

APPLICATION FOR A CERTIFICATE OF NEED

To Establish a New Nursing Home – Based Home Health Agency

Submitted By

CareNet Health Systems and Services, Inc. dba Lorien Health Systems Mt. Airy

For Review by the

MARYLAND HEALTH CARE COMMISSION

May 9, 2022

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INTRODUCTION



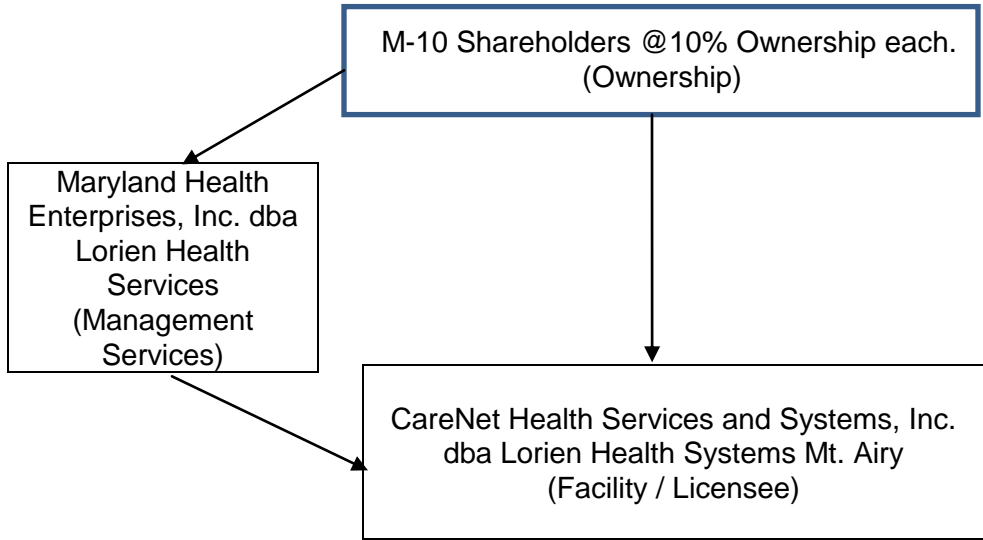
Lorien Health Systems Mt. Airy (“Lorien Mt. Airy”) was the first of Lorien’s innovative “combined model” of a separately licensed Nursing Home and an Assisted Living facility under the same roof. The Lorien Mt. Airy community opened in 2000 on an ideal site adjacent to Mt. Airy’s Wildwood community park, the Carroll County Senior Citizen’s Center, and the Carroll County Public Library. Our facility is also surrounded by an independent residential community of cottages designed for senior living in the heart of old town Mt. Airy.

Because it is a combined model, Lorien Mt. Airy is able to offer an onsite continuum of care that combines the availability of Skilled Nursing Care, including Post-acute Respiratory Care and Tracheotomy Care, Rehabilitation Services with a full range of therapies, Long Term Care, Respite Care, and all levels of Assisted Living under a single roof. Approval of Lorien Mt. Airy’s proposal to establish home health agency services will enhance this onsite continuum of care and will improve continuity of care by allowing us to also follow our discharged residents and provide them with reliable, quality follow - up care after they are discharged back into community residential settings.

In this regard, Lorien’s discharged residents will continue to be cared for by the Lorien Team with whom they have established relationships of trust and familiarity rather than being “handed off” to new and unfamiliar home health personnel.

In addition, Lorien Mt. Airy will also be able to provide home health care services to individuals discharged from its Carroll County “combined model” sister facility, Lorien Taneytown, as well as to all residents of Carroll County in need of these services. In this regard, it should be noted that both of Lorien’s Carroll County “combined model” facilities score high on MHCC’s Family Ratings systems with Lorien Mt. Airy recording a 100% Satisfaction Rating and a 9.5 out of 10 Overall Care Rating; and Lorien Taneytown recording a 100% Satisfaction Rating and a 9.1 out of 10 Overall Care Rating.

(see: <https://healthcarequality.mhcc.maryland.gov/NursingHome/List?searchBy=name>)



3. FACILITY

Name of HHA provider: CareNet Health Services and Systems, Inc.
dba Lorien Health Systems Mt. Airy

Address:

705 Midway Avenue, Mt. Airy 21771 Carroll

Street	City	Z	County
		i	
		p	

Name of Owner (if differs from applicant):
Same

4. NAME OF LICENSEE OR PROPOSED LICENSEE, if different from the applicant:

Same

B. Additional or alternate contact:

Name and Title: Louis G. Grimmel, Sr., CEO, Lorien Health Services

Mailing Address:

Maryland Health Enterprises, Inc.
3300 N. Ridge Road – Suite 390 Ellicott City, MD 21043

Street	City	Zip	State
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Telephone: 410 -750 -7500

E-mail Address (required): lgrimmel@lorienhealth.com

Fax: Fax: 410 – 750 – 7902

B. Additional or alternate contact:

Name and Title: Andrew L. Solberg

Company Name: A.L.S. Healthcare Consultant Services,
Mailing Address:

3601 Greenway, #710 Baltimore, MD 21218
Street

Telephone: 443-453-9553

E-mail Address (required): asolberg@earthlink.net

Fax: n/a

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

Mr.Solberg is the Applicant's Health Care Planner and strategic health care consultant.

7. Proposed Agency Type:

- a. Health Department
 - b. Hospital-Based
 - c. Nursing Home-Based
 - d. Continuing Care Retirement Community-Based
 - e. HMO-Based
 - f. Freestanding
 - g. Other
- (Please Specify.) _____

8. Agency Services (Please check all applicable.)

Service	Currently Provided (No HH Services are currently provided since a new agency is proposed)	Proposed to be Provided in the Jurisdiction(s) that are the subject of this Application* (CARROLL COUNTY)
Skilled Nursing Services		✓
Home Health Aide		✓
Occupational Therapy		✓
Speech, Language Therapy		✓
Physical Therapy		✓
Medical Social Services		✓

* If proposing different services in different jurisdictions, note that accordingly.

9. Offices

Identify the address of all existing main office, subunit office, and branch office locations and identify the location (city and county) of all proposed main office, subunit office, and branch offices, as applicable. (Add rows as needed.)

	Street	City	County	State	Zip Code	Telephone
Existing Main Office	N/A					
Existing Subunit Offices	N/A					
Existing Branch Offices	N/A					
Locations of Proposed HHA Main Office	Lorien Mt. Airy, 705 Midway Ave,	Mt. Airy	Carroll	MD	21771	(301) 829-6050
Locations of Proposed HHA Subunit Office						
Locations of Proposed Branch Office						

10. Project Implementation Target Dates

- A. Licensure: within 12 months from CON approval date.
- B. Medicare Certification: within 12 months from CON approval date.

NOTE: in completing this question, please note that Commission regulations at COMAR 10.24.01.12 state that “home health agencies have up to 18 months from the date of the certificate of need to: (i) become licensed and Medicare certified; and (ii) begin operations in the jurisdiction for which the certificate of need was granted.”

11. Project Description:

Provide a summary description of the project immediately below. At minimum, include the jurisdictions to be served and all of the types of home health agency services to be established, expanded, or otherwise affected if the project receives approval.

This Application seeks CON approval to establish a new Home Health Agency as a department of the existing CareNet Health Services and Systems, Inc. dba Lorien Health Systems Mt. Airy (“Lorien Mt. Airy”). The proposed Home Health project will serve residents of Carroll County, Maryland and will focus on serving its Carroll County facility residents at the Lorien Mt. Airy and Taneytown locations who are being discharged back into the community and / or the Assisted Living setting, and who are in need of home health services. The project also anticipates serving other general Carroll County residents in need of home health care. (See *also* Introduction at p. 5)

The following home health services will be provided:

Skilled Nursing Services

Home Health Aide

Occupational Therapy

Speech, Language Therapy

Physical Therapy

Medical Social Services

**PART II - CONSISTENCY WITH REVIEW CRITERIA AT COMAR
10.24.01.08G(3):**

INSTRUCTION: Each applicant must respond to all applicable criteria included in COMAR 10.24.01.08G. These criteria follow, 10.24.01.08G(3)(a) through 10.24.01.08G(3)(f).

10.24.01.08G(3)(a). “The State Health Plan” Review Criterion

An application for a Certificate of Need shall be evaluated according to all relevant State Health Plan standards, policies, and criteria. (Note: In this case it is the standards at COMAR 10.24.16.08 – and in the case of comparative reviews, at COMAR 10.24.16.09.)

10.24.16.08 Certificate of Need Review Standards for Home Health Agency Services.

The Commission shall use the following standards, as applicable, to review an application for a Certificate of Need to establish a new home health agency in Maryland or expand the services of an existing Maryland home health agency to one or more additional jurisdictions.

The following standards must be addressed by all home health agency CON applicants, as applicable. Provide a direct, concise response explaining the proposed project's consistency with each standard. In cases where standards require specific documentation, please include the documentation as a part of the application.

10.24.16.08A. Service Area.

An applicant shall:

- (1) Designate the jurisdiction or jurisdictions in which it proposes to provide home health agency services; and*
- (2) Provide an overall description of the configuration of the parent home health agency and its interrelationships, including the designation and location of its main office, each subunit, and each branch, as defined in this Chapter, or other major administrative offices recognized by Medicare.*

RESPONSE: (1) Jurisdiction: Lorien Mt. Airy proposes to provide home health services in Carroll County. (2) Configuration: The proposed home health agency will be a department of the existing Lorien Mt. Airy, and its administrative (main) office will be located within the nursing home. (An organizational chart is provided at Part I, p.8 above).

10.24.16.08B. Populations and Services.

An applicant shall describe the population to be served and the specific services it will provide.

RESPONSE: (1) Population to be served: Lorien Mt. Airy intends to provide home health services to the former residents of its Carroll County nursing facilities who need home health services after their discharge from the Lorien Mt. Airy and Lorien Taneytown nursing facilities to their home / community settings. In addition, home health services will be provided to residents of Lorien's Assisted Living Facilities in Mt. Airy and Taneytown who are in need of home health services. It also is anticipated that services will also be provided to residents of the general community. (2) Specific Services to be Provided: As stated at Item 8 of the CON Formset, the following services will be provided - Skilled Nursing, Home Health Aide, Occupational Therapy, Speech, Language Therapy, Physical Therapy, and Medical Social Services.

As Tables 1 and 2 below show, while the total population of Carroll County has only increased by less than 1% between 2010 and 2020, the population age 65+ has increased by 46.9%. It is projected to grow by another 52.7% by 2030.

**Table 1
Population by Age Cohort
Carroll County
2010-2030**

	0-19	20-64	65+	Total
2010	33,064	112,261	21,809	167,134
2015	29,457	110,735	27,359	167,551
2020	27,667	108,482	32,036	168,185
2025	27,227	103,478	40,991	171,696
2030	28,520	96,698	48,934	174,152

**Table 2
Percent Change
Population by Age Cohort
Carroll County
2010-2030**

	0-19	20-64	65+	Total
2010-2015	-10.9%	-1.4%	25.4%	0.2%
2015-2020	-6.1%	-2.0%	17.1%	0.4%
2010-2020	-16.3%	-3.4%	46.9%	0.6%
2020-2025	-1.6%	-4.6%	28.0%	2.1%
2025-2030	4.7%	-6.6%	19.4%	1.4%
2020-2030	3.1%	-10.9%	52.7%	3.5%

* * * * *

10.24.16.08C. Financial Accessibility.

