comprise 245 beds. We understand total project costs are estimated to be \$1,287,000 and that it will be financed with an \$800,000 mortgage, a \$300,000 FFE loan, and an equity contribution of \$187,000.

In accordance with your request, the writer would be willing to consider recommending to our loan committees approval of 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 committee decisions and these would be communicated to you in writing. Obviously I will need the Certificate of Need, the plans, specifications, contract, costs, etc., to start the underwriting process. When you are ready, please forward the information to my attention. We value our ongoing relationship with you and your family. Hopefully, we can reach a mutually agreeable structure for financing the expansion project. Our past financings have always been handled as agreed and we look forward to expanding our business with you.

Sincerely,

Michael J. Nieberding  
Relationship Manager  
Vice President



**EXHIBIT 1  
FOR PRIVATE-PAY RESIDENTS**

**A. Items and Services Included in the Daily Rate**

The items and services included in the daily rate, and their related charges are listed below:

Description of Items and Services Included in the Daily Rate*	
1. Room	
2. Board	
3. Social Services	
4. Nursing care, including:	
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	Beauty Shop	Price Range
Bathing/Bedside Care Supplies, Ea.	\$00.27 - \$18.50	Men's Cut (Dry)	\$15.00
Catheter Care/Daily Charge	\$6.00	Ear/Beard/Nose/Moustache Trim	\$5.50
Colostomy Care, Daily Charge	\$6.00	Women's Cut (Dry)	\$16.50
Dressing Supplies, Ea.	\$00.18 - \$150.00	Shampoo	\$10.00
Emergency Equipment (Crash Cart Use)	\$50.00	Wash/Blow-dry/Curl	\$22.00
Feedings - Enteral, Daily Charge	\$11.00	Shampoo/Set	\$20.00
Feedings - Personal, Daily Charge	\$2.00 - \$6.00	Curling Iron	\$10.00
Incontinence, Daily charge	\$7.00		
Incontinence Supplies, Ea.	\$1.29 - \$150.40	Perm (includes shampoo/cut)	\$65.00
Injections, Charge per Injection	\$4.00	Color Only	\$25.00
Injection Supplies, Ea.	\$00.49 - \$7.25	Scalp Treatment	\$7.00
Isolation, Daily Charge	\$25.00	Color Rinse	\$5.00
IV Pump Rentals, Monthly Charge	\$187 - \$425	Conditioner	\$3.00
IV Supplies, Ea.	\$1.29 - \$94		
IV-Daily Charge	\$15.00 - \$25.00		
Laundry, Daily Charge	\$1.50	Relaxer (includes shampoo/cut)	\$65.00
Medical Equipment Rental, Monthly Charge	\$95 - \$225	Press Curl	\$30.00
Medical Equipment Purchase	Price varies	Finger Waves	\$20.00
Nutritional Supplements, per unit	\$1.08 - \$35.00	Wrap and Curl	20.00
Oxygen Supplies, Ea.	\$1.20 - \$57.50	Manicures	\$12.00
Oxygen Liquid	Dependent upon usage	Pedicures	\$24.00
Oxygen Concentrator, Daily Charge	\$9.00	Polish Change Only	\$6.00
Personal Clothing Labels	\$15.00	Bedside Service (additional)	\$7.00
Personal Hygiene Supplies, Ea.	\$00.27 - \$9.50		
Protective Skin Care Supplies, Ea.	\$00.89 - \$121		
Pulse Oximeter, Daily Charge	\$10.00	<b>Room Rates</b>	<b>Price</b>
Restraint/Protective Device, Ea.	\$3.50 - \$52.60		
Specialty Bed Rental, Daily Charge	\$60 - \$340	Semi-Private	\$316-\$575
Suctioning/Tracheostomy Care, Daily Charge	\$12.00	Private	\$370-\$575
Tracheostomy Supplies, Ea.	\$4.27 - \$174.50	Sub-Acute - MSU	\$800-\$950
Tube Feeding Supplies, Ea.	\$29.75 - \$340		



Ventilator Supplies, Ea.	\$27.50 - \$218
Wound Care, Per Treatment	\$6.00
<b>Guest Trays</b>	<b>Price</b>
Guest Tray - Dinner	\$7.00
Guest Tray - Lunch	\$7.00
Guest Tray - Special	\$7.00

