

**CERTIFICATE OF NEED APPLICATION
COMPREHENSIVE CARE FACILITY BEDS
MH ADELPHI OPERATING, LLC**

JANUARY 4, 2021



**MARYLAND
HEALTH
CARE
COMMISSION**

MATTER/DOCKET NO.

DATE DOCKETED

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

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

Required Format:

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

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

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

SUBMISSION FORMATS:

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

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

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

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

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

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

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

Table of Contents

PART I—PROJECT IDENTIFICATION AND GENERAL INFORMATION	1
1. Facility.....	1
2. Name Of Owner.....	1
3. Applicant.....	2
4. Name Of Licensee Or Proposed Licensee.....	2
5. Legal Structure Of Applicant	2
6. Application Contact	3
7. Real Property Owners	4
8. Bed Rights Owners	5
9. Management Company.....	5
10. Project Type.....	6
11. Project Description	6
12. Completion of CON Table A.....	8
13. Community-Based Services	8
14. Required Approvals and Site Control	9
15. Project Schedule.....	10
16. Project Drawings	10
17. Features of Project Construction	11
PART II—PROJECT BUDGET.....	12
PART III—APPLICANT HISTORY, STATEMENT OF RESPONSIBILITY, AUTHORIZATION AND RELEASE OF INFORMATION, AND SIGNATURE	13
PART IV— CONSISTENCY WITH GENERAL REVIEW CRITERIA AT COMAR	16
10.24.08G(3)(a). The State Health Plan	17
10.24.08.05 Comprehensive Care Facility Standards.....	17
A. General Standards.....	17
(1) Bed Need and Average Annual Occupancy	17
(2) Medical Assistance Participation	18
(3) Community-Based Services	20
(4) Appropriate Living Environment.....	21
(5) Specialized Unit Design	23
(6) Renovation or Replacement of Physical Plant.....	24
(7) Public Water	24

(8) Quality Rating	25
(9) Collaborative Relationships	27
10.24.01.08G(3)(b). Need	29
State Health Plan Projected Need	29
Prince George’s County Service Gaps.....	30
Facility Constraints	34
10.24.01.08G(3)(c). Availability of More Cost-Effective Alternatives.....	36
Planning Process and Goals.....	36
Let the Identified Need Stand	37
Apply for 16 New Beds	37
Apply for Authorization to Implement “Waiver Beds”	38
10.24.01.08G(3)(d). Viability of the Proposal	40
10.24.01.08G(3)(e). Compliance with Conditions of Previous Certificates of Need.....	42
10.24.01.08G(3)(f). Impact on Existing Providers and the Health Care Delivery System	43
CON Table Package	48
A. Physical Bed Capacity	48
B. Departmental Gross Square Feet Affected by Proposed Project.....	50
C. Construction Characteristics	51
D. Construction Costs	52
E. Project Budget.....	53
F. Statistical Projections - Entire Facility	55
G. Revenues & Expenses, Uninflated - Entire Facility	58
H. Revenues & Expenses, Inflated - Entire Facility	61
I. New Facility, Service – Stats NOT APPLICABLE.....	64
J. New Facility, Service – Uninflated NOT APPLICABLE.....	66
K. New Facility, Service – Inflated NOT APPLICABLE	68
L. Workforce Information	70

Tables

Table 1 – Hillhaven Bed Count Pre- and Post-Project	7
Table 2 – Hillhaven Room Count Pre- and Post-Project	7
Table 4 – Hillhaven CMS Star Rating, August 2019-November 2020	25
Table 5—Population Distribution, Prince George’s County, 2020-2026.....	30
Table 6—Projected CCF Bed Need in Prince George’s County, 2020-2026	31
Table 7—Average Annual CCF Occupancy Rates, Prince George’s and Adjacent Counties, FY2018 ...	31
Table 8—Prince George’s County Resident CCF Migration Patterns, Admissions, 2017-2019	32
Table 9—Prince George’s County Nursing Home Beds by Room Type	33
Table 10— Hillhaven Projected Residents by County, First Three Full Project Years	34
Table 11 – Primary User Group Population Compared to Bed Availability, Prince George’s County, 2026.....	44
Table 12 - Impact on Private Beds in Prince George's County	45
Table 13 - Uninflated Cost per Day 2018-2027	46
Table 14 – Life Cycle Capital Cost Analysis	47

Figures

Figure 1—Map of Hillhaven’s Location	1
Figure 2—Illustration of Process to Implement 16 Beds via the Waiver Bed Method	38

Exhibits

1. MH Adelphi Holdings, LLC Organizational Chart	
2. Construction Drawings	
3. Meridian Senior Living, LLC Skilled Nursing Facilities	
4. MHCC Required Minimum Maryland Medical Assistance Participation Rates for Nursing Homes by Region and Jurisdiction	
5. Hillhaven Medicaid Policy	
6. Hillhaven Resident Information Regarding Community-Based Services	
7. Affirmation of Compliance with FGI Guidelines	
8. Hillhaven’s CMS Star Rating Report, Most Recent 15 Months	
9. Hillhaven’s COVID-19 Compliance CMS Review	
10. Hillhaven Quality Assurance and Performance Improvement Policy	
11. Hillhaven Collaborative Agreements, Excerpts	

12. Maryland Register, 32 Beds Available in Prince George's County
13. MH Adelphi Operating, LLC Financial Statements, 2018-2019
14. CPA Attestation to Availability of Funds
15. Community Support Letters
16. Comprehensive Care Bed Need and Projected Patient Origin Methodologies
17. Maps: Location of all Prince George's County CCF Beds; Occupancy Rates in Prince George's County; Hillhaven Patient Origin
18. Data Sources for CON Application
19. Project Budget Supporting Documentation
20. MH Adelphi Operating, LLC Organizational Chart; Land Lease Summary and Extension, MH Adelphi Holdings, LLC and MH Operating, LLC;

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

Legal Name of Project Applicant: MH Adelphi Operating, LLC dba Hillhaven Nursing and Rehabilitation Center

Address: 6931 Arlington Road Suite 320 Bethesda 20814 Montgomery
Street City Zip County

Telephone: (240) 391-3427

There is no co-applicant.

4. **NAME OF LICENSEE OR PROPOSED LICENSEE*:** same
*If different from applicant

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

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

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

The Applicant and licensee are the same entity.

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

A. Lead or primary contact:

Name and Title: Chris McGee, Vice President of Operations

Company Name: Meridian Senior Living, LLC

Mailing Address:

6931 Arlington Road, Suite 320	Bethesda	20814	MD
Street	City	Zip	State

Telephone: (401) 330-9926

E-mail Address (required): cmcgee@meridiansenior.com

Fax: _____

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

Meridian Senior Living, LLC has a management agreement with MH Adelphi Operating, LLC for Hillhaven Nursing and Rehabilitation Center.

B. Additional or alternate contact:

Name and Title: Nancy M. Lane, Consultant

Company Name: PDA, Inc.

Mailing Address:

P. O. Box 12844	Raleigh	27605	NC
Street	City	Zip	State

Telephone: (919) 754-0303

E-mail Address (required): nlane@pda-inc.net

Fax: _____

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

PDA, Inc. is the healthcare consulting firm with whom Hillhaven worked to complete this application, and would be available to refer or coordinate questions.

7. NAME OF THE OWNER OR PROPOSED OWNER OF THE REAL PROPERTY AND IMPROVEMENTS (if different from licensee or proposed licensee).

Legal Name of the Owner of the Real Property:

MH Adelphi Holdings, LLC

Address:

6931 Arlington Road, Suite 320	Bethesda	20819	MD
Street	City	Zip	State

Telephone: (240) 595-6061

Legal Name of the Owner of the Real Property:

MH Adelphi TIC II Owner, LLC

Address:

6931 Arlington Road, Suite 320	Bethesda	20819	MD
Street	City	Zip	State

Telephone: (240) 595-6061

Legal Name of the Owner of the Real Property:

MH Adelphi TIC III Owner, LLC

Address:

6931 Arlington Road, Suite 320	Bethesda	20819	MD
Street	City	Zip	State

Telephone: (240) 595-6061

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.

Please see **Exhibit 1** for a chart showing ownership structure for entities involved the real property and improvements.

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

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

MH Adelphi Operating, LLC

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.

Address:

6931 Arlington Road Suite 320	Bethesda	20814	MD
Street	City	Zip	State

Telephone: (240) 595-6061

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

Name of the Management Company:

Meridian Senior Living, LLC

Address:

6931 Arlington Road, Suite 320	Bethesda	20814	MD
Street	City	Zip	State

Telephone: (240) 595-6061

Meridian Senior Living, LLC has a management services contract with MH Adelphi Operating, LLC for facility operations.

Parties related to Meridian Senior Living, LLC also have ownership in MH Adelphi Holdings, LLC, the real property owner.

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	x
(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_2014_0301.pdf	x

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

MH Adelphi Operating, LLC dba Hillhaven Nursing and Rehabilitation Center (“Hillhaven”) proposes to add a new reception center and 16 Comprehensive Care Facility (“CCF”) beds to its existing 66-bed CCF. The new beds will be part of a 26-bed addition.

To complete the bed count in the new addition, Hillhaven will adjust ten beds from semi-private, double occupancy rooms in the existing facility. Together the adjusted and net new beds will create 26 private beds in the new addition.

Because the new addition will use 10 of the existing licensed CCF beds, 10 double-occupancy rooms in the existing facility will then operate as private rooms. While the actual rooms used as private may fluctuate, Hillhaven will not operate more than 56 beds at any given time, in the existing facility after the new addition is completed, without proper authorization.

At project end, Hillhaven will operate 82 total beds, 46 private and 36 semi-private. See detail in Table 1 below.

Table 1 – Hillhaven Bed Count Pre- and Post-Project

Bed Type	Current	Adjusted Existing	Net New	Project End
Semi-Private	56	-20	0	36
Private	10	20	16	46
Total	66	0	16	82

The 82 beds will occupy 64 resident rooms, 18 semi-private and 46 private. See Table 2 below.

Table 2 – Hillhaven Room Count Pre- and Post-Project

Room Type	Current	Adjusted Existing	New Construction	Project End
Semi-Private	28	-10	0	18
Private	10	10	26	46
Total	38	0	16	64

(2) Rationale for the project – the need and/or business case for the proposed project

- A new reception area will permit access directly to the CCF beds, eliminating the need to traverse other resident units.
- In accordance with COMAR 10.24.20.06, the Maryland Health Care Commission published a public notice of jurisdictional bed need for 32 comprehensive care beds in Prince George's County in 2020.
- The Applicant is one of only two entities that submitted timely letters of intent to file applications for 16 of these beds. The additional beds will increase access to residents of Prince George's County and surrounding communities.
- Prince George's population over age 65 is growing. The primary CCF user group, aged 75+, will increase by about 37 percent or 17,700 people between 2020 and 2026. For additional detail, see Part IV, COMAR 10.24.01.08G(3)(b) Need on page 30 of this application.
- Existing facility constraints require new construction to accommodate more beds. Building a new wing as designed will accommodate the proposed request for new beds, and allow for future increased bed capacity.
- Demand for private rooms is increasing which forces Hillhaven to take some beds "offline" to accommodate private occupancy. This reduces bed availability in the market and creates waiting lists for quality services. This project will help increase Hillhaven's private rooms from 26 percent to 72 percent.

- This project will also accommodate the increasingly demanding needs of Hillhaven’s rehab residents. The increase in private bed accommodations will address top customer requests. It will also help with the modalities Hillhaven is actively developing for rehab residents. These include, but are not limited to:
 - Respiratory therapy;
 - Treatments that are difficult to accommodate gracefully in semi-private accommodations, like tracheostomy care;
 - In-room dialysis;
 - Pain management programs; and,
 - Safety isolation protocols associated with COVID-19, such as 14-day quarantines for new admissions.

(3) Cost – the total cost of implementing the proposed project

Total cost of the project will be \$9,446,890 for fixed capital. This project will require no working capital. For detail, please see CON Tables E Project Budget and G Uninflated Operating Costs on pages 53 and 58 of this application.

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

Please see CON Table A on page 48.

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.

Because the project will add beds and increase occupancy, demand for community-based services will adjust in proportion to the number of discharges. Please refer to **Exhibit 6** and the response to Part IV, Standard 10.24.20.05A(3) page 20 for additional information about community-based services.

14. REQUIRED APPROVALS AND SITE CONTROL

A. Site size: 8.3 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 Applicant will apply for all State, county, and city permits for the project as required, and in accordance with the project timeline.

C. FORM OF SITE CONTROL (Respond to the one that applies. If more than one, explain.):

(1) **Owned by:** MH Adelphi Holdings, LLC

(2) **Options to purchase held by:** not applicable
Please provide a copy of the purchase option as an attachment.

(3) **Land Lease held by:** MH Adelphi Operating, LLC
Please provide a copy of the land lease as an attachment.

(4) **Option to lease held by:** not applicable
Please provide a copy of the option to lease as an attachment.

(5) **Other:** not applicable
Explain and provide legal documents as an attachment.

Please see **Exhibit 20** for a summary lease terms between the site owner, MH Adelphi Holdings, LLC, and the Applicant, MH Adelphi Operating, LLC. An existing lease is being renewed.

15. PROJECT SCHEDULE

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

	Proposed Project Timeline	
Obligation of 51% of capital expenditure from approval date	14	months
Initiation of Construction within 4 months of the effective date of a binding construction contract	4	months
Time to Completion of Construction from date of capital obligation	24	months

16. PROJECT DRAWINGS

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

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

- A. Floor plans for each floor affected with all rooms labeled by purpose or function, number of beds, location of bath rooms, nursing stations, and any proposed space for future expansion to be constructed, but not finished at the completion of the project, labeled as "shell space".

Please see [Exhibit 2](#) for copies of floor plans

- 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.

Please see [Exhibit 2](#) for a plot plan.

- C. Specify dimensions and square footage of patient rooms.

Each private resident room in the new construction will be 120 gross square feet not including toilet and bath area. Semi-private rooms in the existing facility are 209.03 net square feet excluding toilets. Private room space in the existing building varies. See drawings in [Exhibit 2](#).

17. FEATURES OF PROJECT CONSTRUCTION

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

Please see CON Table B on page 50.

- B. Discuss the availability and adequacy of utilities (for the proposed project and identify the provider of each utility. Specify the steps that will be necessary to obtain utilities.**

Hillhaven will address adequacy of utilities during the eight-month engineering and permit phase of the project, following CON approval. The contingency of \$2.5 million in CON Table E, Project Budget, Item c.2, on page 53 should be adequate to cover the cost of any necessary utility expansions. The project schedule allows eight months for necessary permitting.

- Prince George's County provides water and wastewater. Review of the 4-inch waste water line and 8-inch water line along Powder Mill road suggests that the project may require expansion of this line.
- Pepco provides power and natural gas. The project may require a supplemental transformer and emergency generator.

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.)

Please see CON Tables C Construction Characteristics, D Construction Costs, and E Project Budget on pages 51-54 of this application; see also **Exhibit 19** for Marshall and Swift cost estimation.

Thomas Pavel, CEO of MedPro, prepared construction costs in consultation with Boggs & Partners Architects, Inc.

A contingency of \$2.5 million also allows for unpredictable costs of materials as the economy adjusts to COVID-19 impacts on supply chains.

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.**

Owner / Operator

MH Adelphi Operating, LLC dba Hillhaven Nursing and Rehabilitation Center
3210 Powder Mill Road
Adelphi, MD 20783

MH Adelphi Holdings, LLC
6931 Arlington Road, Suite 320
Bethesda, MD 20819

Management Services

Meridian Senior Living, LLC
6931 Arlington Road Suite 320
Bethesda, MD 20814

The ownership structure of MH Adelphi Operating, LLC is in **Exhibit 20**; ownership structure of MH Adelphi Holdings, LLC is in **Exhibit 1**.

- 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.**

MH Adelphi Operating, LLC and MH Adelphi Holdings, LLC own only Hillhaven Nursing and Rehabilitation Center.

Please refer to **Exhibit 3** for the skilled nursing facilities operated by Meridian Senior Living, LLC. Meridian Senior Living, LLC, a Delaware company, was formed in 2015. Since 2015, Meridian Senior Living, LLC has operated four skilled nursing facilities across the United States.

- 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.**

Meridian Senior Living, LLC has a successful history of operating CCFs. Hillhaven, Meridian's only Maryland facility, has never lost its' license, had its' license suspended, or its' Medicare and Medicaid terminated. The Office of Health Care Quality of the Maryland Department of Health and the federal Centers heavily regulates CCFs for Medicare and Medicaid Services.

- 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.**

The Applicant owns only this facility. Hillhaven has had no citations resulting in probation, significant penalties, or revocation of licensure or accreditation, admission bans, probationary status, or other sanctions.

Of the four nursing home facilities operated by Meridian Senior Living, LLC since it formed in 2015, none have had citations resulting in probation, significant penalties, or revocation of licensure or accreditation, admission bans, probationary status, or other sanctions.

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

No.

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

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

1/04/2021

Date

Timothy P. O'Brien

Signature of Owner or Board-designated Official

AUTHORIZED REPRESENTATIVE

Position/Title

TIMOTHY P. O'BRIEN

Printed Name

PART IV - CONSISTENCY WITH GENERAL REVIEW CRITERIA AT COMAR

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.

As of July 15, 2019 COMAR 10.24.08.05 Nursing Home Standards has been fully replaced by COMAR 10.24.20.05 Comprehensive Care Facility Standards. The following section reflects the applicant's responses to the new standards.

10.24.20.05 Comprehensive Care Facility Standards.

A. General Standards.

The Commission will use the following standards for CON review of all CCF projects.

(1) Bed Need and Average Annual Occupancy.

- (a) For a relocation of existing comprehensive care facility beds currently in the inventory, an applicant shall demonstrate need for the beds at the new site in the same jurisdiction. This demonstration may include, but is not limited to, a demonstration of unmet needs by a particular patient population, high utilization of comprehensive care facility beds in the jurisdiction during the past five years, and the ways in which the relocation will improve access to needed services or improve the quality of comprehensive care facility services.

This standard is not applicable. The proposed project does not involve the relocation of beds.

- (b) An applicant proposing a project that will not add comprehensive care facility beds to a jurisdiction, but will add beds to an existing facility by relocation of existing licensed or temporarily delicensed comprehensive care facility beds within a jurisdiction, shall demonstrate that the facility being expanded operated all of its licensed beds at an occupancy rate of 90 percent or higher during the last two fiscal years for which the annual Maryland Long Term Care Survey data is available.

This standard is not applicable. The proposed project does not involve the relocation of beds.

(2) Medical Assistance Participation.

- (a) The Commission may approve a Certificate of Need for a comprehensive care facility only for an applicant that participates, or proposes to participate, in the Medicaid program, and only if the applicant submits documentation or agrees to submit documentation of a written Memorandum of Understanding (MOU) with Medicaid to maintain the proportion of Medicaid patient days required by .05A(2)(b) of this Chapter.**

The Applicant will continue to participate in the Medical Assistance Program. The Applicant has an MOU with Maryland Medicaid, which will remain in effect until construction completion, at which time the Applicant will enter into a new MOU to reflect the current participation rate.

- (b) Each applicant shall agree to serve and maintain a proportion of Medicaid patient days that is at least equal to the proportion of Medicaid patient days in all other comprehensive care facilities in the jurisdiction or region, whichever is lower, calculated as the weighted mean minus the 25th percentile value across all jurisdictions for each year based on the most recent Maryland Long Term Care Survey data and Medicaid Cost Reports available to the Commission, as published in the Maryland Register.**

The Applicant agrees to continue to meet this standard. See [Exhibit 4](#) for the last published Required Minimum Maryland Assistance Participation Rates.

- (c) 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 shall show a good faith effort and reasonable progress toward achieving this goal in years one and two of its operation.**

The proposed project will meet this standard. As demonstrated in Section 4b of CON Table G "Percent of Equivalent Inpatient Days" on page 59 of this application, the facility is projected to meet the standard in year three (CY2026), and in years one and two.

- (d) An applicant that seeks to expand or replace an existing comprehensive care facility shall modify its MOU upon expansion or replacement of its facility to encompass all of the comprehensive care facility beds in the expanded or replaced facility and to include a Medicaid percentage that reflects the most recent Medicaid participation rate, unless the facility's existing MOU encompasses all beds at a percentage that is equal to or greater than the most recent Medicaid participation rate.**

The Applicant agrees to meet this standard.

- (e) **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.**

The Applicant agrees to meet this standard. Hillhaven currently accepts Medicaid residents. Once the expansion is complete, Hillhaven will continue to accept Medicaid residents to maintain its required level of participation. Please see a copy of Hillhaven's Medicaid Policy in [Exhibit 5](#).

- (f) **Prior to licensure, an applicant shall execute a written Memorandum of Understanding with the Medical Assistance Program of the Maryland Department of Health to:**

- (i) **Achieve and maintain the level of Medicaid participation required by .05A(2)(b) of this Chapter; and**

The Applicant will continue to operate under its current MOU with the Medical Assistance Program of the Department of Health. After approval of the CON and construction of the new wing, the Applicant agrees to enter into a new MOU to reflect the then-current participation rate.

- (ii) **Admit residents whose primary source of payment on admission is Medicaid.**

In 2019, 39 percent of Hillhaven's days had Medicaid as the primary source of payment. The Applicant agrees to continue to admit residents whose primary source of payment on admission is Medicaid.

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

Not applicable.

(3) Community-Based Services. An applicant shall demonstrate in writing its commitment to alternative community-based services and to minimizing the comprehensive care facility length of stay as appropriate for each resident and agree to:

- (a) Provide information to every prospective resident about the existence of alternative community-based services, including Medicaid home and community-based waiver programs, Money Follows the Person Program, and other initiatives to promote care in the most appropriate settings;**

See policy in **Exhibit 6**. The Applicant offers newly admitted residents and/or their responsible party information on community-based services, including but not limited to Medicaid home and community-based waiver programs, Money Follows the Person Program, and other initiatives to promote care in the most appropriate settings. In addition to providing the Maryland Department of Health flyers in **Exhibit 6**, to all residents that express an interest in community-based services, Hillhaven staff assist interested residents to attain approvals and community services.

- (b) Use Section Q of Minimum Data Set (MDS) 3.0 to assess the individual's interest in and willingness to pursue community-based alternatives;**

The Applicant uses Section Q of the MDS 3.0 to assess individual interest in and willingness to pursue community-based alternatives.

- (c) Develop a discharge plan on admission with resident reassessment and plan validation at six-month intervals for the first 24 months. This plan is to be provided to the resident and/or designated representative; and**

The Applicant currently initiates discharge planning upon admission for all residents and will continue to provide a 24-month plan once the project is completed.

- (d) Provide access to the facility for all long-term care home and community-based services education and outreach efforts approved by the Maryland Department of Health and the Maryland Department of Disabilities to provide education and outreach for residents and their families regarding home and community-based alternatives.**

The Applicant currently complies with this standard. Hillhaven will continue to permit access to the facility for approved agencies that provide education and outreach to residents and their families regarding home and community-based alternatives.

(4) Appropriate Living Environment. An applicant shall provide to each resident an appropriate living environment that demonstrates compliance with the most recent FGI Guidelines. In addition, an applicant shall meet the following standards:

(a) In a new construction project:

- (i) Develop rooms with no more than two beds for each resident room;**
- (ii) Provide individual temperature controls for each room;**
- (iii) Assure that no more than two residents share a toilet; and**
- (iv) Identify in detail plans to develop a comprehensive care facility that provides a cluster/neighborhood design or a connected household design, rather than an institutional design, consistent with the most recent FGI Guidelines.**

Standard 05A(4)(a) is not applicable, this is an expansion project. All new rooms will meet this standard.

(b) In a renovation or expansion project:

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

The expansion will reduce the resident rooms with more than two residents.

- (ii) Provide individual temperature controls in each newly renovated or constructed room;**

The new construction will provide individual temperature controls in each resident room.

- (ii) Reduce the number of resident rooms where more than two residents share a toilet; and**

The new construction will be private rooms with no shared toilets.

Line drawing EX.-1 in **Exhibit 2** shows 22 rooms in the existing facility have four residents per one toilet (two semi-private, double occupancy rooms with a single toilet in-between). Because the new construction will reduce the number of double occupancy rooms in the existing unit, it will also reduce the number of rooms where four residents share a toilet to 18.

- (iv) Document that the applicant considered development of a cluster / neighborhood design or a connected household design, and, if the project includes an institutional model, document why the alternative models were not feasible.**

The design is a modified neighborhood design as described in the letter from the design architect in **Exhibit 7**.

The Applicant considered, but rejected development of a cluster / neighborhood design. Hillhaven chose the addition of 26 rooms and necessary support space, because it maximizes the number private rooms that the site will accommodate.

This design best meets the needs of the community. Hillhaven serves many short-stay rehabilitation residents; these residents frequently request private rooms. With only 10 private beds available, Hillhaven must either, turn away residents, or accommodate private use in semi-private rooms. Both scenarios are limiting to the community to be served.

The chosen design is conservative. It does not overbuild the facility and creates an efficient flow of residents and staff.

- (c) The applicant shall demonstrate compliance with Subsection .05A(4) of this Regulation by submitting an affirmation from a design architect for the project that:**

- (i) The project complies with applicable FGI Guidelines; and**

Please refer to **Exhibit 7** for affirmation from the design architect that the project complies with FGI Guidelines.

- (iii) Each design element of the project that deviates from the FGI Guidelines is justified by specific stated reasons.**

Not applicable; the design of the expansion project will not deviate from FGI guidelines.

- (5) **Specialized Unit Design. An applicant shall administer a defined model of resident-centered care for all residents and, if serving a specialized target population (such as, Alzheimer's, respiratory, post-acute rehabilitation) demonstrate that its proposed facility and unit design features will best meet the needs of that population. The applicant shall:**

- (a) **Identify the types of residents it proposes to serve, their diagnostic groups, and their care needs;**

The Applicant cares for residents with a wide variety of diagnosis, including Chronic Obstructive Pulmonary Disease (COPD), Congestive Heart Failure (CHF), diabetes, hypertension, muscle weakness, dementia, and other age-related, chronic conditions that inhibit residents' ability to perform daily living activities. The Applicant will continue to care for the same types of residents in its proposed expansion.

- (b) **If developing a unit to serve respiratory patients, demonstrate the ability to meet Office of Health Care Quality standards in COMAR 10.07.02.14-1;**

The above standard is not applicable. The new wing does not involve a Specialized Unit to serve respiratory patients.

- (c) **If developing a unit to serve dementia patients, demonstrate the ability to meet Office of Health Care Quality standards and the most current FGI Guidelines.**

The above standard is not applicable. The new wing does not involve a Specialized Unit to serve dementia patients.

- (d) **Demonstrate that the design of the comprehensive care facility is consistent with current FGI Guidelines and serves to maximize opportunities for ambulation and self-care, socialization, and independence. An applicant shall also demonstrate that the design of the comprehensive care facility promotes a safe and functional environment and minimizes the negative aspects of an institutional environment.**

The new wing does not involve a Specialized Unit.

The design for the new wing is consistent with current FGI Guidelines and provides opportunities for ambulation, self-care, socialization, and independence.

The private resident rooms will allow for an optimal environment for resident privacy, while the common dining and living areas will offer opportunities to engage in both scheduled programming, (facilitated by professional programming staff), and, non-scheduled social engagements, thus maximizing each resident's desire to interact with others and undertake purposeful activities. Each week, the resident program calendar includes programs that highlight social, spiritual, physical, purposeful, and, intellectual, activities.

To encourage ambulation and overall resident wellness, location of the new wing is next to Hillhaven's new, state-of-the-art fitness gym, designed by rehabilitation professionals, for residents of all abilities. The on-site rehab team offers daily wellness and exercise programming to maximize a resident's independence, improve function, and increase quality of life. In addition, nursing care staff receives training on how to encourage resident independence and ambulation, according to each resident's abilities and goals.

Hillhaven offers 24-hour dining opportunities to enhance further resident personalization and choice. In addition to regularly scheduled meals each day, residents also have an opportunity to eat meals on their own schedule. For example, if a resident wishes to sleep late and eat breakfast at 11:00am, or have dinner at 8:00pm, Hillhaven accommodates these requests.

All resident plans of care incorporate resident choice and preference as a key part of the plan. Resident's choices dictate their schedule, with regard to dining, activities of daily living, morning and evening routines, programming, and other activities.

Dedicated staff will support the new unit. These staff will receive training to support modalities common to both short-term rehabilitation and long-term residents. The layout supports efficient nurse staffing ratios and places all new beds on the same level as the other comprehensive care beds in the facility. Although the new unit expects to have dedicated staff, the same-level design allows for easy movement within the community to other units, if shared staffing is ever required.

- (6) **Renovation or Replacement of Physical Plant. An applicant shall demonstrate how the renovation or replacement of its comprehensive care facility will:**
- (a) **Improve the quality of care for residents in the renovated or replaced facility;**
 - (b) **Provide a physical plant design consistent with the FGI Guidelines; and**
 - (c) **If applicable, eliminate or reduce life safety code waivers from the Office of Health Care Quality and the Office of the Maryland State Fire Marshal.**

The proposed project involves minor renovation of the physical plant to provide connections to the new wing. All construction will meet FGI Guidelines. See additional quality improvements in (4)(b) above.

- (7) **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 comprehensive care facility shall demonstrate that its facility is, or will be, served by a public water system that meets the Safe Drinking Water Act standards of the Maryland Department of the Environment.**

The Prince George's County Water Plan currently serves Hillhaven, which meets the Safe Drinking Water Act standards of the Maryland Department of the Environment. The new construction associated with the expansion project will access this same water source.

(8) Quality Rating.

- (a) An applicant shall demonstrate, at the time of letter of intent submission, that at least 70 percent of all the comprehensive care facilities owned or operated by the applicant or a related or affiliated entity for three years or more had an average overall CMS star rating of three or more stars in CMS's most recent five quarterly refreshes for which CMS data is reported.**
- (i) If the applicant or a related or affiliated entity owns or operates one or more comprehensive care facilities in Maryland, the CMS star ratings for Maryland facilities shall be used.**

Hillhaven is the only comprehensive care facility owned or operated by the Applicant, or related or affiliated entities, in Maryland. Please see [Exhibit 8](#) for Hillhaven's full CMS star ratings for the last sixteen months. Table 3 below summarizes Hillhaven's ratings.

Table 3 – Hillhaven CMS Star Rating, August 2019-November 2020

Survey Month	Star Rating			
	Overall	Health & Inspection	Staffing	Quality Measures
August 2019	5	5	1	5
September 2019	5	5	1	5
October 2019	5	5	4	5
November 2019	DATA UNAVAILABLE			
December 2019	5	5	4	5
January 2020	5	5	3	5
February 2020	5	5	3	5
March 2020	5	5	3	5
April 2020	5	5	3	5
May 2020	5	5	3	5
June 2020	5	5	3	5
July 2020	5	5	3	5
August 2020	5	5	3	5
September 2020	5	5	3	5
October 2020	5	5	5	5
November 2020	5	5	5	5
Average	5	5	3	5

Source: CMS Nursing Home Provider Information, August 2019-November 2020; CMS does not provide data by quarters; See [Exhibit 8](#) for additional detail and raw scores.

- (ii) If the applicant or a related or affiliated entity does not own or operate comprehensive care facilities in Maryland, CMS star ratings for such facilities in the states in which it operates shall be used.**

Not applicable. See answer the response to 05A(8)(a)(i) above.

- (b) An applicant that is an existing Maryland comprehensive care facility shall document, at the time of letter of intent submission, that it had an average overall star rating of three or more stars in CMS's most recent five quarterly refreshes for which CMS data is reported, unless the facility has been owned or operated by the applicant for fewer than three years.**

CMS awarded Hillhaven an average overall star rating of five out of five stars. Please see [Exhibit 8](#) for Hillhaven's Medicare Nursing Home Profile. See response to Standard 05A(8)(a)(i), Table 3 above for additional detail.

Additionally, Hillhaven was found to be in "substantial compliance" during its COVID-19 Focused Infection Control Survey in August 2020. Please see [Exhibit 9](#) for detail.

- (c) An applicant shall demonstrate that it has an effective program of quality assurance functioning in each comprehensive care facility owned or operated by the applicant or a related or affiliated entity.**

Hillhaven is an existing comprehensive care facility. The proposed expansion project will be subject to the same policies and procedures already in place for the existing operation. Please see [Exhibit 10](#) for a copy of the QAPI program policies.

- (d) An applicant that has never owned or operated a comprehensive care facility shall demonstrate its ability:**

- (i) To develop and implement a quality assessment and performance improvement plan, consistent with requirements of the Maryland Office of Health Care Quality; and**
- (ii) To produce high-level performance on CMS quality measures.**

Standard 05A(8)(d) is not applicable. Hillhaven is a CCF with quality assessment and improvement plans in place.

- (9) Collaborative Relationships.** An applicant shall document, by means of letters, for new applicants, and contracts, for existing facilities, its links with hospitals, hospice programs, home health agencies, assisted living providers, Adult Evaluation and Review Services, adult day care programs, and other community providers in the long term care continuum.

The Applicant has established multiple collaborative relationships with other service providers to ensure accommodation of a wide variety of needs at the nursing facility; including: Hospice, Radiology, Laboratory, Respiratory Therapy, Pharmacy, and Speech Therapy. See **Exhibit 11**. Per advice from MHCC staff, the exhibit includes only key pages of contracts in order to minimize paper use.

- (a) An applicant shall demonstrate its commitment to effective collaboration with hospitals by documenting its successful efforts in reducing inappropriate readmissions to hospitals, improving the overall quality of care, and providing care in the most appropriate and cost effective setting. The demonstration shall include:**

- (i) Data showing a reduction in inappropriate hospital readmissions; and**

See **Exhibit 8** for CMS Medicare compare report.

- (ii) Data showing improvements in the quality of care and provision of care in the most appropriate setting.**

The CMS Medicare report in **Exhibit 8** demonstrates Hillhaven's quality of care and provision of care is above the state average. In its most recent CMS review, Hillhaven reported:

- 17.6 percent of short-stay residents were re-hospitalized after a nursing home admission, lower than both the national and Maryland averages at 20.8 and 19.4 percent respectively;
- 7.4 percent of potentially preventable hospital readmissions 30 days after discharge from a SNF, which is on par with national rates; and,
- 0.72 hospitalizations per 1,000 long-stay resident days, almost half of the national and Maryland averages at 1.70 and 1.23 respectively.

(b) An applicant shall demonstrate its commitment to providing an effective continuum of care by documenting its collaborative efforts with Medicare-certified home health agencies and hospices to facilitate home-based care following comprehensive care facility discharge and shall facilitate delivery of hospice services for terminally ill residents. The demonstration shall document that the applicant has:

(i) Planned for the provision of home health agency services to residents who are being discharged; and

The Applicant currently initiates discharge planning upon admission for all residents and will continue to do so after construction is completed. As noted in **Exhibit 11**, Hillhaven offers home health agency services through Roberts Home Health.

(ii) Arranged for hospice and palliative care services, when appropriate, for residents who are being discharged.

When appropriate, the Applicant currently arranges for hospice and palliative care services for residents being discharged; and, will continue to do so after construction is completed. As noted in **Exhibit 11**, Hillhaven offers hospice and palliative care services through several agencies including:

- Capital Hospice;
- Montgomery Hospice; and,
- Paul Newman, PC (Palliative Care Services).

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.

The following section describes the service gaps that exist broadly across Prince George's County, facility constraints at Hillhaven, and how the proposed project will remedy these issues. Please refer to the Applicant's response to Part 1, Question 11.A.(2), page 7 for additional information regarding need, and CON Tables D, E, and F on pages 52-57 for statistical information.

State Health Plan Projected Need

In accordance with COMAR 10.24.20.06, the Maryland Health Care Commission ("MHCC") published a notice of jurisdictional bed need in 2019. In the public notice, MHCC projected a need for 32 CCF beds in Prince George's County. The proposed project is in response to the projected need published by MHCC. Hillhaven is applying for 16 of the 32 available beds. Thus, the proposed increase in beds does not exceed the identified need for additional beds in Prince George's County. Please see [Exhibit 12](#) for the Bed Need in Prince George's County as published in the Maryland Register.

Prince George's County Service Gaps

Aging Population

Most nursing home residents are aged 75 and older². In Maryland in 2019, 57.3 percent of all nursing home residents were aged 75 and older³. The population of Prince George's County is aging rapidly. Table 4 illustrates that the population 75 years of age and older will increase by 17,703 persons by 2026. This growth represents a 36.5 percent increase in this population from 2020. Further, the portion of the population aged 75 to 84 is growing the quickest, over 13 times as fast as the total population of Prince George's County (37 % compared to 3%). By 2026, more than 66,000 of Prince George's County residents will be 75 years of age or older (Table 4). Thus, the age group most likely to need CCF beds is substantial; and, represents a sizeable portion of Prince George's County residents. As this demographic continues to increase, the local need for CCF services will similarly increase.

Table 4—Population Distribution, Prince George's County, 2020-2026

Age Group	2020	2021	2022	2023	2024	2025	2026	% Change (2020-2026)
Under 65	790,825	789,737	788,202	787,563	786,478	785,395	784,314	-0.82%
65 to 74	77,888	80,023	82,490	84,468	86,783	89,160	91,604	17.61%
75 to 84	35,195	37,105	38,999	41,241	43,479	45,838	48,325	37.30%
85+	13,234	13,905	14,565	15,351	16,130	16,948	17,807	34.56%
Total	917,143	920,769	924,256	928,623	932,869	937,341	942,050	2.72%

Source: MHCC Comprehensive Care Routine Reports 7.6.2020, Table 1.7, population forecast using CAGR (2019-2023) for each age group.

Prince George's County Resident's Need for Increased Access to Comprehensive Care Facility Services

The purpose of the proposed project is to increase availability and accessibility of comprehensive care services to the residents of Hillhaven's service area, which includes Prince George's County.

Hillhaven conducted a need analysis ([Exhibit 16](#)). Using the average annual change in CCF use rates in Prince George's County, accounting for in-migration and population growth over the next several years, Hillhaven estimated an increase of 169,076 CCF patient days needed in Prince George's County between CY2020 and CY2026 ([Exhibit 16](#), Step 11). This translated to a projected net bed need of 744 additional beds in Prince George's County by 2026 (Table 5 below, and [Exhibit 16](#), Step 14).

² Centers for Disease Control and Prevention. *Long-Term Care Providers and Services Users in the United States, 2015-2016*. Vital and Health Statistics, Series 3, Number 43, page 19.

³ "MHCC Comprehensive Care Routine Reports 7.6.2020, Table 1.0

Table 5—Projected CCF Bed Need in Prince George’s County, 2020-2026

	2020	2021	2022	2023	2024	2025	2026
Gross Bed Need	3,210	3,284	3,357	3,440	3,522	3,608	3,697
Current CCF Bed Inventory	2,953	2,953	2,953	2,953	2,953	2,953	2,953
Net Bed Need (surplus)	257	331	404	487	569	655	744

Note: Excerpt from **Exhibit 16**, Steps 12-14, which contains all sources and calculations for the above table.

In its analysis, Hillhaven assumed the current CCF bed inventory will remain constant. Thus, the table above is for illustration purposes only. The table illustrates a persistent need for CCF beds in Prince George’s County in the coming years.

Prince George’s County’s population alone can be expected to generate more than 1,200 additional nursing home admissions between CY2020 and CY2026 (**Exhibit 16**, Step 18). Currently, Prince George’s CCFs have a limited capacity to take on new admissions. From FY16 to FY18, on average, Prince George’s County CCFs operated at 89 percent occupancy. Considering this high occupancy, and the fact that the population most likely to utilize CCFs (people 75+) is growing rapidly, it is clear there are not enough CCF beds to accommodate the growing demand.

Table 6—Average Annual CCF Occupancy Rates, Prince George’s and Adjacent Counties, FY2018

County	Average Annual Occupancy (%)	Rank
Howard	97.9	1
St. Mary’s	94.6	2
Charles	91.5	3
Prince George’s	88.9	4
Anne Arundel	87	5
Montgomery	84.6	6
Calvert	79.3	7

Source: MHCC Average Annual Bed Occupancy Rate and Average Annual Number of Licensed Nursing Home Beds by jurisdiction and Region: Maryland, Fiscal Years 2016-2018

Note: See **Exhibit 17** for a map showing adjacent counties.

As shown in Table 6 above and **Exhibit 17**, Prince George’s and its’ surrounding counties are operating at a capacity of 79 percent and higher. In 2019, 3,534, over 34 percent, of Prince George’s County residents’ CCF admissions occurred in other counties (see Table 7). This trend has been consistent for the past three years.

Table 7—Prince George’s County Resident CCF Migration Patterns, Admissions, 2017-2019

Year	Total Prince George’s Resident Admissions	In Prince George's County	Outside of Prince George's County	Percent Outmigration
2017	10,105	6,401	3,704	36.7%
2018	10,098	6,580	3,518	34.8%
2019	10,401	6,867	3,534	34.0%
3-Yr Average	10,201	6,616	3,585	35.1%

Source: Data obtained through special request to MHCC, received 12.11.20 from Sandy Biddinger

Because the aforementioned counties have such high occupancy rates, it is unlikely that facilities in these counties can absorb the need associated with expected growth of Prince George’s aging population. The amount of outmigration in Prince George’s County may also represent an unmet need for more CCF beds. The proposed project will add an additional 16 beds to Hillhaven’s service area, alleviating the need for some residents to enter CCFs distant their homes and support systems.

In 2018, Prince George’s County had only 67 beds CCF beds per 1,000 population over the age of 75⁴. This is the seventh lowest of all 23 Maryland counties⁵. In comparison, Maryland as a whole had 73 beds per 1,000 population over the age of 75, and 70 beds per 1,000 population all ages⁶. Under-supply of CCF beds may result in more hospital admissions for those 75+. The proposed project is a step towards improving the supply of CCF beds in Prince George’s County.

⁴ “MHCC Comprehensive Care Routine Reports 7.6.2020, Table 1.8

⁵ Ibid.

⁶ Ibid.

Lack of Private Rooms

Only a limited number of private rooms are available across nursing homes in Prince George's County. As of 2017, 27 percent of Prince George's nursing home (CCF) beds are private (801/2,953*100; see Table 8 below). Hillhaven currently operates with only ten private rooms.