An applicant shall be or agree to become licensed and Medicare - and Medicaid - certified, and agree to maintain Medicare and Medicaid certification and to accept clients whose expected primary source of payment is either or both of these programs.

RESPONSE: The Applicant, Lorien Mt. Airy, is an existing, duly licensed 62 – bed Comprehensive Care Facility (Nursing Home) and holds License No. 06021. It maintains enrollment in both the Medicare Program under Provider No. 215335 and the Medicaid Program under Provider No. 21537000. It agrees that its home health agency (department) will also be licensed and enrolled in the Medicare and Medicaid programs. It also agrees that it will accept clients whose primary source of payment is either or both of these programs. A copy of Lorien Mt. Airy’s NH license is shown on the following page.

The Applicant is not a current Home Health Agency and therefore has not provided home health services to Medicare or Medicaid recipients. However, as an existing Nursing Home enrolled in both these programs, Lorien Mt. Airy has served substantial numbers of these enrollees. As documented by the February 24, 2022 letter from accountant Michael J. Snarski, CPA at Exhibit 6, the facility serves many such program enrollees. See *a/so* Table 4 at p. 61 for the proposed HHA’s projected payer mix showing expected Medicare and Medicaid utilization.



**MARYLAND DEPARTMENT OF HEALTH
OFFICE OF HEALTH CARE QUALITY**
SPRING GROVE CENTER
BLAND BRYANT BUILDING
55 WADE AVENUE
CATONSVILLE, MARYLAND 21228

License No. 06021

Issued to: Lorien Health Systems Mt Airy
705 Midway Avenue
Mount Airy, MD 21771

Type of Facility and Number of Beds:
Comprehensive Care Facility - 62 Beds

Date Issued: July 1, 2018

This license has been granted to: Carenet Health Systems and Services, Inc

Authority to operate in this State is granted to the above entity pursuant to The Health-General Article, Title 19 Section 318, Annotated Code of Maryland, 1982 Edition, and subsequent supplements and is subject to any and all statutory provisions, including all applicable rules and regulations promulgated there under. This document is not transferable.

Expiration Date: NON - EXPIRING

Patricia Tomsko May, MD

Director

Falsification of a license shall subject the perpetrator to criminal prosecution and the imposition of civil fines.

10.24.16.08D. Fees and Time Payment Plan.

An applicant shall make its fees known to prospective clients and their families at time of patient assessment before services are provided and shall:

- (1) Describe its special time payment plans for an individual who is unable to make full payment at the time services are rendered; and*
- (2) Submit to the Commission and to each client a written copy of its policy detailing time payment options and mechanisms for clients to arrange for time payment.*

RESPONSE: Lorien Mt. Airy will make its fee schedule known to its prospective clients and their families at the time of patient assessments and prior to providing any services. Its fees are currently projected to be as follows:

Skilled Nursing	\$ 225
Physical Therapy	\$ 200
OT	\$ 200
Speech Therapy	\$ 200
Medical Social Worker	\$ 400
Home Health Aide	\$ 175

In addition, Lorien Mt. Airy will offer and describe a Time Payment Plan to clients who are unable to make full payment within a specific amount of time. A copy of the Time Payment Plan is included at the bottom of p. 1 and top of p. 2 of the Lorien HHA Payment Policies which will be given to clients and is attached as Exhibit 1.

* * * * *

10.24.16.08 E. Charity Care and Sliding Fee Scale.

Each applicant for home health agency services shall have a written policy for the provision of charity care for indigent and uninsured patients to ensure access to home health agency services regardless of an individual's ability to pay and shall provide home health agency services on a charitable basis to qualified indigent and low income persons consistent with this policy. The policy shall include provisions for, at a minimum, the following:

- (1) Determination of Eligibility for Charity Care and Reduced Fees. Within two business days following a client's initial request for charity care services,*

application for medical assistance, or both, the home health agency shall make a determination of probable eligibility for medical assistance, charity care, and reduced fees, and communicate this probable eligibility determination to the client.

- (2) Notice of Charity Care and Sliding Fee Scale Policies. Public notice and information regarding the home health agency's charity care and sliding fee scale policies shall be disseminated, on an annual basis, through methods designed to best reach the population in the HHA's service area, and in a format understandable by the service area population. Notices regarding the HHA's charity care and sliding fee scale policies shall be posted in the business office of the HHA and on the HHA's website, if such a site is maintained. Prior to the provision of HHA services, a HHA shall address clients' or clients' families concerns with payment for HHA services, and provide individual notice regarding the HHA's charity care and sliding fee scale policies to the client and family.
- (3) Discounted Care Based on a Sliding Fee Scale and Time Payment Plan Policy. Each HHA's charity care policy shall include provisions for a sliding fee scale and time payment plans for low-income clients who do not qualify for full charity care, but are unable to bear the full cost of services.
- (4) Policy Provisions. An applicant proposing to establish a home health agency or expand home health agency services to a previously unauthorized jurisdiction shall make a commitment to, at a minimum, provide an amount of charity care equivalent to the average amount of charity care provided by home health agencies in the jurisdiction or multi-jurisdictional region it proposes to serve during the most recent year for which data is available. The applicant shall demonstrate that:
 - (a) Its track record in the provision of charity care services, if any, supports the credibility of its commitment; and
 - (b) It has a specific plan for achieving the level of charity care to which it is committed.

RESPONSE: Lorien Mt. Airy agrees that it will maintain and implement a written Payment Policy which complies with all the requirements of this standard including Charity Care and Discounted Care Based on a Sliding Fee Scale. A copy of its proposed "Lorien Home Health Agency Payment Policies" is attached as Exhibit 1, and includes policies

regarding the provision of discounted care based on a sliding fee scale and charity care to indigent and uninsured patients to ensure that members of this population have access to home health agency services regardless of their ability to pay. In this regard, Lorien has included its Charity Care allocation on the line item for Non – Billable client visits at Table 2B Statistical Projections. Further, at Table 4, Lorien has included a sum equal to ½ percent of both clients and gross patient service revenues for charity care (see Application, Part IV, Tables 2B and 4). This amount exceeds the 0.047% amount of charity care delivered to clients by existing home health agencies in Carroll County (source: MHCC public use data at hh_2019_jur_data.xlsx)

	q25a.Numberof CharityClients	q25b.Numberof CharityVisits	q25c.TotalDollar ValueCharity
Carroll Charity	2	4	\$ 328
	q24a9.TotalNu m Clients	q24b9.TotalNu m Visit	
Carroll Total	4,224	81,501	
%	0.047%	0.005%	

Lorien’s plan to meet this commitment includes budgeting for the charity care allowance, publicizing its availability both in-house and in public notices, and advising clients and families of its availability at the time of client assessments. The proposed Policy will comply with all of the Standard’s other provisions, including a process for determining eligibility for charity care, medical assistance and reduced fees within 2 business days, and public notice of their availability. (See Exhibit 1, pp. 1-3).

* * * * *

10.24.16.08 F. Financial Feasibility

An applicant shall submit financial projections for its proposed project that must be accompanied by a statement containing the assumptions used to develop projections for its operating revenues and costs. Each applicant must document that:

- (1) *Utilization projections are consistent with observed historic trends of HHAs in each jurisdiction for which the applicant seeks authority to provide home health agency services;*
- (2) *Projected revenue estimates are consistent with current or anticipated charge levels, rates of reimbursement, contractual adjustments and discounts, bad debt, and charity care provision, as experienced by the*

applicant if an existing HHA or, if a proposed new HHA, consistent with the recent experience of other Maryland HHAs serving each proposed jurisdiction; and

- (3) *Staffing and overall expense projections are consistent with utilization projections and are based on current expenditure levels and reasonably anticipated future staffing levels as experienced by the applicant if an existing HHA or, if a proposed new HHA, consistent with the recent experience of other Maryland HHAs serving the each proposed jurisdiction.*

RESPONSE: The required financial projections for Lorien Mt. Airy’s proposed project, along with a statement containing the assumptions used to develop projections for its operating revenues and costs is included in this Application at PART IV: HOME HEALTH AGENCY APPLICATION: CHARTS and TABLES SUPPLEMENT at pp. 57 - 69.

* * * * *

10.24.16.08G. Impact.

An applicant shall address the impact of its proposed home health agency service on each existing home health agency authorized to serve each jurisdiction or regional service area affected by the proposed project. This shall include impact on existing HHAs’ caseloads, staffing and payor mix.

RESPONSE: As discussed in under 10.24.01.08G(3)(b). The “Need” Review Criterion, Lorien anticipates serving 264 home health clients in its second year of operation. Of these, 204 (77%) are expected to derive from discharges from, and assisted living residents at the two Lorien facilities in Carroll County (Lorien Mt. Airy and Lorien Taneytown). Lorien’s need projections show a substantial additional need in Carroll County (to serve an additional 583 to 829 home health clients, 4,680 to 4,926 total clients by 2025).

The three predominant home health agencies serving Lorien facilities are Amedisys, Homecall, and Bayada. MHCC’s Public Use Data show that, in 2019, Amedisys had 382 home health clients in Carroll County (9.04% of the total 4,224 Carroll County clients age 15+), Bayada had 435 clients (10.3% of the total), and Homecall had 399 clients (9.4%). The 2019 data show that these three agencies are among the top five

providers in Carroll County and are not small struggling agencies. Those five agencies (HomeCare Maryland LLC, HomeCall Inc. d/b/a HomeCall, SpiriTrust Lutheran Home Care & Hospice, Bayada Home Health Care, and Amedisys Home Health) serve 81.6% of the Carroll County home care market. $(3,448/4,224 = 0.816)$.

The State Health Plan Home Health Section states (at page 10):

There is no standard measure for determining the minimum or maximum number of home health clients needed to support an HHA or to assure the ability to achieve high quality performance. There is great variation in the size of HHAs in Maryland, in terms of patient caseloads. For these reasons, this Chapter takes the approach of regulating HHA services by emphasizing the importance of providing consumers with meaningful choices for obtaining high quality services, in which one HHA or a small number of HHAs do not command overwhelming dominance. It sets a benchmark of sufficient consumer choice as the availability of at least three high performing agencies in each jurisdiction.

Since the additional need in 2025 is two to three times the number of clients Lorien anticipates serving, Lorien does not believe that these agencies will be adversely affected by Lorien's entering the marketplace. But it will increase the choice that residents of the county will have, in accordance with the State Health Plan's priority.

Nor will LHH have a negative impact on the ability of agencies in Carroll County to obtain staff. Lorien Health Services already operates a Residential Services Agency in the Baltimore area, and in the past several of its staff have resided in Carroll County without any apparent impact. Furthermore, Lorien operates two facilities in Carroll County at Mt. Airy and at Taneytown, and Lorien will use existing staff when possible.

The MHCC 2019 data show that 70.2% of the home health clients in Carroll County were Medicare recipients. The next largest payor was Commercial Insurance (25.2%). Because so many of Lorien's clients will come from its own facilities, Lorien anticipates that it will have a somewhat higher Medicare payor mix (77%) than the county as a whole and a somewhat smaller Blue Cross and other Commercial Insurance percentage (23.15%). While these do differ slightly from the county averages, they are not materially different, and the relatively small number of Lorien clients is not likely to have any impact on the payor mix of the other providers. The 7% larger percentage of Medicare clients only results in a difference of 18.5 clients. $(.07 \times 264 = 18.5)$.