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

<b>Dental Services</b>	
• 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.	
<b>*Laboratory Services</b>	
Medicare Co-Insurance: \$ 167.50	Part B Deductible \$ 162.00
<b>Mental Health Services:</b>	
• Initial Consult by Psychiatrist	\$150.00 - \$200.00
• Initial Consult by Psychologist	\$150.00
• Initial Consult by Social Worker	\$150.00
<b>Newspapers:</b>	
• Daily Morning Sun	from \$7.50 every four weeks



• <b>Sunday Sun</b>	from \$6.93 every four weeks.
Optometry	
• Routine Eye Exam	from \$89.00
*Pharmacy	
Physician Services	from \$75.00
Private Duty Nurses	
• Base Service/Two Hours M-F	from \$50.00 base rate
• Additional Consecutive Hours	
• M-F 7 AM to 5 PM	from \$12.95 per hour
• M-F 5 PM to 7 AM	from \$13.25 per hour
*Radiology	
Rehabilitation Services:	
• Physical Therapy	\$100.00 per visit
• Occupational Therapy	\$150.00 per visit
• Speech Therapy	\$150.00 per visit
Specialist Services, for example:	
• ** Podiatry Services	
Telephone:	
• Initial Hook-up	Contact Verizon
• Average Basic Service	\$20.00 2 West only / \$13.00 handset
Television Rental:	\$15.00 - \$30.00 per month
Transportation by ambulance, Lorien van and/or contract service to a physician's office	\$50.00 - \$1,000.00
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)

APX 7 110

**EXHIBIT 3  
FOR MEDICARE AND MEDICAID RESIDENTS**

Items and Services Not Covered by Medicare or Medicaid

Items and services not covered by Medicare or Medicaid and related charges are listed below. You may be charged for these items and services if you (or your physician, with your approval), ask for and you receive them. The services marked with an (\*) may have a separate supply charge. You will be notified of those charges at the time the supplies are ordered.

<u>Item or Service</u>	<u>Charge</u>
Audiology Services	\$705.00 -1,900.00
Beauty Salon and Barber Shop*	<u>see</u> Exhibit 1
Cosmetic and Grooming Items	\$00.27-09.50
Dental Services (Billed by Dentist)	<u>see</u> Exhibit 1
Flowers and Plants (small houseplant - professional floral arrangement)	\$2.99-100.00
Newspapers (and other reading materials)	<u>see</u> Exhibit 1
Occupational and Physical Therapy Services* (unless they are part of a specialized rehabilitative therapy services program meeting certain regulatory requirements)	<u>see</u> Exhibit 1
Personal Clothing	
Undergarments	\$3.00-\$50.00
Slacks, blouses, dresses	\$10.00-100.00
Personal Comfort Items	\$1.85-3.00
Private Rooms**	\$150.00-203.00

\*\* If you receive Medicaid and the Facility places you in a private room, the Facility may not charge you or anyone else an additional cost for a private room.

APX 7 III

<u>Item or Service</u>	<u>Charge</u>
Privately Hired Nurses and Aides	<u>see</u> Exhibit 1
Services of Other Health Care Providers [Attach Facility Specific List]	<u>see</u> Exhibit 1
Social Events and Entertainment Outside the Scope of the Facility's Activities Program	\$7.95-25.00
Specially-Prepared or Alternative Food Requested Instead of Food Generally Prepared by the Facility	\$1.90 (fries and burger) \$26.95 (steak dinner)
Speech Therapy Services*	<u>see</u> Exhibit 1
Telephone	<u>see</u> Exhibit 1
Television	<u>see</u> Exhibit 1
Transportation by ambulance to a physician's office	\$185.00 each way, plus \$6.00 per mile





February 22, 2018

Eric Grimmel, Administrator  
Lorien Columbia  
6334 Cedar Lane  
Columbia, Maryland 21044

Dear Eric,

As a local business partner who has serviced the Lorien Nursing facilities for over a decade; we are proponents of the plan to expand access on the 3 South unit of the facility. CD Laboratories specializes in clinical diagnostics services to Nursing Homes, and Lorient's excellent care and attention to their patients is a valuable asset to the area. We feel that Lorient's operation is a model for other nursing homes to emulate; consequently, current and future residents of the facility will benefit greatly from the proposed plan. Furthermore, we are confident that increased capacity at the facility would be a positive enhancement for area families and the growing population of those in need of professional nursing services.

CD Laboratories supports your project and wishes you the very best in this project.