Table 8—Prince George's County Nursing Home Beds by Room Type

Facility Name	Private Room Beds	Semi-Private Beds	Triple-Room Beds	Quad-Room Beds	Total Beds	Percent Private Beds
Hillhaven Assisted Living Nursing & Rehabilitation	10	56	0	0	66	15.2%
Riderwood Village	117	0	0	0	117	100.0%
Sacred Heart Home, Inc.	96	6	0	0	102	94.1%
Wye Oak Healthcare of Hyattsville	224	46	0	0	270	83.0%
Collington Episcopal Life Care Community	34	10	0	0	44	77.3%
Doctors Community Rehabilitation and Patient Care	86	44	0	0	130	66.2%
FutureCare at Capital Region	82	68	0	0	150	54.7%
Villa Rosa Nursing Home	57	50	0	0	107	53.3%
Patuxent River Health and Rehabilitation Center	15	102	36	0	153	9.8%
Manor Care Health Services - Largo	11	92	27	0	130	8.5%
Autumn Lake Health Care at Cherry Lane	13	70	72	0	155	8.4%
Manor Care Health Services- Hyattsville	13	128	15	4	160	8.1%
Clinton Healthcare Center	8	136	111	12	267	6.7%
FutureCare-Pineview	9	120	39	12	180	5.0%
Fort Washington Health Center	6	96	0	48	150	4.0%
Genesis Bradford Oaks Center	6	174	0	0	180	3.3%
Genesis Larkin Chase Nursing and Restorative Center	8	112	0	0	120	3.0%
Crescent Cities Center	4	136	0	0	140	2.9%
Forestville Health & Rehabilitation Center	1	68	93	0	162	0.6%
Heartland Health Care Center - Adelphi	1	58	111	0	170	0.6%
Total	801	1,572	504	76	2,953	27.1%
Average	40	79	25	4	148	30%

Source: 2018 Maryland Long Term Care Survey

Note: See [Exhibit 17](#) for a map of all CCFs in Prince George's County

The Applicant proposes to add 16 CCF beds to its existing 66-bed CCF facility. As part of the expansion project, Hillhaven will also adjust ten semi-private (double occupancy) rooms to private rooms. At project end, Hillhaven will have 82 beds: 46 in private rooms and 36 in semi-private, double occupancy rooms. (See Tables 1 and 2 in Part I, Question 11.A(1), on page 7 of this application).

Research has long supported the use of private rooms in the delivery of health care, both in hospitals and skilled nursing and rehabilitation facilities. At project completion, 56 percent of Hillhaven's beds will be private occupancy, which is well above average in Prince George's County (Table 8). This will help to minimize infection rates and dignity to promote well-being and independence.

Prince George's County residents, will benefit from the addition of private nursing home beds and the correlated possibility for improved outcomes, such as better infection control and increased privacy.

Increasing the total number of beds will improve accessibility to comprehensive care for Prince George's County and nearby residents. Furthermore, with additional private rooms, Hillhaven will help to reduce gaps between licensed beds and actual beds available when resident care requires that rooms be used as single occupancy.

Facility Constraints

Hillhaven Clinical Services Needs

The proposed project will allow Hillhaven to increase safety protocols associated with COVID-19, and other communicable diseases, like 14-day quarantines for new admissions. COVID-19 distancing requirements allow only one person per room. In high-COVID days, many semi-private rooms cannot be used to full capacity. Expanding the number of private beds will allow Hillhaven to operate more efficiently and serve more residents. For additional rationale, see response to Part I, Question 11.A.(2), pages 7-8 of this application.

Inadequate Physical Plant to Meet Growing Resident Needs

Table 9 shows Hillhaven's projected admissions, by county, for its' first three project years. See [Exhibit 17](#) for a map illustrating historical patient origin 2020.

Table 9— Hillhaven Projected Residents by County, First Three Full Project Years

County	2023	2024	2025	2026
Prince George's	216	262	264	264
Montgomery	131	159	160	160
District of Columbia	15	19	19	19
Howard	15	19	19	19
Charles	8	9	9	9
Total Residents	387	469	472	472

Notes: See [Exhibit 16](#) for the entire methodology used to forecast these admissions.

Assumptions:

1. Hillhaven percent distribution of patient origin will remain constant through 2026.
2. Hillhaven's project will increase total bed count within the county by 0.5 percent.
3. Hillhaven is an established provider within the community. Its referral sources and market penetration will not change with the small increase of beds relative to total capacity. It is therefore reasonable to assume that resident patterns will remain constant.

Table 9 above shows that Hillhaven forecasts an expansion of total annual residents from 387 in 2023, to 472 by 2026, a net gain of 85 residents. In 2019, Hillhaven operated at almost 90 percent occupancy (see CON Table F, line 5g). It served 335 residents in 2019. With COVID-19 restrictions, and few private rooms, Hillhaven expects to serve 286 residents in 2020. The proposed project, will allow Hillhaven to accommodate the increase in admissions demonstrated in Table 9 above.

Improving Standard of Care

The new, spacious, better-equipped rooms will better accommodate dialysis and respiratory therapy equipment.

The proposed project will improve resident satisfaction and standard of care in the following ways:

- Increasing resident privacy will enhance Hillhaven residents' experience and interaction with their friends and family, once visits can be accommodated safely;
- Enhancing resident comfort; and,
- Decreasing risk of nosocomial infections and adverse outcomes.

These quality-of-care improvements will support Hillhaven's success. Hillhaven will continue to operate as a high quality, 5-star, comprehensive care provider for CMS sponsored initiatives.

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.

Planning Process and Goals

The Applicant's planning process considered operational efficiency and modernization of the facility by the Management Services company, Meridian Senior Living, LLC, in cooperation with a team consisting of owners and project architects. Owners began investing in Hillhaven facility improvement in 2016, expanding support areas and improving resident room amenities. The goal of expanding the facility involved an evaluation of:

- Resident demand, current and projected;
- Site constraints;
- Sustainable occupancy within the reality of alternative facilities in the market;
- Infrastructure capacity; and,
- Capital efficiency.

This resulted in a project goal of increasing facility private room capacity within the constraints of site, capital, market, and MHCC bed need opportunities.

When MHCC announced a 32 SNF bed need in the Maryland Register on September 27, 2019, the Applicant and Crescent Cities Center filed letters of intent to apply. In a subsequent pre-application conference with MHCC, the two parties agreed to apply for only 16 beds each. This established another planning goal, to limit new beds to 16.

For CON purposes, the primary goal of project is to increase Prince George's County CCF capacity.

Hillhaven evaluated several alternative options to achieve these goals within the constraints it had previously identified.

Let the Identified Need Stand

Occupancy in Prince George's County CCFs averaged 89 percent in 2018 (Table 6, page 31. In a growing county, where most of the CCF beds are in multiple-occupancy rooms, leaving the status quo is unresponsive to the market. In- and outmigration statistics on a county level reflect the reality of Prince George's County geography. Densely populated sectors of Montgomery County and the District of Columbia border Prince George's County. Moreover, Hillhaven's Adelphi location is near both borders. Montgomery County facilities have little capacity to absorb the growing Prince George's need. Montgomery reported 84.6 percent occupancy in 2018⁷. The Prince George's County aging population is described in detail in COMAR 10.24.01.08G(3)(b), Table 4, on page 30 of this application.

Apply for 16 New Beds

Building a limited number of new beds is far more cost effective than a full replacement facility. The existing Hillhaven plant is in good condition and has many more years of useful life.

With only 10 private beds available, Hillhaven faces difficult choices when it reaches 50 percent capacity. It must either refuse admissions for certain treatments, such as tracheostomy care, or compromise on resident privacy. Semi-private rooms do not provide residents adequate privacy for any invasive treatment.

COVID-19 highlighted the importance of private room accommodations for infection control. Presently, Hillhaven sets aside six beds for mandatory 14-day quarantine of each new admission; this alone uses up 60 percent of the private bed inventory. Then, the facility dedicates another four beds, or more depending on demand, to isolation for confirmed COVID-19 positive residents. This pandemic will pass, but the design provides the facility with multiple ways to respond to resident demand.

During the COVID-19 pandemic, each newly admitted Hillhaven resident must submit to a mandatory 14-day quarantine. If demand exceeds quarantine unit capacity, and other private rooms are occupied, Hillhaven must take one semi-private bed out of service for each additional quarantine resident. Not only is this practice ineffective, but it also reduces the true bed availability in the county and creates waiting lists for quality services.

In the first project year, the proposed project will increase Hillhaven's private bed capacity from 10 to 46 beds. (Please refer to Part I, Question 11.A(1) on page 6 of this application.) Although building more than 16 beds increases capital cost, in this facility, the operational efficiency and improved access more than justify the additional cost.

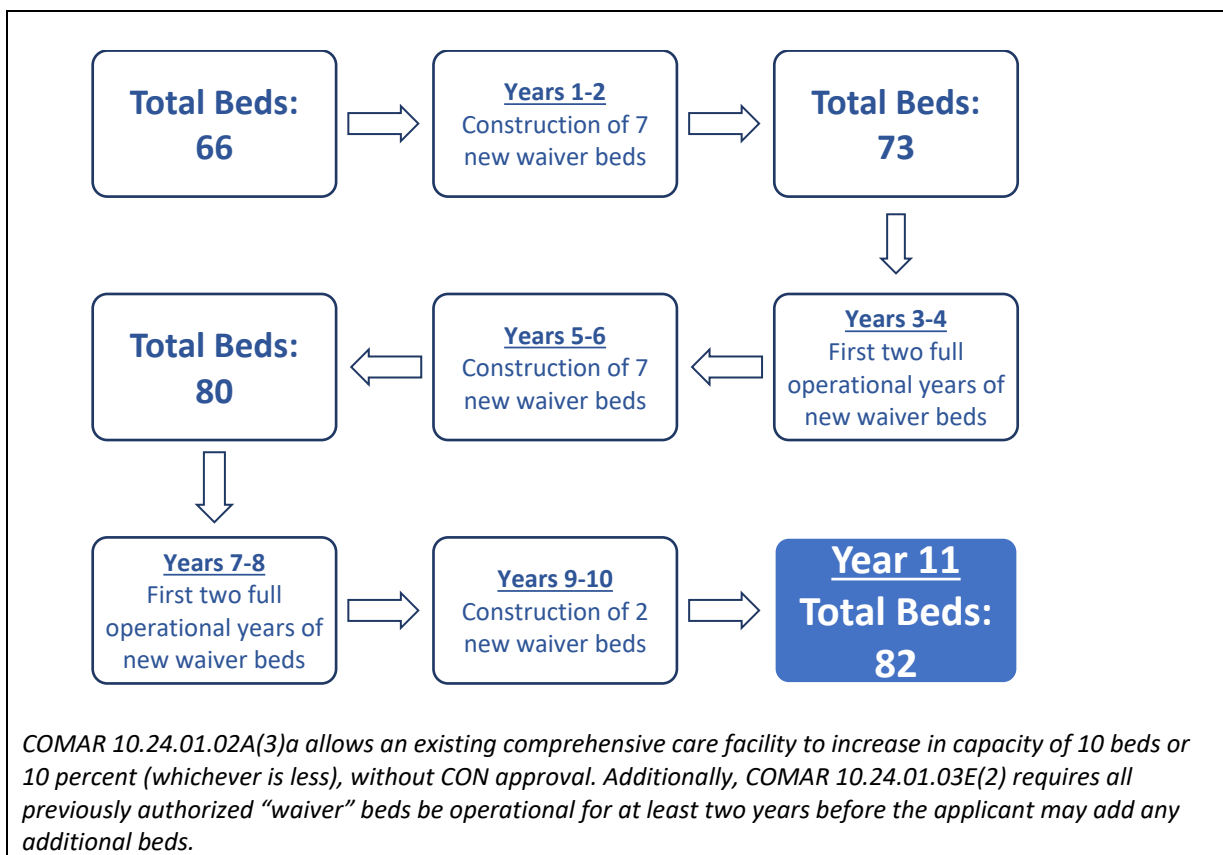
⁷ MHCC Average Annual Bed Occupancy Rate and Average Annual Number of Licensed Nursing Home Beds by Jurisdiction and Region; Fiscal Years 2016-2018; Maryland Register Volume 47, Issue 12, Friday June 5, 2020

Apply for Authorization to Implement “Waiver Beds”

Under COMAR 10.24.01.02A(3)a, an existing CCF may increase capacity by 10 beds or 10 percent (whichever is less), without CON approval. By this standard, Hillhaven could add seven beds ($66 \text{ current beds} \times 10\% = 7 \text{ beds}$) next year. The staging cost for new construction is significant. Building in increments of seven beds means that each new construction project would have higher than necessary construction cost per square foot. It would take more than ten years, including statute required wait times and construction, to achieve a 16-bed addition. Each bed increment would involve new staging costs, and the approach would result in extra years of disruptive construction on this small site.

The “waiver” bed construction option is far less cost effective than the proposed project. Figure 3 demonstrates the hypothetical process for Hillhaven to add 16 “waiver” beds.

Figure 2—Illustration of Process to Implement 16 Beds via the Waiver Bed Method



The proposed project will allow Hillhaven to add 16 beds in a span of two years. Considering how long it would take to implement the equivalent amount of “waiver” beds and the increasing demand for private CCF beds and services, the Applicant deemed the waiver bed option less effective than the proposed project.

The proposed project adds 26 bedrooms at a capital cost of \$9,446,890. This is \$358,727 per room. However, the project involves more than new room construction. It will reduce the number of existing resident rooms in which more than two persons share a toilet, increase privacy and infection control for the entire facility by means of a new reception area and net gain of private rooms, and upgrade the utility infrastructure for the whole facility. The operating forecast in CON Table G on page 58 of this application indicates that uninflated operating per day will go down in the second operating year (CY2024) and stay down. For detail, see Table 12 on page 46.

The proposed project provides the most effective and efficient way to achieve Hillhaven’s primary goal of increasing access to comprehensive care services.

10.24.01.08G(3)(D). VIABILITY OF THE PROPOSAL.

The Commission shall consider the availability of financial and nonfinancial resources, including community support, necessary to implement the project within the time frames set forth in the Commission's performance requirements, as well as the availability of resources necessary to sustain the project.

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

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

CON Tables G, H, and related assumptions are on pages 58-63 of this application. These detail financial projections related to this project.

Hillhaven's most recent two years of audited financials, FY2018 and FY2019, are in [Exhibit 13](#).

[Exhibit 14](#) contains a letter from Aaron Bloom, CPA of Gorfine Schiller & Gardyn, Certified Public Accountants and Consultants, attesting to the sufficient availability of funds for the project.

Letters of community support for the project are in [Exhibit 15](#).

Part I, Question 15 on page 10 of this application and [Exhibit 2](#), contain related construction documents.

The Applicant assumed project approval by June 2021; eight months for site engineering permits and design; 14 months for construction; and four months for licensure and certification. This puts occupancy starting in October 2023.

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.

This standard is not applicable; the Applicant has not been issued a CON in the last 15 years.

10.24.01.08G(3)(F). IMPACT ON EXISTING PROVIDERS AND THE HEALTH CARE DELIVERY SYSTEM.

An applicant shall provide information and analysis with respect to the impact of the proposed project on existing health care providers in the health planning region, including the impact on geographic and demographic access to services, on occupancy, on costs and charges of other providers, and on costs to the health care delivery system.

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

a) On the volume of service provided by all other existing health care providers that are likely to experience some impact as a result of this project;

This project is in response to a need determination. As calculated by the Agency, Prince George's County does not have enough capacity to meet expected population demand for nursing home (CCF) beds.

The Applicant proposes to expand its total capacity by 16 beds. In a county with 2,953 nursing home beds, this represents an increased bed capacity of 0.5 percent. By contrast, Prince George's County population over age 75 is expected to increase by 37 percent between 2020 and 2026. (See population detail in Part IV. Standard 08G(3)(b), page 30.)

According to the MHCC Comprehensive Care Routine Reports, 13.7 percent of all Maryland residents over age 75 live in skilled nursing care⁸.

According to data in the MHCC Comprehensive Care Database, Prince George's County has a relatively low CCF average length of stay. Table 10 below illustrates the sensitivity of bed supply to age-based Average Length of Stay ("ALOS"), using only the primary user group, persons 75+. At their 2019 average ALOS, if and all facilities operated at 85 percent occupancy. The county could face a severe CCF deficit in 2026.

⁸ Maryland Health Care Commission, Long Term Care Facility Resident Assessment Instrument, Minimum Data Set, 2019; Table 1.11; accessed 12.05.2020; Total Count of Residents Over Age 75 / Estimated 2020 Total Population Over Age 75

Table 10 – Primary User Group Population Compared to Bed Availability, Prince George’s County, 2026

Notes		Scenario	
		At Prince George's County 2019 ALOS	At Maryland Avg +75 ALOS
a	Age 75+ Population 2026	66,132	66,132
b	Estimated Age 75+ 2026 Population Needing CCF	9,060	9,060
c	Average Length of Stay	89	334
d	Prince George's County Resident Days needed	806,340	3,026,040
e	Prince George's County Resident beds needed for persons over 75 at 85 Percent Occupancy	2,599	9,754
f	Total Prince George's County Beds 2020	2,953	2,953
g	Beds available for persons in other age groups	354	(6,801)

Notes and Sources:

- a. MHCC Comprehensive Care Routine Reports 7.6.2020, Table 1.7, population forecast using CAGR (2019-2023) for age group 75+
- b. $a * 13.7$, MHCC report on percent of residents over 75 needing CCF care⁹
- c. Maryland Long Term Care Survey Database 2015-2019
- d. $b * c$
- e. $d / 365 / 0.85$
- f. 2018 Maryland Long Term Care Survey, assuming the number of beds remains constant (for illustration purposes only)
- g. $f - e$

This project would produce a CCF bed increase of only 0.5 percent. The forecast population increase in the primary user group is 5.43 percent annually¹⁰; occupancy in facilities in Prince George's, Montgomery, and other nearby adjacent counties is high (Table 6, page 31). Clearly, the impact of the proposed project on other providers will be minimal.

- 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.**

The Applicant projects no significant impact on the payer mix of other providers as a result of the projected bed increase.

⁹ Ibid

¹⁰ CAGR 75-84 population between 2019 and 2026; see data in Exhibit 16, Step 1.

As shown in CON Table G on page 59, Hillhaven projects a small increase in its current Medicare and Medicaid payer ratio. The change in payor mix from 33 percent Medicaid in CY2020 may relieve pressure on other facilities to absorb Medicaid residents; see CON Table G, Section 4, page 59, for Medicaid percent of days.

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);

The 16-bed addition makes a small contribution to improved access to health care services for the service area population. It represents an increase of only 0.05 percent in beds in a county in which the key user population will increase by 17,000+ people, or 37 percent between 2020 and 2027. See Table 4 page 30 in response to COMAR 10.24.01.08G(3)(a) Need.

At project completion, private rooms in Prince George's County will increase by 4.5 percent.

Table 11 - Impact on Private Beds in Prince George's County

Note	Metric	
a	Prince George's County Current	801
b	Hillhaven Current Private Beds	10
c	Hillhaven Private Beds at Completion	46
d	Prince George's County at Project Completion	837
e	Percent Increase	4.5%

Notes

- a. Table 8, application page 33
- b. Ibid
- c. Table 1, application page 7
- d. $a - b + c$
- e. $(d - a) / a$

While reliable data does not exist describing the reason for nursing home selection, Maryland Long Term Care data show that approximately 35 percent of Prince George's County residents receive care in out-of-county placements. Such a substantial out-migration, suggests that limited bed availability may be a factor in decision-making. A resident's support system – family, friends, other community-based support – are generally local. It is therefore likely that residents would prefer to seek both rehabilitative and long-term care closer to home and their existing support systems.

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.

Because the project will increase effective capacity by more than the 16 new beds, it will actually have a zero impact on operating cost per patient day as illustrated in CY 2018 and CY2024 through CY2027 in Table 12 below.

Table 12 - Uninflated Cost per Day 2018-2027

	CY2018	CY2019	CY2020	CY2021	CY2022	CY2023	CY2024	CY2025	CY2026
a. Total Operating Expenses CON Table G	\$6,180,501	\$8,421,622	\$8,082,215	\$8,102,913	\$8,185,981	\$8,425,962	\$9,164,127	\$9,177,086	\$9,177,086
b. Resident Days CON Table F	18,601	21,642	16,949	21,508	21,900	22,417	27,176	27,375	27,375
c. Uninflated Operating Cost per day (a / b)	332.27	389.13	476.87	376.73	373.79	375.87	337.22	335.24	335.24

Source: CON Table G, pages 58-59

As illustrated in CON Table L, the total workforce impact on the health care delivery system is small, only 9.5 FTE's. Hillhaven has a waiting list of staff interested in employee positions and a substantial roster of persons who work as needed. Between these, the Applicant expects to staff the facility with minimal or no impact on other facilities.

The lifecycle impact on total licensed beds is similarly cost effective, as illustrated in Table 13 below. Building a new facility would cost more than \$200,000 per bed and take much longer.

Table 13 – Life Cycle Capital Cost Analysis

Notes		
a	Estimated Capital Cost (Table E)	\$9,446,890
b	Estimated Useful Life years	40
c	Estimated capital cost / year	\$236,172
d	Additional private beds at project completion (Table 1)	36
e	Estimated Cost/ additional private bed	\$262,414
f	Estimated Capital Cost / Licensed bed	\$115,206

Notes

- a. CON Table E
- b. Medicare building depreciation
- c. a / b
- d. Table 1, application page 7
- e. a / d
- f. $a / 82$ licensed beds at completion

TABLE A. PHYSICAL BED CAPACITY BEFORE AND AFTER PROJECT

INSTRUCTIONS: 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 in accordance with the definition of physical capacity noted below. Applicants should add columns and recalculate formulas to address rooms with 3 and 4 bed capacity. NOTE: Physical capacity is the total number of beds that could be physically set up in space without significant renovations. This should be the maximum operating capacity under normal, non-emergency circumstances and is a physical count of bed capacity, rather than a measure of staffing capacity. A room with two headwalls and two sets of gasses should be counted as having capacity for two beds, even if it is typically set up and operated with only one bed. A room with one headwall and one set of gasses is counted as a private room, even if it is large enough from a square footage perspective to be used as a semi-private room, since renovation/construction would be required to convert it to semi-private use. If the hospital operates patient rooms that contain no headwalls or a single headwall, but are normally used to accommodate one or more than one patient (e.g., for psychiatric patients), the physical capacity of such rooms should be counted as they are currently used.												
Before the Project							After Project Completion					
Hospital Service	Location (Floor/ Wing)*	Licensed Beds: 7/1/201_	Based on Physical Capacity				Hospital Service	Location (Floor/ Wing)*	Based on Physical Capacity			
			Room Count			Bed Count			Room Count			Bed Count
			Private	Semi-Private	Total Rooms	Physical Capacity			Private	Semi-Private	Total Rooms	Physical Capacity
ACUTE CARE							ACUTE CARE					
General Medical/ Surgical*					0	0	General Medical/ Surgical*				0	0
					0	0					0	0
					0	0					0	0
					0	0					0	0
					0	0					0	0
SUBTOTAL Gen. Med/Surg*							SUBTOTAL Gen. Med/Surg*					
ICU/CCU					0	0	ICU/CCU				0	0
Other (Specify/add rows as needed)					0	0					0	0
TOTAL MSGA							TOTAL MSGA					
Obstetrics					0	0	Obstetrics				0	0
Pediatrics					0	0	Pediatrics				0	0
Psychiatric					0	0	Psychiatric				0	0
TOTAL ACUTE		0	0	0	0	0	TOTAL ACUTE		0	0	0	0

TABLE A. PHYSICAL BED CAPACITY BEFORE AND AFTER PROJECT

INSTRUCTIONS: 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 in accordance with the definition of physical capacity noted below. Applicants should add columns and recalculate formulas to address rooms with 3 and 4 bed capacity. NOTE: Physical capacity is the total number of beds that could be physically set up in space without significant renovations. This should be the maximum operating capacity under normal, non-emergency circumstances and is a physical count of bed capacity, rather than a measure of staffing capacity. A room with two headwalls and two sets of gasses should be counted as having capacity for two beds, even if it is typically set up and operated with only one bed. A room with one headwall and one set of gasses is counted as a private room, even if it is large enough from a square footage perspective to be used as a semi-private room, since renovation/construction would be required to convert it to semi-private use. If the hospital operates patient rooms that contain no headwalls or a single headwall, but are normally used to accommodate one or more than one patient (e.g., for psychiatric patients), the physical capacity of such rooms should be counted as they are currently used.												
Before the Project							After Project Completion					
Hospital Service	Location (Floor/ Wing)*	Licensed Beds: 7/1/201_	Based on Physical Capacity				Hospital Service	Location (Floor/ Wing)*	Based on Physical Capacity			
			Room Count			Bed Count			Room Count			Bed Count
			Private	Semi-Private	Total Rooms	Physical Capacity			Private	Semi-Private	Total Rooms	Physical Capacity
NON-ACUTE CARE							NON-ACUTE CARE					
Dedicated Observation**					0	0	Dedicated Observation**				0	0
Rehabilitation					0	0	Rehabilitation				0	0
Comprehensive Care	1st Floor - East Wing	66	10	28	38	66	Comprehensive Care	1st Floor - East Wing (38) 1st Floor - SW Wing (26)	46	18	64	82
Other (Specify/add rows as needed)					0	0	Other (Specify/add rows as needed)				0	0
TOTAL NON-ACUTE							TOTAL NON-ACUTE					
HOSPITAL TOTAL		0	0	0	0	0	HOSPITAL TOTAL		0	0	0	0

* Include beds dedicated to gynecology and addictions, if unit(s) is separate for acute psychiatric unit

** Include services included in the reporting of the "Observation Center". Service furnished by the hospital on the hospital's promise, including use of a bed and periodic monitoring by the hospital's nursing or other staff, which are reasonable and necessary to determine the need for a possible admission to the hospital as an inpatient; Must be ordered and documented in writing, given by a medical practitioner.

TABLE B. DEPARTMENTAL GROSS SQUARE FEET AFFECTED BY PROPOSED PROJECT

***INSTRUCTION:** Add or delete rows if necessary. See additional instruction in the column to the right of the table.*

DEPARTMENT/FUNCTIONAL AREA	DEPARTMENTAL GROSS SQUARE FEET				
	Current	To be Added Thru New Construction	To Be Renovated	To Remain As Is	Total After Project Completion
Resident Rooms		8,913			8,913
Support / Nurses & Pantry/Food Prep		599			599
Common Areas / Dining & Seating		1,873			1,873
Maintenance/Storage		294			294
Corridors & Building Connector		2,492			2,492
Entry Pavilion / Reception (incl. connectors)		2,306			2,306
Existing CCF Wing				48,927	48,927
					0
					0
					0
					0
					0
					0
					0
					0
					0
Total		16,477	0	48,927	65,404

TABLE C. CONSTRUCTION CHARACTERISTICS

INSTRUCTION : If project includes non-hospital space structures (e.g., parking garges, medical office buildings, or energy plants), complete an additional Table C for each structure.

	NEW CONSTRUCTION	RENOVATION
BASE BUILDING CHARACTERISTICS	Check if applicable	
Class of Construction (for renovations the class of the building being renovated)*		
Class A	<input type="checkbox"/>	<input type="checkbox"/>
Class B	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Class C	<input type="checkbox"/>	<input type="checkbox"/>
Class D	<input type="checkbox"/>	<input type="checkbox"/>
Type of Construction/Renovation*		
Low	<input type="checkbox"/>	<input type="checkbox"/>
Average	<input type="checkbox"/>	<input type="checkbox"/>
Good	<input type="checkbox"/>	<input type="checkbox"/>
Excellent	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Number of Stories		
*As defined by Marshall Valuation Service		
PROJECT SPACE	List Number of Feet, if applicable	
Total Square Footage	Total Square Feet	
Basement	N/A	
First Floor	VIP:14,406 sf/Entry:1,200 sf	
Second Floor	N/A	
Third Floor	N/A	
Fourth Floor	N/A	
Average Square Feet		
Perimeter in Linear Feet	Linear Feet	
Basement	N/A	
First Floor	170,064	
Second Floor	N/A	
Third Floor	N/A	
Fourth Floor	N/A	
Total Linear Feet		
Average Linear Feet		
Wall Height (floor to eaves)	Feet	
Basement	N/A	
First Floor	10'-0"	
Second Floor	N/A	
Third Floor	N/A	
Fourth Floor	N/A	
Average Wall Height		
OTHER COMPONENTS		
Elevators	List Number	
Passenger	N/A	
Freight	N/A	
Sprinklers	Square Feet Covered	
Wet System	New Wing - 14,171 S.F.	Existing Wing - 47,447 S.F.
Dry System	Entry Pavillion - 1,200 S.F.	Portico - 1,480 S.F.
Other	Describe Type	
Type of HVAC System for proposed project	Gas Heat Pump	
Type of Exterior Walls for proposed project	2 HR - Brick Veneer	

TABLE D. ONSITE AND OFFSITE COSTS INCLUDED AND EXCLUDED IN MARSHALL VALUATION COSTS

***INSTRUCTION:** If project includes non-hospital space structures (e.g., parking garges, medical office buildings, or energy plants), complete an additional Table D for each structure.*

	NEW CONSTRUCTION COSTS	RENOVATION COSTS
SITE PREPARATION COSTS		
Normal Site Preparation	See Below	
Utilities from Structure to Lot Line	\$0	
Subtotal included in Marshall Valuation Costs	\$0	
Site Demolition Costs	\$40,000	
Storm Drains	\$48,000	
Rough Grading	\$216,000	
Hillside Foundation	\$0	
Paving	\$66,000	
Exterior Signs	\$0	
Landscaping	\$18,000	
Walls	\$22,000	
Yard Lighting	\$12,000	
Other (Specify/add rows if needed)	\$9,000	
Subtotal On-Site excluded from Marshall Valuation Costs	\$431,000	
OFFSITE COSTS		
Roads	\$0	
Utilities	\$0	
Jurisdictional Hook-up Fees	\$0	
Other (Specify/add rows if needed)	\$0	
Subtotal Off-Site excluded from Marshall Valuation Costs	\$0	
TOTAL Estimated On-Site and Off-Site Costs <u>not</u> included in Marshall Valuation Costs	\$431,000	\$0
TOTAL Site and Off-Site Costs included and excluded from Marshall Valuation Service*	\$431,000	\$0

*The combined total site and offsite cost included and excluded from Marshall Valuation Service should typically equal the estimated site preparation cost reported in Application Part II, Project Budget (see Table E. Project Budget). If these numbers are not equal, please reconcile the numbers in an explanation in an attachment to the application.

TABLE E. 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.			
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.d as a use of funds and on line B.8 as a source of funds			
	Hospital Building	Other Structure	Total
A. USE OF FUNDS			
1. CAPITAL COSTS			
a. New Construction			
(1) Building		\$4,877,029	\$4,877,029
(2) Fixed Equipment		included in building cost	included in building cost
(3) Site and Infrastructure		\$431,000	\$431,000
(4) Architect/Engineering Fees		\$750,000	\$750,000
(5) Permits (Building, Utilities, Etc.)		\$75,000	\$75,000
SUBTOTAL	\$0	\$6,133,029	\$6,133,029
b. Renovations			
(1) Building			\$0
(2) Fixed Equipment (not included in construction)			\$0
(3) Architect/Engineering Fees			\$0
(4) Permits (Building, Utilities, Etc.)			\$0
SUBTOTAL	\$0	\$0	\$0
c. Other Capital Costs			
(1) Movable Equipment		\$560,000	\$560,000
(2) Contingency Allowance		\$2,500,000	\$2,500,000
(3) Gross interest during construction period		\$0	\$0
(4) Other (Specify/add rows if needed)		\$0	\$0
SUBTOTAL	\$0	\$3,060,000	\$3,060,000
TOTAL CURRENT CAPITAL COSTS	\$0	\$9,193,029	\$9,193,029
d. Land Purchase			
e. Inflation Allowance			
		\$133,861	\$133,861
TOTAL CAPITAL COSTS	\$0	\$9,326,890	\$9,326,890
2. Financing Cost and Other Cash Requirements			
a. Loan Placement Fees		\$0	\$0
b. Bond Discount			\$0
c. CON Application Assistance			
c1. Legal Fees		\$15,000	\$15,000
c2. Other (Specify/add rows if needed)		\$105,000	\$105,000
d. Non-CON Consulting Fees			
d1. Legal Fees			\$0
d2. Other (Specify/add rows if needed)		\$0	\$0
e. Debt Service Reserve Fund		\$0	\$0
f. Other (Specify/add rows if needed)		\$0	\$0
SUBTOTAL	\$0	\$120,000	\$120,000
3. Working Capital Startup Costs			
			\$0
TOTAL USES OF FUNDS	\$0	\$9,446,890	\$9,446,890

B. Sources of Funds			
1. Cash			\$0
2. Philanthropy (to date and expected)			\$0
3. Authorized Bonds			\$0
4. Interest Income from bond proceeds listed in #3			\$0
5. Mortgage			\$0
6. Working Capital Loans			\$0
7. Grants or Appropriations			
a. Federal			\$0
b. State			\$0
c. Local			\$0
8. Other - Owner Equity		\$10,000,000	\$10,000,000
TOTAL SOURCES OF FUNDS		\$10,000,000	\$10,000,000
	Hospital Building	Other Structure	Total
Annual Lease Costs (if applicable)			
1. Land			\$0
2. Building			\$0
3. Major Movable Equipment			\$0
4. Minor Movable Equipment			\$0
5. Other - Real Property		see CON Table G, Item 2j	see CON Table G, Item 2j

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

TABLE F. STATISTICAL PROJECTIONS - ENTIRE FACILITY

INSTRUCTION : Complete this table for the entire facility, including the proposed project. Indicate on the table if the reporting period is Calendar Year (CY) or Fiscal Year (FY). For sections 4 & 5, 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.

	Two Most Recent Years (Actual)		Current Year Projected	Projected Years (ending at least two years after project completion and full occupancy) Include additional years, if needed in order to be consistent with Tables G and H.						
Indicate CY or FY	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
1. DISCHARGES										
a. General Medical/Surgical*										
b. ICU/CCU										
Total MSGA										
c. Pediatric										
d. Obstetric										
e. Acute Psychiatric										
Total Acute										
f. Rehabilitation										
g. Comprehensive Care	195	335	286	371	378	387	469	472	472	472
h. Other (Specify/add rows of needed)										
TOTAL DISCHARGES	195	335	286	371	378	387	469	472	472	472
2. PATIENT DAYS										
a. General Medical/Surgical*										
b. ICU/CCU										
Total MSGA										
c. Pediatric										
d. Obstetric										
e. Acute Psychiatric										
Total Acute										
f. Rehabilitation										
g. Comprehensive Care	18,601	21,642	16,949	21,508	21,900	22,417	27,176	27,375	27,375	27,375
h. Other (Specify/add rows of needed)										
TOTAL PATIENT DAYS	18,601	21,642	16,949	21,508	21,900	22,417	27,176	27,375	27,375	27,375

	Two Most Recent Years (Actual)		Current Year Projected	Projected Years (ending at least two years after project completion and full occupancy) Include additional years, if needed in order to be consistent with Tables G and H.						
Indicate CY or FY	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
3. AVERAGE LENGTH OF STAY (patient days divided by discharges)										
a. General Medical/Surgical*										
b. ICU/CCU										
Total MSGA										
c. Pediatric										
d. Obstetric										
e. Acute Psychiatric										
Total Acute										
f. Rehabilitation										
g. Comprehensive Care	95.4	64.6	59.3	58.0	58.0	58.0	58.0	58.0	58.0	58.0
h. Other (Specify/add rows of needed)										
TOTAL AVERAGE LENGTH OF STAY	95.4	64.6	59.3	58.0	58.0	58.0	58.0	58.0	58.0	58.0
4. NUMBER OF LICENSED BEDS										
a. General Medical/Surgical*										
b. ICU/CCU										
Total MSGA										
c. Pediatric										
d. Obstetric										
e. Acute Psychiatric										
Total Acute										
f. Rehabilitation										
g. Comprehensive Care (1)	66	66	66	66	66	71	82	82	82	82
h. Other										
TOTAL LICENSED BEDS	66	66	66	66	66	71	82	82	82	82

	Two Most Recent Years (Actual)		Current Year Projected	Projected Years (ending at least two years after project completion and full occupancy) Include additional years, if needed in order to be consistent with Tables G and H.						
Indicate CY or FY	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
5. OCCUPANCY PERCENTAGE <i>*IMPORTANT NOTE: Leap year formulas should be changed by applicant to reflect 366 days per year.</i>										
a. General Medical/Surgical*										
b. ICU/CCU										
Total MSGA										
c. Pediatric										
d. Obstetric										
e. Acute Psychiatric										
Total Acute										
f. Rehabilitation										
g. Comprehensive Care	77.2%	89.8%	70.4%	89.3%	90.9%	86.1%	90.8%	91.5%	91.5%	91.5%
h. Other (Specify/add rows of needed)										
TOTAL OCCUPANCY %	77.2%	89.8%	70.4%	89.3%	90.9%	86.1%	90.8%	91.5%	91.5%	91.5%
6. OUTPATIENT VISITS										
a. Emergency Department										
b. Same-day Surgery										
c. Laboratory										
d. Imaging										
e. Other (Specify/add rows of needed)										
TOTAL OUTPATIENT VISITS	0	0	0	0	0	0	0	0	0	0
7. OBSERVATIONS**										
a. Number of Patients										
b. Hours										

* Include beds dedicated to gynecology and addictions, if separate for acute psychiatric unit.

** Services included in the reporting of the "Observation Center", direct expenses incurred in providing bedside care to observation patients; furnished by the hospital on the hospital's premises, including use of a bed and periodic monitoring by the hospital's nursing or other staff, in order to determine the need for a possible admission to the hospitals as an inpatient. Such services must be ordered and documented in writing, given by a medical practitioner; may or may not be provided in a distinct area of the hospital.

1) FY2023 reflects the weighted average of Jan-Aug at 66 beds with Sep-Dec at 82

TABLE G. REVENUES & EXPENSES, UNINFLATED - ENTIRE FACILITY

INSTRUCTION: Complete this table for the entire facility, including the proposed project. Table G should reflect current dollars (no inflation). Projected revenues and expenses should be consistent with the projections in Table F and with the costs of Manpower listed in Table L. Manpower. 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. Specify the sources of non-operating income.

Indicate CY or FY	Two Most Recent Years (Actual)		Current Year Projected	Projected Years (ending at least two years after project completion and full occupancy) Add columns if needed in order to document that the hospital will generate excess revenues over total expenses consistent						
	CY2018	CY2019	CY2020	CY2021	CY2022	CY2023	CY2024	CY2025	CY2026	CY2027
1. REVENUE										
a. Inpatient Services	\$ 8,216,351	\$ 11,231,005	\$ 8,380,570	\$ 9,373,136	\$ 9,491,161	\$ 9,713,817	\$ 11,746,716	\$ 11,830,972	\$ 11,830,972	\$ 11,830,972
b. Outpatient Services	\$ 54,850	\$ 362,320	\$ 338,938	\$ 329,447	\$ 333,596	\$ 341,421	\$ 412,874	\$ 415,835	\$ 415,835	\$ 415,835
Gross Patient Service Revenues	\$ 8,271,201	\$ 11,593,326	\$ 8,719,507	\$ 9,702,584	\$ 9,824,756	\$ 10,055,238	\$ 12,159,590	\$ 12,246,808	\$ 12,246,808	\$ 12,246,808
c. Allowance For Bad Debt	\$ 48,327	\$ 368,131	\$ 49,098	\$ 43,101	\$ 43,644	\$ 44,667	\$ 54,015	\$ 54,403	\$ 54,403	\$ 54,403
d. Contractual Allowance	\$ 1,811,763	\$ 2,631,481	\$ 1,302,436	\$ 1,082,413	\$ 1,096,042	\$ 1,121,755	\$ 1,356,515	\$ 1,366,245	\$ 1,366,245	\$ 1,366,245
e. Charity Care	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Patient Services Revenue	\$ 6,411,111	\$ 8,593,714	\$ 7,367,973	\$ 8,577,070	\$ 8,685,070	\$ 8,888,816	\$ 10,749,060	\$ 10,826,160	\$ 10,826,160	\$ 10,826,160
f. Other Operating Revenues										
NET OPERATING REVENUE	\$ 6,411,111	\$ 8,593,714	\$ 7,367,973	\$ 8,577,070	\$ 8,685,070	\$ 8,888,816	\$ 10,749,060	\$ 10,826,160	\$ 10,826,160	\$ 10,826,160
2. EXPENSES										
a. Salaries & Wages (including benefits)	\$ 2,679,274	\$ 3,315,830	\$ 3,581,763	\$ 3,754,600	\$ 3,754,600	\$ 3,899,687	\$ 4,189,862	\$ 4,189,862	\$ 4,189,862	\$ 4,189,862
b. Contractual Services	\$ 249,096	\$ 1,028,026	\$ 594,369	\$ 192,000	\$ 192,000	\$ 192,000	\$ 192,000	\$ 192,000	\$ 192,000	\$ 192,000
c. Interest on Current Debt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
d. Interest on Project Debt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
e. Current Depreciation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
f. Project Depreciation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
g. Current Amortization	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
h. Project Amortization	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
i. Supplies	\$ 488,605	\$ 690,462	\$ 644,110	\$ 770,516	\$ 802,579	\$ 814,073	\$ 920,128	\$ 923,645	\$ 923,645	\$ 923,645
add: Food	\$ 132,153	\$ 185,457	\$ 141,228	\$ 182,821	\$ 186,150	\$ 190,545	\$ 230,992	\$ 232,688	\$ 232,688	\$ 232,688
add: Utilities / R&M	\$ 169,084	\$ 207,958	\$ 200,757	\$ 183,747	\$ 201,415	\$ 201,415	\$ 201,415	\$ 201,415	\$ 201,415	\$ 201,415
add: RE Taxes & Business Insurance	\$ 188,545	\$ 231,164	\$ 280,980	\$ 280,980	\$ 280,980	\$ 280,980	\$ 280,980	\$ 280,980	\$ 280,980	\$ 280,980
add: G&A	\$ 127,424	\$ 170,767	\$ 155,732	\$ 172,910	\$ 189,536	\$ 189,536	\$ 189,536	\$ 189,536	\$ 189,536	\$ 189,536
add: SNF Provider Tax	\$ 354,135	\$ 396,316	\$ 348,921	\$ 370,530	\$ 378,512	\$ 388,465	\$ 479,210	\$ 483,101	\$ 483,101	\$ 483,101
add: Mgt Fees (5%)	\$ 320,556	\$ 429,686	\$ 368,399	\$ 428,853	\$ 434,254	\$ 444,441	\$ 537,453	\$ 541,308	\$ 541,308	\$ 541,308
j. Other Expenses (Building Lease)	\$ 1,471,630	\$ 1,765,956	\$ 1,765,956	\$ 1,765,956	\$ 1,765,956	\$ 1,824,820	\$ 1,942,552	\$ 1,942,552	\$ 1,942,552	\$ 1,942,552
TOTAL OPERATING EXPENSES	\$ 6,180,501	\$ 8,421,622	\$ 8,082,215	\$ 8,102,913	\$ 8,185,981	\$ 8,425,962	\$ 9,164,127	\$ 9,177,086	\$ 9,177,086	\$ 9,177,086
3. INCOME										
a. Income From Operation	\$ 230,610	\$ 172,092	\$ (714,242)	\$ 474,157	\$ 499,089	\$ 462,854	\$ 1,584,933	\$ 1,649,075	\$ 1,649,075	\$ 1,649,075
b. Non-Operating Income										
SUBTOTAL	\$ 230,610	\$ 172,092	\$ (714,242)	\$ 474,157	\$ 499,089	\$ 462,854	\$ 1,584,933	\$ 1,649,075	\$ 1,649,075	\$ 1,649,075
c. Income Taxes										
NET INCOME (LOSS)	\$ 230,610	\$ 172,092	\$ (714,242)	\$ 474,157	\$ 499,089	\$ 462,854	\$ 1,584,933	\$ 1,649,075	\$ 1,649,075	\$ 1,649,075

	Two Most Recent Years (Actual)		Current Year Projected	Projected Years (ending at least two years after project completion and full occupancy) Add columns if needed in order to document that the hospital will generate excess revenues over total expenses consistent						
Indicate CY or FY	CY2018	CY2019	CY2020	CY2021	CY2022	CY2023	CY2024	CY2025	CY2026	CY2027
4. PATIENT MIX										
a. Percent of Total Revenue										
1) Medicare	32%	63%	61%	63%	63%	63%	63%	63%	63%	63%
2) Medicaid	32%	24%	20%	18%	18%	18%	18%	18%	18%	18%
3) Blue Cross	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
4) Commercial Insurance	3%	0%	0%	0%	0%	0%	0%	0%	0%	0%
5) Self-pay	33%	13%	19%	19%	19%	19%	19%	19%	19%	19%
6) Other	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
b. Percent of Equivalent Inpatient Days										
Total MSGA										
1) Medicare	26%	36%	39%	37%	36%	36%	35%	35%	35%	35%
2) Medicaid	41%	39%	33%	43%	44%	44%	44%	44%	44%	44%
3) Blue Cross	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
4) Commercial Insurance	1%	4%	4%	3%	2%	2%	2%	2%	2%	2%
5) Self-pay	33%	22%	24%	17%	18%	18%	19%	19%	19%	19%
6) Other	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

	Two Most Recent Years (Actual)		Current Year Projected	Projected Years (ending at least two years after project completion and full occupancy) Add columns if needed in order to document that the hospital will generate excess revenues over total expenses consistent						
Indicate CY or FY	CY2018	CY2019	CY2020	CY2021	CY2022	CY2023	CY2024	CY2025	CY2026	CY2027

Context on Most Recent Years vs Projections:

Prior to June of 2020 occupational therapy, physical therapy, and speech therapy services were provided by third parties with costs reflected as contract labor. In June 2020 services were brought in-house by adding therapists to payroll which is responsible for the decrease in Contract Services and increase in Salaries & Wages. Respiratory therapy services remain with third parties and thus this reflected as contract services. The labor increase was partially offset by reducing payroll costs that included legacy staff members related to prior ownership earning rates well above market in duplicative positions.