* * * * *

10.24.16.08H. Financial Solvency.

An applicant shall document the availability of financial resources necessary to sustain the project. Documentation shall demonstrate an applicant's ability to comply with the capital reserve and other solvency requirements specified by CMS for a Medicare-certified home health agency.

RESPONSE: Lorien Mt. Airy does produce audited financial statements. Instead, as allowed, a letter from Michael Snarski, CPA attached as Exhibit 2, documents the availability of financial resources necessary to implement and sustain the project, and to comply with the capital reserve and other solvency requirements specified by CMS for a Medicare -certified home health agency.

* * * * *

10.24.16.08I. Linkages with Other Service Providers.

An applicant shall document its links with hospitals, nursing homes, continuing care retirement communities, hospice programs, assisted living providers, Adult Evaluation and Review Services, adult day care programs, the local Department of Social Services, and home delivered meal programs located within its proposed service area.

- (1) *A new home health agency shall provide this documentation when it requests first use approval.*
 - (2) *A Maryland home health agency already licensed and operating shall provide documentation of these linkages in its existing service area and document its work in forming such linkages before beginning operation in each new jurisdiction it is authorized to serve.*
-

RESPONSE: Lorien Mt. Airy's proposed Home Health Agency agrees to establish these required links with other programs and providers and will provide documentation thereof when it requests first use approval in accordance with the provisions of (1), above.

* * * * *

10.24.16.08J. Discharge Planning.

An applicant shall document that it has a formal discharge planning process including the ability to provide appropriate referrals to maintain continuity of care. It will identify all the valid reasons upon which it may discharge clients or transfer clients to another health care facility or program.

RESPONSE: Please see Exhibit 3 for LHH’s Discharge Planning Policy which complies with the above requirements.

* * * * *

10.24.16.08K. Data Collection and Submission.

An applicant shall demonstrate ongoing compliance or ability to comply with all applicable federal and State data collection and reporting requirements including, but not limited to, the Commission’s Home Health Agency Annual Survey, CMS’ Outcome and Assessment Information Set (OASIS), and CMS’ Home Health Consumer Assessment of Healthcare Providers (HCAHPS).

RESPONSE: Lorien Health Services (“LHS”) which provides management support services to all Lorien facilities, maintains a centralized Data Management Department which includes a full – time Director who is responsible for preparing and submitting a number of required reports for each Lorien Nursing facility, including Payroll Based Journal, Maryland Long Term Care Survey, and Maryland Nursing Home Family Experience of Care Survey, all of which are regularly submitted. If Lorien Mt. Airy’s Home Health Agency CON Application is approved, the Data Management Director will also assume responsibility for preparing and submitting all required Home Health Agency reports for Lorien Mt. Airy HHA including MHCC’s Home Health Agency Annual Survey and CMS’ Home Health Consumer Assessment of Healthcare Providers (HCAHPS).

Lorien Mt. Airy facility staff will prepare and submit CMS’ Outcome and Assessment Information Set (OASIS) and will be supported by the Director. Lorien commits to acquiring and utilizing any new software necessary to facilitate data collection and submission of all required HHA reports, including the OASIS – embedded Home Health Module of the PCC (Point Click Care) software program it currently uses in connection with its nursing home facility operations.

10.24.16.09 Certificate of Need Preference Rules in Comparative Reviews. Consistent with COMAR 10.24.01.09A(4)(b), the Commission shall use the following preferences, in the order listed, to limit the number of CON applications approved in a comparative review.

10.24.16.09A. Performance on Quality Measures.

Higher levels of performance will be given preference over lower levels of performance.

RESPONSE: At the Pre-Application Conference, MHCC Staff determined that this is not a Comparative Review. Therefore, this Rule is not applicable.

* * * * *

10.24.16.09B. Maintained or Improved Performance.

An applicant that demonstrates maintenance or improvement in its level of performance on the selected process and outcome measures during the most recent three-year reporting period will be given preference over an applicant that did not maintain or improve its performance.

RESPONSE: At the Pre-Application Conference, MHCC Staff determined that this is not a Comparative Review. Therefore, this Rule is not applicable.

* * * * *

10.24.16.09C. Proven Track Record in Serving all Payor Types, the Indigent and Low Income Persons.

An applicant that served a broader range of payor types and the indigent will be given preference over an applicant that served a narrower range of payor types and provided less service to the indigent and low income persons.

RESPONSE: At the Pre-Application Conference, MHCC Staff determined that this is not a Comparative Review. Therefore, this Rule is not applicable.

10.24.16.09D. Proven Track Record in Providing a Comprehensive Array of Services.

An applicant that provided a broader range of services will be given preference over an applicant that provided a narrower range of services.

RESPONSE: At the Pre-Application Conference, MHCC Staff determined that this is not a Comparative Review. Therefore, this Rule is not applicable.

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10.24.16.09E. These preferences will only be used in a comparative review of applications when it is determined that approval of all applications that fully comply with standards in Regulation .08 of this Chapter would exceed the permitted number of additional HHAs provided for in a jurisdiction or multi-jurisdictional region as provided in Regulation .10.

RESPONSE: At the Pre-Application Conference, MHCC Staff determined that this is not a Comparative Review. Therefore, the “Preference Rules” are not applicable.

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10.24.01.08G(3)(b). The “Need” Review Criterion

10.24.01.08G(3)(b). The “Need” Review Criterion

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.

Please discuss the need of the population served or to be served by the Project. Recognizing that the State Health Plan has identified need to establish an opportunity for review of CON applications in certain jurisdictions based on the determination that the identified jurisdiction(s) has insufficient consumer choice of HHAs, a highly concentrated HHA service market, or an insufficient choice of HHAs with high quality performance (COMAR 10.24.16.04), applicants are expected to provide a quantitative analysis that, at a minimum, describes the Project's expected service area; population size, characteristics, and projected growth; and, projected home health services utilization.

RESPONSE: The MHCC has found a need for additional high quality home care agencies in Carroll County and this finding is supported by Lorien’s own projections.

The population age 65+ has grown substantially over the last decade. As shown previously, while the total population of Carroll County has only increased by less than 1% between 2010 and 2020, the population age 65+ has increased by 46.9%. It is projected to grow by another 52.7% by 2030, as shown by Tables 1 and 2, below.

**Table 1
Population by Age Cohort
Carroll County
2010-2030**

	0-19	20-64	65+	Total
2010	33,064	112,261	21,809	167,134
2015	29,457	110,735	27,359	167,551
2020	27,667	108,482	32,036	168,185
2025	27,227	103,478	40,991	171,696
2030	28,520	96,698	48,934	174,152

**Table 2
Percent Change
Population by Age Cohort
Carroll County
2010-2030**

	0-19	20-64	65+	Total
2010-2015	-10.9%	-1.4%	25.4%	0.2%
2015-2020	-6.1%	-2.0%	17.1%	0.4%
2010-2020	-16.3%	-3.4%	46.9%	0.6%
2020-2025	-1.6%	-4.6%	28.0%	2.1%
2025-2030	4.7%	-6.6%	19.4%	1.4%
2020-2030	3.1%	10.9%	52.7%	3.5%

(Source: Maryland Department of Planning, 2020 Total Population Projections for Non-Hispanic White, Non-Hispanic Black, Non-Hispanic Other and Hispanic by Age and Gender, (12/03/2020) <https://planning.maryland.gov/MSDC/Documents/popproj/HHPop-Race-Age-Gender.xlsx>, Accessed 3/14/22)

In 2025 there will be a net need for between 583 and 829 additional clients (6,948 to 17,112 visits), depending on whether one uses the 2019 Carroll County use rates or the Maryland Statewide use rates. This is shown below in Table 3 below. Since the population in the age cohort under 65 years old is expected to decline, the need for home care in that population is also expected to decline. *However, the need among the 65 and older population is projected to increase substantially.*

**Table 3
Need Projections
Population by Age Cohort
Carroll County
2019-2025**

		Age15-64	Age65+	Total
Carroll County Use Rates	2019 Clients	970	3,127	4,097
	2019 Visits	16,107	63,876	79,983
	2019 Visits/Client	16.61	20.43	
	2019 Pop	108,482	32,036	140,518
	2019 Clients/Pop	0.009	0.098	0.03
	2025 Pop	103,478	40,991	144,469
	2025 Clients	925	4,001	4,926
	2025 Visits	15,364	81,731	97,095
Statewide Use Rates	2019 Pop	4,009,954	944,356	4,954,310
	2019 Clients	29,467	90,302	119,769
	2019 Clients/Pop	0.007	0.096	0.024
	2019 Visits	428,844	1,747,773	2,176,617
	2019 Visits/Client	14.55		

		19.35	18.17
	2025 Carroll County Pop	103,478	40,991
	2025 Carroll County Clients	760	3,920
	2025 Carroll County Visits	11,066	75,864
Net Need Summary	Net Need Based on Carroll County Use Rates		
	2019 Clients	970	3,127
	2025 Clients	925	4,001
	Net Need - Clients	(45)	874
	2019 Visits	16,107	63,876
	2025 Visits	15,364	81,731
	Net Need	(743)	17,855
	Net Need Based on Statewide Use Rates		
	2019 Clients	970	3,127
	2025 Clients	760	3,920
	Net Need - Clients	(210)	793
	2019 Visits	16,107	63,876
	2025 Visits	11,066	75,864
	Net Need	(5,041)	11,988

As shown in the statement of assumptions, LHH projects that it will serve 264 Home Health clients in the second year of operation. This will be comprised of its Lorien Mt. Airy and Lorien Taneytown facility sources plus clients residing in the general community.

As stated previously, the original impetus to add home health care services to Lorien Mt. Airy was to serve patients discharged from its own Nursing Home facilities in

Carroll County and residents of its Assisted Living facilities. Lorien believes that this will better integrate post discharge continuity of care and continuity for its assisted living residents.

In 2019, Lorien discharged 362 nursing home residents to home care from both Lorien Mt. Airy and Lorien Taneytown. While this declined during 2020 and 2021 because of the impact of the Covid pandemic, Lorien projects that it will increase and reach 288 residents by the second year of LHH's operation. LHH anticipates that half of these (144) will choose LHH in order to have continuity of care. In addition, 120 assisted living residents at both facilities used home care in the last year. Lorien anticipates that half of them (60) will choose LHH, as well.

Lorien anticipates that it will also receive 60 additional clients from the general community, resulting in the 264 home health clients Lorien projects in the second year of operations.

Given the substantial additional need in Carroll County (to serve an additional 583 to 829 home health clients with 4,680 to 4,926 total clients by 2025), Lorien is highly confident that it will achieve these projections and concurs with the MHCC's finding of need.

* * * * *

10.24.01.08G(3)(c). The "Availability of More Cost-Effective Alternatives" Review Criterion

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.

Please explain the characteristics of the Project which demonstrate why it is a less costly and/or a more effective alternative for meeting the needs identified than other types of projects or approaches that could be developed for meeting those same needs or most of the needs.

A clear statement of project objectives should be outlined. Alternative approaches to meeting these objectives should be fully described. The effectiveness of each alternative in meeting the project objectives should be evaluated and the cost of each alternative should be estimated.