Sincerely,



Barbara Kilduff  
Manager  
CD Laboratories



Pharmacy solutions. At your speed.

February 21, 2018

Mr. Eric Grimmell  
Administrator  
Lorien Columbia  
6334 Cedar Lane  
Columbia, MD 21044

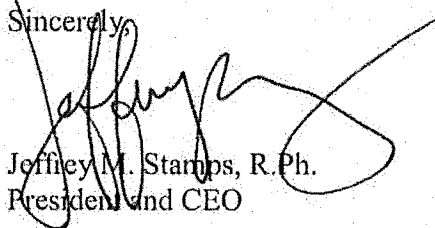
Re: Bed Expansion / Renovation Project

Dear Mr. Grimmell,

Remedi SeniorCare is in support of your proposed renovation and expansion of beds on the 3 South unit of Lorien Columbia. From our experience, your facility has an excellent reputation in the community and its expansion will allow you to offer medical and therapeutic services to greater numbers of Howard County seniors as our population ages. I would expect this expansion will allow Lorien Columbia to become a greater resource to family members and the community as a whole.

I enthusiastically support your new expansion project.

Sincerely,



Jeffrey M. Stamps, R.Ph.  
President and CEO

APX 8

104

February 12, 2018

Mr. Louis Grimmel  
CEO  
Lorien Health Systems  
3300 N. Ridge Rd. Suite 390  
Ellicott City, Maryland 21043

Re: Lorien - Columbia

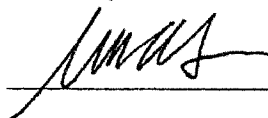
Dear Mr. Grimmel,

Please add me to the list of supporters of the Application for a Certificate of Need for the renovation and addition of new beds to Lorien Columbia located at 6334 Cedar Lane, in Columbia.

I understand the renovation and new beds will allow Lorien to add more Private Rooms while offering seniors increased access to quality services.

Lorien Columbia is an important community resource for the county's elderly and their families. I enthusiastically support its expansion.

Sincerely,



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Name & Address:

Randall A. Citrano  
2606 Turf Valley Rd.  
Ellicott City, MD 21042

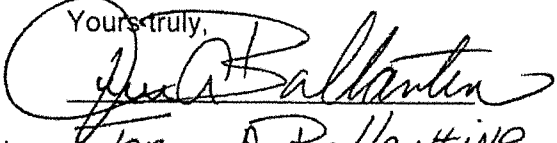
APX8/115

Mr. Louis G. Grimmel, Sr.  
Chief Executive Officer  
Lorien Health Systems  
3300 N. Ridge Rd. – Suite 390  
Ellicott City, Maryland 21043

Dear Mr. Grimmel,

Please be advised that I support the proposed expansion of nursing beds at Lorien Columbia in Howard County and the renovation of the 3 South Unit in the existing building. The facility has an excellent reputation in the community. I think your bed addition will offer seniors increased access to quality services for the County's growing elderly population and their families.

I enthusiastically support your new project proposal and wish you luck in obtaining speedy regulatory approvals.

Yours truly,  
  
Name: Teresa A. Ballantine  
Address: 4971 Green Bridge Rd  
Dayton, Md 21036  
Date: 2/14/2018

February 12, 2018

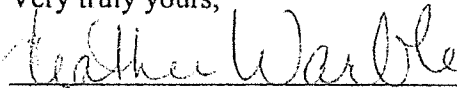
Mr. Louis G. Grimmel, Sr.  
Chief Executive Officer  
Lorien Health Systems  
3300 N. Ridge Rd. – Suite 390  
Ellicott City, Maryland 21043

Dear Mr. Grimmel,

Please note my support for Lorien's proposed addition of beds to the Lorien Columbia nursing facility at 6334 Cedar Lane, in Columbia.

This modern and attractive facility brings needed services to our Howard County Senior Citizens and enhances quality of life for our fast growing senior population.

Very truly yours,



Printed Name - Heather Warble

Address - 4206 Buckskin Lake Dr  
Ellicott City, MD 21042

APX 8 117

February, 15, 2018

Mr. Eric Grimmel,  
Administrator,  
Lorien Nursing & Rehabilitation Columbia  
6334 Cedar Lane  
Columbia, Maryland 21044

Re: Lorien Columbia Bed Expansion and Renovation Project

Dear Mr. Grimmel,

I am happy to add my support for Lorien Columbia's planned renovation and bed expansion for its existing 3 South Unit. Your facility has an excellent reputation in the community and its expansion will allow it to offer its medical and therapeutic services to greater numbers of Howard County Seniors as our population ages. Lorien Columbia is an important part of the Howard County community and I wish you continued success.