Budget Notes / Assumptions

- 1) Current Year projected includes Jan-Oct actual, Nov preliminary, and Dec projected
- 2) New SNF unit opens with first resident admissions in September 2023
- 3) Post CON stabilization at 91% bed occupancy in April 2024
- 4) Daily rate assumptions and year-over-year growth include;

	Dly Rate	Rate Growth
Private Pay \$	408	n/a
Med A \$	560	n/a
Medicaid \$	264	n/a
HMO/Other Daily Rate \$	350	n/a
- 5) Allowance for bad debt at 0.5% of inpatient services + outpatient services - contractual allowance
- 6) Salaries / wages outlined on 'Work Force' tab and includes therapists as FTE's. EE benefits includes bonus, health insurance, paid-time off, and other fringes plus payroll taxes projected at current run rates
- 7) Contract services include medical and clinical contract oversight based on in-place costs
- 8) Supply costs include nonbillable medical supplies at roughly \$26 per resident day (PRD) and general supplies for dietary supplements, housekeeping, maintenance, and overhead at \$6.00 PRD.
- 9) Raw food cost \$8.50 PRD
- 10) Utilities, general overhead including R&M, Real Estate Taxes, and Business Taxes projected at the current operating levels and allocated to the SNF proportionate to the SNF bed mix. OH allocation table below;

Overhead Allocation Table			
Total Beds -->	SNF Only	AL/MC/SNF*	SNF Overhead Allocation
Current	66	129	51%
Post CON Approval	82	145	57%

* Includes Memory Care and Assisted Living Beds

- 11) Bed Tax Calculation: Total resident days less Med A days less Med C days x \$27.29 per resident day.
- 12) Management fees at 5% of Net Operating Revenue
- 13) Building lease assumed to increase 10% with the bed increase (prorated for FY2023)

TABLE H. REVENUES & EXPENSES, INFLATED - ENTIRE FACILITY

INSTRUCTION: Complete this table for the entire facility, including the proposed project. Table H should reflect inflation. Projected revenues and expenses should be consistent with the projections in Table F. 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.

Indicate CY or FY	Two Most Recent Years (Actual)		Current Year Projected	Projected Years (ending at least two years after project completion and full occupancy) Add columns if needed in order to document that the hospital will generate excess revenues over total expenses consistent						
	CY2018	CY2019	CY2020	CY2021	CY2022	CY2023	CY2024	CY2025	CY2026	CY2027
1. REVENUE										
a. Inpatient Services	\$ 8,216,351	\$ 11,231,005	\$ 8,380,570	\$ 9,498,467	\$ 9,784,775	\$ 10,192,314	\$ 12,551,791	\$ 12,870,426	\$ 13,103,611	\$ 13,341,515
b. Outpatient Services	\$ 54,850	\$ 362,320	\$ 338,938	\$ 333,852	\$ 343,915	\$ 358,240	\$ 441,171	\$ 452,370	\$ 460,566	\$ 468,928
Gross Patient Service Revenues	\$ 8,271,201	\$ 11,593,326	\$ 8,719,507	\$ 9,832,320	\$ 10,128,690	\$ 10,550,554	\$ 12,992,961	\$ 13,322,796	\$ 13,564,177	\$ 13,810,443
c. Allowance For Bad Debt	\$ 48,327	\$ 368,131	\$ 49,098	\$ 43,677	\$ 44,994	\$ 46,868	\$ 57,717	\$ 59,183	\$ 60,255	\$ 61,349
d. Contractual Allowance	\$ 1,811,763	\$ 2,631,481	\$ 1,302,436	\$ 1,096,886	\$ 1,129,949	\$ 1,177,012	\$ 1,449,485	\$ 1,486,281	\$ 1,513,209	\$ 1,540,683
e. Charity Care	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Patient Services Revenue	\$ 6,411,111	\$ 8,593,714	\$ 7,367,973	\$ 8,691,756	\$ 8,953,747	\$ 9,326,674	\$ 11,485,759	\$ 11,777,332	\$ 11,990,713	\$ 12,208,412
f. Other Operating Revenues										
NET OPERATING REVENUE	\$ 6,411,111	\$ 8,593,714	\$ 7,367,973	\$ 8,691,756	\$ 8,953,747	\$ 9,326,674	\$ 11,485,759	\$ 11,777,332	\$ 11,990,713	\$ 12,208,412
2. EXPENSES										
a. Salaries & Wages (including benefits)	\$ 2,679,274	\$ 3,315,830	\$ 3,581,763	\$ 3,810,919	\$ 3,923,557	\$ 4,192,164	\$ 4,629,797	\$ 4,755,493	\$ 4,881,189	\$ 5,006,885
b. Contractual Services	\$ 249,096	\$ 1,028,026	\$ 594,369	\$ 192,000	\$ 197,760	\$ 203,693	\$ 209,804	\$ 216,098	\$ 222,581	\$ 229,258
c. Interest on Current Debt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
d. Interest on Project Debt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
e. Current Depreciation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
f. Project Depreciation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
g. Current Amortization	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
h. Project Amortization	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
i. Supplies	\$ 488,605	\$ 690,462	\$ 644,110	\$ 770,516	\$ 826,657	\$ 863,650	\$ 1,005,449	\$ 1,039,570	\$ 1,070,758	\$ 1,102,880
add: Food	\$ 132,153	\$ 185,457	\$ 141,228	\$ 182,821	\$ 191,735	\$ 202,149	\$ 252,411	\$ 261,892	\$ 269,749	\$ 277,841
add: Utilities / R&M	\$ 169,084	\$ 207,958	\$ 200,757	\$ 183,747	\$ 207,457	\$ 213,681	\$ 220,091	\$ 226,694	\$ 233,495	\$ 240,500
add: RE Taxes & Business Insurance	\$ 188,545	\$ 231,164	\$ 280,980	\$ 290,690	\$ 299,411	\$ 308,393	\$ 317,645	\$ 327,174	\$ 336,989	\$ 347,099
add: G&A	\$ 127,424	\$ 170,767	\$ 155,732	\$ 172,910	\$ 195,222	\$ 201,079	\$ 207,112	\$ 213,325	\$ 219,725	\$ 226,316
add: SNF Provider Tax	\$ 354,135	\$ 396,316	\$ 348,921	\$ 370,530	\$ 389,868	\$ 412,122	\$ 523,645	\$ 543,735	\$ 560,047	\$ 576,848
add: Mgt Fees (5%)	\$ 320,556	\$ 429,686	\$ 368,399	\$ 434,588	\$ 447,687	\$ 466,334	\$ 574,288	\$ 588,867	\$ 599,536	\$ 610,421
j. Other Expenses (Building Lease)	\$ 1,471,630	\$ 1,765,956	\$ 1,765,956	\$ 1,827,764	\$ 1,891,736	\$ 2,016,807	\$ 2,085,339	\$ 2,158,326	\$ 2,233,867	\$ 2,312,053
TOTAL OPERATING EXPENSES	\$ 6,180,501	\$ 8,421,622	\$ 8,082,215	\$ 8,236,485	\$ 8,571,089	\$ 9,080,072	\$ 10,025,581	\$ 10,331,173	\$ 10,627,934	\$ 10,930,101
3. INCOME										
a. Income From Operation	\$ 230,610	\$ 172,092	\$ (714,242)	\$ 455,271	\$ 382,658	\$ 246,602	\$ 1,460,178	\$ 1,446,159	\$ 1,362,779	\$ 1,278,311
b. Non-Operating Income										
SUBTOTAL	\$ 230,610	\$ 172,092	\$ (714,242)	\$ 455,271	\$ 382,658	\$ 246,602	\$ 1,460,178	\$ 1,446,159	\$ 1,362,779	\$ 1,278,311
c. Income Taxes										
NET INCOME (LOSS)	\$ 230,610	\$ 172,092	\$ (714,242)	\$ 455,271	\$ 382,658	\$ 246,602	\$ 1,460,178	\$ 1,446,159	\$ 1,362,779	\$ 1,278,311

	Two Most Recent Years (Actual)		Current Year Projected	Projected Years (ending at least two years after project completion and full occupancy) Add columns if needed in order to document that the hospital will generate excess revenues over total expenses consistent						
Indicate CY or FY	CY2018	CY2019	CY2020	CY2021	CY2022	CY2023	CY2024	CY2025	CY2026	CY2027
4. PATIENT MIX										
a. Percent of Total Revenue										
1) Medicare	32%	63%	61%	63%	63%	63%	63%	63%	63%	63%
2) Medicaid	32%	24%	20%	18%	18%	18%	18%	18%	18%	18%
3) Blue Cross	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
4) Commercial Insurance	3%	0%	0%	0%	0%	0%	0%	0%	0%	0%
5) Self-pay	33%	13%	19%	19%	19%	19%	19%	19%	19%	19%
6) Other	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
b. Percent of Equivalent Inpatient Days										
Total MSGA										
1) Medicare	26%	36%	39%	37%	36%	36%	35%	35%	35%	35%
2) Medicaid	41%	39%	33%	43%	44%	44%	44%	44%	44%	44%
3) Blue Cross	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
4) Commercial Insurance	1%	4%	4%	3%	2%	2%	2%	2%	2%	2%
5) Self-pay	33%	22%	24%	17%	18%	18%	19%	19%	19%	19%
6) Other	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

	Two Most Recent Years (Actual)		Current Year Projected	Projected Years (ending at least two years after project completion and full occupancy) Add columns if needed in order to document that the hospital will generate excess revenues over total expenses consistent						
Indicate CY or FY	CY2018	CY2019	CY2020	CY2021	CY2022	CY2023	CY2024	CY2025	CY2026	CY2027

Context on Most Recent Years vs Projections:

Prior to June of 2020 occupational therapy, physical therapy, and speech therapy services were provided by third parties with costs reflected as contract labor. In June 2020 services were brought in-house by adding therapists to payroll which is responsible for the decrease in Contract Services and increase in Salaries & Wages. Respiratory therapy services remain with third parties and thus this reflected as contract services. The labor increase was partially offset by reducing payroll costs that included legacy staff members related to prior ownership earning rates well above market in duplicative positions.

Budget Notes / Assumptions

- 1) Current Year projected includes Jan-Oct actual, Nov preliminary, and Dec projected
- 2) New SNF unit opens with first resident admissions in September 2023
- 3) Post CON stabilization at 91% bed occupancy in April 2024
- 4) Daily rate assumptions and year-over-year growth include;

	Dly Rate	Rate Growth
Private Pay \$	408	3.0%
Med A \$	560	1.5%
Medicaid \$	264	1.5%
HMO/Other Daily Rate \$	350	1.5%
- 5) Allowance for bad debt at 0.5% of inpatient services + outpatient services - contractual allowance
- 6) Unless otherwise noted inflation is assumed at 3% annually
- 7) Salaries / wages outlined on 'Work Force' tab and includes therapists as FTE's. EE benefits includes bonus, health insurance, paid-time off, and other fringes plus payroll taxes projected at current run rates
- 8) Contract services include medical and clinical contract oversight based on in-place costs
- 9) Supply costs include nonbillable medical supplies at roughly \$26 per resident day (PRD) and general supplies for dietary supplements, housekeeping, maintenance, and overhead at \$6.00 PRD.
- 10) Raw food cost \$8.50 PRD
- 11) Utilities, general overhead including R&M, Real Estate Taxes, and Business Taxes projected at the current operating levels and allocated to the SNF proportionate to the SNF bed mix. OH allocation table below;

Overhead Allocation Table			
Total Beds -->	SNF Only	AL/MC/SNF*	SNF Overhead Allocation
Current	66	129	51%
Post CON Approval	82	145	57%
* Includes Memory Care and Assisted Living Beds			

- 12) Bed Tax Calculation: Total resident days less Med A days less Med C days x \$27.29 per resident day.
- 13) Management fees at 5% of Net Operating Revenue
- 14) Building lease assumed to increase 10% with the bed increase (prorated for FY2023)

TABLE I. STATISTICAL PROJECTIONS - NEW FACILITY OR SERVICE

INSTRUCTION: After consulting with Commission Staff, complete this table for the new facility or service (the proposed project). Indicate on the table if the reporting period is Calendar Year (CY) or Fiscal Year (FY). For sections 4 & 5, 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.

	Projected Years (ending at least two years after project completion and full occupancy) Include additional years, if needed in order to be consistent with Tables J and K.						
Indicate CY or FY							
1. DISCHARGES							
a. General Medical/Surgical*							
b. ICU/CCU							
Total MSGA	0	0	0	0	0	0	0
c. Pediatric							
d. Obstetric							
e. Acute Psychiatric							
Total Acute	0	0	0	0	0	0	0
f. Rehabilitation							
g. Comprehensive Care							
h. Other (Specify/add rows of needed)							
TOTAL DISCHARGES	0	0	0	0	0	0	0
2. PATIENT DAYS							
a. General Medical/Surgical*							
b. ICU/CCU							
Total MSGA	0	0	0	0	0	0	0
c. Pediatric							
d. Obstetric							
e. Acute Psychiatric							
Total Acute	0	0	0	0	0	0	0
f. Rehabilitation							
g. Comprehensive Care							
h. Other (Specify/add rows of needed)							
TOTAL PATIENT DAYS	0	0	0	0	0	0	0
3. AVERAGE LENGTH OF STAY							
a. General Medical/Surgical*	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
b. ICU/CCU	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Total MSGA	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
c. Pediatric	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
d. Obstetric	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
e. Acute Psychiatric	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Total Acute	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
f. Rehabilitation	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
g. Comprehensive Care	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
h. Other (Specify/add rows of needed)	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
TOTAL AVERAGE LENGTH OF STAY	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
4. NUMBER OF LICENSED BEDS							
a. General Medical/Surgical*							
b. ICU/CCU							

TABLE I. STATISTICAL PROJECTIONS - NEW FACILITY OR SERVICE

INSTRUCTION: After consulting with Commission Staff, complete this table for the new facility or service (the proposed project). Indicate on the table if the reporting period is Calendar Year (CY) or Fiscal Year (FY). For sections 4 & 5, 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.

	Projected Years (ending at least two years after project completion and full occupancy) Include additional years, if needed in order to be consistent with Tables J and K.						
Indicate CY or FY							
Total MSGA	0	0	0	0	0	0	0
c. Pediatric							
d. Obstetric							
e. Acute Psychiatric							
Total Acute	0	0	0	0	0	0	0
f. Rehabilitation							
g. Comprehensive Care							
h. Other (Specify/add rows of needed)							
TOTAL LICENSED BEDS							
5. OCCUPANCY PERCENTAGE *IMPORTANT NOTE: Leap year formulas should be changed by applicant to reflect 366 days per year.							
a. General Medical/Surgical*	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
b. ICU/CCU	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Total MSGA	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
c. Pediatric	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
d. Obstetric	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
e. Acute Psychiatric	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Total Acute	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
f. Rehabilitation	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
g. Comprehensive Care	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
h. Other (Specify/add rows of needed)	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
TOTAL OCCUPANCY %	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
6. OUTPATIENT VISITS							
a. Emergency Department							
b. Same-day Surgery							
c. Laboratory							
d. Imaging							
e. Other (Specify/add rows of needed)							
TOTAL OUTPATIENT VISITS	0	0	0	0	0	0	0
7. OBSERVATIONS**							
a. Number of Patients							
b. Hours							

*Include beds dedicated to gynecology and addictions, if separate for acute psychiatric unit.

** Services included in the reporting of the "Observation Center", direct expenses incurred in providing bedside care to observation patients; furnished by the hospital on the hospital's premises, including use of a bed and periodic monitoring by the hospital's nursing or other staff, in order to determine the need for a possible admission to the hospitals as an inpatient. Such services must be ordered and documented in writing, given by a medical practitioner; may or may not be provided in a distinct area of the hospital.

TABLE J. 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). Table J should reflect current dollars (no inflation). Projected revenues and expenses should be consistent with the projections in Table I and with the costs of Manpower listed in Table L. Manpower. 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. Specify the sources of non-operating income.

	Projected Years (ending at least two years after project completion and full occupancy) Add years, if needed in order to document that the hospital will generate excess revenues over total expenses consistent with the Financial Feasibility standard.							
Indicate CY or FY								
1. REVENUE								
a. Inpatient Services								
b. Outpatient Services								
Gross Patient Service Revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
c. Allowance For Bad Debt								
d. Contractual Allowance								
e. Charity Care								
Net Patient Services Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
f. Other Operating Revenues (Specify)								
NET OPERATING REVENUE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2. EXPENSES								
a. Salaries & Wages (including benefits)								
b. Contractual Services								
c. Interest on Current Debt								
d. Interest on Project Debt								
e. Current Depreciation								
f. Project Depreciation								
g. Current Amortization								
h. Project Amortization								
i. Supplies								
j. Other Expenses (Specify)								
TOTAL OPERATING EXPENSES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3. INCOME								
a. Income From Operation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
b. Non-Operating Income								
SUBTOTAL	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
c. Income Taxes								
NET INCOME (LOSS)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

TABLE J. 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). Table J should reflect current dollars (no inflation). Projected revenues and expenses should be consistent with the projections in Table I and with the costs of Manpower listed in Table L. Manpower. 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. Specify the sources of non-operating income.

	Projected Years (ending at least two years after project completion and full occupancy) Add years, if needed in order to document that the hospital will generate excess revenues over total expenses consistent with the Financial Feasibility standard.						
Indicate CY or FY							
4. PATIENT MIX							
a. Percent of Total Revenue							
1) Medicare							
2) Medicaid							
3) Blue Cross							
4) Commercial Insurance							
5) Self-pay							
6) Other							
TOTAL	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
b. Percent of Equivalent Inpatient Days							
Total MSGA							
1) Medicare							
2) Medicaid							
3) Blue Cross							
4) Commercial Insurance							
5) Self-pay							
6) Other							
TOTAL	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

TABLE K. REVENUES & EXPENSES, INFLATED - NEW FACILITY OR SERVICE

INSTRUCTION : After consulting with Commission Staff, complete this table for the new facility or service (the proposed project). Table K should reflect inflation. Projected revenues and expenses should be consistent with the projections in Table I. 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.

	Projected Years (ending at least two years after project completion and full occupancy) Add years, if needed in order to document that the hospital will generate excess revenues over total expenses consistent with the Financial Feasibility standard.							
Indicate CY or FY								
1. REVENUE								
a. Inpatient Services								
b. Outpatient Services								
Gross Patient Service Revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
c. Allowance For Bad Debt								
d. Contractual Allowance								
e. Charity Care								
Net Patient Services Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
f. Other Operating Revenues (Specify/add rows of needed)								
NET OPERATING REVENUE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2. EXPENSES								
a. Salaries & Wages (including benefits)								
b. Contractual Services								
c. Interest on Current Debt								
d. Interest on Project Debt								
e. Current Depreciation								
f. Project Depreciation								
g. Current Amortization								
h. Project Amortization								
i. Supplies								
j. Other Expenses (Specify/add rows of needed)								
TOTAL OPERATING EXPENSES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3. INCOME								
a. Income From Operation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
b. Non-Operating Income								
SUBTOTAL	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
c. Income Taxes								

NOT APPLICABLE TO THIS PROPOSED PROJECT

TABLE K. REVENUES & EXPENSES, INFLATED - NEW FACILITY OR SERVICE

INSTRUCTION : After consulting with Commission Staff, complete this table for the new facility or service (the proposed project). Table K should reflect inflation. Projected revenues and expenses should be consistent with the projections in Table I. 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.

	Projected Years (ending at least two years after project completion and full occupancy) Add years, if needed in order to document that the hospital will generate excess revenues over total expenses consistent with the Financial Feasibility standard.						
Indicate CY or FY							
NET INCOME (LOSS)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4. PATIENT MIX							
a. Percent of Total Revenue							
1) Medicare							
2) Medicaid							
3) Blue Cross							
4) Commercial Insurance							
5) Self-pay							
6) Other							
TOTAL	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
b. Percent of Equivalent Inpatient Days							
1) Medicare							
2) Medicaid							
3) Blue Cross							
4) Commercial Insurance							
5) Self-pay							
6) Other							
TOTAL	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

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.											
	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)	
Job Category	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 G, if submitted).	FTEs	Average Salary per FTE	Total Cost	FTEs	Total Cost (should be consistent with projections in Table G)
1. Regular Employees											
Administration (List general categories, add rows if needed)											
Executive Director	0.51	\$ 150,000	\$ 76,744	-	\$ -	\$ -	-	\$ -	\$ -	0.51	\$ 76,744
Business Office Manager	0.51	\$ 84,000	\$ 42,977	-	\$ -	\$ -	-	\$ -	\$ -	0.51	\$ 42,977
Sales Director	0.51	\$ 85,000	\$ 43,488	-	\$ -	\$ -	-	\$ -	\$ -	0.51	\$ 43,488
Sales Coordinator	0.51	\$ 87,000	\$ 44,512	-	\$ -	\$ -	-	\$ -	\$ -	0.51	\$ 44,512
HR Support	0.51	\$ 76,960	\$ 39,375	-	\$ -	\$ -	-	\$ -	\$ -	0.51	\$ 39,375
Social Worker	1.00	\$ 70,000	\$ 70,000	-	\$ -	\$ -	-	\$ -	\$ -	1.00	\$ 70,000
Unit Manager 1	1.00	\$ 83,000	\$ 83,000	-	\$ -	\$ -	-	\$ -	\$ -	1.00	\$ 83,000
Unit Manager 2	1.00	\$ 76,000	\$ 76,000	-	\$ -	\$ -	-	\$ -	\$ -	1.00	\$ 76,000
ADON	1.00	\$ 90,000	\$ 90,000	-	\$ -	\$ -	-	\$ -	\$ -	1.00	\$ 90,000
Dining Service Director	0.51	\$ 61,484	\$ 31,457	-	\$ -	\$ -	-	\$ -	\$ -	0.51	\$ 31,457
Dietary Supervisor	0.51	\$ 41,600	\$ 21,284	-	\$ -	\$ -	-	\$ -	\$ -	0.51	\$ 21,284
Facilities Manager	0.51	\$ 70,000	\$ 35,814	-	\$ -	\$ -	-	\$ -	\$ -	0.51	\$ 35,814
Scheduler	0.51	\$ 73,000	\$ 37,349	-	\$ -	\$ -	-	\$ -	\$ -	0.51	\$ 37,349
Concierge	0.90	\$ 31,200	\$ 27,935	-	\$ -	\$ -	-	\$ -	\$ -	0.90	\$ 27,935
Total Administration	9.50	\$ 77,089	\$ 719,934	-	\$ -	\$ -	-	\$ -	\$ -	9.50	\$ 719,934
Direct Care Staff (List general categories, add rows if needed)											
Nursing	10.25	\$ 62,400	\$ 639,600	3.50	\$ 62,400	\$ 218,400	-	\$ -	\$ -	13.75	\$ 858,000
Cert. Nursing Assistants	25.00	\$ 30,160	\$ 754,000	5.00	\$ 30,160	\$ 150,800	-	\$ -	\$ -	30.00	\$ 904,800
Physical Therapists	3.25	\$ 99,000	\$ 321,750	0.25	\$ 99,000	\$ 24,750	-	\$ -	\$ -	3.50	\$ 346,500
Occupational Therapists	2.50	\$ 92,000	\$ 230,000	0.25	\$ 92,000	\$ 23,000	-	\$ -	\$ -	2.75	\$ 253,000
Speech Therapists	0.75	\$ 102,000	\$ 76,500	0.10	\$ 102,000	\$ 10,200	-	\$ -	\$ -	0.85	\$ 86,700
Total Direct Care	41.75	\$ 77,112	\$ 2,021,850	9.10	\$ 77,112	\$ 427,150	-	\$ -	\$ -	50.85	\$ 2,449,000

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 G, if submitted).	FTEs	Average Salary per FTE	Total Cost	FTEs	Total Cost (should be consistent with projections in Table G)
Support Staff <i>(List general categories, add rows if needed)</i>											
Dietary Support	3.58	\$ 32,656	\$ 116,954	-	\$ 32,656	\$ -	-	\$ -	\$ -	3.58	\$ 116,954
Housekeeping	4.09	\$ 27,040	\$ 110,675	0.30	\$ 27,040	\$ 8,112	-	\$ -	\$ -	4.39	\$ 118,787
Maintenance Techs	1.02	\$ 48,000	\$ 49,116	-	\$ 48,000	\$ -	-	\$ -	\$ -	1.02	\$ 49,116
Total Support	8.70	\$ 35,899	\$ 276,746	0.35	\$ 35,899	\$ 8,112	-	\$ -	\$ -	9.05	\$ 284,858
REGULAR EMPLOYEES TOTAL	59.95	\$ 190,100	\$ 3,018,530	9.45	\$ 113,011	\$ 435,262	-	\$ -	\$ -	69.40	\$ 3,453,792
2. Contractual Employees											
Administration <i>(List general categories, add rows if needed)</i>											
	-	\$ -	\$ -	-	\$ -	\$ -	-	\$ -	\$ -	-	\$ -
	-	\$ -	\$ -	-	\$ -	\$ -	-	\$ -	\$ -	-	\$ -
	-	\$ -	\$ -	-	\$ -	\$ -	-	\$ -	\$ -	-	\$ -
	-	\$ -	\$ -	-	\$ -	\$ -	-	\$ -	\$ -	-	\$ -
Total Administration	-	\$ -	\$ -	-	\$ -	\$ -	-	\$ -	\$ -	-	\$ -
Direct Care Staff <i>(List general categories, add rows if needed)</i>											
	-	\$ -	\$ -	-	\$ -	\$ -	-	\$ -	\$ -	-	\$ -
	-	\$ -	\$ -	-	\$ -	\$ -	-	\$ -	\$ -	-	\$ -
	-	\$ -	\$ -	-	\$ -	\$ -	-	\$ -	\$ -	-	\$ -
	-	\$ -	\$ -	-	\$ -	\$ -	-	\$ -	\$ -	-	\$ -
Total Direct Care Staff	-	\$ -	\$ -	-	\$ -	\$ -	-	\$ -	\$ -	-	\$ -
Support Staff <i>(List general categories, add rows if needed)</i>											
	-	\$ -	\$ -	-	\$ -	\$ -	-	\$ -	\$ -	-	\$ -
	-	\$ -	\$ -	-	\$ -	\$ -	-	\$ -	\$ -	-	\$ -
	-	\$ -	\$ -	-	\$ -	\$ -	-	\$ -	\$ -	-	\$ -
	-	\$ -	\$ -	-	\$ -	\$ -	-	\$ -	\$ -	-	\$ -
Total Support Staff	-	\$ -	\$ -	-	\$ -	\$ -	-	\$ -	\$ -	-	\$ -
CONTRACTUAL EMPLOYEES TOTAL	-	\$ -	\$ -	-	\$ -	\$ -	-	\$ -	\$ -	-	\$ -

	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	
Job Category	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 G, if submitted).	FTEs	Average Salary per FTE	Total Cost	FTEs	Total Cost (should be consistent with projections in Table G)
Benefits (State method of calculating benefits below):											
Overtime / Shift Differential	3.0%	<i>of Nursing</i>	\$ 41,808			\$ 11,076					\$ 52,884
Payroll Tax	9.5%	<i>of Total Labor</i>	\$ 286,760			\$ 41,350					\$ 328,110
EE Benefits (PTO, Health Insurance, Other Fringes)	13.5%	<i>of Total Labor</i>	\$ 407,502			\$ 58,760					\$ 466,262
BENEFITS TOTAL			\$ 736,070			\$ -			\$ -	-	\$ 736,070
TOTAL COST	59.95		\$ 3,754,600	9.45		\$ 435,262	-		\$ -		\$ 4,189,862

Exhibit 1

Hillhaven Nursing and Rehabilitation Center
Property Ownership Organization Chart

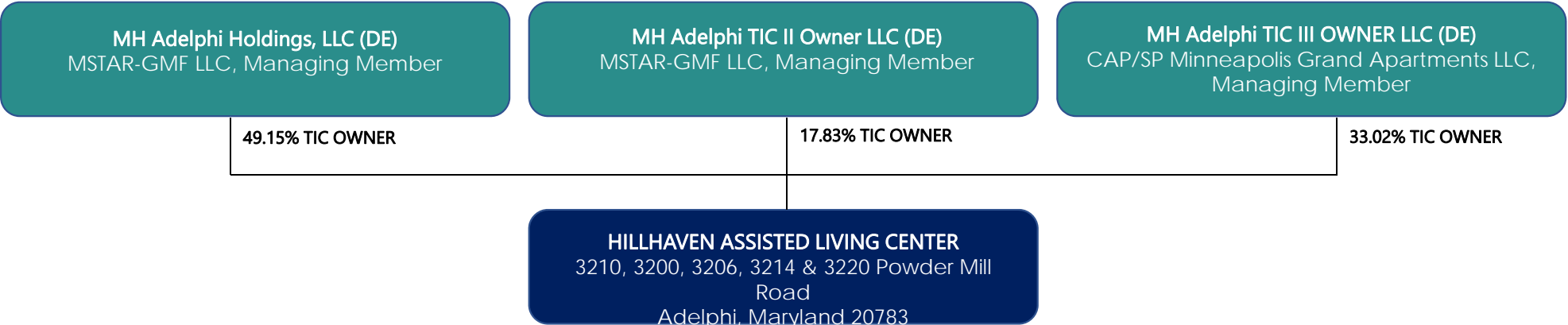


Exhibit 2



Hillhaven Senior Living

3210 Powder Mill Rd
Adelphi, MD



Proposed VIP Wing / Entry Pavilion

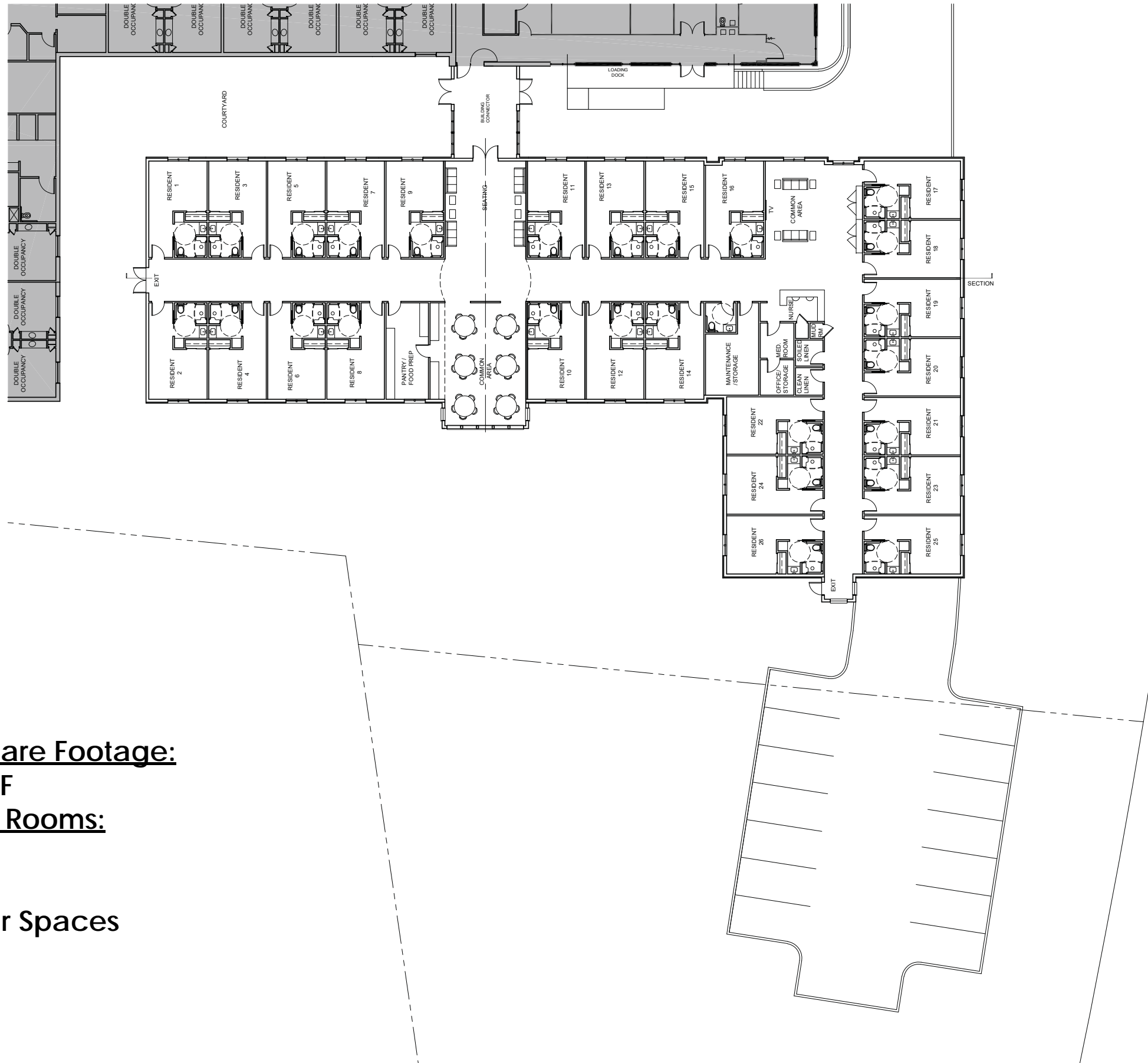
Boggs & Partners Architects

December 22, 2020





Existing Loading Dock Photos
12.22.2020



Gross Square Footage:

14,406 GSF

VIP Guest Rooms:

26

Parking:

14 Regular Spaces

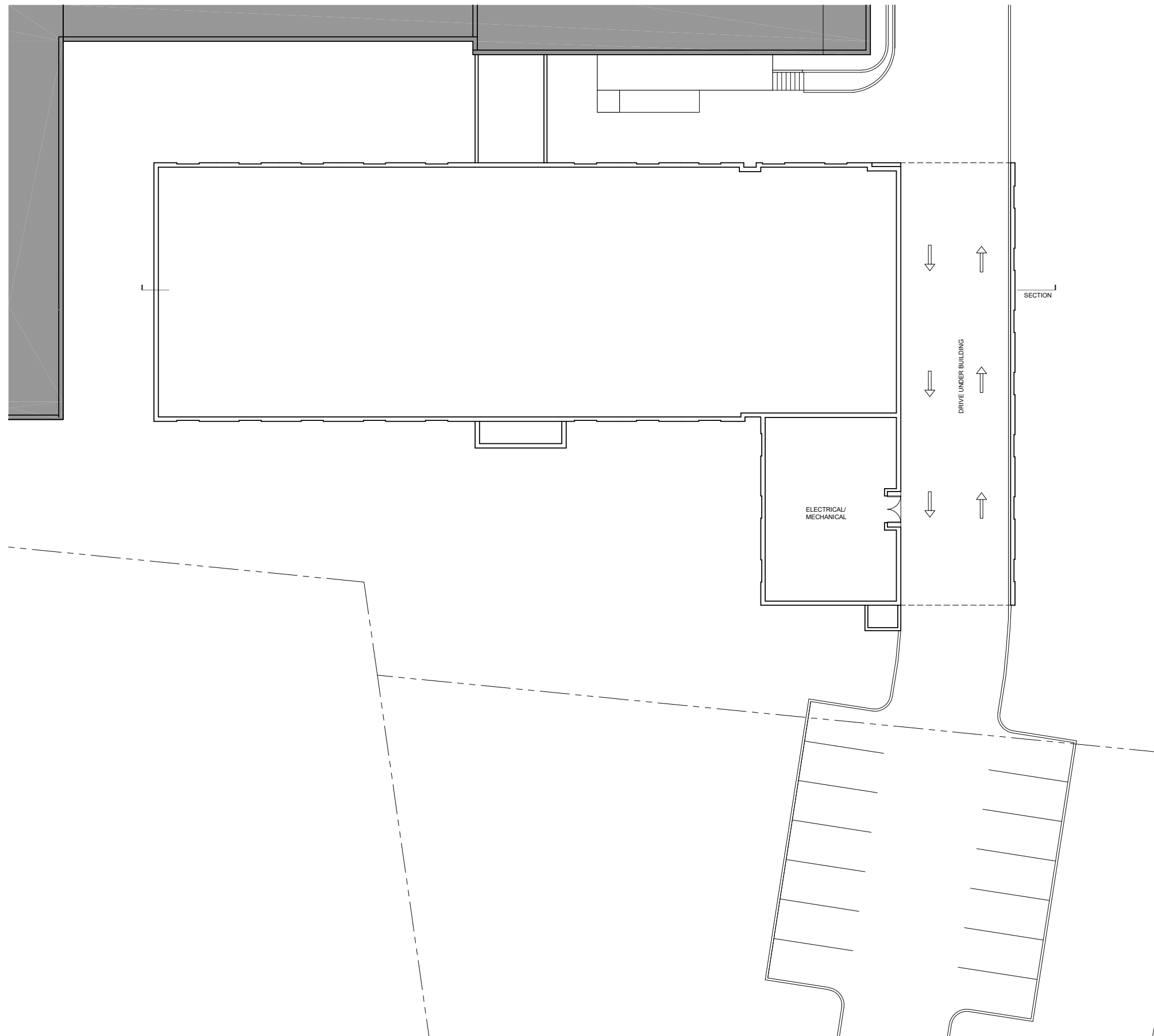
VIP Wing Floor Plan

12.22.2020



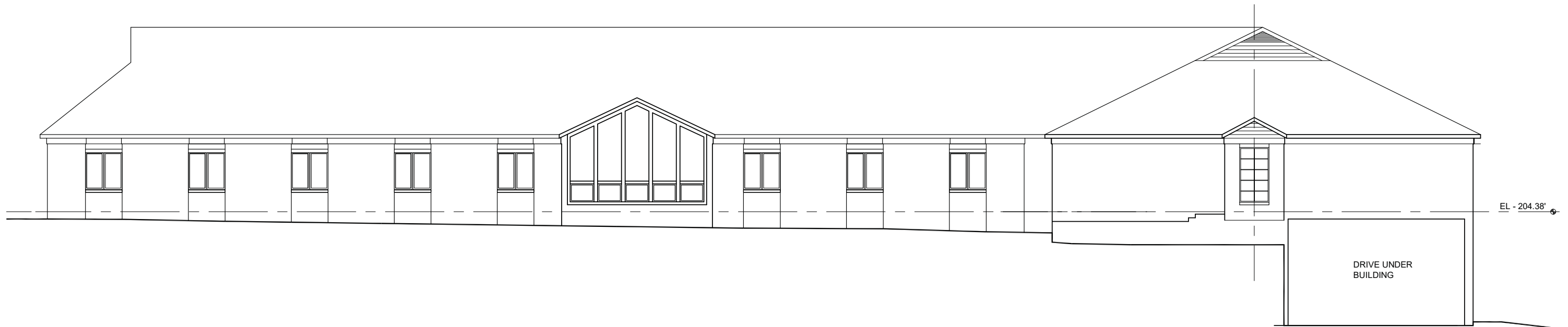
Boggs & Partners Architects

copyright 2020 boggs & partners



VIP Wing Parking Level Plan

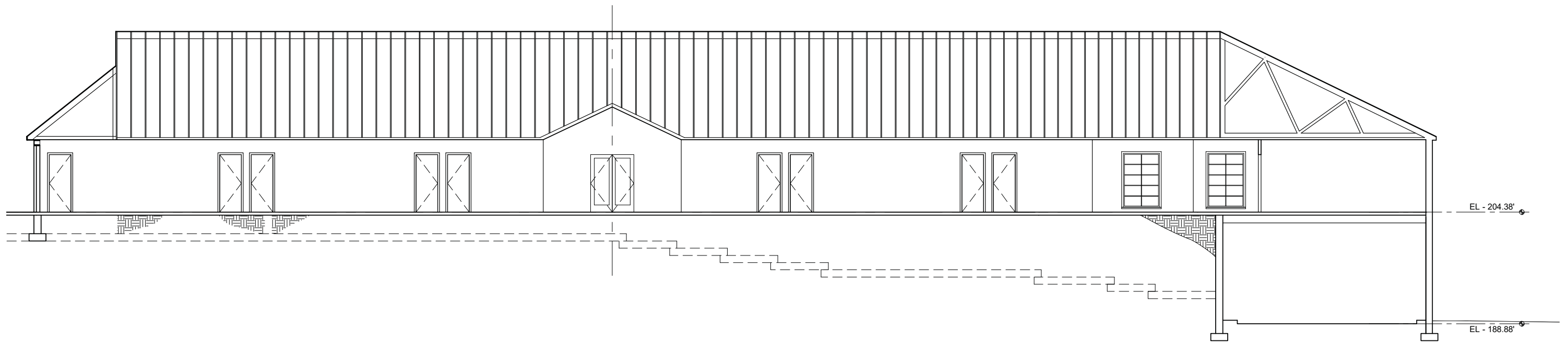
12.22.2020



Side Elevation

VIP Wing Exterior Elevation

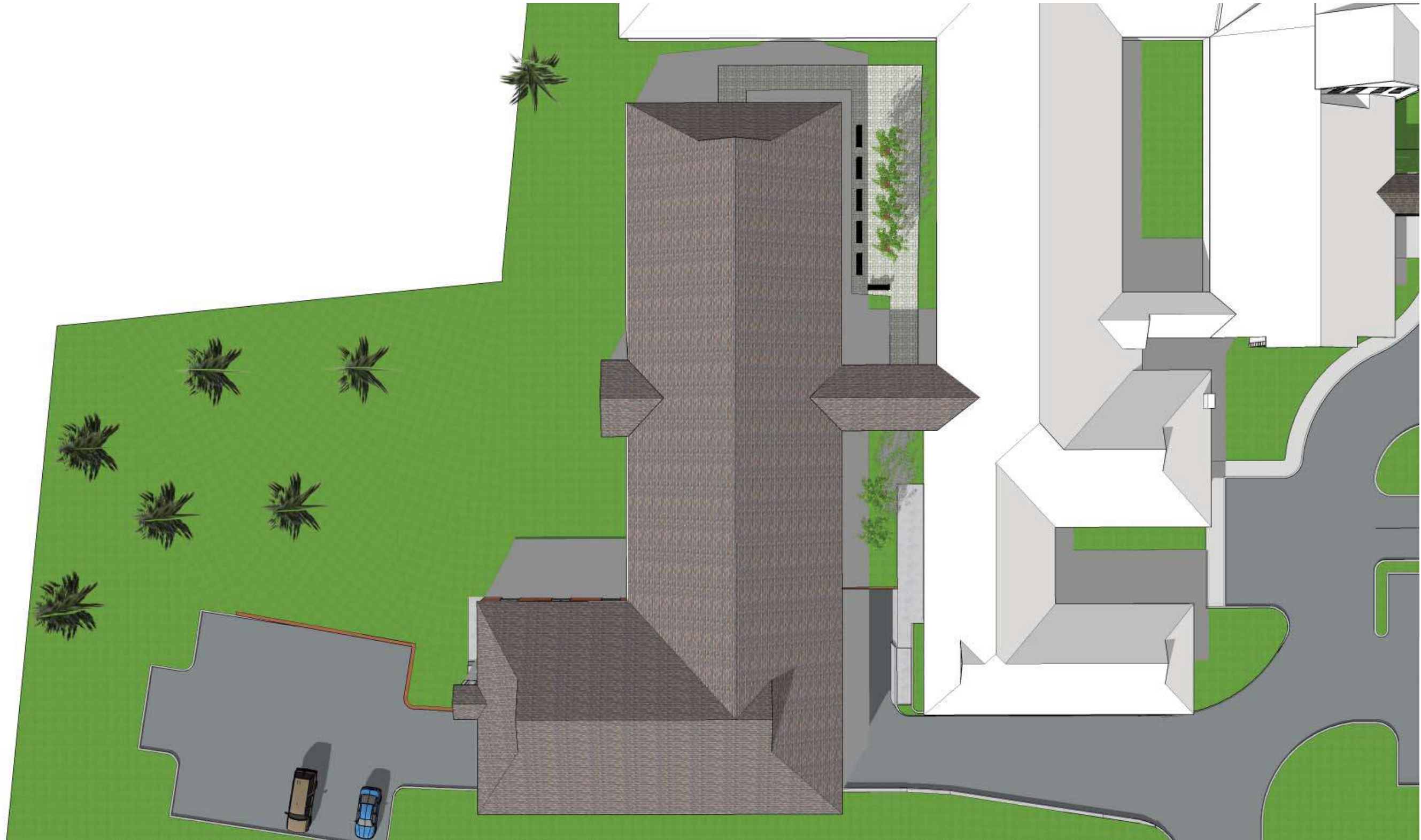
12.22.2020





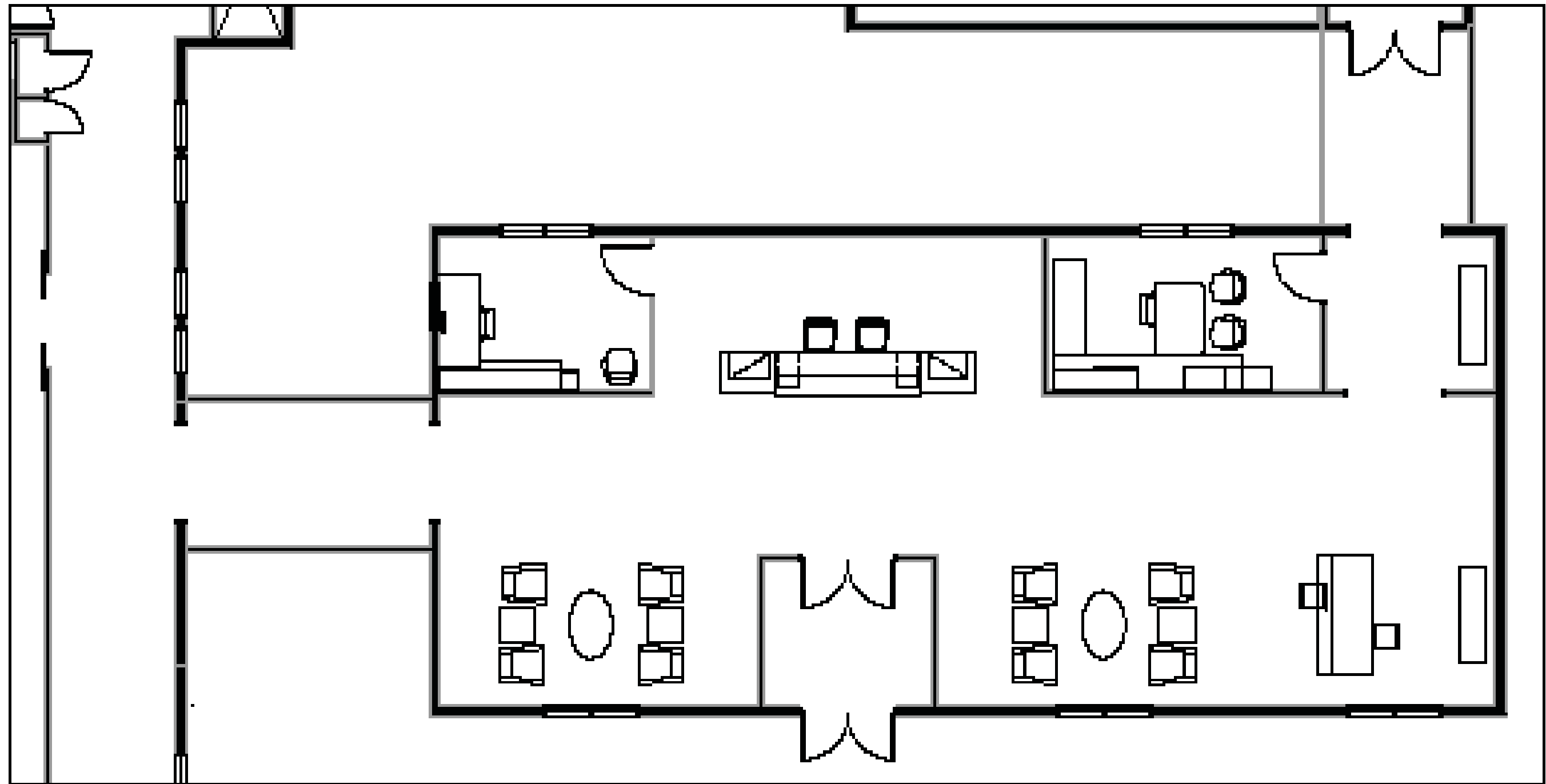
VIP Wing - Eye Level View
12.22.2020





VIP Wing Top View
12.22.2020





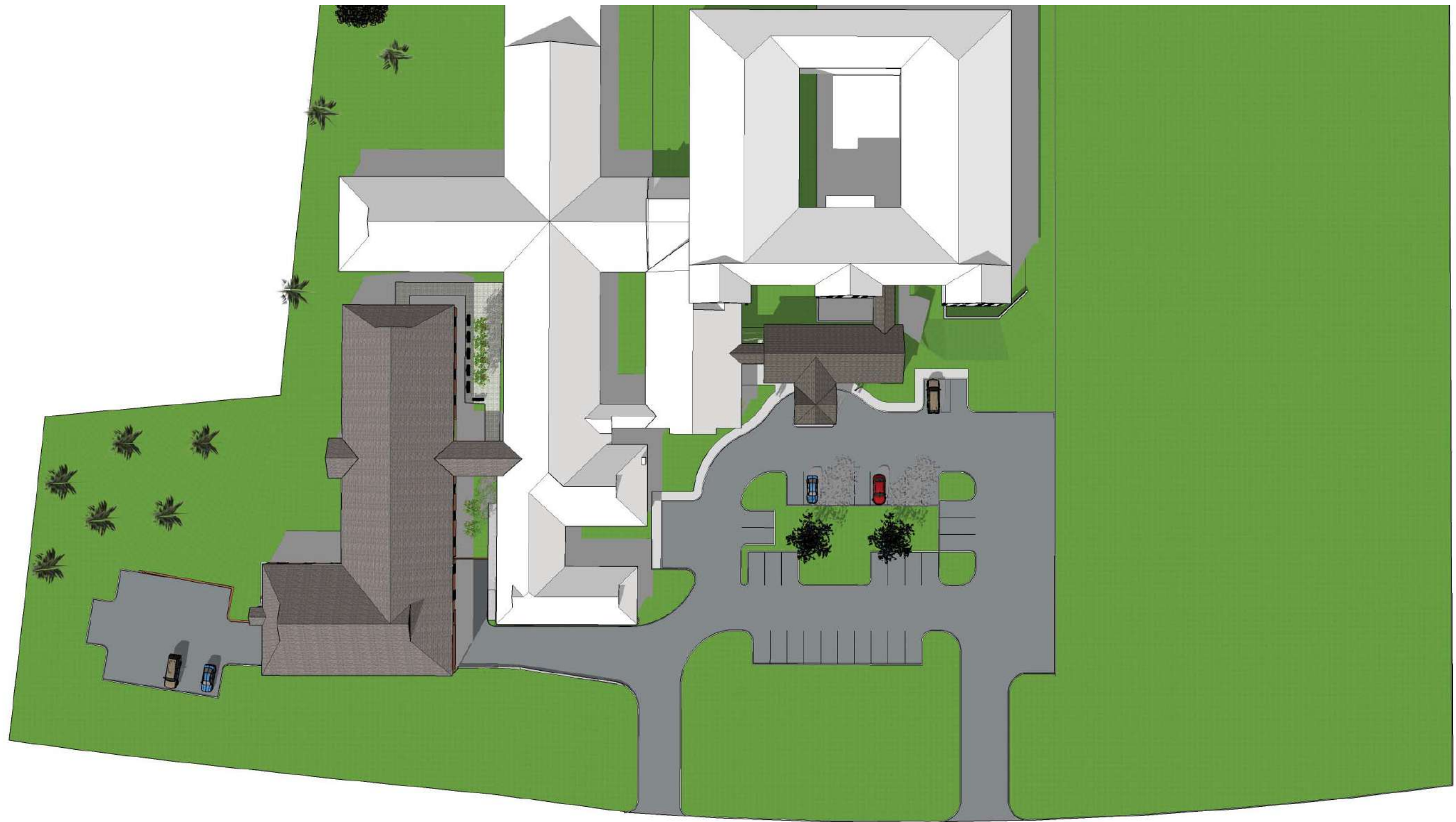
Gross Square Footage:
2,100 GSF





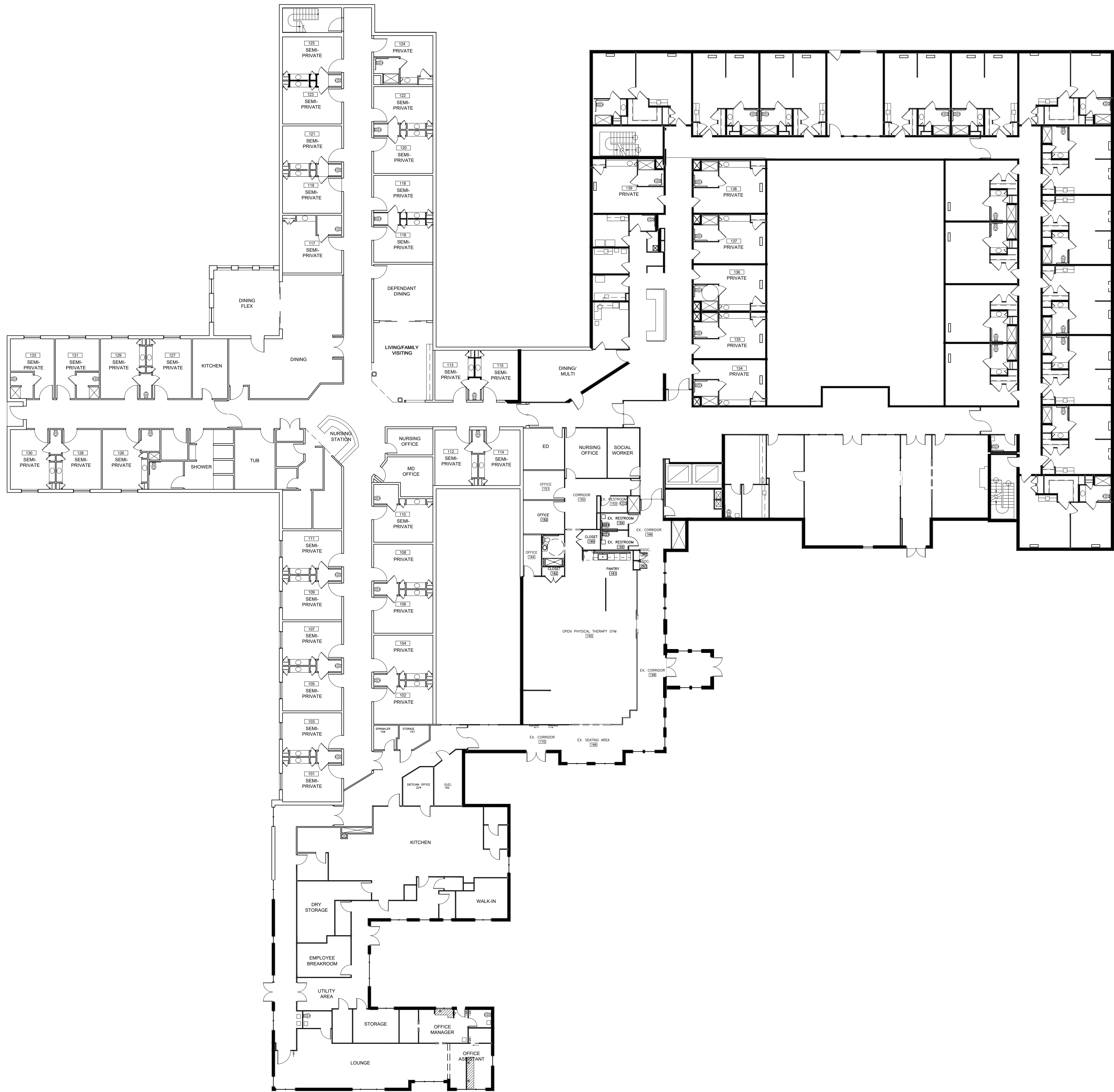






Proposed Site - Top View

12.22.2020



1 EXISTING FLOOR PLAN
SCALE: 1/16" = 1'-0"

Hillhaven Assisted Living
3210 Powder Mill Road
Adelphi, MD 20783

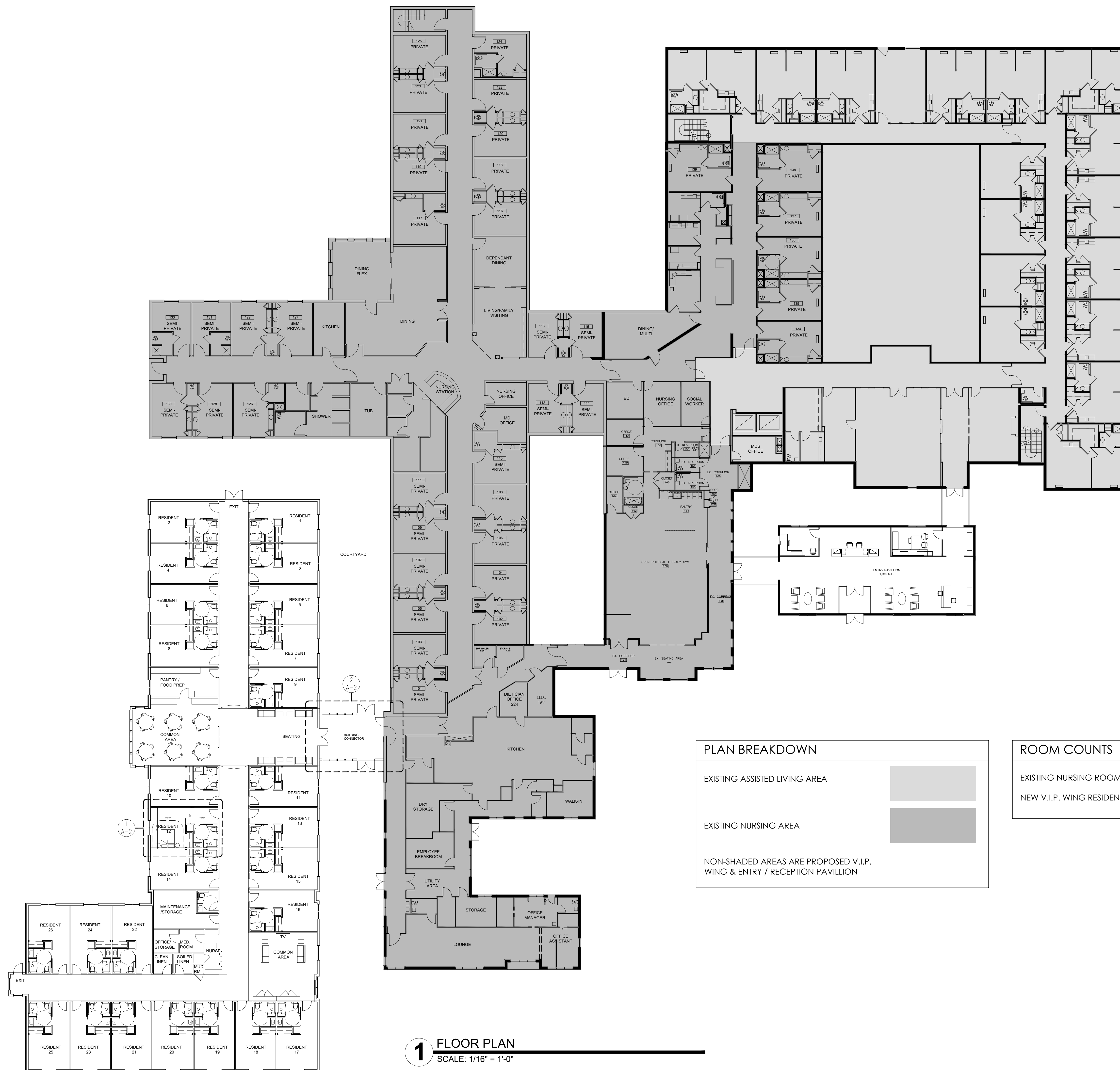
.....		
.....		
.....		
.....		
.....		
NO	DATE	REMARKS
R E V I S I O N S		
.....		
DRAWN		
.....		
CHECKED		
.....		
APPROVED		
.....		
DATE		
12/18/20		
JOB NUMBER		
.....		

EXISTING FLOOR PLAN

1/16"=1'-0"

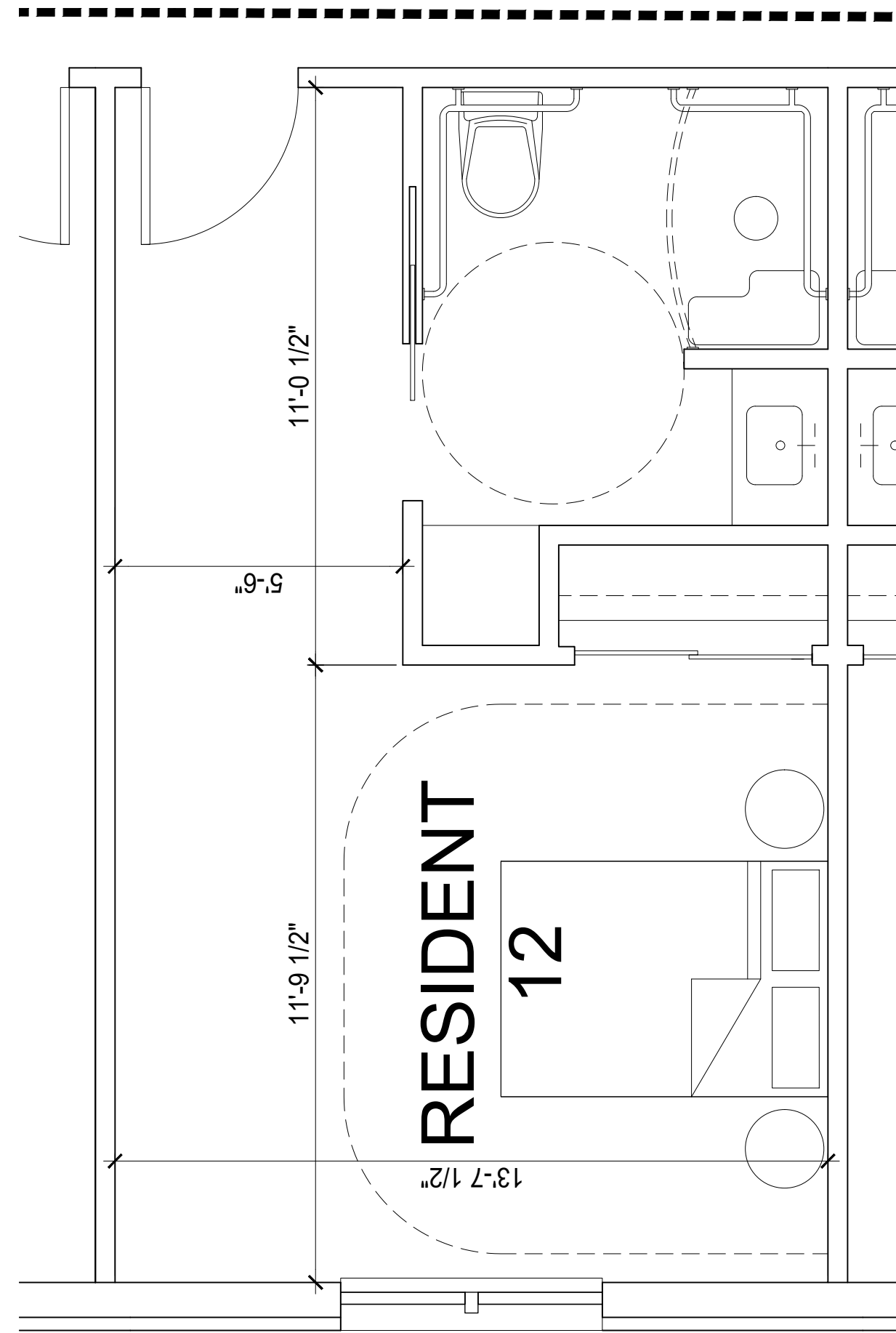
SHEET NO
EX. - 1

Hillhaven Assisted Living
3210 Powder Mill Road
Adelphi, MD 20783



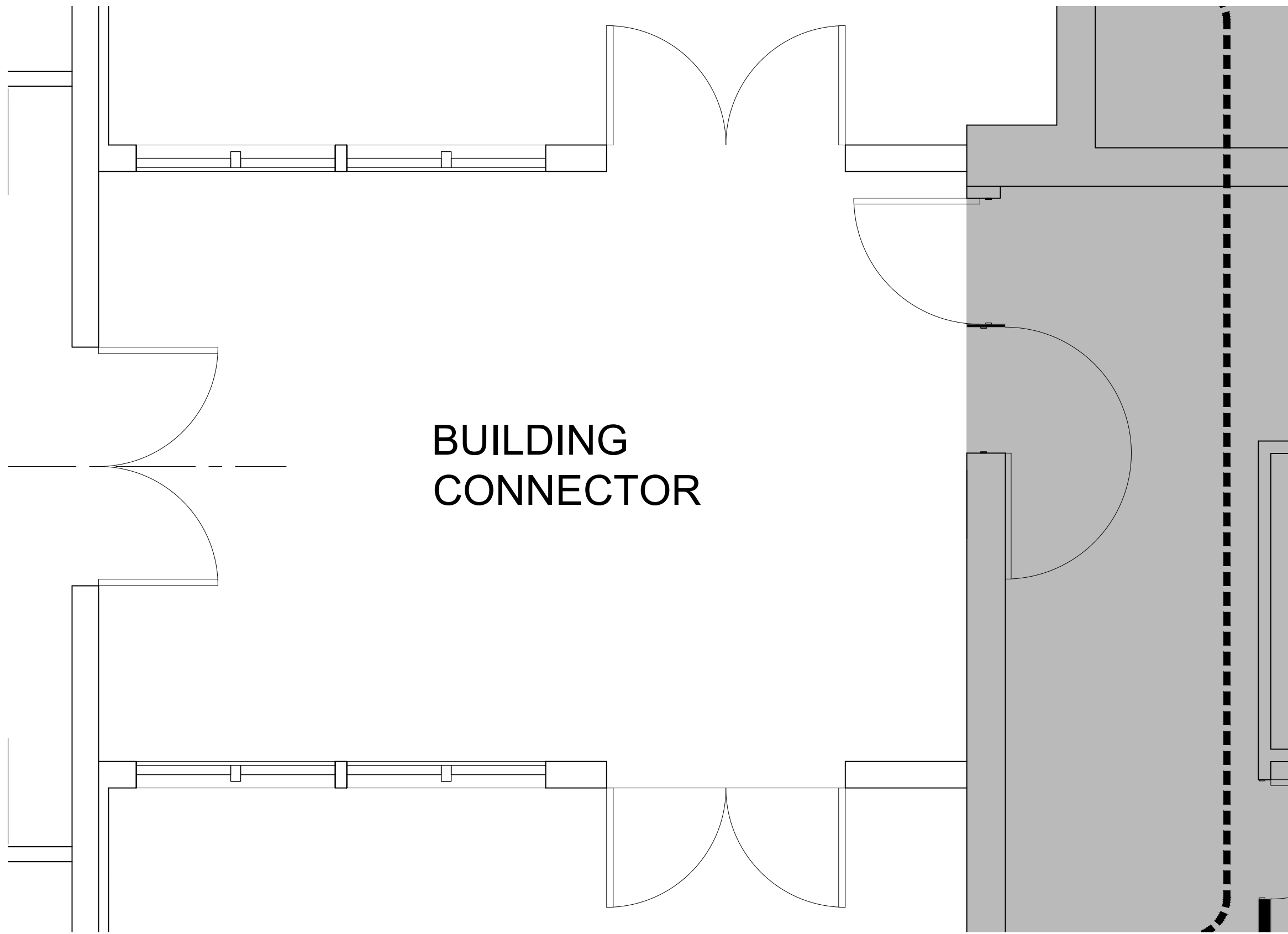
NO	DATE	REMARKS
REVISIONS		
DRAWN		
CHECKED		
APPROVED		
DATE	12/18/20	
JOB NUMBER		

EXISTING PLAN WITH
PROPOSED ADDITIONS
1/16"=1'-0"



RESIDENT ROOMS ARE 311 S.F. (INCLUDING RESTROOM)

1 TYPICAL V.I.P. WING RESIDENT ROOM
SCALE: 3/8" = 1'-0"



2 ENLARGED PLAN AT NW CONNECTOR
SCALE: 3/8" = 1'-0"



410 SEVERN AVENUE SUITE 306
ANNAPOLIS MARYLAND 21403

TEL
410 268 3797

BOGGS & PARTNERS ARCHITECTS A CORPORATION

Hillhaven Assisted Living
3210 Powder Mill Road
Adelphi, MD 20783

.....		
.....		
.....		
.....		
.....		
NO	DATE	REMARKS
R E V I S I O N S		
DRAWN		
CHECKED		
APPROVED		
DATE		
12/18/20		
JOB NUMBER		

V.I.P. WING
ENLARGED PLANS
3/8"=1'-0"



1 EXISTING SITE
N.T.S.



2 MODELLED SITE PLAN WITH PROPOSED ADDITIONS
N.T.S.

Hillhaven Assisted Living
3210 Powder Mill Road
Adelphi, MD 20783

.....		
.....		
.....		
.....		
NO	DATE	REMARKS
R E V I S I O N S		
DRAWN		
CHECKED		
APPROVED		
DATE		
		12/18/20
JOB NUMBER		

EXISTING &
PROPOSED SITE PLANS
N.T.S.

Exhibit 3

Nationwide Skilled Nursing Facilities Managed by Meridian Senior Living, LLC

Name of Facility	Address	City	State	Zip	County	SNF Beds	Mgmt Beg Date	SNF Bed Status	SNF Closure Date
Vista Terrace of Belmont	900 6th Ave	Belmont	CA	94002	San Mateo County	33	2/1/2020	Active	n/a
Hillhaven Hursing and Rehabilitation Center	3210 Powder Mill Road	Adelphi	MD	20783	Prince George's County	66	3/1/2018	Active	n/a
Chapel Hill Senior Living	10 Old Diamond Hill Road	Cumberland	RI	02864	Providence	30	11/1/2018	Inactive	4/30/2019
Smithfield Woods Senior Living	171 Pleasant View Avenue	Smithfield	RI	02917	Providence	60	11/1/2018	Inactive	4/30/2019

Source: Meridian Senior Living, LLC internal data; provided by Jason Harris, SVP Acquisitions & Analytics; 12.29.20

Exhibit 4

REQUIRED MINIMUM MARYLAND MEDICAL ASSISTANCE PARTICIPATION RATES FOR NURSING HOMES BY REGION AND JURISDICTION: FISCAL YEAR 2018

Region/Jurisdiction		Required Minimum Medicaid Participation Rate*
Western Maryland		50.5
	Allegany County	58.8
	Carroll County	48.0
	Frederick County	43.1
	Garrett County	62.0
	Washington County	49.7
Montgomery County		44.5
Southern Maryland		44.5
	Calvert County	49.5
	Charles County	53.7
	Prince Georges County	42.2
	St Mary's County	45.7
Central Maryland		49.6
	Anne Arundel County	43.0
	Baltimore City	57.7
	Baltimore County	45.8
	Harford County	50.7
	Howard County	49.8
Eastern Shore		54.3
	Caroline County	61.5
	Cecil County	44.3
	Dorchester County	62.1
	Kent County	46.0
	Queen Anne's County	60.1
	Somerset County	60.8
	Talbot County	53.7
	Wicomico County	57.4
	Worcester County	51.7
MD Total		48.5

* Participation Rates are based on weighted mean Medicaid participation (calculated as total county Medicaid days divided by total county patient days) minus 14.4%.

Source: Maryland Health Care Commission, 2018 Long Term Care Survey, 2018 Nursing Home Bed Inventory Records; Maryland Medical Assistance Program, unaudited 2018 cost reports.

Exhibit 5



EXHIBIT 2A
HOW TO APPLY FOR AND USE MEDICARE AND MEDICAID BENEFITS

	MEDICARE	MEDICAID
WHAT'S COVERED	<p>1. Care in a hospital;</p> <p>2. If you are admitted to an approved facility within thirty (30) days following a three-day qualifying hospital stay (not including the day of discharge) Medicare may cover up to 100 days of skilled nursing and rehabilitation care. This coverage depends on your medical condition, and whether your doctor orders on a daily basis. If these conditions are met, Medicare provides full coverage for the first twenty (20) days. You must make a co-payment after that.</p> <p>Nursing services, Dietary services, Activities programs, Room/bed maintenance, Routine personal hygiene items, and Medically-related Social Services are included.</p>	<p>Medicaid is a comprehensive program that will cover most of the costs of a nursing home stay. Nursing services, Dietary services, Activities programs, Room/bed maintenance, Routine personal hygiene items, and Medically-related Social Services are included.</p>
YOUR CONTRIBUTION	<p>Medicare does not pay 100% of the cost of covered services. You will be required to pay part of the charges. Your payment may be called a "co-payment," "deductible" or "premium," depending on the type of care provided. If you receive Medicaid, Medicaid may pay for any payment that you are responsible for under Medicare.</p>	<p>Depending on your income, you may be required to make a contribution toward the cost of your care. The amount of any contribution will be calculated by the local Department of Social Services. You will need to pay this contribution to the Facility for every month in which you are eligible for Medicaid, including partial months.</p>
WHO'S ELIGIBLE	<p>People 65 years old or older who are eligible to collect benefits under Social Security are eligible. Persons who receive Social Security disability benefits for at least 24 months, or have been found eligible for Medicare by the Social Security Administration because they have</p>	<p>Eligibility is based on your income and resources (assets):</p> <p>1. <u>Resources</u>: The local Department of Social Services will evaluate your resources (assets) and tell you whether you qualify. The following are examples of items usually <u>not</u> counted as resources:</p>



Assisted Living
Nursing and Rehabilitation Center

	end stage renal disease requiring regular dialysis or kidney transplant are also eligible.	<p>a. Your house if your spouse or dependent relative lives there or if you express an intent to return there;</p> <p>b. Household goods;</p> <p>c. Personal property in your possession in the nursing home;</p> <p>d. A certain amount of money for burial arrangements.</p> <p>NOTE: You will not be eligible for some period of time if you have transferred resources for less than fair market value to someone other than your spouse, or a blind or disabled child, within sixty months before you apply for Medicaid.</p> <p>2. <u>Income</u>: If your income is less than the facility's private pay rate, you may be eligible. If you qualify, a portion, determined by Medicaid, is protected for your personal use while in the facility. Medicaid may protect other portions of your income as well.</p>
HOW TO APPLY	Contact Social Security Administration: 1-800-772-1213 (TTY 1-800-325-0778)	Contact DHR/Dept of Social Services at phone number: (410) 455-7517 MD DHR (301) 909-7025 PG Dept Soc Serv
WHO TO CONTACT IF YOU HAVE A QUESTION OR A PROBLEM	To learn more about Medicare coverage of nursing home expenses, and about how to appeal a Medicare denial of payment, contact Beneficiary Relations of the Centers for Medicare & Medicaid Services at: 1-800-MEDICARE (800-633-4227) TTY: 1-877-486-2048.	If your application for Medicaid is denied, your coverage is terminated, or a service is not covered, you may appeal that decision according to the instructions contained in the notice provided to you.
RETRO-ACTIVE COVERAGE	Not applicable.	The nursing home services that you received in the 3 months prior to your application for Medicaid may be covered by Medicaid, if you specifically request this coverage.



Assisted Living
Nursing and Rehabilitation Center

EXHIBIT 2B
MEDICAL ASSISTANCE
NURSING FACILITY SERVICES

Important Information - Please Read Carefully

The Medical Assistance Program, also known as Medicaid, is a governmental program to help people pay their medical bills. To be eligible, one must be financially unable to pay the cost of medically necessary care. Eligibility, therefore, has two tests: (1) financial eligibility; and (2) medical eligibility. Financial eligibility is determined by the local Department of Social Services. Medical eligibility is determined by the Medical Assistance Program.

It is important to understand that even if you can no longer afford to pay for nursing facility care, Medical Assistance will not pay for nursing facility services unless you are also medically eligible for these services. You may obtain information regarding financial eligibility from the local Department of Social Services at no cost. If you want to know if you are medically eligible before you apply for Medical Assistance, for a nominal fee, you may obtain an assessment of your medical eligibility from the same contractor who currently functions as the State Review Agent for the Medical Assistance Program.

To obtain an assessment of your potential medical eligibility, you may call the local Department of Social Services (Prince George's County) at 301-909-7025.

Medical conditions of nursing facility residents change over time. Therefore, the assessment you receive is advisory only and is not binding on the Medical Assistance Program. The assessment will, however, assist you in making an informed decision regarding your need for nursing facility care or for less intensive community based care. Community alternatives to nursing facility services are available. Information about community alternatives can be obtained from your Local Health Department, Geriatric Evaluations Services and from your local Area Agency or Aging Office.

If you want additional information regarding Medical Assistance nursing facility benefits, please do not hesitate to call contact the local Department of Social Services (Prince George's County) at 301-909-7025.

Exhibit 6

HOME AND COMMUNITY-BASED OPTIONS WAIVER

Maryland's Home and Community-Based Options Waiver provides community services and supports to enable older adults and people with physical disabilities to live in their own homes.

AVAILABLE WAIVER SERVICES

- Assisted Living
- Medical Day Care
- Family Training
- Case Management
- Senior Center Plus
- Dietitian and Nutritionist Services
- Behavioral Consultation

Waiver participants are also eligible to receive Medicaid services which may include:

Community First Choice Services

- Personal Assistance Services
- Personal Emergency Response Systems
- Technology
- Environmental Assessments
- Accessibility Adaptations
- Consumer Training
- Supports Planning
- Transition Services
- Nurse Monitoring
- Home Delivered Meals

Other Services

- Physician and Hospital Care
- Pharmacy
- Home Health
- Laboratory Services
- Mental Health Services
- Disposable Medical Supplies and Durable Medical Equipment
- Payment of Medicare premiums, co-payments, and deductibles

WHO SHOULD APPLY

Maryland residents aged 18 and over who need assistance with activities of daily living, such as bathing, grooming, dressing, and getting around.

ELIGIBILITY GUIDELINES

Medical and Technical Criteria

- Individuals must require a nursing facility level of care based on a uniform medical assessment.

Financial Criteria

- An individual's income and assets are reviewed to determine financial eligibility for Medical Assistance.
- The monthly income of an individual may not exceed 300% of SSI benefits, and the countable assets may not exceed \$2,000 or \$2,500 (depending on eligibility category).
- Only the income and assets of the individual (and assets of any spouse) are considered in determining financial eligibility.

PERSONS INTERESTED SHOULD:

If you live in a nursing facility:

Contact Medicaid's Long Term Care and Waiver Services at:
410-767-1739 or 1-877-4MD-DHMH or for MD Relay Service 1-800-735-2258 for more information.

If you live in the community:

The waiver cannot accept new community applicants at this time. A Service Registry was developed for interested community individuals, please call the Waiver Services Registry at:

1-844-627-5465



STATE OF MARYLAND

DHMH

Larry J. Hogan, Jr., Governor – Boyd K. Rutherford, Lt. Governor

Van T. Mitchell, Secretary

Maryland Department of Health Mental Hygiene

Office of Health Services

Medical Care Programs

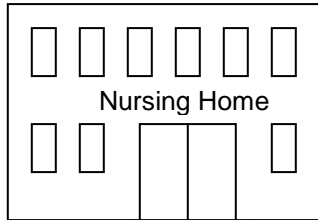
Community Integration Programs


201 W. Preston Street, Suite 136

Baltimore, MD 21201

410-767-7479

**If you want to go home,
there may be a way!**



I wish I could get the
help I need in my own
home... 

**Get long term services and
supports in the community!**



If Medical Assistance pays for any part of your nursing home care, you may be able to get care and services in your own community home instead of in a nursing home.

In the last few years, hundreds of people have moved out of nursing homes to receive services in the community. There are several programs that provide services in the community. We can help you decide which one may be right for you and help you apply. **Just let us know.**

If you would like to learn more about services that may help you move back to the community, ask a social worker at your nursing home, or contact one of the places listed on the back of this page.

State Government	
Maryland Department of Disabilities	800-637-4113
Maryland Department of Health Community First Choice/Community Options Waiver MFP Nursing Facility Transition Program	877-463-3464 or 410-767-1739 410-767-7242 (MFP)
Maryland Department on Aging	1-800-AGE-DIAL (1-800-243-3425)
Maryland Access Point	1-844 MAP-LINK (844-627-5465) www.marylandaccesspoint.info
Adult Evaluation and Review Services (AERS)	877-463-3464 or 410-767-7479
Developmental Disabilities Administration	Central MD 410-234-8200 Western MD 301-791-4670 Southern MD 301-362-5100 Eastern Shore 410-572-5920

Advocacy	
Independence Now (PG & Montgomery Counties)	301-277-2839
Southern MD CIL (Calvert, Charles, St. Mary's Counties)	301-884-4498
The Freedom Center (Frederick & Carroll Counties)	301-846-7811
Resources for Independence (Western Maryland)	800-371-1986
Bay Area CIL (BACIL) (Cecil Co. and the Eastern Shore)	443-260-0822 or 877-511-0744
The IMAGE Center (Baltimore City/Co. & Harford)	410-982-6311
Accessible Resources for Independence (Howard & Anne Arundel Counties)	410-636-2274
Brain Injury Association of Maryland	410-448-2924 or 800-221-6443
Maryland Statewide Independent Living Council	240-599-7966
Mental Health Association of Maryland	443-901-1550

Legal Resources	
Legal Aid Bureau LTC Assistance Program & MD Senior Legal Hotline 1-866-635-2948 www.mdlab.org	Disability Rights Maryland (DRM) 1-800-233-7201, TTY number: 410-235-5387 www.disabilityrightsmd.org
The Assisted Living/Nursing Home Program provides legal assistance to financially eligible nursing home residents anywhere in Maryland.	DRM is a non-profit legal services established by federal and state law to advocate for the rights of persons with disabilities in Maryland.