For applications proposing to demonstrate superior patient care effectiveness, please describe the characteristics of the Project that will assure the quality of care to be provided. These may include, but are not limited to: meeting quality measures and performance benchmarks established by the Commission; meeting accreditation standards, personnel qualifications of caregivers, special relationships with public

agencies for patient care services affected by the Project, the development of community-based services or other characteristics the Commission should take into account.

RESPONSE: Lorien has experience with many home care agencies, given its ownership of eight Nursing and Rehabilitation facilities and six Assisted Living facilities in four counties. One of the ongoing concerns that Lorien has experienced through the years is the lack of coordination between home health care agencies and the facility that discharged them. For Lorien’s Assisted Living residents, Lorien believes that the home health staff and the assisted living staff should be collaborators on meeting the health needs of its assisted living residents. Lorien’s experience has shown Lorien that this is more difficult when the home care provider is organizationally separate from the assisted living provider and has no real incentive to take the time to collaborate with the assisted living staff. Lorien has also seen readmissions of its former nursing patients or of its assisted living residents who are receiving home health care services. Since it operates two senior communities in Carroll County, Lorien has a direct interest in the health of many Carroll County residents.

When the MHCC found need in Carroll County, Lorien Mt. Airy could have followed the status quo and simply not applied despite its long held interest in providing home health services. However, Lorien decided to try to address the historical concerns it has had about home care agencies with which it has dealt and file a CON application. *Lorien’s proposed home health agency will offer the MHCC the opportunity to determine whether closer collaboration between home health care staff and facility - based staff results in fewer readmissions, better quality of care, improved client outcomes.*

Home health agency reimbursement is generally set by the payer. Consequently, on a visit – by - visit basis, one agency is not less expensive than another agency. However, readmissions to hospitals or rehabilitation facilities are costly, and Lorien believes that the collaboration discussed previously will result in lower costs to the system.

* * * * *

10.24.01.08G(3)(d). The “Viability of the Proposal” Review Criterion.

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.

Please include in your response:

- a. Audited Financial Statements for the past two years.** In the absence of audited financial statements, provide documentation of the adequacy of financial resources to fund this project signed by a Certified Public Accountant who is not

directly employed by the applicant. The availability of each source of funds listed in Part IV, Table 1 B. Sources of Funds for Project, must be documented.

b. Existing home health agencies shall provide an analysis of the probable impact of the project on its costs and charges for the services it provides. Non-home health agency applicants should address the probable impact of the project on the costs and charges for core services they provide.

c. A discussion of the probable impact of the project on the cost and charges for similar services provided by other home health agencies in the area.

d. All applicants shall provide a detailed list of proposed patient charges for affected services.

e. A discussion of the staffing and workforce implications of this proposed project, including:

- **An assessment of the sources available for recruiting additional personnel;**
- **A description of your plans for recruitment and retention of personnel believed to be in short supply;**
- **A report on the average vacancy rate and turnover rates for affected positions in the last year.**
- **Completion of Table 5 in the *Charts and Tables Supplement (Part IV)*.**

RESPONSES: As to part a. above, the Applicant does not produce audited financial statements. A letter from Michael Snarski, CPA is attached at Exhibit 2 and documents the adequacy of financial resources to fund this project. Mr. Snarski is not directly employed by the applicant.

As to part b., the Applicant, Lorien Mt. Airy is not an existing HHA. Therefore, its proposed project will not have an impact on the costs and charges of any home health services it provides. As an existing Nursing Home, the proposed new HHA is not expected to have an adverse impact on the costs and charges of the core inpatient nursing and rehabilitation services that Lorien Mt. Airy provides since it will be serving its discharged former residents or county residents who will be seen in their residences and not as Lorien Mt. Airy's inpatients.

As to part c., Lorien Mt. Airy's proposed project is not expected to have a substantial negative impact on the cost and charges for similar services provided by other home health agencies in Carroll County since the MHCC has found a need for an additional, new home health agency in Carroll County and Lorien Mt. Airy is not projecting

so substantial a volume of cases that it would negatively impact existing home health agencies. This issue is discussed above in greater detail in response to 10.24.01.08G(3)(b), the “Need” Review Criterion, where it is stated that the Applicant projects serving 264 home health clients in the second year of operations while there is substantial additional need in Carroll County to serve an additional 583 to 829 home health clients and 4,680 to 4,926 total clients by 2025). Therefore, Lorien Mt. Airy’s proposed project is not expected to have a substantial negative impact on the cost and charges for similar services provided by other home health agencies in Carroll County.

As to part d, the applicant’s proposed charges are as follows:

Skilled Nursing	\$ 225
Physical Therapy	\$ 200
Occupational Therapy	\$ 200
Speech Therapy	\$ 200
Medical Social Worker	\$ 400
Home Health Aide	\$ 175

As to part e, a consideration of “...average vacancy rate and turnover rates for affected positions in the last year” is not applicable since the Applicant is not an existing HHA and is not aware of specific turnover and vacancy rates at existing HHAs. The remaining items to be addressed (assessment of the sources available for recruiting and description of Lorien’s plans for recruitment and retention) are contained in Lorien’s Staff Recruiting Program included at Exhibit 4.

Finally, a completed Table 5, Staffing Information, is attached at Part IV, Home Health Agency Application: Charts and Tables Supplement, Table 5, Staffing Information (see p. 63).

See also Letters of Community Support at Exhibit 7.

10.24.01.08G(3)(e). The “Compliance with Conditions of Previous Certificates of Need” Review Criterion.

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.

List all prior Certificates of Need that have been issued since 1990 to the project applicant or to any entity which included, as principals, persons with ownership or control interest in the project applicant. Identify the terms and conditions, if any, associated with these CON approvals and any commitments made that earned preferences in obtaining any of the CON approvals. Report on the status of the approved projects, compliance with terms and conditions of the CON approvals and commitments made.

RESPONSE: The Applicant is an independent entity formed in 1995. It does not have a parent corporation, formal affiliates or subsidiaries. It is a local, family owned and operated group of senior living communities and not an out of state, investor owned chain of nursing homes. Its shareholders / members are the ten siblings¹ who are the adult children of the founders, the late Nicholas and Mrs. Mary Mangione. Each owner resides in the Baltimore metropolitan area and is actively employed in the family businesses which also include Construction, Excavation, Broadcasting, Housing, Golf Courses, Hotels and Hospitality enterprises. Each sibling currently owns a 10% ownership interest in Lorien Mt. Airy, as well as a 10% ownership interest in 7 other existing Lorien Nursing Facilities.

Introduction

This is an Application by Lorien Mt. Airy, an existing licensed Nursing Home, to establish a new Home Health Agency with offices within its existing building. Because no new 'bricks and mortar' construction is required, no development delays are at issue.

As a whole, Lorien facilities have received a number of CONs since 1990, as discussed below. In prior Nursing Home CON reviews, Lorien Health Services discussed with MHCC Staff its concerns about whether it could in fact provide an accurate and decades long listing of all the prior CONs and a list of conditions it has received since 1990. Lorien's concern was simply based on the fact that it has not maintained detailed records concerning each and every CON it received over the course of so many years. In this regard, Lorien found this requirement burdensome and perplexing since MHCC itself maintains detailed records of each CON granted to Lorien Applicants and its conditions. In an attempt to secure access to MHCC's records to ensure an accurate and complete listing, Lorien even filed a Maryland Public Information Act (PIA) request to gain access to MHCC's own records. ***In essence, Lorien was requesting that the MHCC produce its own records in order to satisfy MHCC's own request for these records.*** Subsequently, Staff agreed to limit the relevant time period to the last 15 years and asked Lorien to "do its best" to respond. Further, Staff agreed that the information submitted below would be deemed responsive to the instructions and it was accepted as such with regard to CONs issued for Nursing Homes or expansions of Nursing Homes.

It is important to note that each of Lorien's local family – owned and operated Nursing Facilities, as well as each of its CON exempt Assisted Living Facilities, has been developed and constructed as a new facility in a newly constructed building. Not one of the Lorien facilities was purchased as an ongoing nursing home operation.

¹ Collectively referred to as "M10", they are: Louis Mangione; John Mangione; Rosemary (Mangione) Juras; Linda (Mangione) Licata; Joanne Mangione (Hock); Peter Mangione, Frances (Mangione) O'Keefe; Samuel Mangione; Michelle (Mangione) Collison; and Nicholas Mangione, Jr.

Further, each Lorien facility was constructed in a location and setting within existing residential communities as opposed being located in isolated or even commercial locations. Lorien's philosophy was to enhance our residents' quality of life and dignity by creating positive environments where they felt like part of the greater community and not like they were being warehoused. *These are relevant considerations because it has become increasingly difficult to develop senior living communities in established areas because developers can face backlash, and opposition in the zoning and land use development phase by some members of a community who are opposed to further development.*

On information and belief, none of these new facilities or expansions were involved in comparative reviews that involved special commitments or the awarding of any preferences. Except as noted otherwise below, as a general matter the conditions attached to CON approvals were 'standard' (no more than 2 beds per room; submission of transfer and referral agreements and / or policy and procedure documents, and submission of MOUs for required Medicaid Utilization levels all as part of Pre-Licensing or First Use Approval. Based on counsel's records, Lorien's owners have received the following CONs in the last 15 years or more:

Lorien Nursing & Rehabilitation Center - Taneytown: Originally approved as a 125 – bed nursing facility on February 13, 1996 in a non-comparative review (D.N. 95-06-1757), this project received modification approval on July 8, 1997 to relocate 62 of its beds to a site in Mt. Airy where they would be used to create Lorien's first aging in place model which included a Nursing Facility and a separately licensed Assisted Living Facility (ALF) under the same roof. The same Conditions set forth further below were applied to both the Lorien Taneytown and the Lorien Mt. Airy projects. (See *also* discussion of Lorien Mt. Airy, below.)

Lorien Taneytown's development schedule was delayed and its performance requirements stayed as a result of prolonged appeals of its CON approval undertaken by a competing Mt. Airy Nursing Home. These appeals included requests for reconsideration and exceptions before the Commission, as well as appeals to the Baltimore City Circuit Court and the Court of Special Appeals, and the filing of a Petition for a Writ of Certiorari seeking further review by the state's highest court, the Court of Appeals. Lorien prevailed at all levels.

Thereafter, the downsized 63-bed Lorien Taneytown was approved for a site change modification to a new nearby site in Taneytown's Antrim Business Center on September 13, 2001 (See D.N. 01 – 06 – 2081). This site change was undertaken in response to the suggestion of the City of Taneytown itself which wanted the project to be

constructed at its newly designated development area. Conditions included a proviso that the beds could only be configured in private and semi-private rooms, the submission of the Grievance Procedure, Patients' Bill of Rights, Respite Care reports for 3 years, Transfer and Referral Agreements, and submission of the required Medicaid MOU. As previously noted, these same Identical Conditions were also attached to Lorien Mt. Airy's approval.

After revising its plans and moving forward with the project, Lorien Taneytown was furthered delayed by the City of Taneytown's inability to supply public water as a result of its aging infrastructure and issues with the Maryland Department of the Environment. When that issue was resolved, issuance of the building permit was delayed by the City's Planning & Zoning authority's initial insistence that Lorien construct an access road on a neighboring property. For these reasons, Lorien Taneytown was about a month late in completing its construction phase, after its request for an extension was denied.