Very truly yours,

Marguerite J Adams  
Name: Lorien - Columbia  
Address: 6334 Cedar Ln, 21044  
Marguerite J Adams  
Resident Council President

APX 8 118

February 15, 2018

Mr. Eric Grimmel.  
Administrator,  
Lorien Nursing & Rehabilitation Columbia  
6334 Cedar Lane  
Columbia, Maryland 21044

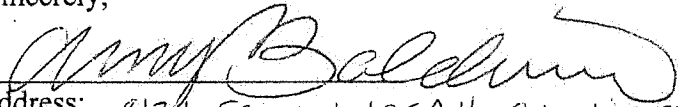
Dear Mr. Grimmel,

Please note my support for the plan to expand Lorien Columbia's comprehensive care bed complement by adding new beds and renovating your 3 South floor. Your facility is very popular and highly regarded as a valuable community resource.

As numbers of Seniors continues to grow in Howard County the need for new beds and services continues apace. Your capacity for offering needed services allows our seniors to access needed services including rehabilitation, as well as long term care.

Lorien Columbia's campus setting is also much to be admired and it is easily accessible to residents and families. I look forward to seeing your planned expansion come to fruition.

Sincerely,

  
Address: 8121 Sea Water Path, Columbia, MD 21045  
NAME: Amy Baldwin

APX 8 119

Mr. Eric Grimmel.  
Administrator,  
Lorien Nursing & Rehabilitation Columbia  
6334 Cedar Lane  
Columbia, Maryland 21044


Dear Mr. Grimmel,

I support your proposal to expand Lorien Columbia's comprehensive care nursing and rehabilitation services by adding additional beds to your 3 South building. As you are aware, there is a growing seniors population in Howard County and your facility's ability to meet their needs will be enhanced.

I also believe that your location on Cedar Lane is an excellent setting since it is easily accessible and quite scenic. Please note my support for this important addition to our community.

Sincerely,

Name:  
Address:  
Date:

  
HELENE SEGAL  
LORIEN COL.  
2/14/18

APX 8 120



Mr. Eric Grimmel.  
Administrator,  
Lorien Nursing & Rehabilitation Columbia  
6334 Cedar Lane  
Columbia, Maryland 21044

Dear Administrator Grimmel,

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

Your facility enjoys an excellent reputation in the community.. Please note my support for this important community resource.

Very truly yours,

*Sakena Redman*

Address: 3246 Normandy woods pr.

Date: 2/14/18

NAME: Sakena Redman

Mr. Eric Grimmel.  
Administrator,  
Lorien Nursing & Rehabilitation Columbia  
6334 Cedar Lane  
Columbia, Maryland 21044

Re: Bed Expansion and Renovations

Dear Mr. Grimmel,

I am writing to state my support for your renovation and bed expansion on your facility's 3 South unit. Lorien Columbia is a beautiful facility known for delivering quality of care. It is much needed by the community and has been for many years. I look forward to your continued success as you continue to serve Howard County's growing number of senior citizens.

Very truly yours,

*Margaret Bytner*

Printed Name:

Address: *Lanham Cal,*

Date:

*2/14/18*  
*Margaret Bytner*

APX 8 122



55 Hatchetts Hill Road  
Old Lyme, CT 06371

T: 800.370.3651 F: 860.510.0020  
[www.medoptionsinc.com](http://www.medoptionsinc.com)

Mr. Eric Grimmell  
Administrator  
Lorien Columbia  
6334 Cedar Lane  
Columbia, Maryland 21044

Re: Bed Expansion / Renovation Project

Dear Mr. Grimmell,

Please be advised that I support development of your proposed renovation and expansion of beds on the 3 South Unit of Lorien Columbia. Your facility has an excellent reputation in the community and its expansion will allow it to offer its medical and therapeutic services to greater numbers of Howard County seniors as the population ages. Your facility will also become a greater resource to family members and the community as a whole.

I enthusiastically support your new expansion project and value our continued role in the behavioral health care of your residents.

Sincerely,

A handwritten signature in black ink, appearing to read "Nicholas J. Mercadante".

**Nicholas J. Mercadante**  
**President & Chief Operating Officer**  
**(860) 339-1757**

APX.8 123