Money Follows the Person and Community Based Options

Highlights	Policy Statement
<p>During the initial admission meeting with social worker or designee, (within 72 hours of admission):</p> <p>If a resident expresses interest in community-based options:</p> <p>A resident is eligible and would like to move forward with a community-based option:</p>	<p>Residents that show interest in alternative, community-based care and support options will be assisted in both learning about other options, and, facilitating the steps necessary to assist with transitions, if other options are deemed appropriate</p> <p style="text-align: center;">Policy Interpretation and Implementation</p> <ol style="list-style-type: none"> 1. A resident will be presented with the MFP document with information about options, including a list of contacts. At this time, the social worker or designee will explain the MFP community-based options and program to the resident. 2. If the resident expresses interest in a community-based option, the social worker or designee will assist the resident in contacting the community first choice contact, to determine eligibility for the program. 3. The social worker or designee, will, if requested by the individual or POA, assist the resident in securing a community-based option of choice, and, providing a transition plan of care.
References	
OBRA Regulatory Reference Numbers	
Survey Tag Numbers	
Related Documents	
Policy Revised	<div>Date:_____By:_____</div> <div>Date:_____By:_____</div> <div>Date:_____By:_____</div> <div>Date:_____By:_____</div>

Exhibit 7

JOSEPH A. BOGGS FAIA

December 21, 2020

Maryland Health Care Commission

c/o Mr. Kevin R. McDonald

kevin.mcdonald@maryland.gov

Chief, Certificate of Need

Maryland Health Care Commission

4160 Patterson Avenue

Baltimore, Maryland 21215-2299

RE: Hillhaven Comprehensive Care Facility

Adelphi, Maryland, Prince Georges County, New Addition, Net Increase of 16 Beds

Dear Commissioners,

As Architect in Charge for the proposed Hillhaven Comprehensive Care Facility project to increase the net beds by 16 by means of a **25** bed addition that will also increase the number of private rooms in the facility, I am pleased to inform you that the designs will meet the **2018 FGI** Guidelines for Resident Care Facilities.

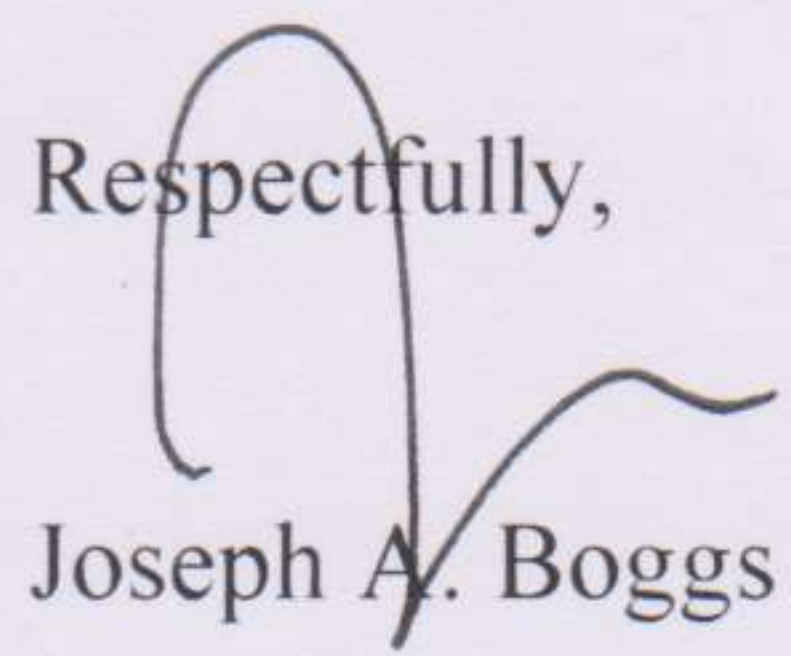
Design for the Hillhaven comprehensive care facility promotes a safe and functional environment and minimizes the negative aspects of an institutional environment, by providing adequate breakout areas and common areas with ample seating and natural daylight. The resident amenities are well appointed and comfortable. All the guidelines for a FGI compliant facility have been met.

All new patient rooms will be private and have a minimum of **241.5** gross square feet, **120** square feet of which is in the patient bed space. We have provided schematic drawings to support this.

Room design in the new facility is a modified neighborhood design. This plan includes comfortable, dedicated common area dining and socialization space in the unit, in addition to providing approximately 68 square feet per each private bed/resident room. We considered neighborhood and other design models and settled on the proposed layout, because it fits within the constraints of this site and most importantly; it provides all private rooms with full private bathrooms. Because the private accommodations include a private, full bathroom; they will allow for optimal privacy, apartment/room individualization, visitation flexibility, better infection control and allow for a more homelike environment.

Please do not hesitate to reach out to the owners if you have questions.

Respectfully,



Joseph A. Boggs FAIA, NCARB

Boggs & Partners Architects Inc.

MD license No. **3925-R**

BOGGS & PARTNERS ARCHITECTS INC

410 SEVERN AVENUE SUITE 306 ANNAPOLIS MARYLAND 21403

TEL 410-268-3797

WEB SITE WWW.BOGGSPARTNERS.COM

Exhibit 8



Nursing home

Hillhaven Nursing and Rehabilitation Center

Overall rating:



LOCATION

3210 Powder Mill Road
Adelphi, MD 20783

PHONE NUMBER

(301) 937-3939

♥ Add to Favorites

- Ratings
- Quality
- Details
- Location

RATINGS

Overall rating



Much above average

The overall rating is based on a nursing home's performance on 3 sources: health inspections, staffing, and quality of resident care measures.

Learn how Medicare calculates this rating

Health inspections



Much above average

View Rating Details

Staffing



Much above average

View Rating Details

Quality of resident care



Much above average

View Rating Details

QUALITY

Choose a category to see how this nursing home scores:

DETAILS

Number of certified beds
66

Participates in Medicare / Medicaid?
Medicare and Medicaid

Ownership type
For profit - Corporation
[See detail](#)

Legal business name
Mh Adelphi Operating LLC

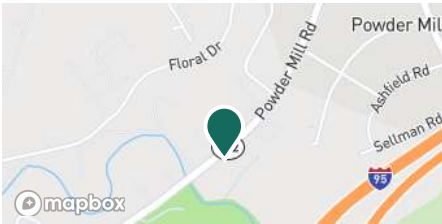
With a resident and family council?
Both

Located within a hospital?
No

Automatic sprinkler systems in all required areas?
Yes

In a Continuing Care Retirement Community?
No

LOCATION



Hillhaven Nursing and Rehabilitation Center

3210 Powder Mill Road
Adelphi, MD 20783

[\(301\) 937-3939](tel:(301)937-3939)

Get Directions

Data last updated: December 2, 2020
To explore and download nursing home data, [visit the data catalog on CMS.gov](#)

Consider this when choosing a nursing home

Visit the nursing homes that interest you before making a final decision so you can see the residents, staff, and nursing home setting. Take a copy of the [Nursing Home Checklist](#) when you visit to help you evaluate the quality.

[Guide to choosing a nursing home](#)

[Alternatives to nursing home care](#)

[How Medicare covers skilled nursing facility care](#)

[About Medicare](#) | [Medicare Glossary](#)

[Nondiscrimination/Accessibility](#) | [Privacy Policy](#) | [Privacy Setting](#) | [Linking Policy](#) | [Using this site](#) | [Plain Writing](#)



A federal government website managed and paid for by the U.S. Centers for Medicare and Medicaid Services, 7500 Security Boulevard, Baltimore, MD 21244

Medicare.gov

Hillhaven Nursing and
Rehabilitation Center



Quality of resident care

- [Learn more about quality of resident care](#)
- [Find out why these short-stay measures are important](#)
- [Find out why these long-stay measures are important](#)
- [Get current data collection period](#)

Quality of resident care rating



Much above average

Medicare assigns the star rating based on data from a select set of clinical data measures. More stars means better quality of care.

Short-stay quality of resident care



Much above average

The short-stay quality of care rating reflects the quality of care delivered to temporary residents, and whose typical goal is to improve their health status so they can return to their previous setting, like their home.

Percentage of short-stay residents who were re-hospitalized after a nursing home admission

↓ Lower percentages are better

17.6%
National average: 20.8%
Maryland average: 19.4%

Percentage of short-stay residents who have had an outpatient emergency department visit

↓ Lower percentages are better

7%
National average: 10.3%
Maryland average: 8.2%

Percentage of short-stay residents who got antipsychotic medication for the first time

↓ Lower percentages are better

0.4%
National average: 1.8%
Maryland average: 1.5%



Percentage of residents with pressure ulcers/pressure injuries that are new or worsened

↓ Lower percentages are better

1.5%
National average: 2.5%



Percentage of short-stay residents who improved in their ability to move around on their own

↑ Higher percentages are better

56.6%
National average: 68%
Maryland average: 66.2%



Flu & pneumonia prevention measures - Short-stay residents

Percentage of short-stay residents who needed and got a flu shot for the current flu season

↑ *Higher percentages are better*

97%

National average: 82.9%

Maryland average: 86.5%

Percentage of short-stay residents who needed and got a vaccine to prevent pneumonia

↑ *Higher percentages are better*

96.1%

National average: 83.9%

Maryland average: 84.4%

Additional quality measures - Short-stay residents

These measures are part of the Skilled Nursing Facility (SNF) Quality Reporting Program (QRP) and report information on residents who get skilled nursing services under their Medicare Part A benefit.

Percentage of SNF residents whose medications were reviewed and who received follow-up care when medication issues were identified

↑ *Higher percentages are better*

95.6%

National average: 88.4%

Percentage of SNF residents who experience one or more falls with major injury during their SNF stay

↓ *Lower percentages are better*

0.3%

National average: 0.9%

Percentage of SNF residents whose functional abilities were assessed and functional goals were included in their treatment plan

↑ *Higher percentages are better*

100%

National average: 99.1%

Percentage of residents who are at or above an expected ability to care for themselves at discharge

↑ *Higher percentages are better*

55.7%

National average: 52.8%

Percentage of residents who are at or above an expected ability to move around at discharge

↑ *Higher percentages are better*

45.2%

National average: 48.5%

Change in residents' ability to care for themselves

• Scores above 0 mean that the self-care score has improved and scores below 0 mean that the self-care score has worsened

9.4

Change in residents' ability to move around

• Scores above 0 mean that the mobility score has improved and scores below 0 mean that the mobility score has worsened

21.5

Rate of successful return to home and community from a SNF

↑ *Higher rates are better*

Better than the national rate

63.6%

National average: 50.1%

Rate of potentially preventable hospital readmissions 30 days after discharge from a SNF

↓ Lower rates are better

No different than the national rate

7.4%

National average: 7.7%

Medicare Spending Per Beneficiary (MSPB) for residents in SNFs

• Displayed as a ratio

0.86

National average: 1.03



Long-stay quality of resident care



Much above average

The long-stay quality of care rating reflects the quality of care delivered to long-term residents, and whose typical goal is to maintain or attain their highest possible well-being while residing in the facility.

Number of hospitalizations per 1,000 long-stay resident days

↓ Lower numbers are better

0.72

National average: 1.70

Maryland average: 1.23

Number of outpatient emergency department visits per 1,000 long-stay resident days

↓ Lower numbers are better

0.37

National average: 0.96

Maryland average: 0.66

Percentage of long-stay residents who got an antipsychotic medication

↓ Lower percentages are better

5%

National average: 14.2%

Maryland average: 12.5%



Percentage of long-stay residents experiencing one or more falls with major injury

↓ Lower percentages are better

2.8%

National average: 3.4%

Maryland average: 2.6%

Percentage of long-stay high-risk residents with pressure ulcers

↓ Lower percentages are better

4.8%

National average: 7.3%

Maryland average: 8.9%



Percentage of long-stay residents with a urinary tract infection

↓ Lower percentages are better

1.4%

National average: 2.6%

Maryland average: 2.3%

Percentage of long-stay residents who have or had a catheter inserted

and left in their bladder↓ *Lower percentages are better***0.5%****National average: 1.8%****Maryland average: 1.4%****Percentage of long-stay residents whose ability to move independently worsened**↓ *Lower percentages are better***18.6%****National average: 17.1%****Maryland average: 22.3%****Percentage of long-stay residents whose need for help with daily activities has increased**↓ *Lower percentages are better***17.4%****National average: 14.5%****Maryland average: 18.4%****Flu & pneumonia prevention measures - Long-stay residents****Percentage of long-stay residents who needed and got a flu shot for the current flu season**↑ *Higher percentages are better***100%****National average: 96%****Maryland average: 96.5%****Percentage of long-stay residents who needed and got a vaccine to prevent pneumonia**↑ *Higher percentages are better***100%****National average: 93.9%****Maryland average: 93.9%****Additional quality measures - Long-stay residents****Percentage of long-stay residents who were physically restrained**↓ *Lower percentages are better***0%****National average: 0.2%****Maryland average: 0.2%****Percentage of long-stay low-risk residents who lose control of their bowels or bladder**↓ *Lower percentages are better***68.4%****National average: 48.4%****Maryland average: 63%****Percentage of long-stay residents who lose too much weight**↓ *Lower percentages are better***2.3%****National average: 5.5%****Maryland average: 5.9%****Percentage of long-stay residents who have symptoms of depression**↓ *Lower percentages are better***3%****National average: 5.1%****Maryland average: 6%**

Percentage of long-stay residents who got an antianxiety or hypnotic medication

↓ Lower percentages are better



10.1%

National average: 19.7%

Maryland average: 14.9%

Hillhaven Nursing and Rehabilitation Center

Staffing

Higher staffing levels in a nursing home may mean higher quality of care for residents. Staffing hours of different types of staff are reported by nursing homes, and are used to calculate a ratio of staffing hours per resident per day.

[Learn more about staffing](#)

Staffing rating



Much above average

The staffing rating is based on these measures: 1) Registered Nurse (RN) hours per resident per day; and 2) total nurse staffing (including RN, licensed practical nurse (LPN), and nurse aide) hours per resident per day.

Average number of residents per day

33.8
National average: 77.5
Maryland average: 91.4

Total number of licensed nurse staff hours per resident per day

1 hour and 60 minutes
National average: 1 hour and 40 minutes
Maryland average: 1 hour and 56 minutes

Registered Nurse hours per resident per day

1 hour and 4 minutes
National average: 45 minutes



Maryland average: 59 minutes

LPN/LVN hours per resident per day

55 minutes
National average: 55 minutes
Maryland average: 57 minutes

Nurse aide hours per resident per day

4 hours and 33 minutes
National average: 2 hours and 23 minutes
Maryland average: 2 hours and 19 minutes

Physical therapist staff hours per resident per day

2 minutes
National average: 4 minutes
Maryland average: 5 minutes

Registered Nurse (RN) staffing rating



Much above average

Registered nurses (RNs) are licensed healthcare professionals who are responsible for the coordination, management and overall delivery of care to the residents. Some nursing home residents who are sicker than others may require a greater level of care, and nursing homes that have more RN staff may be better able to meet the needs of those residents.

Average number of residents per day

33.8

National average: 77.5
Maryland average: 91.4

Registered Nurse hours per resident per day

1 hour and 4 minutes
National average: 45 minutes
Maryland average: 59 minutes

Hillhaven Nursing and Rehabilitation Center
 CMS Quality Data by Month
 August 2019-November 2020

August 2019-November 2020									Reported Nurse Aide Staffing Hours per Resident per Day	Reported LPN Staffing Hours per Resident per Day	Reported RN Staffing Hours per Resident per Day	Reported Licensed Staffing Hours per Resident per Day
Year	Month	Overall Rating	Health Inspection Rating	Quality Measure Rating	Long-Stay Quality Measure Rating	Short-Stay Quality Measure Rating	Staffing Rating	RN Staffing Rating				
2019	August	5	5	5	5	1	1	6	DATA UNAVAILABLE			DATA UNAV
2019	September	5	5	5	5	5	1	1	DATA UNAVAILABLE			DATA UNAV
2019	October	5	5	5	5	5	4	4	3.36	0.74	0.96	1.70
2019	November	DATA UNAVAILABLE			DATA UNAVAILABLE			DATA UNAVAILABLE			DATA UNAV	
2019	December	5	5	5	5	5	4	4	3.36	0.74	0.96	1.70
2020	January	5	5	5	5	5	3	3	2.96	0.69	0.69	1.38
2020	February	5	5	5	5	5	3	3	2.96	0.69	0.69	1.38
2020	March	5	5	5	5	5	3	3	2.96	0.69	0.69	1.38
2020	April	5	5	5	5	5	3	3	3.03	0.76	0.67	1.43
2020	May	5	5	5	5	5	3	3	3.03	0.76	0.67	1.43
2020	June	5	5	5	5	5	3	3	3.03	0.76	0.67	1.43
2020	July	5	5	5	5	5	3	3	3.03	0.76	0.67	1.43
2020	August	5	5	5	5	5	3	3	3.03	0.76	0.67	1.43
2020	September	5	5	5	5	5	3	3	3.03	0.76	0.67	1.43
2020	October	5	5	5	5	5	5	5	4.55	0.92	1.07	2.00
2020	November	5	5	5	5	5	5	5	4.55	0.92	1.07	2.00
Average		5.00	5.00	5.00	5.00	4.73	3.13	3.47	3.30	0.76	0.78	1.55

Source: CMS Nursing Home Provider Information by Month, August 2019-November 2020;
 Accessed 12.4.2020
<https://data.cms.gov/provider-data/dataset/4pq5-n9py>

Hillhaven Nursing and Rehabilitation Center

CMS Quality Data by Month

August 2019-November 2020

Year	Month	Reported	Reported	Case-Mix			Case-Mix	Adjusted	Adjusted		
		Total Nurse	Physical	Nurse Aide	Case-Mix	Case-Mix	Total Nurse	Nurse Aide	Adjusted	Adjusted	Total Nurse
		Staffing	Therapist	Staffing	LPN Staffing	RN Staffing	Staffing	Staffing	LPN Staffing	RN Staffing	Staffing
		Hours per	Hours per	Hours per	Hours per	Hours per	Hours per	Hours per	Hours per	Hours per	Hours per
		Resident	Resident	Resident	Resident	Resident	Resident	Resident	Resident	Resident	Resident
		per Day	per Day	per Day	per Day	per Day	per Day	per Day	per Day	per Day	per Day
2019	August	AVAILABLE		DATA	UNAVAILABLE		DATA	UNAVAILABLE		DATA	UNAVAILABLE
2019	September	AVAILABLE		DATA	UNAVAILABLE		DATA	UNAVAILABLE		DATA	UNAVAILABLE
2019	October	5.05	0.14	2.18	0.78	0.39	3.34	3.21	0.71	0.94	4.86
2019	November	AVAILABLE		DATA	UNAVAILABLE		DATA	UNAVAILABLE		DATA	UNAVAILABLE
2019	December	5.05	0.14	2.18	0.78	0.39	3.34	3.21	0.71	0.94	4.86
2020	January	4.33	0.14	2.18	0.80	0.39	3.37	2.82	0.64	0.66	4.12
2020	February	4.33	0.14	2.18	0.80	0.39	3.37	2.82	0.64	0.66	4.12
2020	March	4.33	0.14	2.18	0.80	0.39	3.37	2.82	0.64	0.66	4.12
2020	April	4.47	0.10	2.18	0.80	0.39	3.37	2.90	0.71	0.65	4.25
2020	May	4.47	0.10	2.18	0.80	0.39	3.37	2.90	0.71	0.65	4.25
2020	June	4.47	0.10	2.18	0.80	0.39	3.37	2.90	0.71	0.65	4.25
2020	July	4.47	0.10	2.18	0.80	0.39	3.37	2.90	0.71	0.65	4.25
2020	August	4.47	0.10	2.18	0.80	0.39	3.37	2.90	0.71	0.65	4.25
2020	September	4.47	0.10	2.18	0.80	0.39	3.37	2.90	0.71	0.65	4.25
2020	October	6.55	0.03	2.20	0.74	0.37	3.31	4.28	0.91	1.12	6.31
2020	November	6.55	0.03	2.20	0.74	0.37	3.31	4.28	0.91	1.12	6.31
Average		4.85	0.10	2.18	0.79	0.39	3.36	3.14	0.73	0.77	4.63

Source: CMS Nursing Home Provider Information by Month, August 2019-November 2020;

Accessed 12.4.2020

<https://data.cms.gov/provider-data/dataset/4pg5-n9py>

Exhibit 9

DEPARTMENT OF HEALTH AND HUMAN SERVICES
CENTERS FOR MEDICARE & MEDICAID SERVICES

PRINTED: 08/18/2020
FORM APPROVED
OMB NO. 0938-0391

STATEMENT OF DEFICIENCIES AND PLAN OF CORRECTION		(X1) PROVIDER/SUPPLIER/CLIA IDENTIFICATION NUMBER: 215212	(X2) MULTIPLE CONSTRUCTION A. BUILDING _____ B. WING _____		(X3) DATE SURVEY COMPLETED 08/06/2020
NAME OF PROVIDER OR SUPPLIER HILLHAVEN NURSING AND REHABILITATION CENTER			STREET ADDRESS, CITY, STATE, ZIP CODE 3210 POWDER MILL ROAD ADELPHI, MD 20783		
(X4) ID PREFIX TAG	SUMMARY STATEMENT OF DEFICIENCIES (EACH DEFICIENCY MUST BE PRECEDED BY FULL REGULATORY OR LSC IDENTIFYING INFORMATION)	ID PREFIX TAG	PROVIDER'S PLAN OF CORRECTION (EACH CORRECTIVE ACTION SHOULD BE CROSS-REFERENCED TO THE APPROPRIATE DEFICIENCY)	(X5) COMPLETION DATE	
F 000	<p>INITIAL COMMENTS</p> <p>A COVID-19 Focused Infection Control survey was conducted by Healthcare Management Solutions, LLC on behalf of the Centers for Medicare & Medicaid Services (CMS) on 08/06/20. The facility was found to be in substantial compliance with 42 CFR 483 subpart B.</p> <p>Survey Census: 42</p> <p>Sample Size: 5</p>	F 000			

LABORATORY DIRECTOR'S OR PROVIDER/SUPPLIER REPRESENTATIVE'S SIGNATURE

TITLE

(X6) DATE

Maurice Wilcutt *Administrator* *August 18, 2021*

Any deficiency statement ending with an asterisk (*) denotes a deficiency which the institution may be excused from correcting providing it is determined that other safeguards provide sufficient protection to the patients. (See instructions.) Except for nursing homes, the findings stated above are disclosable 90 days following the date of survey whether or not a plan of correction is provided. For nursing homes, the above findings and plans of correction are disclosable 14 days following the date these documents are made available to the facility. If deficiencies are cited, an approved plan of correction is requisite to continued program participation.

DEPARTMENT OF HEALTH AND HUMAN SERVICES
CENTERS FOR MEDICARE & MEDICAID SERVICES

PRINTED: 08/18/2020
FORM APPROVED
OMB NO. 0938-0391

STATEMENT OF DEFICIENCIES AND PLAN OF CORRECTION		(X1) PROVIDER/SUPPLIER/CLIA IDENTIFICATION NUMBER: 215212	(X2) MULTIPLE CONSTRUCTION A. BUILDING _____ B. WING _____		(X3) DATE SURVEY COMPLETED 08/06/2020
NAME OF PROVIDER OR SUPPLIER HILLHAVEN NURSING AND REHABILITATION CENTER			STREET ADDRESS, CITY, STATE, ZIP CODE 3210 POWDER MILL ROAD ADELPHI, MD 20783		
(X4) ID PREFIX TAG	SUMMARY STATEMENT OF DEFICIENCIES (EACH DEFICIENCY MUST BE PRECEDED BY FULL REGULATORY OR LSC IDENTIFYING INFORMATION)	ID PREFIX TAG	PROVIDER'S PLAN OF CORRECTION (EACH CORRECTIVE ACTION SHOULD BE CROSS-REFERENCED TO THE APPROPRIATE DEFICIENCY)	(X5) COMPLETION DATE	
E 000	Initial Comments A COVID-19 Focused Emergency Preparedness Survey was conducted by Healthcare Management Solutions, LLC on behalf of the Centers for Medicare & Medicaid Services (CMS) on 08/06/20. The facility was found to be in compliance with 42 CFR 483.83 related to E-0024 (b)(6).	E 000			

LABORATORY DIRECTOR'S OR PROVIDER/SUPPLIER REPRESENTATIVE'S SIGNATURE

TITLE

(X6) DATE

Maurice McIntyre

Administrator

August 18, 2020

Any deficiency statement ending with an asterisk (*) denotes a deficiency which the institution may be excused from correcting providing it is determined that other safeguards provide sufficient protection to the patients. (See instructions.) Except for nursing homes, the findings stated above are disclosable 90 days following the date of survey whether or not a plan of correction is provided. For nursing homes, the above findings and plans of correction are disclosable 14 days following the date these documents are made available to the facility. If deficiencies are cited, an approved plan of correction is requisite to continued program participation.

Exhibit 10

QUALITY ASSSSURANCE and PERFORMANCE IMPROVEMENT

The Meridian Senior Living Mission

The Meridian Senior Living mission is simple, straightforward and guides all our efforts

– “We enrich the lives of our residents, families and employees through extraordinary experiences ... because *Everyone Deserves A Great Life!*”

Our Values

Because we believe it’s our people who make Meridian Senior Living so special, we make sure everyone whose life we touch has everything they need to be fulfilled, motivated and empowered to live a great life. How? Through Meridian Senior Living’s eight core values:

A. INTEGRITY

We will act honestly in all that we do, adhering to the highest principles by pursuing a commitment to do what is right.

B. CARE

We will demonstrate a nurturing, empathetic and loving attitude to others.

C. PASSION

We will display an uncompromising intensity in serving our residents and families.

D. JOY

We will provide great delight and happiness by engaging our residents, families and employees in the WOW! Experience.

E. LOYALTY

We will be loyal to our employees, our residents and our company.

F. RESPECT

We will respect the rights and dignity of all individuals.

G. ACCOUNTABILITY

We will take responsibility for our actions.

H. EXCELLENCE

We will pursue excellence in processes, people and procedures.

II. The Quality Assurance and Performance Improvement Plan

A. Policy

This organization is committed to providing care and services to its residents that optimize physical and psychosocial functioning in a supportive and caring environment. All care and service must meet, and preferably exceed, all local, state and federal requirements and standards for licensure and certification.

B. Purpose

There shall be an ongoing Quality Assurance and Performance Improvement (QAPI) Plan designed to objectively and systematically identify, report, investigate, monitor, analyze/evaluate and prevent adverse events with documentation demonstrating the development, implementation, and evaluation of corrective actions or performance improvement activities.

The program scope will include:

- The quality and appropriateness of all aspects of the organization's performance and services
- Compliance with standards and regulations, reflecting the complexities, unique care, and services provided by the facility.
- Clinical care, quality of life, and resident choice
- Resolution of identified problems
- Identification of opportunities for improvement utilizing the best available evidence to define and measure indicators of quality and facility goals that reflect processes of care and facility operations that have been shown to be predictive of desired outcomes for residents in the Long Term Care Setting.

C. Objectives

The Quality Assurance Improvement Plan serves to accomplish the following:

1. Assure that care and services provided are in compliance with standards and regulations;
2. reflect the complexities, unique care, and services the facility provides;
3. Identify and solve problems using a team-centered approach that includes input from all departments and stakeholders (residents, families, physicians, ombudsman and others) involved.
4. Enhance interdepartmental communication.

5. Continuously improve resident outcomes enhancing clinical care, quality of life, and resident choice.

D. Responsibility and Authority

The Administrator has jurisdiction and responsibility for the quality of care and services. The Administrator oversees the design, development, and implementation of the QAPI Program.

The facility must establish and implement written policies and procedures for feedback, data collections systems, and monitoring, including processes of how the committee will conduct activities necessary to identify and correct quality deficiencies.

E. Confidentiality

All QAPI activities and reports are kept confidential, including but not limited to resident specific information and monthly QAPI Committee minutes, reports and data.

F. Committee

1. The QAPI Committee meets on a monthly basis and is composed of at least the Administrator*, Director of Quality Improvement (Quality Assurance Coordinator)*, Director of Nursing*, Medical Director*, and a representative from each department and ancillary services as listed below:

- a. Dietitian*
- b. Nutritional Services
- c. Environmental services
- d. Activities Department
- e. Rehabilitation Services and Restorative care
- f. Nursing Assistant
- g. Social Services
- h. Human Resources
- i. Business Office
- j. Corporate Compliance*
- k. Medical and Ancillary Services, Ad hoc
(Laboratory, X-ray, Pharmacy*, Medical Records)

***Members of the Quarterly Quality Assurance Committee**

2. The Quarterly Quality Assurance Committee meets on a quarterly basis and serves to participate, coordinate, and provide guidance and oversight of the QAPI and overall Quality Assurance/Performance Improvement in the facility.

3. A chairperson is designated and can be the Administrator, the Director of Quality Assurance/Coordinator or any one of the committee members listed above.
4. Subcommittees, ad hoc committees, and Outcome Focused Project Teams may be developed under the umbrella of the QAPI or Quality Assurance Committee.

Examples are Infection Control Committee, Safety Committee, Recruitment and Retention Committee, Restraint Reduction Committee, and Safe Lifting committee, Dining Outcome Focused Project Team.

5. A Quality Assurance Coordinator is appointed by the Administrator. The position is full-time. The Quality Assurance Coordinator has the following responsibilities:
 - a. Schedules Quality Assurance Committee meetings
 - b. Arranges for recording and maintenance of meeting minutes
 - c. Assists individual departments in developing tools and studies and in data analysis
 - d. Coordinates implementation of Outcome Focused Project Teams and Action plans
6. The QAPI committee meets at least monthly to plan a systematic, coordinated and ongoing QAPI process to assess the overall organizational performance. The committee evaluates routine and focused data collection and designs a plan of action to address problems or improve performance as necessary. It assists in designing monitoring tools to measure the performance for the identified key quality processes.

G. Quality Assurance and Improvement Data Collection and Analysis

QAPI begins at the departmental level with the collection and analysis of information and data. Data is collected in order to:

- Monitor and address existing systems of care, services and management processes on an ongoing basis;
- Identify opportunities for improvement addressing clinical care, quality of life, and resident choice;
- Reflect the complexities, unique care, and services the facility provides; and
- Sustain improvements.

Each department director is responsible for collecting data and performing an analysis of the data to aid in the identification of problems or areas of concern in the operations of the department.

1. A variety of tools are used to measure and monitor the key quality processes and to determine if the processes are functioning at the agreed upon designated proper level (threshold). The frequency of data collection for established processes is related to the frequency, significance, and occurrence of problems in the activity being monitored.
2. Routine, ongoing data collection processes are in place for all departments. Sources of data collection can include:
 - a. The Facility Assessment
 - b. CMS Quality Measures/Indicator Reports
 - c. Departmental audits, monitoring tools, observations and reports such as Clinical logs such as for falls, pressure injuries, and weights
 - d. 24-hour Reports
 - e. Incident Reports including accidents, adverse events, abuse, neglect, or exploitation
 - f. Rounds
 - g. Customer Satisfaction Surveys and /or grievance logs
 - h. Governmental Surveys
 - i. Electronic Health tracking data
 - j. Interact
 - k. Census Data
 - l. Staffing trends
3. Data collected is then analyzed for problem identification and trends. Data is analyzed using appropriate techniques. Using the data, performance can be compared over time and with other organizations or other sources of information. Performance indicators (i.e. goals/thresholds) will be established based on data. Undesirable patterns or trends and sentinel events will receive analysis and monitoring in accordance with established procedures for the type of event. Sentinel events (such as accidental deaths and injuries) will receive immediate attention and investigation. The data related to adverse events will be used to develop activities to prevent them.
4. A QAPI Project may be developed in response to the identification of a problem area. Some examples of problem areas can include: an increase in the incidence of pressure Ulcers, improper food temperatures at serving time, or resident dissatisfaction with activity programs. The purpose of the project is to collect additional data, determine causes and identify potential solutions.

H. Measurement, Assessment, and Action

1. Each department presents a report at QAPI meetings. The report includes ongoing monitoring, ongoing or completed studies and projects, results of Outcome

Focused Project Teams, results of monitoring tools, and any new or ongoing problems identified.

2. The QAPI Committee directs the development and implementation of plans of action to improve negative outcomes identified through various monitoring activities. Plans of action may include but are not limited to:
 - a. The formation of a short-term Outcome Focused Project Team for focused data collection and process redesign
 - b. The development of educational programs
 - c. Recommendations for policy and procedure revisions
 - d. Recommendations for service enhancements or changes
3. The facility will conduct at least one distinct performance improvement project (PIP) annually that focuses on high risk or problem prone areas. Additional projects may be conducted as needed and may be clinical or non-clinical in nature. Plans of action may be implemented totally or on a trial basis, however, should be designed to reflect the scope and complexity of the facility's assessment and be designed to achieve and sustain performance improvement over time and to have an expected favorable outcome. Data is collected to evaluate and monitor the performance. The summary and analysis of actions are to be submitted to the QAPI committee for review.
4. Actual performance is compared to desired performance; if the plan of action is not effective, new actions are planned.
5. Once an action plan is shown to be effective, it is incorporated into a standard policy and procedure. The process will continue to be monitored and assessed to verify that improvement is maintained.

I. Evaluation

The objectives, scope, organization, and effectiveness of the QAPI Plan shall be evaluated at least annually and revised as necessary.

Exhibit 11

F.E.E.S. SERVICES AGREEMENT

This F.E.E.S. service agreement ("Agreement") is made as of 12-03-2020 between Carolina Speech Pathology, LLC ("Provider"), whose place of business is 130 Salem Towne Court, Apex North Carolina 27502 and Hillhaven Nursing and Rehabilitation Center whose place of business is 750 Dual Highway, Hagerstown, MD 21740.

RECITALS

Customer owns and/or operates the nursing home(s) and/or contract facility (the "Facility" or "Facilities") and Customer desires to purchase dysphagia management services performed using Fiberoptic Endoscopic Evaluation of Swallowing Study(s) ("F.E.E.S.", whether singular or plural) from Provider (the "Services") for the residents (the "Residents") of the Facilities. Provider desires to furnish the Services to the Residents on the terms set forth herein.

TERMS

Therefore, in consideration of the mutual promises set forth in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are acknowledged, the parties agree as follows:

1. Services to be Provided. Consistent with Provider's capability, Provider agrees to perform the Services in accordance with a physician's written orders, for the benefit of the Residents.

2. Responsibilities of Provider.

2.1 Provider shall provide qualified licensed Speech Language Pathologists and clinically qualified Speech Pathology Swallowing Specialists to perform F.E.E.S. as defined by the American Speech Language Hearing Association.

2.2 Provider shall perform F.E.E.S. in accordance with (i) professional standards generally accepted in the healthcare industry, (ii) applicable laws, regulations and guidelines, and (iii) the policies and procedures communicated by Provider.

2.3 Provider agrees to maintain and, in accordance with applicable law, make available to Customer at all reasonable times (and if feasible, within 24 hours of the F.E.E.S.), all F.E.E.S. results and other records reasonably required by Customer or by any fiscal intermediary, governmental agency, or any other party to whom billings are rendered for Services hereunder.

2.4 Provider agrees that it will (i) not use or further disclose protected health information ("Protected Health Information") obtained or accessible by it as a result of its performance under this Agreement other than as necessary to perform this Agreement and as permitted by law, (ii) use appropriate safeguards to prevent the unauthorized use or disclosure of such Protected Health Information, (iii) report to Customer any impermissible use or disclosure of Protected Health Information of which it becomes aware, (iv) ensure that any of Provider's agents, including subcontractors, to whom it provides Protected Health Information, agree to restrictions similar to those contained in this provision, (v) make available Protected Health Information to the individual who has a right of access under State and/or Federal law or regulation, (vi) make available Protected Health Information for lawful and appropriate modification and incorporate such modifications in the Protected Health Information, (vii) make available the information legally required to provide an accounting of Protected Health Information disclosures, as necessary, (viii) make its internal practices, books and records relating to the use and disclosure of Protected Health Information created or received by Provider in connection with this Agreement, available to the Secretary of the Department of Health and Human Services as necessary to confirm Provider's compliance with Federal regulations, and (ix) at the termination of this Agreement, return to Customer or confirm to Customer the destruction of all Protected Health Information received from Customer in connection with this Agreement.

2.5 Provider shall perform background checks through WV Cares for all Speech Language Pathologies who will be performing F.E.E.S. at Customer facilities.

3. Responsibilities of Customer.

3.1 Customer agrees that, for one year from the Effective Date, it will refer to Provider, opportunities to perform the Services at the Facilities. It is the parties' intention that Provider will be the sole and exclusive provider of F.E.E.S. to the Residents during the term of this Agreement. Notwithstanding the foregoing, and in accordance with Federal, State and Medicare rules, Customer may use procedures on its Residents other than an Endoscopic Swallowing Study for the diagnosis and treatment of dysphagia or any offsite provider of Endoscopic Swallowing Studies.

3.2 Customer agrees to provide and maintain adequate space at the Facilities for Provider's performance of Services during the term of this Agreement.

3.3 At the request of Provider or a Therapist, Customer agrees to provide nurses and other Customer personnel to assist Residents receiving Services.

3.4 To the extent permitted by law, Customer shall be solely responsible for billing Residents and/or their respective governmental or other third party payors for Services provided by Provider hereunder, provided that all billing practices shall conform to applicable law.

3.5 Customer agrees to assume administrative responsibility for direct patient care rendered to Residents.

3.6 Customer agrees to incorporate the Services into the scope of services offered by Customer to Residents.

4. Fees.

4.1 Customer agrees to compensate Provider for the Services rendered to the Residents the rate of \$395 (three hundred and ninety-five dollars) per patient per study.

change the terms of this Agreement, or (ii) by virtue of the existence of this Agreement, it has or will have a material adverse affect on either party, then Provider and Customer agree to negotiate in good faith to reform this Agreement to the minimum extent necessary to accommodate such Legal Development.

23. **Survival.** All provisions of this Agreement as to which enforcement or effect is contemplated to continue after termination, including without limitation Sections 8, 10, 11 and 13 and all accrued financial obligations, shall survive the termination of this Agreement.

24. **Attorney's Fees.** Except as set forth herein, in the event any dispute arising hereunder or with respect to this transaction is submitted to arbitration or litigation, the substantially prevailing party shall be entitled to recover reasonable attorney's fees, costs and expenses incurred in the proceeding.

25. **No Third-Party Beneficiaries.** Nothing in this Agreement shall entitle any person (including, without limitation, Residents) to any rights as a third-party beneficiary under this Agreement.

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement in multiple original counterparts as of the Effective Date.

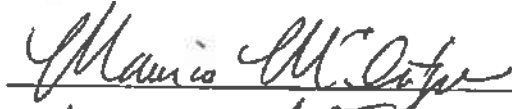
Stuart Bradley
Carolina Speech Pathology, LLC

By:


Stuart Bradley
CEO, Owner

Customer: Hillhaven Nursing and Rehabilitation Center

By: (Signature)



Name:

Maurice McIntyre

Title:

Administrator

GENERAL INPATIENT AND RESPITE CARE SERVICES AGREEMENT BETWEEN

CAPITAL HOSPICE D/B/A CAPITAL CARING

AND

HILLHAVEN ASSISTED LIVING NURSING & REHABILITATION CENTER

THIS AGREEMENT, is made and entered into this 23rd day of September, 2020 by and between Capital Hospice, a not-for-profit Virginia corporation, duly organized and existing by virtue of the laws of the Commonwealth of Virginia, with its principal place of business at 3180 Fairview Park Drive, Falls Church, Virginia 22042 ("Hospice"), and Hillhaven Assisted Living Nursing and Rehabilitation Center with its principal place of business at 3210 Powder Mill Road, Adelphi, Maryland 20783 ("Nursing Home").

ARTICLE I

Recitals

- 1.1 Hospice owns and operates a Hospice program which includes inpatient and home care components and is engaged in providing interdisciplinary care and treatment of terminally ill patients in order to allow Hospice Patients to continue life with minimal disruption primarily in a homelike environment.
- 1.2 Hospice care is palliative rather than curative and involves a philosophy of care and treatment, which is unique to the hospice setting.
- 1.3 On occasion, Hospice Patients need inpatient care for pain control or symptom management related to the terminal illness. From time to time, Hospice Patients may need respite care services to provide relief to family members or other persons caring for the Hospice Patient at home.
- 1.4 Facility is a licensed, Medicare and Medicaid certified facility. Facility is skilled and experienced in the operation and maintenance of a Nursing Home and Skilled Bed Facility. Facility has Resident Patients who may also be or may become Hospice Patients. From time to time Hospice Patients require General Inpatient Services and Respite Care as described in the Hospice Medicare Benefit Regulations.
- 1.5 Facility has established policies consistent with those of Hospice and agrees to abide by the patient care protocol established by Hospice for its patients and is willing to make Skilled Beds available for General Inpatient Services and Respite Care. Services are available to Hospice Patients in a manner consistent with Hospice's philosophy of care and treatment of Hospice Patients.
- 1.6 Hospice and Facility desire, by entering into this Agreement, to make General Inpatient Services and Respite Care available to Hospice Patients in an Inpatient Skilled Bed Facility within the space designated by Facility to provide inpatient services.

13.14 Facility Representative

Facility's current representative responsible for implementing this Agreement is _____.

IN WITNESS WHEREOF, the undersigned have caused this Agreement to be duly executed on their behalf as of the day and year first set forth above.

CAPITAL HOSPICE D/D/A CAPITAL CARING

By: _____
David Schwind,
Chief Financial Officer

Date: _____

**HILLHAVEN ASSISTED LIVING NURSING
AND REHABILITATION CENTER**

By: *Maurice McElroy*
Administrator

Date: 9/24/20

**NURSING HOME AGREEMENT BETWEEN
CAPITAL HOSPICE D/B/A CAPITAL CARING**

AND

HILLHAVEN ASSISTED LIVING NURSING & REHABILITATION CENTER

THIS AGREEMENT, is made and entered into this 23rd day of September, 2020 by and between Capital Hospice, a not-for-profit Virginia corporation, duly organized and existing by virtue of the laws of the Commonwealth of Virginia, with its principal place of business at 3180 Fairview Park Drive, Falls Church, Virginia 22042 ("Hospice"), and Hillhaven Assisted Living Nursing and Rehabilitation Center, with its principal place of business at 3210 Powder Mill Road, Adelphi, Maryland 20783 ("Nursing Home").

ARTICLE I

RECITALS

- 1.1 Hospice owns and operates a hospice program which includes inpatient and home care components and is engaged in providing interdisciplinary care and treatment of terminally ill patients in order to allow Hospice Patients to continue life with minimal disruption primarily in a home environment.
- 1.2 Nursing Home is skilled and experienced in the operation of a nursing facility and in the provision of long-term care services to its residents, including certain assistance with activities of daily living. Nursing Home is certified to participate in the Medicare and Medicaid programs and has established policies and protocols for the care of terminally ill patients consistent with those of Hospice.
- 1.3 The parties desire by entering into this Agreement to make it possible for the Nursing Home Residents to receive needed Hospice Services in conjunction with Nursing Home Services.
- 1.4 Hospice retains administrative and financial management, and oversight of staff and services for all arranged services, to ensure the provision of quality care.

ARTICLE II

DEFINITIONS

- 2.1 Attending Physician: means a doctor of medicine or osteopathy, duly licensed under applicable state and local law and regulations, who are identified by a Hospice Patient (or such patient's legal representative) as having the most significant role in the determination and delivery of such Hospice Patient's medical care.
- 2.2 Effective Date: means the date of execution of this Agreement.
- 2.3 CMS: means Centers for Medicare and Medicaid Services.
- 2.4 Hospice Patient: means the individual who elects, directly or through such individual's legal representative, to receive Hospice services and is accepted by Hospice to receive Hospice Services.
- 2.5 Hospice Physician: means a duly licensed doctor of medicine or osteopathy employed or contracted by Hospice to render physician services to each Hospice Patient, as necessary, in accordance with the applicable Hospice Plan of Care.
- 2.6 Hospice Plan of Care: means a written plan which is established, maintained, reviewed, and modified, if necessary, by a Hospice Interdisciplinary Team and which includes: (a) an assessment of each Hospice

IN WITNESS WHEREOF, the undersigned have caused this Agreement to be duly executed on their behalf as of the day and year first set forth above.