By letter dated July 27, 2004, Lorien Taneytown requested first use review and submitted documentation regarding required conditions, including the required Medicaid MOU. The Commission issued First Use Approval, which finds that all applicable conditions have been met, and the facility was duly licensed and opened in mid-October, 2004.

The average Medicaid utilization percentage for Carroll County was 45.2%. Lorien Taneytown has never been found out of compliance with its MOU and, in fact, has substantially exceeded the required utilization rate. Thus, Cost Reports showed the facility experienced Medicaid utilization rates as follows: FY 2014: 58.13%; FY 2015: 54.29 %. Jumping ahead to FY 2020 and 2021, the utilization rate was 60.63% and 65.77%, respectively which far exceeds the required 45.2% required utilization rate. (See Ex. 5)

All required Quarterly Reports were filed during the development phase. Today, Lorien Taneytown continues to be in good standing as an existing 63 bed Nursing Facility with its own separately licensed, attached ALF.

Lorien Mt. Airy (2000): Following the above discussed modification of the original 125-bed Lorien Taneytown (see D.N. 95-06-1757 and Modification approval), Lorien Mt. Airy timely proceeded through the development phase as a 62-bed Nursing Facility with an ALF under the same roof. Because the new facility was located in a pre-existing senior neighborhood, which would support the Assisted Living component, Lorien's owners decided to move forward with construction of the ALF despite the pendency of the appeal of the Commission's approval. On September 14, 2000, the MHCC determined the same applicable Conditions as were also imposed on Lorien Taneytown had been met, and

therefore issued a Partial Pre - Licensure Certification applicable to Lorien Mt. Airy since Lorien Taneytown was still in the development phase.

All required Quarterly Reports were filed during the development phase. Today, Lorien Mt. Airy continues to be in good standing as an existing 62 bed Nursing Facility with its own separately licensed, attached ALF. It is subject to a Medicaid MOU specifying a 45.2% utilization rate and has never been found to be out of compliance. For example, its most recent Medicaid utilization percentages for FY 2020 and 2021 were 68.80% and 67.34% respectively. (See Exhibit 5).

Lorien Elkridge (2007 & 2008): Lorien Elkridge has received two CONs in the last 15 years. D.N. 06-13-2185 was approved September 20, 2007 and authorized the establishment of a 60 bed nursing facility using beds transferred from Lorien Columbia. On February 19, 2009, while the original project was being developed, the MHCC also approved D.N. 08-13-2246 which authorized an additional 4 beds needed under new SHP bed need projections thus bringing the total to 64 beds. An additional 6 'creep beds' were added in 2014 bringing the bed complement to the current 70 beds.

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

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

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

Both CON approvals carried the same standard conditions, namely submission of a Medicaid MOU; submission of Transfer and Referral Agreements prior to pre-licensure certification; and development of no more than 2 beds per patient room. On March 5, 2012, the Applicant submitted its request for pre-licensure certification (First Use Approval) with documentation demonstrating compliance with the first two conditions. The licensing survey demonstrated compliance with the third condition regarding the prohibition of more than two beds per room. The Commission granted First Use Approval on April 18, 2012 and found all three Conditions had been met.

All required Quarterly Reports were filed during the development phase. Also, Lorien Elkridge has never been found out of compliance with its MOU utilization rate of 42.2% and exceeds it. For example, Cost Reports for FYs 2014 and 2015 showed - 51% and 53.1% respectively. Jumping ahead to its most recent Cost Reports, Medicaid utilization percentages for FY 2020 and 2021 were 65.40% and 60.73% respectively. (See Exhibit 5).

Lorien Elkridge opened in July, 2012 months ahead of its September, 2012 deadline for completion and First Use, and remains in good standing.

Lorien Mays Chapel (2005 & 2005): Lorien LifeCenter Baltimore County dba Lorien Mays Chapel, has received two CONs. The first, Docket No. 04 – 03 - 2143, authorized the construction of a 70 – bed freestanding Nursing Facility on a site within a Planned Unit Development known as Mays Chapel North, at 12230 Roundwood Road in Cockeysville, Baltimore County, a short distance from its original site on E. Padonia Road where it had encountered neighborhood opposition, appeals, and resulting delays. These 70 beds used to establish Lorien Mays Chapel were purchased by the sponsors from another facility where they were deployed in ‘Quad’, four-bed rooms in an obsolete physical plant.

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

A number of substantive conditions were imposed including submission of Transfer and Referral Agreements, a Medicaid MOU, a Resident and Family Council Grievance Procedure, and no more than two beds per room. Development proceeded as planned

and without complications. On June 20, 2007 MHCC Staff accompanied OHCQ on the licensing agency's survey. On June 21, 2007 the facility was officially licensed, open and accepting patients, thereby meeting the requirements of its accelerated development schedule. On June 22, 2007, the MHCC issued First Use Approval finding that the project was consistent with the CON Approval.

The facility's Cost Reports demonstrate that it has maintained and exceeded its required 46.9% Medicaid Utilization level per its MOU. For example, it experienced Medicaid utilization levels of 62.34% in FY 2014, and 62.01% in FY 2015. Moving ahead, the 2 most recent Cost Reports, reported Medicaid utilization of 61.77% in FY 2020 and 65.91% in FY 2021, again demonstrating continued compliance. (See Exhibit 5)

Encore at Turf Valley (originally called 'Lorien LifeCenter - Ellicott City'):

Encore has received three CONs since its founding: ***D.N. 01-13-2084***; ***D.N. 05-13-2159*** (site change); and ***D.N. 15-13-2365*** (28 bed expansion). These projects are discussed below.

D.N. 01-13-2084 was approved in 2002 for a 63 bed Nursing Facility attached to a non – CON regulated Assisted Living Facility at a site across the Little Patuxent River in the luxurious Turf Valley planned golf course community then under development in Ellicott City. The MHCC Decision was very supportive of the Applicant's project finding that ***"Lorien's use of existing CCF beds to create an innovative model in which comprehensive care beds and assisted living units are integrated is to be commended and encouraged, as a model that contributes to a higher quality of life."*** (See Decision, January 17, 2002, *Lorien LifeCenter - Ellicott City*; D.N.01-13-2084).

All required Quarterly Reports were filed and the CON remained in good standing as pre-development activities proceeded. However, the project encountered unforeseen delays in securing local, State and federal approvals of the public road to the project's approved site in the Master Development as a result of the environmental impacts caused by a required stream crossing necessary to allow access to the site. Litigation also delayed implementation of the project. Ultimately, the Applicant entered into an agreement with the MHCC to implement a creative solution that allowed re-locating the project to an adjacent parcel of land also within the Turf Valley community. The new site avoided the necessity of crossing the environmentally sensitive stream, and also allowed expeditious development of the project.

However, even though the new site was in eyesight of the approved site, the MHCC required the Applicant to file a new CON Application (***D.N. 05-13-2159***). This application was approved October 19, 2006 without conditions, except for the Performance

Requirements. The project then proceeded in active development and remained in in good standing through to its opening.

Unfortunately, the proposed Encore facility became ensnared in a massive and continuing series of appeals and litigation undertaken by a small group of anti-growth activists generally opposed to development in Howard County including the entire Turf Valley planned community. The Applicant soldiered on and kept the MHCC fully informed of developments in all of its timely filed Quarterly Reports. This attachment from Quarterly Report 4 filed in October, 2006 summarized the status:

“Attachment 2 to Quarterly Report 3 previously summarized litigation undertaken by certain anti-growth activists opposed to the master development, the Turf Valley Planned Community, ***including a pending judicial action challenging the Howard County's underlying zoning system.*** Further, the attachment explained the Sponsor's belief that the noted litigious actions regarding the master development indicated the possibility that the opponents may also attempt to interfere directly with the development of Lorien - Ellicott City in the future. (In this regard, the attachment noted the development process afforded a number of potential opportunities to appeal required Howard County permit approvals as this health care project moves forward including the current subdivision / site plan approval process and the future issuance of required permits, including the building permit).

“Since the filing of Quarterly Report 3, Lorien's project has continued to move forward. The Sponsor received approval of the sketch development plan from the Howard County Department of Planning and Zoning (HCPZ) on September 1, 2006, pursuant to notice dated September 18, 2006 (see item 1 attached). Accordingly, the Sponsor has been working with its engineers to move forward with the next step in the site development phase. **However, Lorien's concerns stated in Attachment 2 of Quarterly Report 3 have been born out.** The Sponsor has been advised by telephone that sometime after the September 1st approval, the opponents filed an appeal of the HCDZ approval and that this matter is now pending. The Sponsor has not been served but is awaiting receipt of copies of the appeal from Howard County's attorneys. As soon as it is received, it will forward a copy to the Commission. The Sponsor intends to file papers to participate in the appeal and defend the County's approval of Lorien's plan. Lorien will keep the Commission advised of the progress of the appeal.

“The new appeal buttresses Lorien's earlier belief that appeals of the nursing home development approvals would potentially be undertaken in an attempt to

simply delay timely implementation of Lorien - Ellicott City's development schedule or to gain leverage. In this regard, a wave of anti-development furor by certain activists has occurred this election year in Howard County. Although this activity is unrelated to the development at Turf Valley, and has not heretofore addressed the nursing project, Lorien believes it is part of the milieu faced by any development. (see items 2 and 3 for news reports regarding unrelated development opposition in other areas of Howard County.

“Lorien believes the appeal of its HCPZ plan approval fits a strategy of attempting to delay the development of its nursing home / assisted living facility so that it cannot be built within the time frames imposed by the performance requirements of its CON. The existence of development deadlines was public knowledge and known to any potential opponent of development. In this regard, a December 8, 2005 news report on Lorien's project in The Howard County Times made reference to the performance requirements, citing a statement by Pamela Barclay, Deputy Director, MHCC:

‘The Commission requires that Mangione build the facility by October 19, 2008, or **lose the state's authorization**, Barclay said. It also requires Lorien Health Systems to have a binding construction contract for the project within 18 months to ensure that the nursing home be built on schedule, she added.’

“The above article also noted that a spokesman for the group opposing the Turf Valley development did not return a call seeking comment on the nursing home project.

“Lorien remains fully committed to the development of its project and will defend any and all of its required approvals in Howard County's development process. However, Lorien cannot sit by and allow itself to be a victim of any potential strategy to 'run out the clock' on this needed senior care community or a pattern of appeals which could have the same effect. Likewise, the Commission itself has recognized the importance of granting stays of the performance requirements when appeals are filed. **Accordingly, Lorien requests a stay of the performance requirements during the pending appeal until the final decision is obtained.** Lorien will forward the notice of the appeal as soon as it is received.”

As part of the web of litigation that engulfed Howard County and impacted development of Encore, even Howard County government was sued in connection with the county's land use approval process. As a result of all of the above, the MHCC stood

by Encore's project, determined to issue a stay of the performance requirements applicable to the project, and held the project in continuous good standing. Thus, on October 5, 2006, the MHCC's Executive Director granted the Applicant a Stay of the running of the Performance Requirements.