CAPITAL HOSPICE D/B/A CAPITAL CARING

HILLHAVEN ASSISTED LIVING NURSING
AND REHABILITATION CENTER

By: _____
David Schwind,
Chief Financial Officer

By: Maurice McIntyre
Maurice McIntyre,
Executive Director

Date: _____

Date: 9/24/20

AGREEMENT TO PROVIDE LABORATORY SERVICES

This Agreement ("Agreement") is made and entered into this 27 day of Sept by and between (Name of Facility) ("Community"), with its principal place of business located at (Address of Facility), and Diamond Medical Laboratories, a clinical laboratory corporation ("Laboratory"), with its principal place of business located at 66 Painters Mill Road Suite 200, Owings Mills, Maryland 21117. The parties may be referred to herein collectively as "the parties" and singularly as a "party".

RECITALS:

WHEREAS, Laboratory is authorized to provide clinical laboratory services ("Services") in the State of Maryland and meets the requirements for laboratories to participate in the Medicare and Medicaid programs; and

WHEREAS, Community wishes to contract with Laboratory to provide Services at the Nursing Home; and

WHEREAS, Laboratory has agreed to provide such Services for the Community in accordance with the terms and conditions of this Agreement.

NOW, THEREFORE, in consideration of the promises and mutual agreements contained herein, the parties, intending to be legally bound, agree as follows:

I. DUTIES AND OBLIGATIONS OF LABORATORY

A. Services. Laboratory shall provide or arrange for the provision of Laboratory Services as are properly ordered by the residents' physicians. All such services shall be performed in accordance with currently accepted professional standards and all applicable federal, state and local laws and administrative regulations.

1. **Provision of Services.** Laboratory shall provide with complete, accurate Community and timely Services and reports, in accordance with the orders of a resident's attending physician. Laboratory shall be entitled to rely upon the physician's order as proof of the appropriateness and medical necessity of the test(s) ordered. In the event Laboratory requires diagnostic information, diagnosis codes or other information in order to establish medical necessity for billing purposes, Laboratory will contact the appropriate person at the Community, and such person shall provide such information promptly and accurately. Ensuring the medical necessity of any test(s) ordered shall be and remain the responsibility of the Community and the ordering physician.

2. **Scheduled Visits.** Laboratory will provide one or more phlebotomists who shall meet all federal and state qualifications, and who shall be reasonably acceptable to the Community. Phlebotomy services will be provided pursuant to a schedule necessary to fulfill the Laboratory's responsibilities hereunder. The scheduled days and times for such visits shall be as

understandings, express or implied, oral or written. This Agreement may be modified or altered only by written agreement between the Laboratory and the Community. Neither the waiver by either of the parties hereto of a breach or a default under any of the provisions of this Agreement, nor the failure of any of the parties, on one or more occasions, to enforce any of the provisions of this Agreement or to exercise any right or privilege hereunder shall thereafter be construed as a waiver of any subsequent breach or default of a similar nature, or as of waiver of any of such provisions, rights or privileges hereunder.

B. Controlling Law. This Agreement shall be governed exclusively by the laws of the State of Maryland, without regard to the conflict of law provisions thereof. If a provision hereof or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder hereof, or the application of such provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each provision hereof shall be valid and be enforced to the fullest extent permitted by law, provided that the parties shall exercise their best efforts to accommodate the terms and intent of this Agreement to the greatest extent possible consistent with the requirements of law.

C. Notices. Any notices required under this Agreement shall be in writing and shall be deemed to have been given upon the earlier of: (i) the date actually received by the party in question, by whatever means and however addressed; (ii) the date sent by telecopy, if such telecopy transmission permits confirmation to the addresses or telecopy numbers set forth below; or (iii) on the date signed for, if sent by means of a prepaid overnight delivery service. Any notices shall be delivered to the addresses or telecopy numbers set forth below:

If to Laboratory:

Diamond Medical Laboratories
66 Painters Mill Road, Suite 200
Owings Mills, MD 21117
Phone: (410) 834-8600
Telecopy: (410) 834-8601

If to the Community:

(Name and Address of Facility)

Phone:

Telecopy:

D. No Duty to Refer. The parties agree that the benefits to either party hereunder do not require, are not payment for, and are not in any way contingent upon the admission, referral, or any other arrangement for the provision of any item or service offered by either party.

E. Survival. The parties agree that the provisions of Articles IX, X XI and XII shall survive termination of this Agreement.

F. Successors and Assigns. This Agreement may not be assigned by either party without the prior written consent of the other party, which consent may not be unreasonably delayed. Notwithstanding the foregoing:

1. this Agreement may be assigned by Laboratory in connection with a merger,



Dietary Consultant

Consultant Dietitian Contract

Objective: To provide dietetic consultative services for
Hill Haven Nursing and Rehabilitation on PRN Basis

Responsibilities:

1. Provide clinical consultation for the nutrition care program to include, but not limited to: collaboration with dietary manager for completion of nutrition assessment, care planning, and ongoing monitoring of nutritionally at risk residents through weight management program meetings, MDS completion, and Weekly report to administrator/Director of Nursing of clinical documentation.
2. Continued mentoring for dietary manager in her role as needed.
3. Monitor, facilitate and assist Dietary staff to ensure full compliance with all regulatory statutes, company policies and procedures and financial targets.

Hours and Compensation:

1. Consultation hours of Initially 8 hours up to 24-30 hours per week are at the rate of \$ 60.00 dollars per hour. Invoicing will be submitted monthly and based on hours worked. Hours worked will be based on the census in the building weekly.
2. The client will be invoiced when the services are complete by the end of every month.
3. Invoices will be submitted by the consultant to the client monthly.
 - a. Upon receipt, invoices will be paid by the client to the consultant within 30-days, after which a 5% penalty of the total invoice will be imposed for delayed payment.

Terms of Agreement:

The company and contractor assigned to Hill Haven here agree to enter into this agreement upon the date (12/12/2020) and Agreement will continue on a PRN till (01/8/2021) and thereafter as needed and as determined by the administrator of the facility thereof.

This agreement will automatically renew upon the expiration on the term unless all parties provide their written agreement for extension.

Contract Date: 11/19/2020


Executive Director

____ Sahar Ammar _____
Owner/Food Footprints, LLC



Hill Haven Nursing & Rehabilitation C O N T R A C T

Name of Provider: Sight Management LLC _____
Address of Provider: 267 Broadway, 2nd Floor _____
Brooklyn, N.Y. 11211 _____

S E R V I C E A G R E E M E N T

AGREEMENT, made as of this 9/22/20, by and between Sight Management LLC, having its New York place of business at 267 Broadway 2nd Floor Brooklyn, N.Y. 11211, ("Provider") and Hill Haven Nursing & Rehabilitation hereinafter called "Facility", having its primary place of business at 3210 Powder Mill Road, Adelphi, MD 20783.

1. OBJECTIVE

WHEREAS, Facility owns and operates a Nursing Home located at 3210 Powder Mill Road, Adelphi, MD 20783 and desires to engage Provider to provide to the Nursing Home and its residents Eye Care service(s), on the terms and conditions hereinafter set forth; and

WHEREAS, Provider is in the business of Eye Care and Eyewear; and

WHEREAS, Provider desires to provide such equipment and services in accordance with those terms and conditions;

NOW, THEREFORE, in consideration of the premises and of the mutual promises hereinafter contained, the parties hereto agree as follows:

2. FUNCTIONS AND RESPONSIBILITY

(a) Provider agrees to provide Facility, and its residents the Eye Care services, and Eyewear. Provider shall be responsible for the performance of all procedures hereunder. All technicians/Clinicians provided by Provider shall be duly licensed where required by applicable law, and shall be and remain employees of Provider and not of Facility. All such technicians shall be duly qualified in their respective fields by training and/or experience, and each shall be supervised in the performance of his/her activities hereunder by duly qualified and licensed supervisory personnel of Provider.

aggregate covering operations in the State of Maryland. Provider shall make certificates of that insurance available to Facility, upon request. Provider shall indemnify and hold Facility, and its officers, directors, employees and agents harmless from and against all claims, demands, judgments and liabilities for injury to persons or property caused or alleged to have been caused by Provider to its employees, representatives or equipment in the performance of any procedure hereunder.

6. TERMS and TERMINATION

(a) This Agreement shall commence as of the day and year first above written and shall continue in force for one year and renew annually, unless sooner terminated in accordance with the provisions of subparagraph (b) below or renewed in accordance with the provisions of subparagraph (c) below.

(b) This agreement may be terminated upon 30 days prior written notice or earlier than 30 days if mandated by the State Department of Health.

(c) This Agreement is renewed automatically, unless written notice thereof given to the other not less than thirty (30) days prior to the anniversary date thereof and to be given not less than 30 days prior to such an anniversary date, of its intention not to so renew and extend. If such latter notice is given, and the parties do not agree to new terms and conditions of this agreement, this agreement shall terminate and be of no further force and effect as of the day immediately preceding such anniversary date.

7. NON-DISCRIMINATION

Provider shall not, in rendering its services thereunder, discriminate against or make any distinction between patients based upon race, color, creed, sex, age, national origin, sponsor, source of payment, disability, blindness, handicap, sexual preference, or marital status.

8. MISCELLANEOUS

(a) This Agreement sets forth the entire Agreement of the parties pertaining to the subject matter hereof, supersedes all prior such Agreements whether oral or written, and may be amended or modified only by a subsequent written instrument duly executed by the parties hereto.

(b) This Agreement shall be construed in accordance with the laws of the State of Maryland.

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed as of the day and year first above written.

By: 

Authorized Representative

SightRite Inc.

By: 

Authorized Representative

Hill Haven Nursing + Rehab

HILLHAVEN HEALTHCARE MANAGEMENT, INC
AGREEMENT FOR MEDICAL DIRECTOR SERVICES

This Agreement for Medical Director Services (hereafter this "Agreement") is entered into effective as of February 1, 2008 (the "Effective Date"), by and between Hillhaven Healthcare Management (hereafter known as "Hillhaven"), an assisted living, nursing and rehabilitation center located at 3210 Powder Mill Road; Adelphi, Maryland 20783 and Nader Tavakoli, MD (hereafter "Medical Director," "you" or "your").

Whereas, you are qualified to perform certain medical-administrative services as the Medical Director of Hillhaven pursuant to the provisions of this Agreement; and

Whereas, Hillhaven desires to engage you to provide Medical Director Services in accordance with all applicable state and federal law; and

Whereas, you are desirous of offering such Medical Director Services and you are professionally competent and appropriately licensed to perform Medical Director Services.

Now, therefore, the parties agree as follows:

1. APPOINTMENT:

1.1 Engagement. Hillhaven engages you to perform the functions and provide the services described in this Agreement, and you accept such engagement under the terms and conditions set forth in this Agreement. You shall provide or arrange for a duly qualified Physician, approved by Hillhaven, to provide Medical Director Services during any absence, vacation, illness or other limited period when you are not available.

1.2 Independent Contractor. You shall act as an independent contractor for Hillhaven. You and Hillhaven acknowledge and agree that none of our individual employees shall be considered your employees or agents. Hillhaven shall not provide nor shall you make any claim against Hillhaven for any payment or any benefit including, but not limited to, sick leave, vacation pay, retirement benefits, social security, worker's compensation, disability or unemployment insurance benefits. You acknowledge that you will receive no fringe benefits from Hillhaven or reimbursement for expenses, including medical malpractice insurance premiums and seminar expenses.

Hillhaven will maintain professional liability coverage on covering Medical Director, but only for such claims which arise out of his/her duties as such. Coverage will be included under a policy written in the name of Hillhaven and covering it, its employees and the Medical Director on a shared-limit basis.

1.3 Autonomy. Nothing contained in this Agreement shall constitute or be construed to be or to create a partnership, joint venture, or employment relationship between you and Hillhaven. Except as specifically set forth herein, you shall not, by entering into any

IN WITNESS WHEREOF

The parties have executed this Agreement:

MEDICAL DIRECTOR



Signature

Nadar Tavakoli, MD

1633 Pleasant Plains Road
Annapolis, MD 21401

Phone:

Office: (301)352-7118

Cell: (410) 440-8503

Fax: (301)352-7779

Tax ID Number: 52-2312736

Hillhaven Healthcare Management



Signature

Joyce A. Malin, NHA, President

3210 Powder Mill Road
Adelphi, MD 20783

Office: (301)937-3939

Cell: (301)785-3195

Fax: (301)937-8798

Tax ID Number: 52-1503096

Attached Exhibits:

Duties of Medical Director

Hillhaven Business Associate and Compliance Addendum

STATE OF MARYLAND)
COUNTY OF PRINCE GEORGE'S)
MONTGOMERY HOSPICE
d/b/a PRINCE GEORGE'S HOSPICE
NURSING FACILITY AGREEMENT

THIS NURSING FACILITY SERVICES AGREEMENT ("Agreement") is made and entered into this 22 day of October, 2019 (the "Effective Date") by and between Montgomery Hospice, Inc. ("Hospice") and ("Facility").

RECITALS

A. WHEREAS, Hospice operates a licensed hospice that is patient and family-centered in its delivery of interdisciplinary services for the palliation and management of terminal illness; and

B. WHEREAS, Facility is a duly licensed nursing facility that is certified to participate in the Medicare and/or Medicaid programs; and

C. WHEREAS, the parties contemplate that from time to time individuals residing in Facility will need hospice care and individuals previously accepted into Hospice will need care in a nursing facility.

AGREEMENTS

In consideration of the Recitals and mutual agreements that follow, the parties agree to the following terms and conditions:

1. Definitions.

(a) "Facility Services" which are available 24 hours a day, means those items and supplies that Facility would provide to a Hospice Patient under the rate Facility would have received for such items and services if the Hospice Patient had not elected hospice. Facility services includes those personal care and room and board services provided by Facility as specified in the Plan of Care for a Hospice Patient including, but not limited to: (i) providing food, including individualized requests and dietary supplements; (ii) assisting with activities of daily living such as mobility and ambulation, dressing, grooming, bathing, transferring, eating and toileting; (iii) arranging and assisting in socializing activities; (iv) assisting in the administration of medicine; (v) providing and maintaining the cleanliness of Hospice Patient's room; (vi) supervising and assisting in the use of any durable medical equipment and therapies included in the Plan of Care; (vii) providing laundry and personal care supplies; (viii) providing health monitoring of general conditions; (ix) contacting family/legal representative for purposes

Whereof, the parties have caused their duly authorized representatives to execute this Montgomery Hospice, Inc. Skilled Nursing Facility Agreement as of the day and date first set forth above.

MONTGOMERY HOSPICE, INC.

By: *Ann Mitchell*

(Signature)

(Print Name of Authorized Representative)

Its: _____

(Title)

Medicare ID#: 21-1503

FACILITY:

Hillhaven
(Name of Facility)

By: *Maurice McIntyre*
(Signature)

Maurice McIntyre
(Print Name of Authorized Representative)

Its: *Executive Director*
(Title)

Medicare ID#: *215212*

SERVICES AGREEMENT

between

Paul Newman, PC,**A Maryland Professional Corporation**with services performed by Paul Newman, MD or an employee holding equivalent credentials
(the "Service Provider")

and

Hillhaven**3210 Powder Mill Rd Adelphi, MD 20783****("FACILITY")**Effective Date : [November 18, 2020]
Subject

- A. This Services Agreement ("Agreement") shall form the framework of contractual conditions under which the Service Provider will perform for Hillhaven and/or its Affiliates services in the field of Palliative Care Services (the "Services") as specified in work orders which shall be similar in fashion to the example work order outlined in Annex 1 and shall be executed by the parties (or by the Service Provider and an Affiliate of Hillhaven) and shall expressly refer to this Agreement ("Work Orders"). The general scope of the Services shall be outlined in each Work Order which shall form an integral part of this Agreement. The Service Provider is regularly engaged in conducting the Services. Service Provider shall not perform any Services and/or research beyond the scope of the Work Order without the prior written consent of Hillhaven.
- B. For the purpose of this Agreement, "Affiliate" shall mean any corporation or other business entity controlled by, controlling or under common control with Hillhaven. "Control" for the purposes of this definition shall mean direct or indirect beneficial ownership of fifty per cent (50%) or more of the voting interest in an entity, or such other relationship as, in fact, constitutes actual control. Affiliates of Service Provider shall be licensed health care providers authorized by the State of Maryland to provide the services required under the Work Order.
- C. For the purpose of this Agreement, "Personal Data" shall mean any information (as defined by local Data Protection Legislation) relating to a identified or identifiable person; It includes without limitation electronic data and paper-based files that include such information, such as name, home address, office address, e-mail address, age, gender, family information, profession, education, professional affiliations, salary and credit card numbers.
- D. The Service Provider shall perform the Services in accordance with this Agreement and the relevant Work Orders, in compliance with state-of-the-art clinical practice standards and medical practice.
- E. The Service Provider warrants that its employees and collaborators will comply with its obligations under this Agreement.

IN WITNESS WHEREOF, the Parties intending to be bound have caused this Agreement to be executed by their duly authorised representatives as of the date of last signature below.

Hillhaven____

PAUL NEWMAN, PC

By: *Maurice M. McIntyre*
Name: *Maurice M. McIntyre*
Title: *Executive Director*
Date: *11/18/2020*

By:
Name:
Title:
Date:



PHARMACY SERVICES AGREEMENT

**Hillhaven Healthcare Management
Hillhaven Assisted Living
Hillhaven Nursing and Rehabilitation Center**

beyond its control, then such failure to perform will not be deemed a default hereunder and will be excused without penalty until such time as said party is capable of performing.

6.21 Fair Market Value. The amounts to be paid to Pharmacy hereunder have been determined by the parties through good faith and arms-length bargaining to be the fair market value of the Products and Services to be rendered hereunder. No amount paid or to be paid hereunder is intended to be, nor will it be construed as, an offer, inducement or payment, whether directly or indirectly, overtly or covertly, for the referral of patients by Facility to Pharmacy, or by Pharmacy to Facility, or for the recommending or arranging of the purchase, lease or order of any item or service. For purposes of this Section, Pharmacy and Facility will include each such entity and any affiliate thereof. No referrals are required under this Agreement.

6.22 HIPAA Compliance. Pharmacy and Facility agree to comply with all applicable provisions of HIPAA, including privacy provisions, as such are implemented and revised from time to time.

6.23 Notices. Any notices required or permitted under this Agreement shall be sent by certified mail, return receipt requested, via overnight delivery services, or personally delivered addressed as follows:

Facility: *Hill Haven Healthcare Management*

Attn: Administrator

Pharmacy: Remedi SeniorCare
1 Olympic Place
Towson, Maryland 21204
Attention: General Counsel

This Agreement represents the entire Agreement between the parties and cannot be modified except in writing with the consent of both parties.

(SIGNATURES ON NEXT PAGE)

DIAGNOSTIC SERVICES AGREEMENT

This agreement is entered into this **13th December 2019** by and between
Radiation Physics, Inc. ("RPI"), a Maryland corporation and
Hillhaven ASL, Nursing and Rehabilitation Center ("Facility")

Background

RPI and the Facility have entered into this Agreement in order to assure provision of portable diagnostic services as needed for the residents of the Facility.

Now, therefore, in consideration of the promises and premises set forth herein and intending to be legally bound hereby, the parties agree as follows:

A. DUTIES OF RPI

RPI shall discharge the following duties:

1. Provide portable diagnostic services (see attachment A) to residents in the Facility upon written order of a physician.
2. Provide these services on a 24 hour basis, 7 days a week (excluding ultrasound). Ultrasound hours are 9:00 A.M. to 11:00 P.M. Monday through Friday and 9:00 AM to 5:00 PM Saturday and Sunday. Ultrasound scheduling limited due to volume of scheduled studies, and may have to be completed the following day.
3. Participate in quality assurance and utilization review functions of the Facility as requested.
4. Have all studies read by appropriately licensed radiologists and cardiologists as appropriate, and maintain current and appropriate licensure/certification for all other aspects of the services provided. All RPI employees providing services shall be currently licensed and certified to provide such services. Copies of licenses and certifications shall be made available to the Facility upon request.
5. Transmit all reports to the facility and telephone all positive reports to facility's nursing staff on the day of testing..
6. Deliver x-ray images to the physician's office upon request.
7. Except as otherwise provided herein, bill Medicare, state medical assistance programs, other third party payers, and private paying patients for services provided as appropriate. The Medicare provider number of RPI is 21-9802. RPI shall cooperate with the Facility in developing other payment/reimbursement methodologies where Facility as part of its provider agreement with third party payers is financially responsible



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

11/14/2019

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an **ADDITIONAL INSURED**, the policy(ies) must have **ADDITIONAL INSURED** provisions or be endorsed. If **SUBROGATION IS WAIVED**, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Hamilton Insurance Agency 4100 Monument Corner Drive, Suite 500 Fairfax, VA 22030	CONTACT NAME: Alexandra Eagle PHONE (A/C, No, Ext): 571-522-1128 FAX (A/C, No): 703-358-8108 E-MAIL ADDRESS: aeagle@hamiltoninsurance.com																					
INSURED Radiation Physics, Inc. 10133 Bacon Drive Beltsville, MD 20705	<table border="1"><thead><tr><th colspan="2">INSURER(S) AFFORDING COVERAGE</th><th>NAIC #</th></tr></thead><tbody><tr><td>INSURER A:</td><td>Allied World Surplus Lines Insurance Company</td><td>24319</td></tr><tr><td>INSURER B:</td><td>Twin City Fire Insurance Company</td><td>28459</td></tr><tr><td>INSURER C:</td><td>Hartford Casualty Insurance Company</td><td>29424</td></tr><tr><td>INSURER D:</td><td>Hartford Underwriters Insurance Company</td><td>30104</td></tr><tr><td>INSURER E:</td><td>Hartford Fire Insurance Company</td><td>19882</td></tr><tr><td>INSURER F:</td><td></td><td></td></tr></tbody></table>	INSURER(S) AFFORDING COVERAGE		NAIC #	INSURER A:	Allied World Surplus Lines Insurance Company	24319	INSURER B:	Twin City Fire Insurance Company	28459	INSURER C:	Hartford Casualty Insurance Company	29424	INSURER D:	Hartford Underwriters Insurance Company	30104	INSURER E:	Hartford Fire Insurance Company	19882	INSURER F:		
INSURER(S) AFFORDING COVERAGE		NAIC #																				
INSURER A:	Allied World Surplus Lines Insurance Company	24319																				
INSURER B:	Twin City Fire Insurance Company	28459																				
INSURER C:	Hartford Casualty Insurance Company	29424																				
INSURER D:	Hartford Underwriters Insurance Company	30104																				
INSURER E:	Hartford Fire Insurance Company	19882																				
INSURER F:																						

COVERAGES**CERTIFICATE NUMBER:****REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS

INSR LTR	TYPE OF INSURANCE	ADDL SUBR INSD WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS																														
E	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC <input type="checkbox"/> OTHER		42 UUN IA7547	11/19/2019	11/19/2020	<table border="1"><tr><td>EACH OCCURRENCE</td><td>\$ 1,000,000</td></tr><tr><td>DAMAGE TO RENTED PREMISES (Ea occurrence)</td><td>\$ 300,000</td></tr><tr><td>MED EXP (Any one person)</td><td>\$ 10,000</td></tr><tr><td>PERSONAL & ADV INJURY</td><td>\$ 1,000,000</td></tr><tr><td>GENERAL AGGREGATE</td><td>\$ 2,000,000</td></tr><tr><td>PRODUCTS - COMP/OP AGG</td><td>\$ 2,000,000</td></tr><tr><td>Emp Benefits Liability</td><td>\$ 1,000,000</td></tr><tr><td>COMBINED SINGLE LIMIT (Ea accident)</td><td>\$ 1,000,000</td></tr><tr><td>BODILY INJURY (Per person)</td><td>\$</td></tr><tr><td>BODILY INJURY (Per accident)</td><td>\$</td></tr><tr><td>PROPERTY DAMAGE (Per accident)</td><td>\$</td></tr><tr><td>Col/OTC Deductibles</td><td>\$ 1,000</td></tr><tr><td>EACH OCCURRENCE</td><td>\$ 5,000,000</td></tr><tr><td>AGGREGATE</td><td>\$ 5,000,000</td></tr><tr><td></td><td>\$</td></tr></table>	EACH OCCURRENCE	\$ 1,000,000	DAMAGE TO RENTED PREMISES (Ea occurrence)	\$ 300,000	MED EXP (Any one person)	\$ 10,000	PERSONAL & ADV INJURY	\$ 1,000,000	GENERAL AGGREGATE	\$ 2,000,000	PRODUCTS - COMP/OP AGG	\$ 2,000,000	Emp Benefits Liability	\$ 1,000,000	COMBINED SINGLE LIMIT (Ea accident)	\$ 1,000,000	BODILY INJURY (Per person)	\$	BODILY INJURY (Per accident)	\$	PROPERTY DAMAGE (Per accident)	\$	Col/OTC Deductibles	\$ 1,000	EACH OCCURRENCE	\$ 5,000,000	AGGREGATE	\$ 5,000,000		\$
EACH OCCURRENCE	\$ 1,000,000																																			
DAMAGE TO RENTED PREMISES (Ea occurrence)	\$ 300,000																																			
MED EXP (Any one person)	\$ 10,000																																			
PERSONAL & ADV INJURY	\$ 1,000,000																																			
GENERAL AGGREGATE	\$ 2,000,000																																			
PRODUCTS - COMP/OP AGG	\$ 2,000,000																																			
Emp Benefits Liability	\$ 1,000,000																																			
COMBINED SINGLE LIMIT (Ea accident)	\$ 1,000,000																																			
BODILY INJURY (Per person)	\$																																			
BODILY INJURY (Per accident)	\$																																			
PROPERTY DAMAGE (Per accident)	\$																																			
Col/OTC Deductibles	\$ 1,000																																			
EACH OCCURRENCE	\$ 5,000,000																																			
AGGREGATE	\$ 5,000,000																																			
	\$																																			
B	<input checked="" type="checkbox"/> AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS ONLY <input type="checkbox"/> NON-OWNED AUTOS ONLY		42 UEN NA7628	11/19/2019	11/19/2020	<table border="1"><tr><td>BODILY INJURY (Per person)</td><td>\$</td></tr><tr><td>BODILY INJURY (Per accident)</td><td>\$</td></tr><tr><td>PROPERTY DAMAGE (Per accident)</td><td>\$</td></tr><tr><td>Col/OTC Deductibles</td><td>\$ 1,000</td></tr></table>	BODILY INJURY (Per person)	\$	BODILY INJURY (Per accident)	\$	PROPERTY DAMAGE (Per accident)	\$	Col/OTC Deductibles	\$ 1,000																						
BODILY INJURY (Per person)	\$																																			
BODILY INJURY (Per accident)	\$																																			
PROPERTY DAMAGE (Per accident)	\$																																			
Col/OTC Deductibles	\$ 1,000																																			
C	<input checked="" type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> DED <input checked="" type="checkbox"/> RETENTIONS \$ 10,000		42 XHU RQ0785	11/19/2019	11/19/2020	<table border="1"><tr><td>EACH OCCURRENCE</td><td>\$ 5,000,000</td></tr><tr><td>AGGREGATE</td><td>\$ 5,000,000</td></tr><tr><td></td><td>\$</td></tr></table>	EACH OCCURRENCE	\$ 5,000,000	AGGREGATE	\$ 5,000,000		\$																								
EACH OCCURRENCE	\$ 5,000,000																																			
AGGREGATE	\$ 5,000,000																																			
	\$																																			
D	<input checked="" type="checkbox"/> WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE/OFFICER/ MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N <input type="checkbox"/> N/A	42 WE BQ1086	11/19/2019	11/19/2020	<table border="1"><tr><td><input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTH-ER</td><td></td></tr><tr><td>E L EACH ACCIDENT</td><td>\$ 500,000</td></tr><tr><td>E L DISEASE - EA EMPLOYEE</td><td>\$ 500,000</td></tr><tr><td>E L DISEASE - POLICY LIMIT</td><td>\$ 500,000</td></tr></table>	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTH-ER		E L EACH ACCIDENT	\$ 500,000	E L DISEASE - EA EMPLOYEE	\$ 500,000	E L DISEASE - POLICY LIMIT	\$ 500,000																						
<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTH-ER																																				
E L EACH ACCIDENT	\$ 500,000																																			
E L DISEASE - EA EMPLOYEE	\$ 500,000																																			
E L DISEASE - POLICY LIMIT	\$ 500,000																																			
A	Professional Liability - CM Retro Date 3/20/92 (\$13M) & 11/4/11 (exc \$1M)		0312-1102	11/19/2019	11/19/2020	<table border="1"><tr><td>Each Claim Limit</td><td>\$2,000,000</td></tr><tr><td>Agg Limit for All Clms</td><td>\$4,000,000</td></tr><tr><td>Per Claim Deductible</td><td>\$10,000</td></tr></table>	Each Claim Limit	\$2,000,000	Agg Limit for All Clms	\$4,000,000	Per Claim Deductible	\$10,000																								
Each Claim Limit	\$2,000,000																																			
Agg Limit for All Clms	\$4,000,000																																			
Per Claim Deductible	\$10,000																																			

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

Evidence of Insurance

CERTIFICATE HOLDER**CANCELLATION**

MH Adelphi Operating LLC
Attn: Administrator
dba Hillhaven Assisted Living Nursing and Rehabilitation Center
3210 Powder Mill Rd
Adelphi, MD 20783

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

Patti Mauck

SUPPLIER AND ONSITE FACILITY AGREEMENT

**Durable Medical
Equipment and
Home Health**

This **AGREEMENT** is made and entered effective as of the 5th day of August, 2020 (the effective date) by and between AdaptHealth LLC, a Delaware limited liability corporation, hereafter referred to as (SUPPLIER) and Hillhaven Assisted Living, Nursing & Rehab Center, hereafter referred to as "Facility."

RECITALS

WHEREAS Facility is a senior care facility whose patients may require home medical equipment that includes, not limited to, related supplies and services for use at discharge and at home.

WHEREAS, SUPPLIER is a leading supplier of home medical equipment, supplies, and services, supplying services directly to Facility and their patients.

NOW, THEREFORE, in consideration of the premises and mutual covenants herein, both aforementioned parties agree to enter into this Agreement as follows:

Article I. Scope

1. Representations
 - a. Facility represents that it is a senior care facility and is authorized to provide medical services in the areas that Supplier is serving.
 - b. Supplier represents that it is licensed and accredited provider and to perform the related services required under this Agreement.
2. Supplier agrees to provide durable medical equipment, supplies, and related services to Facility for whom this Amendment applies and for whom equipment and supplies are deemed medically necessary and are ordered by a licensed physician through Supplier's E-prescribing portal.

Article II. Obligations of Supplier

1. Availability
 - a. Supplier will use best efforts to provide all Equipment to patients within 24 hours of Facility's request. If for any reason DME Supplier is unable to provide Equipment as requested by Facility, Supplier will notify Facility within two (2) hours of Facility's request. Facility will make reasonable efforts to inform Supplier about the request for equipment in advance.
2. Delivery and Pick-Up

EXECUTION PAGE

The parties have caused this Agreement to be signed in the state of New York as of the day and year first above written, whereupon it becomes a legally binding agreement in accordance with its terms.

FACILITY

BY: Mhanni Mc Don DATE: 8/6/2020
TITLE: Administrator

SUPPLIER

BY: _____ DATE: _____
TITLE: _____

CONFIDENTIAL

TRANSFER AGREEMENT

This is an agreement between Hill Haven Assisted living and Rehabilitation Center, Adelphia, MD and Chevy Chase House, Washington DC in case of evacuation.

The following are the terms of this agreement:

- This is a reciprocal agreement to provide shelter to nursing facility residents and or assisted living facility residents in case of a disaster requiring evacuation.
- The evacuating facility will be responsible for transporting residents to the receiving facility.
- The evacuating facility will be responsible for contacting the residents' responsible agents to inform them about the evacuation and location of the residents.
- The evacuating facility will provide the receiving facility with face sheets, advance directive information, MOLST, MARS and TARS to ensure that medical and clinical care may continue for the residents.
- The receiving facility will admit residents as bed availability allows.
- The receiving facility will also provide space to shelter other residents on a temporary basis.
- The evacuating facility will provide nursing staff, medications, and other necessary supplies to care for residents who cannot be admitted to the receiving facility due to lack of bed availability.
- The evacuating facility will continue to work on discharging residents to other facilities that have available beds.
- The evacuating facility will be financially responsible for residents who are not able to be admitted to a vacancy in the receiving facility for the duration of the stay.
- The evacuating facility will be responsible for coordinating transportation back to the evacuating facility or a different admitting facility.

This agreement will be in effect until one of the parties decides to terminate agreement.

Hill Haven Assisted Living and Rehabilitation Center Administrator's Signature:

Mauri McLaughlin

Date: 8/5/19

Chevy Chase House Administrator's Signature:

Debi Beckman

Date: 8/3/19

TRANSFER AGREEMENT

This is an agreement between Althea Woodland Nursing & Rehabilitation and Hill Haven Assisted Living and Rehabilitation Center in case of an evacuation.

The following are the terms of this agreement:

- This is a reciprocal agreement to provide shelter to nursing facility residents in case of a disaster requiring evacuation.
- The evacuating facility will be responsible for transporting residents to the receiving facility.
- The evacuating facility will be responsible for contacting the residents' responsible agents to inform them about the evacuation and location of the residents.
- The evacuating facility will provide the receiving facility with face sheets, advance directive information, MOLST, MARs and TARs to ensure that medical and clinical care may continue for the residents.
- The receiving facility will admit residents as bed availability allows.
- The receiving facility will also provide space to shelter other residents on a temporary basis.
- The evacuating facility will provide nursing staff, medications, and other necessary supplies to care for residents who cannot be admitted to the receiving facility due to lack of bed availability.
- The evacuating facility will continue to work on discharging residents to other facilities that have available beds.
- The evacuating facility will be financially responsible for residents who are not able to be admitted to a vacancy in the receiving facility for the duration of the stay.
- The evacuating facility will be responsible for coordinating transportation back to the evacuating facility or a different admitting facility.

This agreement will be in effect until one of the parties decides to terminate agreement.

Althea Woodland Nursing & Rehabilitation Administrator's Signature:

Mona Allen

Date: 12/27/13

Hill Haven Assisted Living and Rehabilitation Center Administrator's Signature:

[Signature]

Date: 1/2/14

PATIENT TRANSFER AGREEMENT

This PATIENT TRANSFER AGREEMENT ("Agreement") is made as of this 30th day of January, 2007, by and between Dimensions Healthcare System d/b/a Prince George's Hospital Center ("Hospital") and Hillhaven Nursing Center ("Facility") (collectively, the "Parties").

To facilitate continuity of care and the timely transfer of patients and records the Parties agree as follows:

1. Patient Transfers. When Facility determines a patient's need for transfer, and such need has been independently substantiated by the patient's physician, FACILITY shall promptly contact HOSPITAL of the impending transfer. HOSPITAL agrees to admit the patient as promptly as possible, provided admission requirements in accordance with Federal and State laws and regulations are met, and provided that HOSPITAL deems it is able to offer the necessary care to the patient.
2. Transfer Consent. FACILITY shall have responsibility for obtaining the patient's consent to the transfer to HOSPITAL prior to the transfer, if the patient is competent. If the patient is not competent, FACILITY shall obtain the consent of the patient's guardian, authorized agent or surrogate decision maker. Nothing in this agreement shall restrict a patient's freedom of choice to be transferred to an institution other than HOSPITAL.
3. Transportation of Patient. FACILITY shall be responsible for effecting the transfer of the patient by arranging for appropriate and safe transportation that includes selecting a mode of transportation and providing appropriate health care practitioners to accompany the patient during transfer, if required. Until the patient is admitted to HOSPITAL, either as an inpatient or an outpatient, HOSPITAL shall not have responsibility for the care of the patient. All transfers of patients will be effected in accordance with applicable Federal and State laws and regulations.
4. Transfer Documents. FACILITY shall send with each patient at the time of transfer, or in the case of emergency, as promptly as possible, the completed transfer and referral forms mutually agreed upon that provide the medical and administrative information necessary to determine the appropriateness of the placement and to enable continuing care of the patient. The documents sent to HOSPITAL will include all medical records (or copies thereof), as provided below.
5. Patient Records. The parties agree to adopt an approved transfer record form and standard forms for pertinent medical and administrative information to accompany patients being transferred from FACILITY to HOSPITAL. The information shall include the following patient records:
 - (a) Patient's name, address, hospital number, age;
 - (b) When applicable, the name, address and telephone number of patient's guardian, authorized agent or surrogate decision-maker;
 - (c) Any information available to FACILITY concerning advance directives of the patient;

10. No Offer or Payment for Referrals. Nothing in this Agreement shall be construed as an offer or payment by one or the other Party of any cash or other remuneration, whether directly or indirectly, overtly or covertly, specifically for patient referrals or for recommending or arranging the purchase, lease, or order of any item or service. The Parties agree and intend that any amounts paid under this Agreement are intended to reflect and do reflect fair market value for the services rendered. No amount paid or to be paid hereunder is intended to be, nor shall it be construed to be, an inducement or payment for the referral of patients and no patient referrals are required. In addition, no amount paid or advanced here under includes any discount, rebate, kickback, or other reduction in charges.
11. Term. This Agreement shall be in effect for a period of one (1) year from the date herein contained, and shall renew automatically for successive one (1) year terms for no more than two (2) additional terms unless terminated sooner. This Agreement may be terminated by either Party upon thirty (30) days' written notice. The Agreement shall be automatically terminated should either party fail to maintain its licensure or certification.
12. Entire Agreement; Modifications. This Agreement constitutes the complete understanding of the Parties with respect to the subject matter hereof and supersedes any and all other agreements, either oral or in writing, between the Parties hereto with respect to the subject matter hereof, and no other agreement, statement or promise relating to the subject matter of this Agreement that is not contained herein shall be valid or binding. Any amendments or modifications shall be of no force and effect unless in writing and signed by both FACILITY and HOSPITAL.

PRINCE GEORGE'S HOSPITAL CENTER

By: 

Name: John A. O'Brien

Title: Chief Operating Officer, DHS

HILLHAVEN ASSISTED LIVING, NURSING AND REHABILITATION CENTER

By: 

Name: Joyce Malin

Title: President

PATIENT TRANSFER AGREEMENT – HOSPITAL

This PATIENT TRANSFER AGREEMENT is entered into this 1st day of April, 2005 by and between Hillhaven Nursing Center ("Facility") and LAUREL REGIONAL HOSPITAL ("Hospital").

To facilitate continuity of care and the timely transfer of patients and records between the Hospital and the Facility, the parties agree as follows:

1. When a patient's need for transfer from one of the above institutions to the other has been determined and substantiated by the patient's physician, the institution to which transfer is to be made agrees to admit the patient as promptly as possible, provided admission requirements in accordance with Federal and State laws and regulations are met, and provided that the facility deems it is able to offer the necessary care to the patient.
2. Staff will provide advance notification and discussion with patient or responsible part regarding reason for anticipated transfer. In the event the need for an emergency transfer occurs, every reasonable effort will be made to discuss the need for transfer with patient or responsible party prior to patient leaving the facility.
3. The transferring institution will send with each patient at the time of transfer, or in the case of emergency, as promptly as possible, the completed transfer and referral forms mutually agreed upon that provide the medical and administration information necessary to determine the appropriateness of the placement and to enable continuing care of the patient. The transfer and referral form will include such information as current medical findings, diagnosis, rehabilitation potential, a brief summary of the course of treatment followed in the transferring institution, nursing and dietary information, ambulation status, and pertinent administrative and social information.
4. The Hospital shall make available its diagnostic and therapeutic services on an outpatient basis as ordered by the attending physician subject to Federal and State laws and regulations.
5. The transferring institution will be responsible for the transfer or other appropriate disposition of personal effects, particularly money and valuables, and information related to these items.
6. In the event of transfer, it shall be the responsibility of the patient's physician to determine the safest and most appropriate means of transportation and to determine the type of care to be rendered during transfer. It shall then be the responsibility of the facility initiating the transfer to notify the receiving facility of the impending transfer, and as ordered by the patient's attending physician, arrange for safe and appropriate transportation.

7. The governing body of each facility shall have exclusive control of policies, management, assets, and affairs of its respective institution. Neither institution shall assume any liability by virtue of this Agreement for any debts or other obligations incurred by the other party to this Agreement.
8. Nothing in this Agreement shall be construed as limiting the rights of either institution to contract with any other facility for the same or similar services on a limited or general basis.
9. This Agreement shall be in effect no longer than one (1) year from the date herein contained. However, it may be terminated by either facility upon thirty- (30) days written notice. The Agreement shall be automatically terminated should either facility fail to maintain its licensure or certification.
10. This Agreement shall be renewed at least annually in writing and shall be maintained in both facilities' files.

Executed this 15th day of April, 2005.

HILLHAVEN HEALTHCARE MANAGEMENT

By Joyce Mann
Joyce Mann, President

HOSPITAL

By Gloria Copeland
Title Administrator

PATIENT TRANSFER AGREEMENT - HOSPITAL

This PATIENT TRANSFER AGREEMENT is entered into this 27th day of March, 2000 by and between Hillhaven Nursing Center ("Facility") and Laurel Regional Hospital ("Hospital").

To facilitate continuity of care and the timely transfer of patients and records between the Hospital and the Facility, the parties agree as follows:

1. When a patient's need for transfer from one of the above institutions to the other has been determined and substantiated by the patient's physician, the institution to which transfer is to be made agrees to admit the patient as promptly as possible, provided admission requirements in accordance with Federal and State laws and regulations are met, and provided that the facility deems it is able to offer the necessary care to the patient.
2. The transferring institution will send with each patient at the time of transfer, or in the case of emergency, as promptly as possible, the completed transfer and referral forms mutually agreed upon that provide the medical and administration information necessary to determine the appropriateness of the placement and to enable continuing care of the patient. The transfer and referral form will include such information as current medical findings, diagnosis, rehabilitation potential, a brief summary of the current medical findings, diagnosis, rehabilitation potential, a brief summary of the course of treatment followed in the transferring institution, nursing and dietary information, ambulation status, and pertinent administrative and social information.
3. The Hospital shall make available its diagnostic and therapeutic services on an outpatient basis as ordered by the attending physician subject to Federal and State laws and regulations.
4. The transferring institution will be responsible for the transfer or other appropriate disposition of personal effects, particularly money and valuables, and information related to these items.
5. In the event of transfer, it shall be the responsibility of the patient's physician to determine the safest and most appropriate means of transportation and to determine the type of care to be rendered during transfer. It shall then be the responsibility of the facility initiating the transfer to notify the receiving facility of the impending transfer, and as ordered by the patient's attending physician, arrange for safe and appropriate transportation.
6. The governing body of each facility shall have exclusive control of policies, management, assets, and affairs of its respective institution. Neither institution

shall assume any liability by virtue of this Agreement for any debts or other obligations incurred by the other party to this Agreement.