As the Mangione Family became increasingly confident that the courts would uphold the County's land use approval process and also decisions approving Encore's development, they filed for modifications to the project including design changes (2006) and budget increases (2008).² At each step, Encore complied with all applicable regulations, including timely filing of all Quarterly Reports, and kept the MHCC Executive Director aware of the status. ***Ultimately, the Applicant proceeded with construction of the facility even before the last appeal was decided based on its confidence level in success and desire to demonstrate its level of commitment to the Executive Director and the Commission.***

Thus, the facility was constructed and ***opened early*** even though the Performance Requirements remained Stayed. By letter dated September 17, 2008, Encore submitted its Medicaid MOU dated September 11, 2008 and specifying a Medicaid Utilization level of 47.35% in satisfaction of the Condition. On January 4, 2010, and again, as a reminder on March 18, 2010, the Applicant filed its Request for 1st Use Review and Approval. The MHCC determined the project was consistent with the CON approval and that all conditions were met via granting 1st Use Approval. The Nursing Facility was licensed by OHCQ as of May 7, 2010, became operational and began admitting residents / patients. (The non CON-regulated Assisted Living component was licensed by OHCQ as of July 8, 2010 and also began admitting residents).

Accordingly, the MHCC and Staff have championed Encore's project in the past as an example of a creative and beneficial approach to meeting the needs of the Howard County community in a bold and innovative way. It has been held up as an innovative way of re-developing dated infrastructure. The record shows that the Applicant fought hard to bring this project to fruition and persevered despite obstacles.

As a result of the popularity of Encore and the need for additional beds to serve Howard Countians, the sponsors determined to seek a 28 bed expansion of the Nursing Facility. Accordingly, on September 17, 2015 the MHCC approved Encore's CON

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

Application and awarded the sponsors a new CON (***D.N. 15 – 13 – 2365***) authorizing development of a 28 bed addition. The only condition was submission of the required Medicaid MOU at the time of First Use Review / Approval.

The 28 bed expansion project proceeded with minor modifications and was timely completed. All Quarterly Reports were timely filed. In accordance with the sole Condition, Encore submitted an updated MOU dated January 11, 2018 with the required 49.88% Medicaid Utilization level. The MHCC issued First Use Approval on April 3, 2018 finding that the project was complete and consistent with the terms of its September 17, 2015 CON Approval and subsequent Notice of Project change. Medicaid Cost Reports show that Encore is meeting its applicable 49.88% required Medicaid MOU utilization level: FY 2020 – 66.22%; and FY 2021 – 58.23%. (See Exhibit 5).

Today, Encore at Turf Valley continues to be in good standing as an existing 91 bed Nursing Facility with its own separately licensed, attached ALF. Encore has not received any other CON approvals.

Lorien Nursing & Rehabilitation Center - Belair: Lorien Bel Air has received three CONs since 2002, D.N. 01 - 12 – 2085, D.N. 13 – 12 – 2345, and D.N. 15 – 12 – 2358, as follows.

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

Regarding the MOU, the original required Medicaid utilization level was 66.5%. Initially, Lorien Bel Air experienced difficulty in attaining what soon became clear was an unrealistically high Medicaid utilization level for a number of reasons. First, the health care system had entered a transitional phase with greater emphasis on community based

alternatives to traditional long term Medicaid stays. In recognition of this, as further discussed below, after Lorien Bel Air signed the MOU at the 66.5% level, the MHCC and Medical Assistance Program joined in adjusting the required utilization levels by reducing them by 15.5% to reflect these changing realities, effective March 12, 2007.

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

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

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

<u>Fiscal Year</u>	<u>Harford County Medicaid Level</u>	<u>Lorien Bel Air Medicaid Level</u> ³
2007	46.82%	47.86%

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

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

D.N. 13 – 12 – 2345 was approved in February, 2014 to add 21 additional beds to the facility. However, following approval, the MHCC discovered it had erred in its projections and released corrected bed need projections in October, 2014 showing the need for 97 beds for the same 2016 Target Year. Accordingly, Lorien Bel Air determined to enlarge its expansion project and filed a CON Application for an additional 27 beds. This new application, **D.N. 15 – 12 – 2358**, was approved on July 16, 2015. It superseded the earlier 21 bed project authorized by D.N. 13 – 12 – 2345, and authorized an expansion totaling 48 beds (21 + 27 beds = 48). The project remained in good standing as development proceeded.

This project approval included only one CON condition, namely submission at the time of first use review of a new Medicaid MOU covering all the facility's beds. On May 16, 2019, as part of its Request for First Use Approval, Lorien Bel Air timely submitted a new MOU dated March 4, 2019 which covered all the facility's beds at a 48.86% Medicaid

³ Source: Lorien records based on MHCC Medicaid Participation Rate Updates and Lorien Bel Air Cost Reports

utilization rate. Thereafter, on July 12, 2019, the MHCC issued its First Use Approval finding that the project was consistent with its CON approval.

Lorien Bel Air has continued to meet its revised Medicaid MOU utilization rate of 48.86%. Its Cost Reports for the 2 most recent FY's show utilization levels of 55.58% in FY 2020, and 50.73% in FY 2021 which both exceed the MOU's 46.8% rate. (See Ex. 5).

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

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

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

Based on its Cost Reports, Lorien Bulle Rock has exceeded its required Medicaid Utilization level and has never been found to be out of compliance. For example, it reported the following Medicaid percentages in its second and third years of operation: FY 2014 – 50.67% and FY 2015 – 55.04% both of which substantially exceeded its 47.92 required utilization level. Jumping ahead to its 2 most recent Cost Reports, the facility experience Medicaid utilization levels of 68.375 and 54.835 in FYs 2020 and 2021, respectively. (See Exhibit 5).

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

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

Lorien Columbia: Lorien Health Services original facility is now a 205 bed Nursing Facility which has not expanded its bed complement in more than the last 15 years. In fact Lorien Columbia has been downsized with beds being delicensed (33) or relocated to create Encore (63) and Lorien Elkridge (60), discussed above.

* * * * *

10.24.01.08G(3)(f). The "Impact on Existing Providers" Review Criterion.

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

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

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

b) On the payer mix of all other existing health care providers that are likely to experience some impact on payer mix as a result of this project. If an applicant for a new nursing home claims no impact on payer mix, the applicant must identify the likely source of any expected increase in patients by payer.

c) On access to health care services for the service area population that will be served by the project. (State and support the assumptions used in this analysis of the impact on access);

d) On costs to the health care delivery system.

If the applicant is an existing provider, submit a summary description of the impact of the Proposed project on the applicant's costs and charges, consistent with the information provided in the Project Budget, the projections of revenues and expenses, and the work force information.

RESPONSES: As to part a), above, Lorien anticipates serving 264 home health clients in its second year of operation. Of these, 204 (77%) are expected to derive from discharges from, and assisted living residents at the two Lorien facilities in Carroll County (Lorien Mt. Airy and Lorien Taneytown). Lorien's need projections show a substantial additional need in Carroll County (to serve an additional 583 to 829 home health clients, 4,680 to 4,926 total clients by 2025).

The three predominant home health agencies serving Lorien facilities in Carroll County are Amedisys, Homecall, and Bayada. MHCC's Public Use Data show that, in 2019, Amedisys had 382 home health clients in Carroll County (9.04% of the total 4,224 Carroll County clients age 15+), Bayada had 435 clients (10.3% of the total), and Homecall had 399 clients (9.4%). The 2019 data show that these three agencies are among the top five providers in Carroll County and are not small struggling agencies. Those five agencies (HomeCare Maryland LLC, HomeCall Inc. d/b/a HomeCall, SpiriTrust Lutheran Home Care & Hospice, Bayada Home Health Care, and Amedisys Home Health) serve 81.6% of the Carroll County home care market. (3,448/4,224 = 0.816)

The State Health Plan Home Health Section states (at page 10):

'There is no standard measure for determining the minimum or maximum number of home health clients needed to support an HHA or to assure the ability to achieve high quality performance. There is great variation in the size of HHAs in Maryland, in terms of patient caseloads. For these reasons, this Chapter takes the approach of regulating HHA services by emphasizing the importance of providing consumers with meaningful choices for obtaining high quality services, in which one HHA or a small number of HHAs do not command overwhelming dominance. It sets a benchmark of sufficient consumer choice as the availability of at least three high performing agencies in each jurisdiction.'

Since the additional need in 2025 is two to three times the number of clients Lorien anticipates serving, Lorien does not believe that either agency will be adversely affected by Lorien's entering the marketplace.

As to part b, the MHCC 2019 data show that 70.2% of the home health clients in Carroll County were Medicare recipients. The next largest payor was Commercial Insurance (25.2%). Because so many of Lorien's clients will come from its own facilities, Lorien anticipates that it will have a somewhat higher Medicare payor mix (77%) than the county as a whole and a somewhat smaller Blue Cross and other Commercial Insurance percentage (23.15%). While these do differ slightly from the county averages, they are not materially different, and the relatively small number of Lorien clients is not likely to have any impact on the payor mix of the other providers. The 7% larger percentage of Medicare clients only results in a difference of 18.5 clients. ($.07 \times 264 = 18.5$).

As to part c, Lorien Mt. Airy's proposed project will increase choice of home health agencies that residents of Carroll County have. In addition, since its approval will add another home health agency that is committing to provide charity care, Carroll County residents who need charity care will have another resource of care.

As to part d, the proposed new Home Health Agency is not expected to have a negative impact on the cost and charges for similar services provided by other home health agencies in Carroll County, since the MHCC has found a need for an additional, new home health agency in Carroll County; and the applicant is not projecting a substantial volume of cases. Nor will LHH have a negative impact on the ability of agencies in Carroll County to obtain staff. Lorien already operates a Residential Services Agency in the Baltimore area, and several of its staff live in Carroll County. Furthermore, Lorien operates two facilities in Carroll County at Mt. Airy and at Taneytown, and Lorien will use existing staff when possible. Home health agency reimbursement is generally set by the payor. Consequently, on a visit by visit basis, one agency is not less expensive than another agency. However, readmissions to hospitals or rehabilitation facilities are costly, and Lorien believes that the collaboration discussed previously will result in lower costs to the system.

PART III - APPLICANT HISTORY, STATEMENT OF RESPONSIBILITY, AUTHORIZATION AND SIGNATURE

1. List the name and address of each owner or other person responsible for the proposed project and its implementation. If the applicant is not a natural person, provide the date the entity was formed, the business address of the entity, the identify and percentage of ownership of all persons having an ownership interest in the entity, and the identification of all entities owned or controlled by each such person.

Louis Mangione and John Mangione, Owners, 1205 York Road, Penthouse Suite Lutherville, Maryland 21093; and Louis G. Grimmel, Sr., CEO Lorien Health Services, Maryland Health Enterprises, Inc. 3300 N. Ridge Road – Suite 390, Ellicott City, MD 21043 (Management Services)

The Applicant, CareNet Health Services and Systems, Inc. was formed in Maryland on 02/09/1995. The 10 below named individuals each has a 10% ownership interest in the corporation. Their business addresses are all c/o Commercial Contractors, Inc., 1205 York Road, Lutherville, MD 21093.

Louis Mangione; John Mangione; Rosemary (Mangione) Juras; Linda (Mangione) Licata; Joanne (Mangione) Hock; Peter Mangione, Frances (Mangione) O'Keefe; Samuel Mangione; Michelle (Mangione) Collison; and Nicholas Mangione, Jr

2. Is the applicant, or any person listed above now involved, or ever been involved, in the ownership, development, or management of another health care facility or program? If yes, provide a listing of each facility or program, including facility name, address, and dates of involvement.