7. Nothing in this Agreement shall be construed as limiting the rights of either institution to contract with any other facility for the same or similar services on a limited or general basis.
8. This Agreement shall be in effect no longer than one (1) year from the date herein contained. However, it may be terminated by either facility upon thirty- (30) days written notice. The Agreement shall be automatically terminated should either facility fail to maintain its licensure or certification.
9. This Agreement shall be renewed at least annually in writing and shall be maintained in both facilities' files.

Executed this 27th day of March, 2000.

HILLHAVEN HEALTHCARE MANAGEMENT

By Joyce Malin
Joyce Malin, President

HOSPITAL

By Patrick F. Mutch
Patrick F. Mutch
Title President

PATIENT TRANSFER AGREEMENT—HOSPITAL

This PATIENT TRANSFER AGREEMENT is entered into this 19 day of January, 2007 by and between Hillhaven Nursing Center ("Facility") and Douglas Community Hospital ("Hospital").

To facilitate continuity of care and the timely transfer of patients and records between the Hospital and the Facility, the parties agree as follows:

1. When a patient's need for transfer from one of the above institutions to the other has been determined and substantiated by the patient's physician, the institution to which transfer is to be made agrees to admit the patient as promptly as possible, provided admission requirements in accordance with Federal and State laws and regulations are met, and provided that the facility deems it is able to offer the necessary care to the patient.
2. Staff will provide advance notification and discussion with patient or responsible party regarding reason for anticipated transfer. In the event the need for an emergency transfer occurs, every reasonable effort will be made to discuss the need for transfer with patient or responsible party prior to patient leaving the facility.
3. The transferring institution will send with each patient at the time of transfer, or in the case of emergency, as promptly as possible, the completed transfer and referral forms mutually agreed upon that provide the medical and administration information necessary to determine the appropriateness of the placement and to enable continuing care of the patient. The transfer and referral form will include such information as current medical findings, diagnosis, rehabilitation potential, a brief summary of the course of treatment followed in the transferring institution, nursing and dietary information, ambulation status, and pertinent administrative and social information.
4. The Hospital shall make available its diagnostic and therapeutic services on an outpatient basis as ordered by the attending physician subject to Federal and State laws and regulations.
5. The transferring institution will be responsible for the transfer or other appropriate disposition of personal effects, particularly money and valuables, and information related to these items.
6. In the event of transfer, it shall be the responsibility of the patient's physician to determine the safest and most appropriate means of transportation and to determine the type of care to be rendered during transfer. It shall then be the responsibility of the facility initiating the transfer to notify the receiving facility of the impending transfer, and as ordered by the patient's attending physician, arrange for safe and appropriate transportation.

8/15/12 E-mailed for update to manderson@DEHWeb.org.jm

7. The governing body of each facility shall have exclusive control of policies, management, assets and affairs of its respective institution. Neither institution shall assume any liability by virtue of this Agreement for any debts or other obligations incurred by the other party to this Agreement.
8. Nothing in this Agreement shall be construed as limiting the rights of either institution to contract with any other facility for the same or similar services on a limited or general basis.
9. This Agreement shall be in effect no longer than one (1) year from the date herein contained. However, it may be terminated by either facility upon thirty (30 days) written notice. The Agreement shall be automatically terminated should either facility fail to maintain its licensure or certification.
10. This Agreement shall be renewed at least annually in writing and shall be maintained in both facilities' files.

Executed this 19 day of January, 2007.

Hillhaven Healthcare Management

By Joyce Malin
Joyce Malin, President

Hospital Doctors Community Hospital

By Philip B. Don
Title President



Insurance Participation

July 21, 2020

RE. Your New Participation Agreement

Dear Provider,

CareFirst BlueCross BlueShield and CareFirst BlueChoice Inc. (CareFirst) are amending and restating our Participation Agreement with all providers. This restated Participation Agreement is intended, among other things, to improve the relationship we want with our network providers.

Enclosed you will find your amended and restated Participation Agreement. To ease your review, we have included a high-level summary of changes. This new Agreement is effective October 1, 2020. No action is needed on your part to accept the Agreement and there are no recredentialing requirements because you are already credentialed with our networks. Additionally, there are no changes to your fee schedule or reimbursement rates. If you have questions related to this new Agreement, please contact CareFirst via email at carefirstcontracting@carefirst.com. In your correspondence, please include either your Provider ID or TIN for easier identification. As always, your Provider Relations Representative is available for any other matters.

Our Commitment to You and our Members

CareFirst is committed to giving you the information, data, tools and technology needed to easily do business with us so you can focus on giving your patients the best care. In addition to amending and restating our provider Agreement, we updated our Provider Manual and we want to improve our communication methods with you.

- The new, easy to navigate manual applies to all provider types. It contains details about our insurance products, our quality and clinical guidelines, as well as policies and procedures that your office must adhere to as part of your Agreement with CareFirst. The new manual is available at carefirst.com/providermanual.
- To ensure we can quickly communicate and contact you in the future, please fill out the Provider Contact Form by visiting carefirst.com/providercontactform.

Thank you for your participation in our networks. We look forward to continuing our relationship with your organization.

Sincerely,



Stacey R. Breidenstein
Vice President
Networks Management

Enc.: Amendment, Restated Agreement and Appendices, Summary of Changes



**AMENDMENT TO
MASTER ANCILLARY PROVIDER PARTICIPATION AGREEMENT**

This Amendment to Master Ancillary Provider Participation Agreement (this "Amendment") is made and entered into as of October 1, 2020 (the "Effective Date") by and between Group Hospitalization and Medical Services, Inc., CareFirst of Maryland, Inc., and/or CareFirst BlueChoice, Inc. (collectively, "Corporation") and Provider.

WHEREAS, the parties have previously entered into one or more Master Ancillary Provider Participation Agreements (each, a "Prior Agreement", and together, the "Prior Agreements"); and

WHEREAS, the Prior Agreements are hereby amended pursuant to the "AMENDMENTS" section of each Prior Agreement, as specified herein.

NOW, THEREFORE, in consideration of the foregoing premises, the parties amend the Prior Agreements as follows:

1. Except as otherwise stated in this Amendment, the Prior Agreements are hereby deleted in their entirety and restated as shown in the Amended and Restated Ancillary Provider Participation Agreement, including the applicable appendices or attachments attached thereto, all of which are attached hereto as Exhibit A.
2. Except as otherwise stated in this Amendment, any amendments, attachments, appendices, or exhibits to any of the Prior Agreements are hereby deleted in their entirety.
3. Notwithstanding the foregoing, to the extent any amendment, attachment, appendix, exhibit, or other document attached to any of the Prior Agreements contains one or more provisions addressing the fee schedule or the rate or level of compensation to be paid to Provider, such provisions will survive, and will be considered to be attached to and made a part of the Amended and Restated Ancillary Provider Participation Agreement, such that Provider's compensation under the Amended and Restated Ancillary Provider Participation Agreement as of the Effective Date will be the same as Provider's compensation under the Prior Agreements as of the day prior to the Effective Date. Further, Attachment B to the Prior Agreements, captioned "Participating Provider Locations", is retained and attached to and made a part of the Amended and Restated Ancillary Provider Participation Agreement.
4. To the extent any provision of this Amendment is contrary to any term and/or condition contained in any of the Prior Agreements, this Amendment shall be controlling. This Amendment is issued at the direction of the undersigned, a duly authorized representative of Corporation.

Stacia A. Cohen
EVP, Health Services



**AMENDED AND RESTATED
ANCILLARY PROVIDER PARTICIPATION AGREEMENT**

Between

**GROUP HOSPITALIZATION AND MEDICAL SERVICES, INC.,
CAREFIRST OF MARYLAND, INC., and
CAREFIRST BLUECHOICE, INC.**

And

PROVIDER

THIS AMENDED AND RESTATED ANCILLARY PROVIDER PARTICIPATION AGREEMENT ("Agreement") is entered into by and between Group Hospitalization and Medical Services, Inc. ("GHMSI"), CareFirst of Maryland, Inc. ("CFMI") (both of which share the trade name CareFirst BlueCross BlueShield) and CareFirst BlueChoice, Inc. (collectively hereinafter referred to as "Corporation") and the medical provider, practice, or entity to which this Amended and Restated Ancillary Provider Participation Agreement was sent, as determined by Corporation's mailing records, (hereinafter referred to as "Provider"), for the provision of services described herein. CFMI shall not be a party to an Agreement with a Virginia Provider. CareFirst BlueChoice, Inc. shall not be a party to an Agreement with any Provider not participating in CareFirst BlueChoice Provider Networks. Neither GHMSI nor CFMI shall be a party to an Agreement with any Provider participating only in CareFirst BlueChoice Provider Networks.

Corporation provides, insures, arranges for, or administers health benefits and related services to, individuals, employers, associations, health plan sponsors, health benefit payors and others, and contracts with Participating Providers (as defined below) in order to facilitate such services. Provider is duly licensed or otherwise authorized to provide or arrange for health care items and services to patients. The Parties desire for Provider to provide or arrange for Covered Services to Members, as those terms are defined below.

This Agreement and the applicable terms and conditions for participation in the Corporation's Networks in which Provider agrees to participate, as set out in Appendix A, attached hereto, as well as any other Attachments and/or Appendices, are collectively referred to herein as the "Agreement". Participation in each Provider Network is enforceable under the terms and conditions contained in the relevant Appendix A and, in the event of a conflict between the language of this Agreement and any section of Appendix A, the language of the relevant section of Appendix A will prevail.

PROVIDER HEREBY EXPRESSLY ACKNOWLEDGES Provider's understanding that this Agreement constitutes a contract between Provider and Corporation. Corporation is an independent corporation operating under a license from the Blue Cross and Blue Shield Association, an association of independent Blue Cross and Blue Shield Plans, which permits Corporation to use the Blue Cross and Blue Shield Service Marks in the District of Columbia, Maryland and portions of Virginia. Provider understands that Corporation is not contracting as an agent of the Association, and Provider further acknowledges and agrees that it has not entered into this Agreement based upon representations by any person other than Corporation and that no person, entity or organization other than Corporation will be held accountable or liable to Provider for any of Corporation's obligations to Provider created under this Agreement. This paragraph will not create any additional obligations whatsoever on the part of Corporation other than those obligations created under other provisions of this Agreement.

IN CONSIDERATION of mutual covenants and promises stated herein and other good and valuable consideration, the undersigned have agreed to be bound by this Agreement as of October 1, 2020, the date set by Corporation as the effective date of the Agreement (hereinafter referred to as the "Effective Date").

Exhibit 12

Special Documents

MARYLAND HEALTH CARE COMMISSION

GROSS, NET, AND EFFECTIVE BED NEED PROJECTIONS FOR COMPREHENSIVE CARE FACILITY OR NURSING HOME BEDS, TARGET YEAR 2022

In accordance with COMAR 10.24.20.06, the Maryland Health Care Commission (MHCC) publishes the following notice of jurisdictional gross, net, and effective bed need. These projections update and supersede the projections published in the Maryland Register on April 29, 2016. The effective bed need projection will apply in the review of Certificate of Need applications acted on by MHCC after the date of their publication. Published projections of gross bed need remain in effect until MHCC publishes updated bed need projections. Projections of net bed need and effective bed need can change during the interim period between publication of bed need projections as a result of changes in the bed inventory, changes in average bed occupancy, or changes needed to correct errors in the data or computation of the bed need projections.

Jurisdiction/ REGION	Bed Inventory as of September 1, 2019					2022 Projected Bed Need			
	Licensed Beds	CON- Approved Beds	"Waiver" Beds [1]	Temporarily Delicensed Beds	Total Bed Inventory	Gross Bed Need	Net Bed Need	Average Bed Occupancy 2016-17	Effective Bed Need [2]
WESTERN MARYLAND	4,235	0	0	131	4,366				
Allegany	908	0	0	0	908	761	-147	85.9%	0
Carroll	921	0	0	0	921	888	-33	88.3%	0
Frederick	1,082	0	0	0	1,082	1,052	-30	88.0%	0
Garrett	317	0	0	0	317	286	-31	88.1%	0
Washington	1,007	0	0	131	1,138	1,005	-133	88.0%	0
MONTGOMERY COUNTY	4,562	0	5	0	4,567				
Montgomery	4,562	0	5	0	4,567	4,035	-532	86.9%	0
SOUTHERN MARYLAND	4,303	0	62	8	4,373				
Calvert	292	0	0	0	292	311	19	80.2%	0
Charles	495	0	12	0	507	516	9	91.4%	9
Prince George's	2,953	0	10	0	2,963	2,995	32	92.0%	32
St. Mary's	563	0	40	8	611	581	-30	93.1%	0
CENTRAL MARYLAND	12,114	96	0	130	12,340				
Anne Arundel	1,764	20	0	0	1,784	1,692	-92	89.0%	0
Baltimore City	3,717	0	0	110	3,827	3,379	-448	90.8%	0
Baltimore County	5,288	0	0	20	5,308	4,781	-527	88.2%	0
Harford	769	48	0	0	817	777	-40	90.8%	0
Howard	576	28	0	0	604	617	13	90.2%	13
EASTERN SHORE	2,599	0	6	48	2,653				
Caroline	187	0	6	0	193	153	-40	83.4%	0
Cecil	431	0	0	23	454	432	-22	85.3%	0
Dorchester	233	0	0	25	258	213	-45	84.4%	0
Kent	228	0	0	0	228	202	-26	81.1%	0
Queen Anne's	120	0	0	0	120	115	-5	81.0%	0
Somerset	211	0	0	0	211	192	-19	89.1%	0
Talbot	269	0	0	0	269	228	-41	83.1%	0
Wicomico	613	0	0	0	613	538	-75	80.9%	0
Worcester	307	0	0	0	307	266	-41	81.6%	0

Notes: [1] "Waiver" beds are small increments of beds that nursing homes may add, under specific conditions, without CON approval. These additions must be implemented within one year after authorization.

[2] Bed need is identified as zero if the current bed inventory exceeds gross bed need or if the two-year average bed occupancy rate is below 90%.

[19-20-18]

Exhibit 13



Gorfine Schiller Gardyn

Certified Public Accountants and Consultants

**MH ADELPHI OPERATING, LLC AND
MH ADELPHI HOLDINGS, LLC
D/B/A HILLHAVEN**

CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

MH ADELPHI OPERATING, LLC AND MH ADELPHI HOLDINGS, LLC
TABLE OF CONTENTS
December 31, 2019 and 2018

	<u>Page</u>
INDEPENDENT AUDITORS' REPORT	3
CONSOLIDATED FINANCIAL STATEMENTS	
Consolidated Balance Sheets	6
Consolidated Statements of Operations and Changes in Members' Equity	8
Consolidated Statements of Cash Flows	9
Notes to Consolidated Financial Statements	10
SUPPLEMENTARY INFORMATION	
Consolidating Balance Sheet - December 31, 2019	18
Consolidating Balance Sheet - December 31, 2018	20
Consolidating Statement of Operations and Changes in Members' Equity – Year Ended December 31, 2019	22
Consolidating Statement of Operations and Changes in Members' Equity – Year Ended December 31, 2018	23

INDEPENDENT AUDITORS' REPORT

**To the Members of
MH Adelphi Operating, LLC and MH Adelphi Holdings, LLC
D/B/A Hillhaven
Bethesda, Maryland**

We have audited the accompanying consolidated financial statements of Hillhaven MH Adelphi Operating, LLC and MH Adelphi Holdings, LLC (collectively, Hillhaven), which comprise the consolidated balance sheets as of December 31, 2019 and 2018, and the related consolidated statements of operations and changes in members' equity and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of MH Adelphi Operating, LLC and MH Adelphi Holdings, LLC as of December 31, 2019 and 2018, and the results of their operations and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplementary information is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Morino, Schiller & Gaudyn, P.A.

August 21, 2020
Owings Mills, Maryland

CONSOLIDATED FINANCIAL STATEMENTS

MH ADELPHI OPERATING, LLC AND MH ADELPHI HOLDINGS, LLC
CONSOLIDATED BALANCE SHEETS

December 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
CURRENT ASSETS		
Cash	\$ 755,018	\$ 42,198
Utility deposit	-	5,010
Tenant receivables, net	1,479,539	1,762,959
Accounts receivable, other	17,925	87,149
Escrow deposits ^A	87,786	93,626
Inventory	20,051	35,051
Prepaid expenses	<u>166,576</u>	<u>165,590</u>
Total current assets	<u>2,526,895</u>	<u>2,191,583</u>
PROPERTY AND EQUIPMENT		
Land ^A	8,046,916	8,046,916
Buildings ^A	14,644,282	14,644,282
Construction in progress	200,614	-
Leasehold improvements	40,179	32,537
Equipment (includes Holding equipment balance of \$408,802 for 2019 and 2018) ^A	521,915	420,358
Furniture and fixtures	<u>34,780</u>	<u>1,254</u>
	23,488,686	23,145,347
Accumulated depreciation	<u>(838,059)</u>	<u>(376,267)</u>
Net property and equipment	<u>22,650,627</u>	<u>22,769,080</u>
OTHER ASSETS		
Goodwill, net	<u>650,000</u>	<u>650,000</u>
TOTAL ASSETS	<u>\$ 25,827,522</u>	<u>\$ 25,610,663</u>

^A Assets of the Realty that can be used only to settle the obligations of the Holding Company.

The accompanying notes are an integral part of these consolidated financial statements.

MH ADELPHI OPERATING, LLC AND MH ADELPHI HOLDINGS, LLC
CONSOLIDATED BALANCE SHEETS - CONTINUED
December 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
CURRENT LIABILITIES		
Current maturities on long-term debt	\$ 558,830	\$ -
Accounts payable	140,138	78,159
Accrued expenses	1,133,843	929,152
Deferred revenue	112,031	123,986
Line of credit	<u>607,189</u>	<u>694,355</u>
Total current liabilities	2,552,031	1,825,652
NONCURRENT LIABILITIES		
Long-term debt, net	<u>16,084,662</u>	<u>16,605,121</u>
Total liabilities	<u>18,636,693</u>	<u>18,430,773</u>
MEMBERS' CAPITAL		
Members' capital	(536,611)	(365,972)
Non-controlling interest in variable interest entity	<u>7,727,440</u>	<u>7,545,862</u>
Total members' capital	<u>7,190,829</u>	<u>7,179,890</u>
 TOTAL LIABILITIES AND MEMBERS' CAPITAL	 <u>\$ 25,827,522</u>	 <u>\$ 25,610,663</u>

The accompanying notes are an integral part of these consolidated financial statements.

MH ADELPHI OPERATING, LLC AND MH ADELPHI HOLDINGS, LLC
CONSOLIDATED STATEMENTS OF OPERATIONS AND CHANGES IN MEMBERS' EQUITY
December 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
REVENUE		
Assisted living revenue, net of contractual allowances	\$ 13,773,905	\$ 10,151,853
Other income	<u>162,199</u>	<u>125,643</u>
Total revenue	<u>13,936,104</u>	<u>10,277,496</u>
OPERATING EXPENSES		
Accounting	24,000	-
Advertising and marketing	27,352	27,767
Bad debt expense	572,461	76,893
Contracted services	1,028,026	249,096
Employee benefits	646,507	611,491
Food costs	368,806	252,506
General and administrative expenses	652,415	554,091
Insurance	212,960	179,702
Management service fee	690,035	512,258
Payroll taxes	520,885	424,957
Professional/consulting fees	77,296	5,953
Property taxes	231,585	182,885
Repairs and maintenance	94,133	74,794
Salaries	6,057,782	5,153,301
Supplies	820,012	585,738
Travel and entertainment	32,692	28,786
Utilities	<u>305,787</u>	<u>252,427</u>
Total operating expenses	<u>12,362,734</u>	<u>9,172,645</u>
Net income before capital related expenses	<u>1,573,370</u>	<u>1,104,851</u>
CAPITAL RELATED EXPENSES		
Depreciation and amortization	461,792	376,260
Interest expense	1,100,639	892,353
Acquisition costs	<u>-</u>	<u>1,781,915</u>
Total capital related expenses	<u>1,562,431</u>	<u>3,050,528</u>
Net consolidated income	10,939	(1,945,677)
Non-controlling interest in variable interest entity	<u>(181,578)</u>	<u>1,579,705</u>
NET INCOME ATTRIBUTABLE TO OPERATOR	<u>\$ (170,639)</u>	<u>\$ (365,972)</u>
MEMBERS' EQUITY - Beginning of year	\$ 7,179,890	\$ -
Contributions from member	-	9,125,567
Net consolidated income (loss)	<u>10,939</u>	<u>(1,945,677)</u>
MEMBERS' EQUITY - End of year	<u>\$ 7,190,829</u>	<u>\$ 7,179,890</u>

The accompanying notes are an integral part of these consolidated financial statements.

MH ADELPHI OPERATING, LLC AND MH ADELPHI HOLDINGS, LLC
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Years ended December 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Net consolidated income (loss)	\$ 10,939	\$ (1,945,677)
Adjustments to reconcile changes in net consolidated income to net cash used in operating activities:		
Depreciation	461,792	376,260
Interest from deferred financing costs	38,371	31,976
Provision for uncollectible accounts	572,461	76,893
Changes in operating assets and liabilities:		
Tenant receivables	(289,041)	(1,839,852)
Utility deposits	5,010	(5,010)
Accounts receivable, other	69,224	(87,149)
Escrow deposits	5,840	(93,626)
Inventory	15,000	(35,051)
Prepaid expenses	(986)	(165,590)
Accounts payable	61,979	78,159
Accrued expenses	204,691	929,152
Deferred revenue	(11,955)	123,986
Net cash used in operating activities	<u>1,143,325</u>	<u>(2,555,529)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property and equipment	(343,339)	(6,380,340)
Purchase of goodwill	-	(650,000)
Net cash used in investing activities	<u>(343,339)</u>	<u>(7,030,340)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Contributions from members	-	9,125,567
Deferred financing fees	-	(191,855)
Net (payments) proceeds from line of credit	(87,166)	694,355
Net cash provided by financing activities	<u>(87,166)</u>	<u>9,628,067</u>
NET CHANGE IN CASH	712,820	42,198
CASH - Beginning of year	<u>42,198</u>	<u>-</u>
CASH - End of year	<u>\$ 755,018</u>	<u>\$ 42,198</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Cash paid for interest	<u>\$ 1,031,761</u>	<u>\$ 775,082</u>

The accompanying notes are an integral part of these consolidated financial statements.

MH ADELPHI OPERATING, LLC AND MH ADELPHI HOLDINGS, LLC
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2019 and 2018

NOTE A – NATURE OF BUSINESS

The consolidated financial statements include MH Adelphi Operating, LLC (the Operator), a Delaware limited liability company, which operates an 128-bed assisted living facility in Prince George's County, Maryland and MH Adelphi Holdings, LLC (the Holding Company), a Delaware limited liability company, which leases its land, building, and equipment to the assisted living operator under a related party operating lease arrangement (collectively Hillhaven). Hillhaven has determined that the Holding Company is a variable interest entity that must be consolidated in the financial statements of the Operator, since the Operator provides the majority of its financial support. Assisted living operations commenced March 1, 2018.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Basis of Consolidation

The accompanying consolidated financial statements present the financial position, results of operations, changes in members' equity, and cash flows of the Operator and Holding Company (collectively, Hillhaven). All material intercompany balances and transactions have been eliminated in the consolidated financial statements.

2. Variable Interest Entities

Accounting principles generally accepted in the United States of America require a company, which holds a variable interest in another entity (a variable interest entity); to consolidate that entity if the company's interest is such that the company will absorb a majority of the entity's expected losses and/or receive a majority of the entity's expected residual returns, if they occur. In such cases, the company is considered the primary beneficiary of the variable interest entity. The Operator has determined that the Holding Company qualifies as a variable interest entity that must be consolidated in its financial statements, as the Operator provides the majority of the Holding Company's financial support.

The Holding Company holds the land, building, and equipment of the Operator, which is financed by a mortgage note. The mortgage note is secured by the property and Hillhaven is jointly and severally liable on the debt, as more fully described in Note G. The assets of the Holding Company, as noted on the consolidated balance sheet can be used only to settle the liabilities of the Holding Company. The Holding Company services its long-term debt with proceeds from its rental activities. The Operator is exposed to loss from any intercompany loan balances with the Holding Company and mortgage debt.

3. Basis of Accounting

The consolidated financial statements were prepared using the accrual basis of accounting. Therefore, revenue and related assets are recognized when earned and expenses and related liabilities are recognized as the obligations are incurred.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

4. Cash and Cash Equivalents

The Companies considers all highly liquid debt instruments purchased with an original maturity of three months or less, and with no operating restrictions, to be cash equivalents. Accounting principles generally accepted in the United States of America require that restricted cash be included in cash and cash equivalents in the statement of cash flows. Management has determined that the effect of this departure is not material.

5. Patient Service Revenue

Hillhaven generates revenue primarily by providing bed days for inpatient services at an assisted living facility. Revenues are recognized when control of the promised good or service is transferred to customers, in an amount that reflects the consideration to which Hillhaven expects to be entitled from patients and third party payors (including government programs and insurers), in exchange for those goods and services.

Hillhaven's healthcare services included in the billing of bed days represent a bundle of services that are not capable of being distinct and as such, are treated as a single performance obligation satisfied over time as services are rendered. Hillhaven also provides certain ancillary services which are not included in the bundle of services, and as such are treated as separate performance obligations satisfied over time, if and when those services are rendered.

Hillhaven determines the transaction price based on contractually agreed-upon amounts or rates, adjusted for estimates of variable consideration. Hillhaven utilizes the expected value method to determine the amount of variable consideration that should be included to arrive at a transaction price, using contractual agreements and historical reimbursement experience within each payor type. Variable consideration also exists in the form of settlements with Medicare and Medicaid as a result of retroactive adjustments due to audits and reviews. Hillhaven applies the constraint to the transaction price such that net revenues are recorded only to the extent that it is probable that a significant reversal in the amount of the cumulative revenue recognized will not occur in the future. If actual amounts of consideration ultimately received differ from Hillhaven's estimates, Hillhaven adjusts these estimates, which would affect revenues in the period such variances become known. Adjustments arising from a change in the transaction price were not significant for the year ended December 31, 2019.

Hillhaven recognizes revenue in the consolidated statement of operations and contract assets on the consolidated balance sheet only when services have been provided. Since Hillhaven has performed its obligations under the contract, it has unconditional rights to the consideration recorded as contract assets and therefore classifies those billed and unbilled contract assets as accounts receivable. Payments that Hillhaven receives from customers in advance of providing services represent contract liabilities. Such payments relate primarily to private pay patients. Hillhaven had no material contract liabilities as of December 31, 2019.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

6. Assisted Living Revenue and Tenant Receivables

Tenant receivables are reported at estimated net realizable amounts from tenants. Tenant receivables from Medicaid are carried at a net amount determined by the original charge for the service provided, less an estimate made for contractual adjustments provided to Medicaid. Tenant receivables are reduced by an allowance for doubtful accounts, which is determined by identifying troubled accounts and by historical experience. The Company generally does not charge interest on past due accounts. Tenant receivables are written off against the allowance for doubtful accounts when deemed uncollectible. The allowance for doubtful accounts was \$641,114 and \$69,055 as of December 31, 2019 and 2018, respectively.

The Company has agreements with Medicaid that provide for payments to the Operator at amounts different from its established rates. Payment arrangements include predetermined fee schedules and discount charges. Contractual adjustments under the Medicaid third-party reimbursement agreements represent the different between the Company's billings at the established rates and the amounts reimbursed by Medicaid. Contractual allowances and discounts are deducted from assisted living revenue. Assisted living revenue is therefore reported at the estimated net realizable amount from tenants and Medicaid for services rendered, including retroactive adjustments under reimbursement agreements.

7. Use of Estimates

The preparation of consolidated financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

8. Property and Equipment

Property and equipment are stated at cost. Purchases and improvements greater than \$500 and a useful life of one year are charged to the property accounts, while maintenance and repairs, which do not improve or extend life of the respective assets, are expensed as incurred. Depreciation is provided using the straight-line method over estimated useful lives of the assets, ranging from three to ten years. Leasehold improvements are amortized on a straight-line basis over the useful life of the asset or lease term, whichever is less. When assets are retired or disposed of, the cost and accumulated depreciation are removed from the accounts, and any resulting gains or losses are included in operations.

Whenever events or changes in circumstances indicate that the related carrying amount of an asset may not be recovered, management, using its best estimates and projections, reviews for impairment the carrying value of long-lived identifiable assets to be held and used in the future. Any impairment losses identified are recognized when determined.

Depreciation and amortization expense for the years ended December 31, 2019 and 2018 was \$461,792 and \$376,267, respectively.

9. Inventory

Inventory consists of food for residents and is stated at the lower of cost or market.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

10. Impairment of Long-Lived Assets

Hillhaven reviews its property for impairments whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. If the fair value is less than the carrying amount of an asset, an impairment loss is recognized for the difference. No impairment loss has been recognized during the year ended December 31, 2019 and 2018.

11. Goodwill

Purchased goodwill with a historical cost of \$650,000. There was no impairment charge recognized for 2019.

12. Deferred Financing Costs and Amortization

Deferred financing costs are presented as a contra-account to the mortgage liability and are amortized over the period the obligation is outstanding using the straight-line method. Interest from deferred financing costs charged to operations amounted to \$38,371 and \$31,976 for 2019 and 2018, respectively.

13. Advertising

Promotional advertising costs are expensed as incurred. Advertising costs charged to operations amounted to \$27,352 and \$27,767 for 2019 and 2018.

14. Income Taxes

No provision or benefit for income taxes has been included in these consolidated financial statements since taxable income or loss passes through to, and is reportable by, the Members individually. Although the Companies file a tax return with the Internal Revenue Service, it is not required to take any tax positions.

15. Recently Adopted Accounting Pronouncements

In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers*. ASU 2014-09 and all related amendments serve to supersede most existing revenue recognition guidance, including guidance specific to the healthcare industry. The new guidance in Accounting Standards Codification Topic 606, Revenue from Contracts with Customers (ASC 606), provides a principles-based framework for recognizing revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services and requires enhanced disclosures to enable users of the financial statements to understand the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. The Companies adopted ASC 606 effective January 1, 2019, using the full retrospective method. There was no effect on opening members' capital as a result of adopting the standard.

In November 2016, the FASB issued Accounting Standards Update 2016-18, *Statement of Cash Flows*, which requires that restricted cash and cash equivalents be included as components of total cash and cash equivalents in the statement of cash flows. The Company adopted this new standard effective January 1, 2019.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

16. Subsequent Events

In preparing these financial statements, the Companies have evaluated events and transactions for potential recognition or disclosure through August 21, 2020, the date the financial statements were available to be issued.

NOTE C – CONCENTRATION OF RISK

1. Cash

The Company places its cash and temporary cash investments with high credit quality institutions. The Company, at times, could have deposits in excess of federally insured limits. Management does not believe the Company is exposed to any risk, which might affect the financial position of the Company.

2. Medicaid

The Company derived approximately 28% and 40% of its revenues from Medicaid for the years ended December 31, 2019 and 2018, respectively. Approximately 62% and 65% of gross tenant receivables at December 31, 2019 and 2018, respectively, are due from Medicaid. Management does not believe there are significant credit risks associated with amounts due from Medicaid.

3. Accounts Receivable - Patients

The Companies extend unsecured credit to its private patients and patients covered under third party payor arrangements. See Note D and Note E for details of third party payor arrangements and receivable balances, respectively.

NOTE D – TENANT RECEIVABLES

Patient balances consist of the following at December 31, 2019 and 2018:

	<u>2019</u>	<u>Percentage</u>		<u>2018</u>	<u>Percentage</u>
Private	\$ 809,677	38.18 %		\$ 642,737	35.08 %
Medicaid	1,310,976	61.82		1,189,277	64.92
Total	2,120,653	100.00 %		1,832,014	100.00 %
Allowance for uncollectible accounts	(641,114)			(69,055)	
Accounts receivable - patients, net	<u>\$ 1,479,539</u>			<u>\$ 1,762,959</u>	

Bad debt expense charged to operations amounted to \$572,461 and \$76,893 for 2019 and 2018, respectively.

NOTE E – DUE FROM THIRD PARTY PAYORS

The balance consists of reimbursements from Medicaid related to resident charges from resident coinsurance that have been denied. The balance due from third party payors totaled \$924,639 and 639,809 at December 31, 2019 and 2018, respectively.

NOTE F- LINE OF CREDIT

Hillhaven has a line of credit with MB Financial Bank, N.A. collateralized by the property of Hillhaven bearing interest at the higher of the bank reference rate plus 1% or 4.50% (6.25% as of December 31, 2019). The line of credit expires March 1, 2022 and Hillhaven is required to comply with covenants. The outstanding balance as of December 31, 2019 and 2018 was \$607,189 and \$694,355, respectively.

NOTE G- LONG-TERM DEBT

Hillhaven is obligated under a term note in the maximum amount of \$17,962,500 to MB Financial Bank, N.A. secured by real and personal property of Hillhaven. The mortgage is payable in variable monthly installments plus interest according to the schedule below, with the balance due on March 1, 2022. During the year Hillhaven received \$16,765,000 of the note with the remaining \$1,197,500 becoming available to them after certain conditions set forth by the lender are met. The mortgage balance as of December 31, 2019 and 2018 was \$16,206,170 and \$16,765,000, respectively.

March 1, 2018 through February 28, 2020	Interest only payments
March 1, 2020 through February 28, 2022 (if no additional draw)	monthly payments of \$55,883 plus interest
March 1, 2020 through February 28, 2022 (on and after the additional draw)	monthly payments of \$59,875 plus interest

The interest rate on the mortgage shall be the greater of 1.0% plus 3 month LIBOR rate or 4.50%. As of December 31, 2019 the interest rate was 5.56%.

Maturities of long-term debt are as follows:

December 31, 2020	\$ 558,830
2021	670,596
2022	<u>15,535,574</u>
Total payments	16,765,000
Unamortized deferred financing fees	(121,508)
Mortgage payable (current portion)	<u>(558,830)</u>
Long-term debt, net	<u>\$ 16,084,662</u>

NOTE H - RELATED PARTY TRANSACTIONS

Hillhaven has a management agreement with related parties with common ownership to operate the Operator. Management fees expensed under these agreements totaled \$690,035 and \$512,258 for the years ended December 31, 2019 and 2018, respectively.

NOTE I – SUPPLEMENTAL DISCLOSURE OF NONCASH INVESTING AND FINANCING TRANSACTIONS

	<u>2019</u>	<u>2018</u>
Property and equipment	\$ -	\$ 23,145,340
Less: mortgage proceeds	<u>-</u>	<u>(16,765,000)</u>
Cash purchases of property and equipment	<u>\$ -</u>	<u>\$ 6,380,340</u>

NOTE J – COVID-19 IMPACT

Hillhaven's business is operating in an environment in which a pandemic exists in relation to the novel coronavirus, COVID-19. Hillhaven has obtained a grant through the State of Maryland in the amount of \$493,639 as well as an advance on Medicaid in the amount of \$1,143,462. As of the date of this financial statement, Hillhaven does not have any additional liabilities resulting from COVID-19 and its operations have not been significantly impacted by the virus.

SUPPLEMENTARY INFORMATION

MH ADELPHI OPERATING, LLC AND MH ADELPHI HOLDINGS, LLC
CONSOLIDATING BALANCE SHEET
December 31, 2019

	MH Adelphi Operating, LLC	MH Adelphi Holdings, LLC	Eliminations	Consolidated
CURRENT ASSETS				
Cash	\$ 755,018	\$ -	\$ -	\$ 755,018
Tenant receivables, net	1,479,539	-	-	1,479,539
Accounts receivable, other	17,925	1,298,594	(1,298,594)	17,925
Escrow deposits	-	87,786	-	87,786
Inventory	20,051	-	-	20,051
Prepaid expenses	166,576	-	-	166,576
Total current assets	<u>2,439,109</u>	<u>1,386,380</u>	<u>(1,298,594)</u>	<u>2,526,895</u>
PROPERTY AND EQUIPMENT				
Land	-	8,046,916	-	8,046,916
Buildings	-	14,644,282	-	14,644,282
Construction in progress	200,614	-	-	200,614
Leasehold improvements	40,179	-	-	40,179
Equipment	113,113	408,802	-	521,915
Furniture and fixtures	34,780	-	-	34,780
	388,686	23,100,000	-	23,488,686
Accumulated depreciation	(16,969)	(821,090)	-	(838,059)
Net property and equipment	<u>371,717</u>	<u>22,278,910</u>	<u>-</u>	<u>22,650,627</u>
OTHER ASSETS				
Due from related party	24,750	-	(24,750)	-
Investment	-	135,857	(135,857)	-
Goodwill, net	-	650,000	-	650,000
Total other assets	<u>24,750</u>	<u>785,857</u>	<u>(160,607)</u>	<u>650,000</u>
TOTAL ASSETS	<u>\$ 2,835,576</u>	<u>\$ 24,451,147</u>	<u>\$ (1,459,201)</u>	<u>\$ 25,827,522</u>

See independent auditors' report.

MH ADELPHI OPERATING, LLC AND MH ADELPHI HOLDINGS, LLC
CONSOLIDATING BALANCE SHEET - CONTINUED

December 31, 2019

	<u>MH Adelphi Operating, LLC</u>	<u>MH Adelphi Holdings, LLC</u>	<u>Eliminations</u>	<u>Consolidated</u>
CURRENT LIABILITIES				
Current maturities on long-term debt	\$ -	\$ 558,830	\$ -	\$ 558,830
Accounts payable	1,438,733	-	(1,298,595)	140,138
Accrued expenses	1,053,628	80,215	-	1,133,843
Deferred revenue	112,031	-	-	112,031
Line of credit	607,189	-	-	607,189
Due to related party	<u>19,432</u>	<u>-</u>	<u>(19,432)</u>	<u>-</u>
Total current liabilities	3,231,013	639,045	(1,318,027)	2,552,031
NONCURRENT LIABILITIES				
Long-term debt, net	<u>-</u>	<u>16,084,662</u>	<u>-</u>	<u>16,084,662</u>
Total liabilities	<u>3,231,013</u>	<u>16,723,707</u>	<u>(1,318,027)</u>	<u>18,636,693</u>
MEMBERS' CAPITAL				
Member's capital	(395,437)	-	(141,174)	(536,611)
Non-controlling interest in variable interest entity	<u>-</u>	<u>7,727,440</u>	<u>-</u>	<u>7,727,440</u>
Total members' capital	<u>(395,437)</u>	<u>7,727,440</u>	<u>(141,174)</u>	<u>7,190,829</u>
 TOTAL LIABILITIES AND MEMBERS' CAPITAL	 <u>\$ 2,835,576</u>	 <u>\$ 24,451,147</u>	 <u>\$ (1,459,201)</u>	 <u>\$ 25,827,522</u>

See independent auditors' report.

MH ADELPHI OPERATING, LLC AND MH ADELPHI HOLDINGS, LLC
CONSOLIDATING BALANCE SHEET
December 31, 2018

	MH Adelphi Operating, LLC	MH Adelphi Holdings, LLC	Eliminations	Consolidated
CURRENT ASSETS				
Cash	\$ 42,198	\$ -	\$ -	\$ 42,198
Utility deposit	5,010	-	-	5,010
Tenant receivables, net	1,762,959	-	-	1,762,959
Accounts receivable, other	87,149	504,744	(504,744)	87,149
Escrow deposits	-	93,626	-	93,626
Inventory	35,051	-	-	35,051
Prepaid expenses	165,590	-	-	165,590
Total current assets	2,097,957	598,370	(504,744)	2,191,583
PROPERTY AND EQUIPMENT				
Land	-	8,046,916	-	8,046,916
Buildings	-	14,644,282	-	14,644,282
Leasehold improvements	32,537	-	-	32,537
Equipment	11,556	408,802	-	420,358
Furniture and fixtures	1,254	-	-	1,254
	45,347	23,100,000	-	23,145,347
Accumulated depreciation	(3,044)	(373,223)	-	(376,267)
Net property and equipment	42,303	22,726,777	-	22,769,080
OTHER ASSETS				
Due from related party	-	189,263	(189,263)	-
Investment	-	141,174	(141,174)	-
Goodwill, net	-	650,000	-	650,000
Total other assets	-	980,437	(330,437)	650,000
TOTAL ASSETS	\$ 2,140,260	\$ 24,305,584	\$ (835,181)	\$ 25,610,663

See independent auditors' report.

MH ADELPHI OPERATING, LLC AND MH ADELPHI HOLDINGS, LLC
CONSOLIDATING BALANCE SHEET - CONTINUED

December 31, 2018

	<u>MH Adelphi Operating, LLC</u>	<u>MH Adelphi Holdings, LLC</u>	<u>Eliminations</u>	<u>Consolidated</u>
CURRENT LIABILITIES				
Accounts payable	\$ 582,903	\$ -	\$ (504,744)	\$ 78,159
Accrued expenses	774,551	154,601	-	929,152
Deferred revenue	123,986	-	-	123,986
Line of credit	694,355	-	-	694,355
Due from related party	<u>189,263</u>	<u>-</u>	<u>(189,263)</u>	<u>-</u>
Total current liabilities	2,365,058	154,601	(694,007)	1,825,652
NONCURRENT LIABILITIES				
Long-term debt, net	<u>-</u>	<u>16,605,121</u>	<u>-</u>	<u>16,605,121</u>
Total liabilities	<u>2,365,058</u>	<u>16,759,722</u>	<u>(694,007)</u>	<u>18,430,773</u>
MEMBERS' CAPITAL				
Member's capital	(224,798)	-	(141,174)	(365,972)
Non-controlling interest in variable interest entity	<u>-</u>	<u>7,545,862</u>	<u>-</u>	<u>7,545,862</u>
Total members' capital	<u>(224,798)</u>	<u>7,545,862</u>	<u>(141,174)</u>	<u>7,179,890</u>
 TOTAL LIABILITIES AND MEMBERS' CAPITAL	 <u>\$ 2,140,260</u>	 <u>\$ 24,305,584</u>	 <u>\$ (835,181)</u>	 <u>\$ 25,610,663</u>

See independent auditors' report.