Yes, as to the Applicant Owners, named above, per these approximate dates: Lorien N & R Ctr. - Mt. Airy, 705 Midway, Mt. Airy, MD 21771 (1997 to present); Lorien N & R Ctr. - Riverside, 1123 Belcamp Garth, Belcamp, MD 21017 (1992 to 2019); Lorien N & R Ctr. - Taneytown, 100 Antrim Blvd., Taneytown, MD 21787 (1996 to present); Lorien N & R Ctr. - Mays Chapel, (2007 to present); Lorien N & R Ctr. - Ellicott City dba Encore at Turf Valley (1999 to present); Lorien N & R Ctr. Elkridge, 7615 Washington Blvd, Elkridge, MD 21075 (2002 to present); Lorien Harford II, Inc. dba Lorien Bulle Rock (2008 to present); Lorien Harford, Inc. dba Lorien Belair (2000 to present); Lorien Columbia, 6334 Cedar Ln, Columbia, MD 21044 (2012 to present). In addition, the applicant's Owners had a 2% non-controlling ownership interest in Lorien N & R Ctr. - Frankford (1990 to May, 2007 when it was sold).

3. Has the Maryland license or certification of the applicant home health agency, or any of the facilities or programs listed in response to Questions 1 and 2, above, ever 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, owner or other person responsible for implementation of the Project was not involved with the facility or program at the time a suspension, revocation, or disciplinary action took

place, indicate in the explanation.

No. _____

4. Is any facility or program with which the applicant is involved, or has any facility or program with which the applicant or other person or entity listed in Questions 1 & 2, above, ever been found out of compliance with Maryland or Federal legal requirements for the provision of, payment for, or quality of health care services (other than the licensure or certification actions described in the response to Question 3, above) which have led to an action to suspend, revoke or limit the licensure or certification at any facility or program. If yes, provide copies of the findings of non-compliance including, if applicable, reports of non-compliance, responses of the facility or program, and any final disposition reached by the applicable governmental authority.

Regarding the facilities listed in response to Question 2 above, and referenced in response to Question 3, while survey deficiencies have been found on occasion over their years of operation just like other facilities in the industry, this has not resulted in formal actions to suspend, revoke or limit the licensure or certification of the facility.

5. Has the applicant, or other person listed in response to Question 1, above, ever pled guilty to or been convicted of a criminal offense connected in any way with the ownership, development or management of the applicant facility or program or any health care facility or program listed in response to Question 1 & 2, above? If yes, provide a written explanation of the circumstances, including the date(s) of conviction(s) 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 authorized agent of the applicant for the proposed home healthy agency service.

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.

May 9, 2022

Date

/s/ LOUIS G. GRIMMEL, SR.

LOUIS G. GRIMMEL, SR.
CEO, LORIEN HEALTH SERVICES
Signature of Owner or
Authorized Agent of the Applicant

BOARD AUTHORIZATION

THIS IS TO CERTIFY that LOUIS G. GRIMMEL, SR., CEO of Lorien Health Services, has been duly authorized by the Applicant, CareNet Health Services and Systems, Inc. to sign for and act on its behalf in connection with the filing and review of the attached Application for Certificate of Need to establish a new home health agency submitted to the Maryland Health Care Commission.

DATE: May 9, 2022

/s/ LOUIS MANGIONE
Name: LOUIS MANGIONE
Title: President & Chairman
CareNet Health Services and Systems, Inc.

AFFIRMATION

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

Date: Effective May 9, 2022

/s/ Norman E. Snowberger

Norman E. Snowberger
Chief Financial Officer
Lorien Health Services

AFFIRMATION

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

Date: Effective May 9, 2022

/s/ J. Wayne Brannock
Name: J. Wayne Brannock
Title: Chief Operating Officer

AFFIRMATION

I hereby declare and affirm under the penalties of perjury that the facts concerning the Budget, Statistical Projections, Revenues and Expense projections, and Staffing information at respective Tables 1, 2A, 2B, 3, 4 and 5 contained in this Application for Certificate of Need dated May 9, 2022 are true and correct to the best of my knowledge, information and belief.

Date: Effective May 9, 2022

/s/ Michael J. Snarski _____

Name: Michael J. Snarski, CPA

Title: Member

Snarski Consulting, LLC

5608 Saint Albans Way

Baltimore, Maryland 21212

AFFIRMATION

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

Date: Effective May 9, 2022

/s/ Andrew L. Solberg

Name: Andrew L. Solberg

Title: Principal, A.L.S. Healthcare
Consultant Services

Part IV: Home Health Agency Application: Charts and Tables Supplement

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TABLE 1: Project Budget

Instructions: All estimates for 1a- d; 2a- f; and 3 are for current costs as of the date of application submission and should include the costs for all intended construction and renovations to be undertaken. Inflation from date of submission of project completion should only be included on the Inflation line 1e. (DO NOT CHANGE THIS FORM OR ITS LINE ITEMS. IF ADDITIONAL DETAIL OR CLARIFICATION IS NEEDED, ATTACH ADDITIONAL SHEET.)

A. USE OF FUNDS		
1. CAPITAL COSTS (if applicable):		
a. New Construction		
1) Building	\$	
2) Fixed Equipment (not included in construction)		
3) Architect/Engineering Fees		
4) Permits, (Building, Utilities, Etc)		
a. SUBTOTAL New Construction		0
b. Renovations		
1) Building	\$	
2) Fixed Equipment (not included in construction)		
3) Architect/Engineering Fees		
4) Permits, (Building, Utilities, Etc.)		
b. SUBTOTAL Renovations		0
c. Other Capital Costs		
1) Movable Equipment		25,000
2) Contingency Allowance		5,000
3) Gross Interest During Construction		
4) Other (Specify)		
c. SUBTOTAL Other Capital Cost		30,000
TOTAL CURRENT CAPITAL COSTS (sum of a - c)	\$	
Non-Current Capital Cost		
d. Land Purchase Cost or Value of Donated Land		0
e. Inflation (state all assumptions, including time period and rate)		0
TOTAL PROPOSED CAPITAL COSTS (sum of a - e)		30,000
2. FINANCING COST AND OTHER CASH REQUIREMENTS		
a. Loan Placement Fees	\$	
b. Bond Discount		
c. CON Application Assistance		27,500
c1. Legal Fees		15,000
c2 Other (Specify and add lines as needed)		
d. Non-CON Consulting Fees		
d1. Legal Fees		
d2. Other (Specify and add lines as needed) Licensing		2,500
e. Debt Service Reserve Fund		
f. Other (Specify)		
TOTAL (a - e)		45,000
3. WORKING CAPITAL STARTUP COSTS		155,000
TOTAL USES OF FUNDS (sum of 1 - 3)		230,000

B. SOURCES OF FUNDS FOR PROJECT	
1. Cash	230,000
2. Pledges: Gross _____, less allowance for uncollectables _____ = Net	
3. Gifts, bequests	
4. Authorized Bonds	
5. Interest income (gross)	
6. Mortgage	
7. Working capital loans	
8. Grants or Appropriation	
a. Federal	
b. State	
c. Local	
9. Other (Specify)	
TOTAL SOURCES OF FUNDS (sum of 1-9)	230,000
ANNUAL LEASE COSTS (if applicable)	
• Land	
• Building	
• Moveable equipment	
• Other (specify)	

TABLE 2B: STATISTICAL PROJECTIONS - PROJECTED HOME HEALTH AGENCY SERVICES IN THE PROPOSED PROJECT

Instructions: All applicants should complete Table 2B for the proposed project, showing projected utilization *only for the jurisdiction(s) which is the subject of the application*. **As in Table 2A above, this table should report an unduplicated count of clients, and should indicate whether the reporting period is Calendar Year (CY) or Fiscal Year (FY).**

CY	Projected years – ending with first year at full utilization			
	20X1	20X2	20__	20__
Client Visits	3,296	4,224		
Billable	3,280	4,203		
Non-Billable (charity care allowance)	16	21		
TOTAL	3,296	4,224		
# of Clients and Visits by Discipline				
Total Clients (Unduplicated Count)	206	264		
Skilled Nursing Visits	1,417	1,816		
Home Health Aide Visits	190	243		
Physical Therapy Visits	1,252	1,605		
Occupational Therapy Visits	363	465		
Speech Therapy Visits	66	84		
Medical Social Services Visits	8	11		
Other Visits (Please Specify)				

TABLE 4: REVENUES AND EXPENSES – PROJECTED HOME HEALTH AGENCY SERVICES FOR PROPOSED PROJECT

Instructions: Complete Table 4 for the proposed project, showing projected revenues and expenses for only the jurisdiction(s) which is the subject of the application.

Projections should be presented in current dollars. Medicaid revenues for all years should be calculated on the basis of Medicaid rates and ceilings in effect at the time of submission of this application.

Specify sources of non-operating income. State the assumptions used in projecting all revenues and expenses. Please indicate on the Table if the reporting period is Calendar Year (CY) or Fiscal Year (FY).

CY	Projected Years (ending with first full year at full utilization)			
	20X1	20X2	20__	20---
1. Revenue				
Gross Patient Service Revenue	691,475	886,325		
Allowance for Bad Debt	(4,000)	(6,600)		
Contractual Allowance	(167,497)	(214,968)		
Charity Care	(3,458)	(4,432)		
Net Patient Services Revenue	516,521	660,326	0	0
Other Operating Revenues (Specify)				
Net Operating Revenue	516,521	660,326	0	0
2. Expenses				
Salaries, Wages, and Professional Fees, (including fringe benefits)	412,278	488,260		
Contractual Services	12,000	12,000		
Interest on Current Debt				
Interest on Project Debt				
Current Depreciation				
Project Depreciation	4,000	4,000		
Current Amortization				
Project Amortization	3,000	3,000		
Supplies	13,184	16,896		
Other Expenses (Specify)	78,628	77,732		
Total Operating Expenses	523,090	601,888	0	0
3. Income				
Income from Operation	(6,569)	58,438	0	0
Non-Operating Income				
Subtotal	(6,569)	58,438	0	0
Income Taxes				
Net Income (Loss)	(6,569)	58,438	0	0

Table 4 Cont. CY	Projected Years (ending with first full year at full utilization)			
	20X1	20X2	20__	20---
4A. - Payor Mix as Percent of Total Revenue				
Medicare	73.73%	73.77%		
Medicaid	2.47%	2.43%		
Blue Cross	11.59%	11.57%		
Other Commercial Insurance	11.59%	11.57%		
Other - Private Pay and Other Government	0.62%	0.65%		
TOTAL	100%	100%	0%	0%
4B. Payor Mix as Percent of Total Visits				
Medicare	77.00%	77.00%		
Medicaid	3.00%	3.00%		
Blue Cross	9.75%	9.75%		
Other Commercial Insurance	9.75%	9.75%		
Self-Pay	0.25%	0.25%		
Other - Other Government, etc.	0.25%	0.25%		
TOTAL	100%	100%	0%	0%

**Table 4 Supplemental
Schedule of Other Expenses**

CY	Projected years – ending with first year at full utilization			
	20X1	20X2	20__	20---
Mileage	18,128	23,232		
Software	15,000	15,000		
Network Infrastruture	9,000	9,000		
Insurance	8,000	8,000		
Banking	1,500	1,500		
Copier	-	-		
Advertising	24,000	18,000		
Adversting Help Wanted	-	-		
Office Supplies	750	750		
Legal and Accounting	2,250	2,250		
Total Other Expenses	<u>78,628</u>	<u>77,732</u>		