MH ADELPHI OPERATING, LLC AND MH ADELPHI HOLDINGS, LLC
CONSOLIDATING STATEMENT OF OPERATIONS AND CHANGES IN MEMBERS' EQUITY
For the Year Ended December 31, 2019

	<u>MH Adelphi Operating, LLC</u>	<u>MH Adelphi Holdings, LLC</u>	<u>Eliminations</u>	<u>Consolidated</u>
REVENUE				
Assisted living revenue, net of contractual allowances	\$ 13,773,905	\$ -	\$ -	\$ 13,773,905
Rent revenue	-	1,765,962	(1,765,962)	-
Other income	162,199	-	-	162,199
Total revenue	<u>13,936,104</u>	<u>1,765,962</u>	<u>(1,765,962)</u>	<u>13,936,104</u>
OPERATING EXPENSES				
Accounting	-	24,000	-	24,000
Advertising and marketing	27,352	-	-	27,352
Bad debt expense	572,461	-	-	572,461
Contracted services	1,028,026	-	-	1,028,026
Employee benefits	646,507	-	-	646,507
Food costs	368,806	-	-	368,806
General and administrative expenses	651,247	1,168	-	652,415
Insurance	212,960	-	-	212,960
Management service fee	690,035	-	-	690,035
Payroll taxes	520,885	-	-	520,885
Professional/consulting fees	30,999	46,297	-	77,296
Property taxes	231,585	-	-	231,585
Repairs and maintenance	94,133	-	-	94,133
Rent	1,765,962	-	(1,765,962)	-
Salaries	6,057,782	-	-	6,057,782
Supplies	820,012	-	-	820,012
Travel and entertainment	32,692	-	-	32,692
Utilities	305,787	-	-	305,787
Total operating expenses	<u>14,057,231</u>	<u>71,465</u>	<u>(1,765,962)</u>	<u>12,362,734</u>
Net income before capital related expenses	(121,127)	1,694,497	-	1,573,370
CAPITAL RELATED EXPENSES				
Depreciation and amortization	13,925	447,867	-	461,792
Interest expense	35,587	1,065,052	-	1,100,639
Total capital related expenses	<u>49,512</u>	<u>1,512,919</u>	<u>-</u>	<u>1,562,431</u>
Net consolidated (loss) income	(170,639)	181,578	-	10,939
Non-controlling interest in variable interest entity	<u>-</u>	<u>(181,578)</u>	<u>-</u>	<u>(181,578)</u>
NET INCOME ATTRIBUTABLE TO OPERATOR	<u>\$ (170,639)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (170,639)</u>
MEMBERS' EQUITY - Beginning of year	\$ (224,798)	\$ 7,545,862	\$ (141,174)	\$ 7,179,890
Net consolidated (loss) income	<u>(170,639)</u>	<u>181,578</u>	<u>-</u>	<u>10,939</u>
MEMBERS' (DEFICIT) EQUITY - End of year	<u>\$ (395,437)</u>	<u>\$ 7,727,440</u>	<u>\$ (141,174)</u>	<u>\$ 7,190,829</u>

See independent auditors' report.

MH ADELPHI OPERATING, LLC AND MH ADELPHI HOLDINGS, LLC
CONSOLIDATING STATEMENT OF OPERATIONS AND CHANGES IN MEMBERS' EQUITY
For the Year Ended December 31, 2018

	MH Adelphi Operating, LLC	MH Adelphi Holdings, LLC	Eliminations	Consolidated
REVENUE				
Assisted living revenue, net of contractual allowances	\$ 10,151,853	\$ -	\$ -	\$ 10,151,853
Rent revenue	-	1,471,635	(1,471,635)	-
Other income	125,643	-	-	125,643
Total revenue	<u>10,277,496</u>	<u>1,471,635</u>	<u>(1,471,635)</u>	<u>10,277,496</u>
OPERATING EXPENSES				
Advertising and marketing	27,767	-	-	27,767
Bad debt expense	76,893	-	-	76,893
Contracted services	249,096	-	-	249,096
Employee benefits	611,491	-	-	611,491
Food costs	252,506	-	-	252,506
General and administrative expenses	550,242	3,849	-	554,091
Insurance	179,702	-	-	179,702
Management service fee	512,258	-	-	512,258
Payroll taxes	424,957	-	-	424,957
Professional/consulting fees	5,953	-	-	5,953
Property taxes	182,885	-	-	182,885
Repairs and maintenance	74,794	-	-	74,794
Rent	1,471,635	-	(1,471,635)	-
Salaries	5,153,301	-	-	5,153,301
Supplies	585,738	-	-	585,738
Travel and entertainment	28,786	-	-	28,786
Utilities	252,427	-	-	252,427
Total operating expenses	<u>10,640,431</u>	<u>3,849</u>	<u>(1,471,635)</u>	<u>9,172,645</u>
Net income before capital related expenses	(362,935)	1,467,786	-	1,104,851
CAPITAL RELATED EXPENSES				
Depreciation and amortization	3,037	373,223	-	376,260
Interest expense	-	892,353	-	892,353
Acquisition costs	-	1,781,915	-	1,781,915
Total capital related expenses	<u>3,037</u>	<u>3,047,491</u>	<u>-</u>	<u>3,050,528</u>
Net consolidated loss	(365,972)	(1,579,705)	-	(1,945,677)
Non-controlling interest in variable interest entity				
	-	1,579,705	-	1,579,705
NET (LOSS) ATTRIBUTABLE TO OPERATOR	<u>\$ (365,972)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (365,972)</u>
MEMBERS' EQUITY - Beginning of year	\$ -	\$ -	\$ -	\$ -
Contributions from member	141,174	9,125,567	(141,174)	9,125,567
Net consolidated loss	(365,972)	(1,579,705)	-	(1,945,677)
MEMBERS' EQUITY (DEFICIT) - End of year	<u>\$ (224,798)</u>	<u>\$ 7,545,862</u>	<u>\$ (141,174)</u>	<u>\$ 7,179,890</u>

See independent auditors' report.

Exhibit 14



Gorfine Schiller Gardyn

Certified Public Accountants and Consultants

December 15, 2020

Maryland Health Care Commission
c/o Mr. Kevin R. McDonald
kevin.mcdonald@maryland.gov
Chief, Certificate of Need
Maryland Health Care Commission
4160 Patterson Avenue
Baltimore, Maryland 21215-2299

RE: CON Application to add a 26-bed Addition to Hillhaven Nursing and Rehabilitation Center, Adelphi, Maryland, for a net increase of 16 Comprehensive Care Beds

Dear Commissioners,

I am writing to address the availability of funds necessary for fixed and working capital requirements for the project proposed by MH Adelphi Operating, LLC dba Hillhaven Nursing and Rehabilitation Center's ("Hillhaven") Certificate of Need application for a new addition and a net increase of 16 comprehensive care beds.

Gorfine, Schiller & Gardyn, Certified Public Accountants and Consultants prepare the audited financial reports for Hillhaven and the owners of the related real estate. We understand that the proposed CON project could require up \$10 Million for fixed and working capital.

I am aware that owners of the real estate plan to contribute the full capital requirement for this project. I am also aware of the financial status of each of them, including current liabilities and debt obligations. I can attest that they together control sufficient assets to fund all of the construction costs and necessary operating costs of the proposed project; including any working, start-up, and fixed capital expenditures.

Thank you for your time and attention.

Sincerely,

Gorfine Schiller and Gardyn PA

Aaron Bloom, CPA
Director

Exhibit 15

November 30, 2020

Mr. Ben Steffan
Executive Director
Maryland Health Care Commission
4160 Patterson Avenue
Baltimore, Maryland 21215

**RE: Letter of support for Hillhaven Nursing Center's Comprehensive Care Facility Expansion
Certificate of Need Application**

Dear Mr. Steffen,

On behalf of The Staff and Leadership of Hillhaven Nursing Center I am writing to express my strong support for the Certificate of Need ("CON") application submitted by the Hillhaven Nursing Center ("Hillhaven") for the addition of 16 Comprehensive Care Beds at its existing facility in Adelphi, Prince Georges County.

Hillhaven has served residents of Prince Georges County and nearby communities for over 50 years. Compared to the state, it frequently scores higher on Center for Medicare and Medicaid Services quality measures. Recently, during the COVID-19 pandemic, Hillhaven received a commendation from the Governor praising its efforts in safety and infection control. They are a clear asset to our community.

Hillhaven currently has 66 skilled nursing beds. Of those, only 10 are in private rooms. In addition to the new beds, the planned expansion project will convert existing semi-private beds to private. At project end, Hillhaven will have **46 beds in private rooms**. This will be a welcome addition to our community.

Hillhaven has spent considerable time and money studying the skilled nursing care bed need of Prince Georges' County, and its neighboring communities. Their commitment is commendable. It is clear that the **proposed expansion will increase access to quality skilled nursing services for residents of our county, and surrounding communities.**

I respectfully request that the Maryland Health Care Commission approve Hillhaven's CON application.

Sincerely,
Stephen

Stephen Handelman, P.D.
Senior Vice President
Remedi SeniorCare
9006 Yellow Brink Rd, suite 220
Baltimore, MD 21237
443-927-8400



Diamond Medical Laboratory
66 Painters Mill Road
Suite 200
Owings Mills, Maryland 21117
Phone: 410-834-8600
Fax: 410-834-8601

Mr. Ben Steffan
Executive Director
Maryland Health Care Commission
4160 Patterson Avenue
Baltimore, Maryland 21215

RE: Letter of support for Hillhaven Nursing Center's Comprehensive Care Facility Expansion Certificate of Need Application

Dear Mr. Steffen,

On behalf of Diamond Medical Laboratories, I am writing to express my strong support for the Certificate of Need ("CON") application submitted by the Hillhaven Nursing Center ("Hillhaven") for the addition of 16 Comprehensive Care Beds at its existing facility in Adelphi, Prince Georges County.

Hillhaven has served residents of Prince Georges County and nearby communities for over 50 years. Compared to the state, it frequently scores higher on Center for Medicare and Medicaid Services quality measures. Recently, during the COVID-19 pandemic, Hillhaven received a commendation from the Governor praising its efforts in safety and infection control. They are a clear asset to our community.

Hillhaven currently has 66 skilled nursing beds. Of those, only 10 are in private rooms. In addition to the new beds, the planned expansion project will convert existing semi-private beds to private. At project end, Hillhaven will have **46 beds in private rooms**. This will be a welcome addition to our community.

Hillhaven has spent considerable time and money studying the skilled nursing care bed need of Prince Georges' County, and its neighboring communities. Their commitment is commendable. It is clear that the **proposed expansion will increase access to quality skilled nursing services for residents of our county, and surrounding communities.**

I respectfully request that the Maryland Health Care Commission approve Hillhaven's CON application.

Sincerely,

A handwritten signature in black ink, appearing to read "Andrew Diamond", with a long, sweeping horizontal line extending to the right.

Andrew Diamond
CEO/Diamond Medical Laboratories
410-653-8060

Exhibit 16

Step	Metric	2019	2020	Interim		PY1	PY2	2025	2026	CAGR
				2021	2022	2023	2024			
1	Prince George's County Population by Age Group									
	0-64	791,916	790,825	789,737	788,202	787,563	786,478	785,395	784,314	-0.14%
	65-74	75,811	77,888	80,023	82,490	84,468	86,783	89,160	91,604	2.74%
	75-84	33,384	35,195	37,105	38,999	41,241	43,479	45,838	48,325	5.43%
	85+	12,595	13,234	13,905	14,565	15,351	16,130	16,948	17,807	5.07%
2	PG Use Rate by Age Group 2019 (Base Year)									
	0-64	274								
	65-74	3,101								
	75-84	7,823								
	85+	17,554								
3	Average Prince George's County Annual Use Rate Change By Age Group Use Rate/1,000 Pop (2017-2019)									
	0-64	1.53%								
	65-74	1.20%								
	75-84	-1.41%								
	85+	-5.48%								
4	Target Year(s) Bed Use Rate (Per 1,000 Pop)									
	0-64	274	278	282	287	291	296	300	305	
	65-74	3,101	3,138	3,176	3,214	3,252	3,291	3,330	3,370	
	75-84	7,823	7,713	7,604	7,497	7,391	7,287	7,184	7,083	
	85+	17,554	16,592	15,683	14,823	14,011	13,243	12,518	11,832	
5	Prince George's County Days by Age Group									
	0-64	216,985	219,991	223,038	225,999	229,260	232,435	235,655	238,919	
	65-74	235,090	244,418	254,116	265,082	274,682	285,581	296,912	308,693	
	75-84	261,163	271,452	282,145	292,365	304,813	316,821	329,303	342,275	
	85+	221,093	219,575	218,067	215,903	215,084	213,607	212,141	210,685	
6	Total Prince George's County Resident Days in PG CCFs	934,331	955,435	977,367	999,349	1,023,839	1,048,445	1,074,011	1,100,573	
Adjust for Non-Maryland Residents and Patients of Unknown Origin										
	Average In-Migration of Non-MD Residents and Patients of Unknown Origin (Days, 2017-2019)	155,578	155,578	155,578	155,578	155,578	155,578	155,578	155,578	
7										
8	Total Prince George's County CCF Patient Days (2018)	943,264	943,264	943,264	943,264	943,264	943,264	943,264	943,264	
	Ratio of Average in-migration px days to Total Prince George's County CCF px days (2018)	0.16	0.16	0.16	0.16	0.16	0.16	0.16	0.16	
9										
10	In-Migration of Non-MD Residents and Patients of Unknown Origin (Days)	154,105	157,586	161,203	164,829	168,868	172,926	177,143	181,524	
11	Total Prince George's County CCF Patient Days (2019-2026)	1,088,435	1,113,021	1,138,570	1,164,178	1,192,707	1,221,372	1,251,154	1,282,097	
CCF Bed Need										
12	Gross Bed Need	3,139	3,210	3,284	3,357	3,440	3,522	3,608	3,697	
13	Current CCF Bed Inventory	2,953	2,953	2,953	2,953	2,953	2,953	2,953	2,953	
14	Net Bed Need (surplus)	186	257	331	404	487	569	655	744	
Prince George's County Patient Days to Admissions Conversion										
15	ALOS Prince George's County	89.0	89.0	89.0	89.0	89.0	89.0	89.0	89.0	
16	Total Prince George's County Admissions	12,225	12,501	12,788	13,076	13,396	13,718	14,053	14,400	
17	Prince George's County Residents Admissions (%)	64.85%	64.85%	64.85%	64.85%	64.85%	64.85%	64.85%	64.85%	
18	Prince George's County Residents Admissions (Count)	7,928	8,107	8,294	8,480	8,688	8,897	9,114	9,339	
19	Non-Prince George's County Residents Admissions (Count)	4,297	4,394	4,494	4,596	4,708	4,821	4,939	5,061	

Notes:

- 1** 2019, 2022-2023 Obtained from MHCC Comprehensive Care Routine Reports 7.6.2020, Table 1.7
Remaining years interpolated via CAGR (2019-2013)
- 2** 2019 Obtained from MHCC Comprehensive Care Routine Reports 7.6.2020, Table 1.11
- 3** 3-Year average annual percent change calculated from MHCC Comprehensive Care Routine Reports 7.6.2020, Table 1.11
With the exception of the 64-75 age group, PG Base year (2019) use rates are lower than the Maryland average. In high use age groups (75+) the average annual rates of change in use rate are lower in PG than the Maryland average. Hence, it is to use PG county use rates and rates of change to forecast future years.
- 4** Multiply base year use rate by age group (Step 2) by Statewide annual use rate change by age group (Step 3), Year to Year, from base year (2019) to target year (2024)
- 5** $(\text{Step 1} * \text{Step 4}) / 1,000$
- 6** Sum of all age groups in Step 5
- 7** 3-year average of 2017-2019 In-Migration, Obtained via Special Request to MHCC, Sandy Biddinger 12.04.20
Assumes value remains constant for all Project Years
- 8** 2018 Maryland Long Term Care Survey
Assumes value remains constant for all Project Years
- 9** $\text{Step 7} / \text{Step 8}$
- 10** $\text{Step 6} * \text{Step 9}$
- 11** $\text{Step 6} + \text{Step 10}$
- 12** $\text{Step 11} / (365 * 0.95)$, per Step (5)(a) of State Plan CCF Methodology
- 13** Maryland Long-term Care Survey 2018. Assumes constant bed inventory.
- 14** $\text{Step 12} - \text{Step 13}$
- 15** 3-year average of 2017-2019 ALOS, Obtained via Special Request to MHCC, Sandy Biddinger 12.11.20
Assumes value remains constant for all Project Years
- 16** $\text{Step 11} / \text{Step 15}$
- 17** 3-year average, 2017-2019, Obtained via Special Request to MHCC, Sandy Biddinger 12.11.20
- 18** $\text{Step 17} * \text{Step 16}$
- 19** $\text{Step 16} - \text{Step 18}$

Hillhaven Forecast Patient Origin

Step 1 Determine Hillhaven Total Annual Residents, 2023-2027

Hillhaven Projected Total Annual Residents

Notes		2023	2024	2025	2026	2027
a	Total Patient Days	22,417	27,176	27,375	27,375	27,375
b	ALOS	58	58	58	58	58
c	Total Annual Residents	387	469	472	472	472

Sources and Notes:

- a CON Table F, Statistical Projections, Entire Facility, Row 2g
- b CON Table F, Statistical Projections, Entire Facility, Row 3g
- c a / b

Step 2 Determine Hillhaven Patient Origin by County, 2020

Hillhaven Historical Patient Origin by County Current Residents, December 2020

County	No.	%
Prince George's	28	56.0%
Montgomery	17	34.0%
District of Columbia	2	4.0%
Howard	2	4.0%
Charles	1	2.0%
Total Residents	50	100.0%

Source: Hillhaven Internal Data

Step 3 Calculate Hillhaven Projected Patient Origin by County, 2023-2027

Hillhaven Projected Residents by County First Three Project Years

County	2023	2024	2025	2026	2027
Prince George's	216	262	264	264	264
Montgomery	131	159	160	160	160
District of Columbia	15	19	19	19	19
Howard	15	19	19	19	19
Charles	8	9	9	9	9
Total Residents	387	469	472	472	472

Sources and Notes:

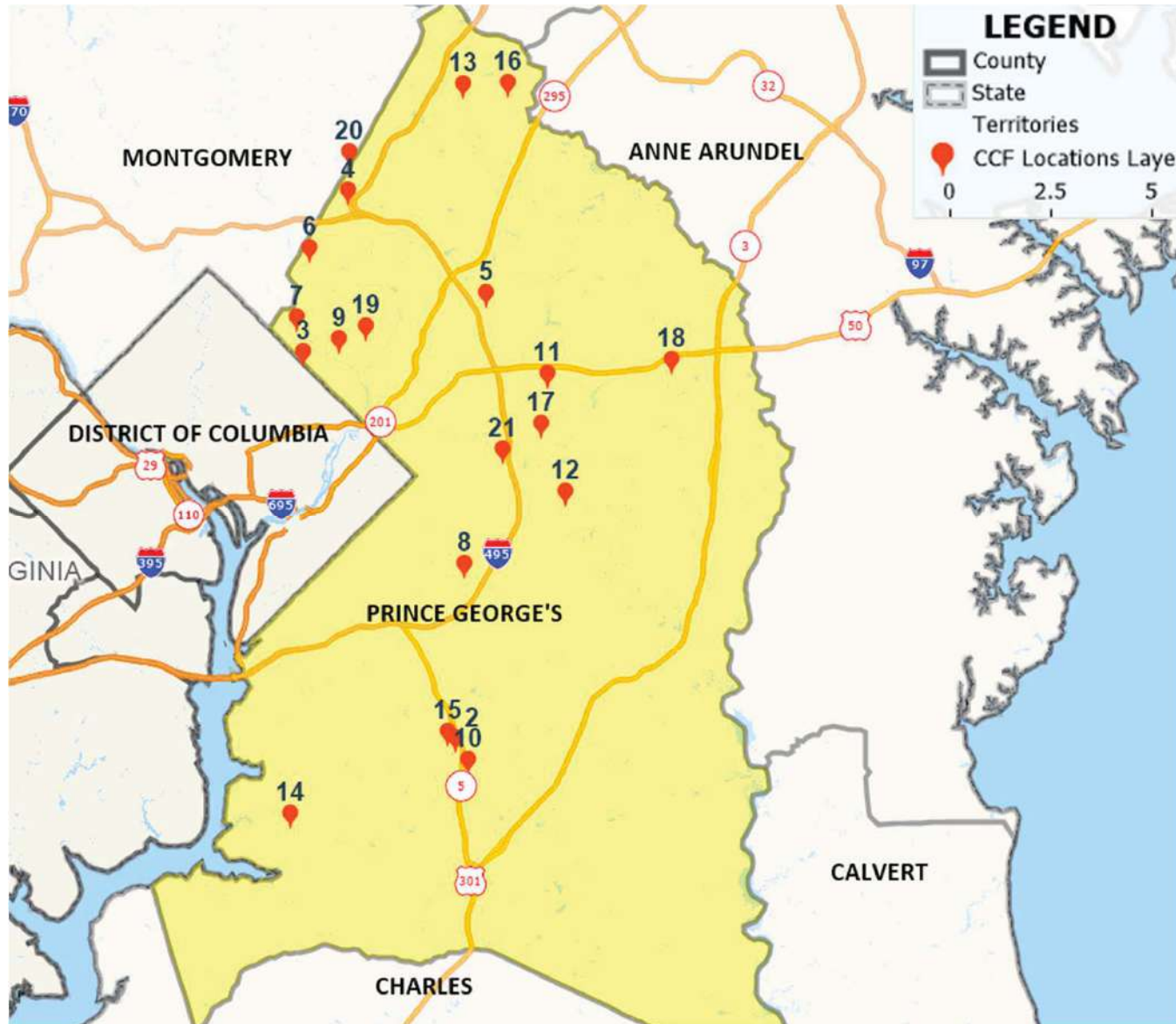
Total Annual Residents by Year, Step 1 x Percent Distribution by County, Step 2

Assumptions:

Hillhaven percent distribution of patient origin will remain constant through 2027. Hillhaven's project will increase total bed count within the county by 0.5 percent. Hillhaven is an established provider within the community. It's referral sources and market penetration will not change with the small increase of beds relative to total capacity. It is therefore reasonable to assume that patient patterns will remain constant.

Exhibit 17

Map of All Prince George's Comprehensive Care Facilities



- KEY**
1. Clinton Healthcare Center
 2. Wye Oak Healthcare of Hyattsville
 3. Hillhaven Assisted Living Nursing & Rehabilitation
 4. Doctors Community Rehabilitation and Patient Care Center
 5. Heartland Health Care Center - Adelphi
 6. Manor Care Health Services- Hyattsville
 7. Forestville Health & Rehabilitation Center
 8. Sacred Heart Home, Inc.
 9. Genesis Bradford Oaks Center
 10. Villa Rosa Nursing Home
 11. Manor Care Health Services - Largo
 12. Patuxent River Health and Rehabilitation Center
 13. Fort Washington Health Center
 14. FutureCare-Pineview
 15. Autumn Lake Health Care at Cherry Lane
 16. Collington Episcopal Life Care Community
 17. Genesis Larkin Chase Nursing and Restorative Center
 18. Crescent Cities Center
 19. Riderwood Village
 20. FutureCare at Capital Region

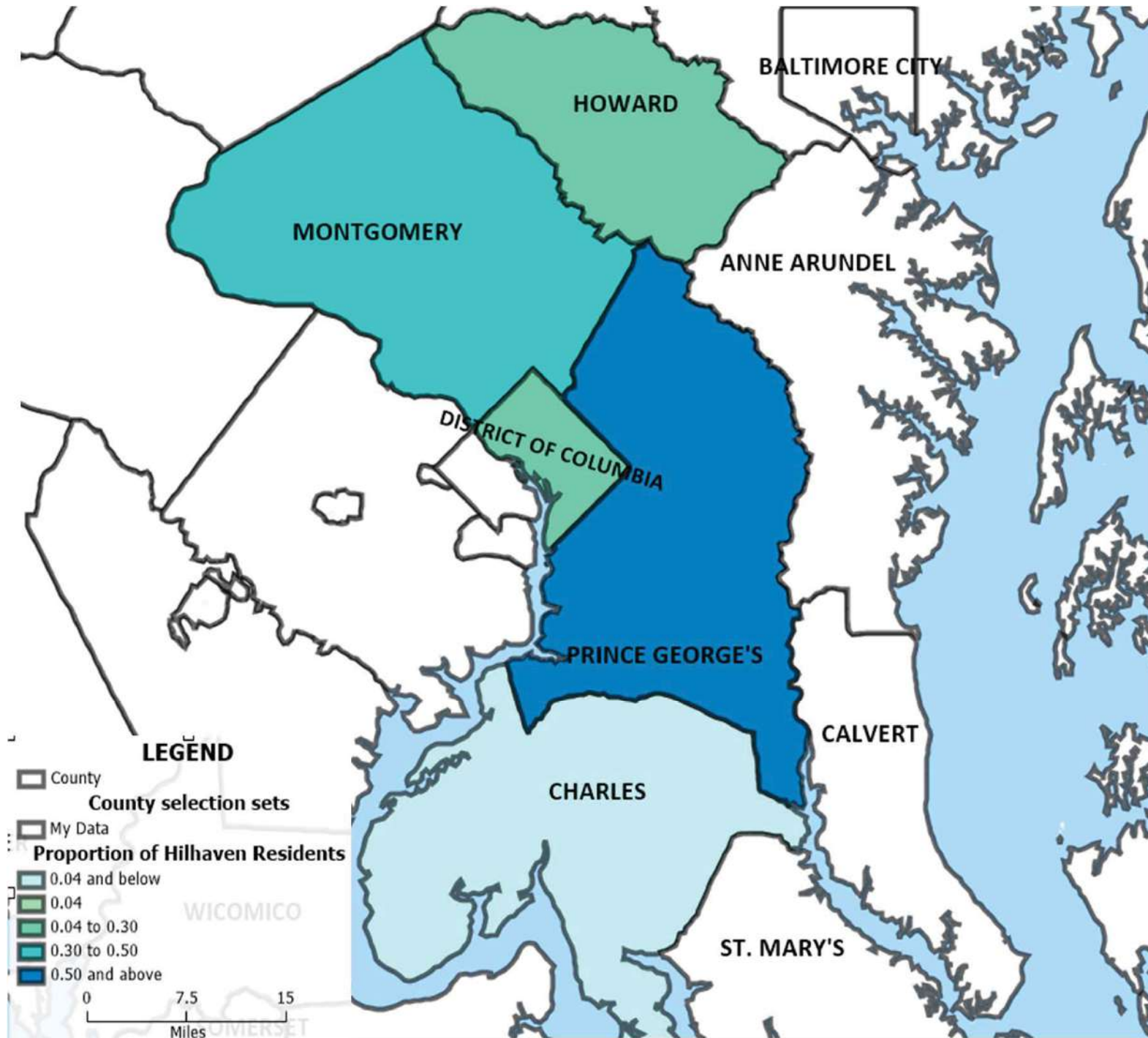
Data source: 2018 Maryland Long-Term Care Survey

Average Annual CCF Occupancy Rates (%), Prince George's and Surrounding Counties, 2018



Data Source: MHHC, Average Annual Bed Occupancy Rate and Average Annual Number of Licensed Nursing Home Beds by Jurisdiction and Region: Maryland, FY 2016-2018

Hillhaven Resident Counties of Origin, 2020



Data source: Hillhaven Internal Data

Exhibit 18

Data Sources

MH Adelphi Operating, LLC dba Hillhaven Nursing and Rehabilitation Center New Addition with 16 New Comprehensive Care Beds

Population Data:

Maryland Health Care Commission, Long Term Care Facility Resident Assessment Instrument, Minimum Data Set, 2019; Table 1.7, "Total Population by Jurisdiction and Age Group: Maryland, 2015-2019 and Projected Years 2022 and 2023"

Also listed as "MHCC Comprehensive Care Routine Reports 7.6.2020, Table 1.0-Table 1.12"

https://mhcc.maryland.gov/mhcc/pages/hcfs/hcfs_ltc/documents/Routine%20Reports%20All%20Tables%207_6_2020.pdf

Maryland Public Use Data:

Maryland Health Care Commission, Long Term Care Facility Resident Assessment Instrument, Minimum Data Set, 2019;

Also listed as "MHCC Comprehensive Care Routine Reports 7.6.2020, Table 1.0-Table 1.12"

https://mhcc.maryland.gov/mhcc/pages/hcfs/hcfs_ltc/documents/Routine%20Reports%20All%20Tables%207_6_2020.pdf

MHCC Long-Term Care Survey Data, 2016, 2017, 2018;

https://mhcc.maryland.gov/public_use_files/index.aspx

Comprehensive Care Bed Need Projections; State of Maryland Register; Volume 16, Issue 20, Friday September 27, 2019

MHCC Average Annual Bed Occupancy Rate and Average Annual Number of Licensed Nursing Home Beds by jurisdiction and Region: Maryland, Fiscal Years 2016-2018

https://mhcc.maryland.gov/mhcc/pages/hcfs/hcfs_ltc/documents/chcf_ltc_occupancy_2016-2018.pdf

MHCC State Health Plan for Facilities and Services: Comprehensive Care Facility Services, COMAR 10.24.20, Final Regulation, Effective 7.15.19

Maryland Health Care Commission Special Request Data:

Prince George's County Patient Origin Data by Patient Days and Admissions, 2017, 2018, 2019; produced by Sandy Biddinger, Assistant Chief, Database and Application Development; received 12.14.2020

Prince George's County Net Migration by County in Patient Days, 2017, 2018, 2019; produced by Sandy Biddinger, Assistant Chief, Database and Application Development; received 12.11.2020

Hillhaven Internal Data:

Patient Origin Data by County, December 2020; received 12.15.2020

Operating Data produced by Meridian Senior Living for Hillhaven; 2018-2019

Mapping

Google Maps

Maptitude, Caliper Corporation Mapping Software

CMS Data

CMS Nursing Home Provider Information, August 2019-November 2020;

<https://www.medicare.gov/care-compare/details/nursing-home/215212?id=ae3adc11-ff14-409b-908d-772fa2266f5b&city=Adelphi&state=MD>

<https://data.cms.gov/provider-data/dataset/4pq5-n9py>

Academic Journals

Johansson, K., Borell, L., & Rosenberg, L. (2020). Qualities of the environment that support a sense of home and belonging in nursing homes for older people. *Ageing and Society*, 1-22.
doi:10.1017/S0144686X20000896

Exhibit 19

Segregated Cost Form

For Subscribers Using the Marshall & Swift® Valuation Segregated Cost Method



1. Subscriber Making Survey Forrester Construction Date of Survey 12/18/20 Name of Building Hillhaven Senior Living
 2. Located at 3210 Powder Mill Rd, Adelphi, MD Owner Medpro

3. Occupancy	Section I:		Section II:		Section III:	
4. Building Class and Quality	Cls: <u>1</u>	Qual:	Cls:	Qual:	Cls:	Qual:
5. Number of Stories and Height per Story	No: <u>1</u>	Ht:	No:	Ht:	No:	Ht:
6. Age and Condition	Age: <u>0</u>	Cond:	Age:	Cond:	Age:	Cond:

7. Region ☐ Western ☐ Central ☒ Eastern
 8. Climate ☐ Mild ☒ Moderate ☐ Extreme

Cost Range Rating Numbers

Low: No. 1 **Average: No. 2** Above Average: No. 3 High: No. 4

FLOOR AREA COSTS

	No.	Section I	No.	Section II	No.	Section III
9. Excavation	1	\$35.85				
10. Foundation	2	\$9.89				
11. Frame	3	\$21.01				
12. Floor Structure	4	\$5.50				
13. Floor Cover	5	\$5.65				
14. Ceiling	6	\$4.30				
15. Interior Construction	7	\$62.05				
16. Plumbing	8	\$20.33				
17. Sprinklers	9	\$4.30				
18. Heating, Cooling, Ventilating	10	\$22.26				
19. Electrical	11	\$24.13				
20. Total Floor Area Unit Costs; Move to Line 27	12	\$215.27				

WALL COSTS

21. Exterior Walls (Move to Line 28)	13	\$6.39				
22. Wall Ornamentation (Move to Line 29)	14	\$36.84				

ROOF COSTS

23. Roof Structure	15	\$10.64				
24. Roof Cover	16	\$6.54				
25. Trusses	17	Included in Line 23				
26. Total Roof Unit Costs; Move to Line 30	18	\$17.18				

FINAL CALCULATIONS

	From Line	Section I Unit Cost x Area = Total Cost	Section II Unit Cost x Area = Total Cost	Section III Unit Cost x Area = Total Cost
27. Floor Area Costs	20	215.27 x 17700 =	x =	x =
28. Exterior Walls	21	6.39 x 17700 =	x =	x =
29. Wall Ornamentation	22	36.84 x 17700 =	x =	x =
30. Roof	26	17.18 x 17700 =	x =	x =
31. Section Subtotals		275.68 x 17700=4,879,536		
32. Number of Stories Multiplier	x 1		x	x
33. Section Totals		\$4,879,536		
34. Architects' Fees (Section 99, Page 2)	1.07			
35. Current Cost Multiplier (Section 99, Page 3)	1.03			
36. Local Multiplier (Section 99, Pages 5 through 10)	1.045			
37. Final Multiplier (Line 34 x Line 35 x Line 36)	1.145			
38. Line 37 x Line 33		\$5,587,069		
39. Lump Sums (Line 45)		\$150,960		
40. Replacement Cost (Line 38 + Line 39)		\$5,738,029		
41. Depreciation % (Section 97)	7.5%			
42. Depreciation Amount (Line 41 x Line 40)		\$5,307,677		
43. Depreciated Cost (Line 40 - Line 42)		\$430,352		

TOTAL OF ALL SECTIONS

44. Replacement Cost \$5,738,029 Depreciated Cost \$5,307,677 Insurable Value _____

CALCULATIONS

LUMP SUM (ELEVATORS, STOREFRONTS, ETC.)

Windows: \$150,960	
45. Total Lump Sum Cost. Move to Line 39	\$150,960

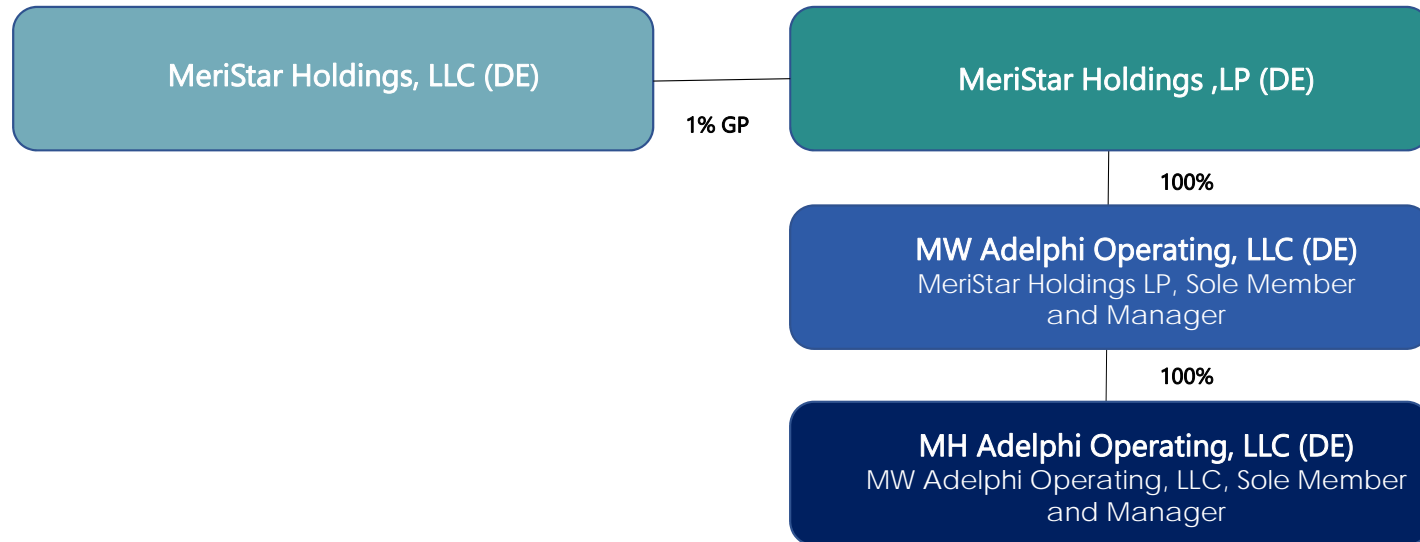
INSURANCE EXCLUSIONS (SECTION 96)	Section I	Section II	Section III
46. Replacement or Depreciated Cost (Line 40 or 43)	\$5,738,029		
47. Demolition, Debris Removal %	0%		
48. Added amount (Line 47 x Line 46)	\$5,738,029		
49. Basement Excavation	0%		
50. Foundation Below Ground	2.14%		
51. Piping Below Ground	2.13%		
52. Architects' Plans and Specifications	7.50%		
53. Total % of exclusions (Lines 49 through 52)	11.77%		
54. Excluded Amount (Line 53 x Line 46)	\$699,287		
55. Insurable Value (Line 46 + Line 48 - Line 54)	\$5,038,742		

NOTES



Exhibit 20

Hillhaven Nursing and Rehabilitation Center
Operating Company Organizational Chart



Lease Summary
Hillhaven Nursing and Rehabilitation Center

Lessor:	MH Adelphi Holdings LLC, a Delaware limited liability company MH Adelphi TIC II Owner LLC, a Delaware limited liability company MH Adelphi TIC III Owner LLC, a Delaware limited liability company
Lessee:	MH Adelphi Operating, LLC, a Delaware limited liability company
Lease Property:	3210 Powder Mill Rd., 3200 Powder Mill Rd., 3206 Powder Mill Rd., 3214 Powder Rd., 3200 Powder Rd. Each located in Adelphi, Prince Georges County, Maryland All buildings, structures and other improvements of every kind; all easements, rights, appurtenances relating to the land and improvements. All furniture, fixtures, equipment, inventory, furniture, nursing equipment required to operate an assisted living and skilled nursing facility.
Term:	Lease expires December 31, 2023
Base Rent:	Payable on the first day of each calendar month. An amount equal to the product of (i) Lessor's annual principal and interest payments with respect to the Loan (Calculated using the loan amount then outstanding nor including amortization, a 6.5% interest rate and 25 year amortization schedule) times the schedule attached, plus insurance premiums, deposits for replacement reserves, and property taxes.
Additional Rent:	Any additional expenses plus any Net Cash Flow of the Lessee. Net Cash Flow is revenues less operating expenses, financing costs or interest expense, and base rent multiplied by 90%.

Multiplier Schedule		
Month		Mutiplier
1 to 12		1.3
13 to 24		1.4
25 to 36		1.45
37 to 48		1.5
49 to 60		1.55
62 to 72		1.6

Financial Covenants:

1. Limitation of Distributions: During the Term, Lessee shall not make distributions other than distributions to pay taxes.
2. Accounts Receivable Financing: Except as approved by Lessor, Lessor shall not pledge or encumber any of the accounts receivable generated through the operation of the facility.
3. Guarantees Prohibited
4. Borrowing Prohibited
5. Equipment Financing: Not to exceed more than \$5,000 per year

Insurance:

PL/GL: not less than \$1 million per claim, \$3 million aggregate
Tail coverage of not less than 3 years.

Events of Default:

1. Failure of Lessee to make rent payments
2. Failure to pay any amounts due
3. Lessee is liquidated or dissolved
4. Lessee Bankruptcy
5. Failure to operate the property
6. Sale or transfer of any or all certificate of need
7. If 10% or more of the residents are removed by a regulatory body
8. Failure to notice Lessor of any notice from a government agency within 5 days
9. Failure to cure or abate any violation of law, due ordinance, rule or regulation
10. Action to revoke a license, decertify the facility for Medicare or Medicaid or an issuance of a stop placement order
11. If the Management Agreement is terminated or amended without approval of Lessor; and
12. If Lessee or Manager are debarred from participation in any Federal health care program.

LEASE AGREEMENT

Between

**MH ADELPHI HOLDINGS, LLC
MH ADELPHI TIC II OWNER LLC
and
MH ADELPHI TIC III, LLC**

as Lessor

and

MH ADELPHI OPERATING, LLC

as Lessee

December 28, 2020

LEASE AGREEMENT AMENDMENT

This LEASE AGREEMENT AMENDMENT (this “**Lease**”) is entered into as of December 28, 2020 (the “**Execution Date**”), by and between **MH ADELPHI HOLDINGS, LLC**, a Delaware limited liability company, **MH ADELPHI TIC II OWNER LLC**, a Delaware limited liability company and **MH ADELPHI TIC III OWNER LLC**, a Delaware limited liability company (collectively, “**Lessor**”), and **MH ADELPHI OPERATING, LLC** (“**Lessee**”), provides as follows.

RECITALS

WHEREAS, Lessor and Lessee are parties to the Lease Agreement entered into as of the Effective Date, pursuant to which Lessee leases the Leased Property from Lessor; and

WHEREAS, Lessor and Lessee desire to amend the Lease Agreement as set forth in this Lease Agreement Amendment.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants, conditions and agreements set forth in this Lessee and Lessor agree as follows:

1. Defined Terms. For all purposes of this Lease, except as otherwise expressly provided or unless the context otherwise requires, terms not otherwise defined in this Lease Agreement Amendment have the meanings assigned to them in the Lease Agreement and are capitalized are defined terms. When used in this Lease Agreement Amendment, defined terms shall have the meaning set forth in Article II of the Lease Agreement.

2. Amendments to the Lease Agreement.

2.1. Term. Lessee and Lessor agree the term of the lease shall be amended to end December 31, 2027.

2.2. Schedule 3.1(a). Lessee and Lessor agree that the table in Schedule 3.1(a) shall be amended to add an additional line as follows: “Thereafter 1.6.”

3. Specific Provisions.

3.1. Time of the Essence. Time is of the essence, and whenever action must be taken (including the giving of notice or the delivery of documents) hereunder during a certain period of time or by a particular date that ends or occurs on a Saturday, Sunday or federal holiday, then such period or date shall be extended until the immediately following Business Day.

3.2. Severability. If any part of the Lease Agreement and Lease Agreement Amendment shall be determined to be invalid or unenforceable, the remainder shall nevertheless continue in full force and effect.

3.3. General Terms. This Lease Agreement Amendment (a) contains the entire agreement of the parties as to the subject matter hereof and supersedes all prior written or oral agreements or understandings and contemporaneous oral agreements or understandings, (b) may be executed in several counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same document, (c) may only be amended by a writing executed by all of the parties, and (d) shall inure to the benefit of and be binding upon the successors and permitted assigns of the parties.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, this Lease Agreement Amendment has been executed by Landlord and Tenant as of the Execution Date.

LESSEE:

MH ADELPHI OPERATING, LLC,
each a Delaware limited liability company



By: _____

Name: Timothy P. O'Brien

Title: Authorized Officer

[LESSOR SIGNATURES FOLLOW]

LESSOR:
MH ADELPHI HOLDINGS, LLC,
MH ADELPHI TIC II OWNER, LLC,
MH ADELPHI TIC III OWNER, LLC,

each a Delaware limited liability company



By: _____

Name: Timothy P. O'Brien

Title: Authorized Representative