TABLE 5. STAFFING INFORMATION

Instructions: List by service the staffing changes (specifying additions and/or deletions and distinguishing between employee and contractual services) required by this project. FTE data shall be calculated as 2,080 paid hours per year. Indicate the factor to be used in converting paid hours to worked hours. **NOTE: PROVIDE A TABLE 5 FOR EACH PROJECTED YEAR.**

Year 20X1

Position Title	Current No. of FTEs		Change in FTEs (+/-)		Average Salary		TOTAL SALARY EXPENSE	
	Agency Staff	Contract Staff	Agency Staff	Contract Staff	Agency Staff	Contract Staff	Agency Staff	Contract Staff
Administrative Personnel	0		1.00		70,000		70,000	0
Registered Nurse	0		1.53		75,000		114,961	0
Licensed Practical Nurse	0						-	0
Physical Therapist	0		0.90		70,000		63,202	0
Occupational Therapist	0		0.28		70,000		19,546	0
Speech Therapist	0		0.06		70,000		4,220	0
Home Health Aide	0		0.20		44,000		8,641	0
Medical Social Worker	0		0.02		90,000		1,558	0
Other- Nurse Supervisor	0		0.50		85,000		42,500	0
Benefits							87,650	0
TOTAL							412,278	0

Year 20X2

Position Title	Current No. of FTEs		Change in FTEs (+/-)		Average Salary		TOTAL SALARY EXPENSE	
	Agency Staff	Contract Staff	Agency Staff	Contract Staff	Agency Staff	Contract Staff	Agency Staff	Contract Staff
Administrative Personnel	0		1.00		70,000		70,000	0
Registered Nurse	0		1.96		75,000		147,332	0
Licensed Practical Nurse	0						-	0
Physical Therapist	0		1.16		70,000		81,022	0
Occupational Therapist	0		0.36		70,000		25,038	0
Speech Therapist	0		0.08		70,000		5,371	0
Home Health Aide	0		0.25		44,000		11,052	0
Medical Social Worker	0		0.02		90,000		2,142	0
Other- Nurse Supervisor	0		0.50		85,000		42,500	0
Benefits							103,803	0
TOTAL							488,260	0

* Indicate method of calculating benefits cost : Benefit Costs are estimated at 27% and include company portion of health insurance, retirement plan, short and long term disability, worker's compensation, unemployment insurance, and paid leave.

Financial Assumptions for Carenet Health Systems Home Health Agency CON Application

1

Unduplicated Census Count:
The applicant expects to draw the majority of its patients from the following sources:

<u>Year 20X2</u>	Actual			Projected
	2019	2020	2021	20X2
Lorrien NF Discharges to HHA (Carroll Co)	362	218	212	288
Applicant Estimated Capture Rate				50%
Subtotal- NF to Carenet HHA				144
from its Assisted Living Units				120
Applicant Estimated Capture Rate				50%
Subtotal- ALU to Carenet HHA				60
Senior Community Based Carenet HHA (five per month)				60
Estimated Annual Unduplicated Census Count- Year 20X2				264
Expected Total by Main Service Area- 20X2	Mt. Airy 172	Taney. 92		264

Year 20X1:

The applicant will begin its HHA servicing the Mt. Airy area for its first three months, then it will expand to other areas in the County. It is estimated that within six months the applicant will achieve its stabilized patient census.

	Mt. Airy	Taneytown	Year 20X1
Annual Census Count- Year 20X2	172	92	
Year 20X1 Phase in Assumption	85%	65%	
Estimated Undup. Census- Year 20X1	146.2	59.8	206

Year 2019 Carroll County data reflects 19.29 visits Per Unduplicated Census. However, since 2019, Medicare has modified its payment structure to provide for a bundled payment for 30 day care cycle, which based on Medicare's rate tables account for 12.69 visits per 30 day cycle of care (with potential for extended cycles to be authorized). It is difficult to obtain updated data for Carroll County, but based on its best estimate, the applicant believes that roughly 25% of the patients will be approved for additional 30 cycle of HHA care, and has estimated its # of visits per census as follows:

Per CMS Manual System, Pub 100-04 Medicare Claims Processing, Transmittal # 11099

Table 3	#12580 (Carroll Co)		Calculate Avg Blended Rate			
	National: Per Visit	Est CMI	Index	Carroll Co	Utilization %	Blended Rate
	\$ 156.90	1.00	0.9514	\$ 149.27	0.43	\$ 64.19
	\$ 71.04	1.00	0.9514	\$ 67.59	0.0575	\$ 3.89
	\$ 171.49	1.00	0.9514	\$ 163.16	0.38	\$ 62.00
	\$ 172.67	1.00	0.9514	\$ 164.28	0.11	\$ 18.07
	\$ 186.41	1.00	0.9514	\$ 177.35	0.02	\$ 3.55
	\$ 251.48	1.00	0.9514	\$ 239.26	0.0025	\$ 0.60
Table 1- Standard 30 Day Period Payment						
	\$ 2,031.64	1.00	0.9514	\$ 1,932.90		152.29
Calculated Average # of Visits per 30 Day Stay, per Medicare Table 3 Pricing & Carroll Co Data						
		Est % approved for additional 30 days =			0.25	3.17
						15.87
Avg # Visits Per 30 day term						

	Census	Visits Per	Total
Total Visits- Year 20X2	264	16	4224
Total Visits- Year 20X1	206	16	3296
25% of Year 20X1 Visits			824

Projected Utilization Per Service:
 The applicant expects that its utilization by type of service will be in line with historical Carroll County data, as follows:

	Per Projection	Per 2019 Carroll Co Data	Immaterial Variance
Skilled Nursing	43.00%	43.02%	-0.02%
HHA	5.75%	5.45%	0.30%
PT	38.00%	38.22%	-0.22%
OT	11.00%	10.81%	0.19%
ST	2.00%	2.04%	-0.04%
SW	0.25%	0.46%	-0.21%
	100.00%	100.00%	0.00%

Carroll County

q9a_1c:# adult visits - Routine/skilled nursing	q9a_2c:# adult visits - home health aide	q9a_3c:# adult visits - Occupational therapy	q9a_4c:# adult visits - speech/lang uage	q9a_5c:# adult visits - Physical therapy	q9a_6c:# adult visits - Medical social	q9a_7c:# adult visits - Total
35930	4548	9028	1705	31924	387	83522
43.02%	5.45%	10.81%	2.04%	38.22%	0.46%	100.00%

Calculation of Direct Care Staffing:

The applicant expects that its labor productivity by type of service will be in line with historical Carroll County data, as follows:

Year 20X2 Projected Visits and Staffing FTEs

	Total Visits	4224	4224	Visits *	Work Hrs	FTEs
				2.25	4,086.72	1.96
Skilled Nursing	43.00%	1816.32	2.25	2.15	522.19	0.25
HHA	5.75%	242.88	2.15	1.50	2,407.68	1.16
PT	38.00%	1605.12	1.60	1.90	743.42	0.36
OT	11.00%	464.64	1.90	1.90	160.51	0.08
ST	2.00%	84.48	4.50	4.50	47.52	0.02
SW	0.25%	10.56				
	100.00%	4224				

* Labor hours per visit, approximates the MHCC calculated data shown as follows:

FTEs	794.13	938.6	642.37	231.57	51.78	113.77	39.66	2811.88
	Administrative Personnel (Calculated)	q15a1.SkilledNursingTotalVisits	q15a4.PhysiotherapyTotalVisits	q15a3.OccupationalTherapyTotalVisits	q15a5.SpeechLanguageAidesTotalVisits	q15a2.HomeHealthAidesTotalVisits	q15a6.MedicalSocialWorkersTotalVisits	q12a7.Me q12a8.TotalFTE
FTEs/Visit	0.000348487	0.001038675	0.00072709	0.000755	0.000914	0.001038	0.002136	0.001233934
Visits/FTE	962.764756	962.764756	1375.34287	1324.787	1094.284	963.8042	468.1795	810.4161629
Hours/Visit	2080	2.160444685	1.51235015	1.570063	1.900787	2.158115	4.44274	2.566582572

Other Assumptions:

Project Budget

Project Budget includes \$25,000 for furniture, fixtures, and equipment in order to operate the home health agency.

Cash Requirements

The applicant has allotted \$155,000 of its \$200,000 capital contribution to provide for working capital needs, including three months of operating reserves.

Revenue Rates

Standard Revenue Rates are projected as follows (per visit):

Skilled Nursing	\$	225.00
HHA	\$	175.00
PT	\$	200.00
OT	\$	200.00
ST	\$	200.00
SW	\$	400.00

Revenue Rates

Revenue rates for Medicare and Medicaid are based upon current reimbursement rates

Revenue, Bad Debts

Bad Debts are estimated at approximately 1% of net revenues

Other operating costs

Medical Supplies are estimated at \$4.00 per visit

Other operating costs

Mileage reimbursement is estimated at \$5.50 per visit

Other operating costs

Management fees are estimated at \$12,000 per year and relate to various office functions, including accounting.

Other operating costs

Marketing and advertising costs are projected to be \$6000 at the begin date of operations, and then \$1500 per month thereafter, with projected total advertising costs of \$24,000 and \$18,000 in years 20x1 and 20x2 respectively.

Lorien Health Systems Mt. Airy Application for CON

EXHIBITS

<u>EXHIBIT</u>	<u>TAB</u>
Lorien Home Health Payment Policies (Charity Care & Assessment, Time Payment Plan, Medical Assistance Determination, Charity Care Application, Charity Care Agreement, Notice Of Availability of Uncompensated Services, Sliding Fee Scale, Charges) . . .	1
Michael J. Snarski, CPA Letter (Implementing and Sustaining Project)	2
Discharge Planning Policy	3
Staff Recruitment and Retention Plan	4
Lorien Nursing Facility Medicaid Levels and p.3 Cost Report Data	5
Michael J. Snarski, CPA Letter Documenting Medicaid / Medicare Payer Mix . .	6
Letters of Community Support	7

LORIEN HOME HEALTH AGENCY PAYMENT POLICIES

Charity Care Assessment, Time Payments, Sliding Fee Scale, Medical Assistance Determinations, and Applicable Forms

PURPOSE

To establish policies regarding the process for accepting patients who do not have medical insurance or the ability to pay, including policies for charity care, time payments, and a sliding fee scale.

POLICY

It is the intention of Lorien Home Health (LHH) to make available to all clients (or their guarantors) regardless of race, creed, gender, age, sexual orientation, national origin or financial status who are uninsured, underinsured, have experienced a catastrophic event and lack adequate resources to pay for services have the highest quality of medical care possible within the resources available. If there is no medical insurance for reimbursement, the client (or the client's guarantor) is responsible for payment. **However, cases arise whereby the client or guarantor does not have the ability to pay LHH for services rendered and may apply for charity care, a sliding fee scale or time payments.**

LHH will make a determination of probable eligibility for medical assistance, charity care, and reduced fees and time payment options and will communicate that determination to the client within two business days of the submission of an application for these services or an application for medical assistance or both.

Printed public notification regarding the LHH charity care, time payment and sliding fee scale policies will be posted in the LHH business offices and website and made annually in newspapers in LHH service areas, including the *Carroll County Times*, as follows:

“Lorien Home Health (“LHH”) will make home health care available to all adult residents of Carroll County, regardless of race, creed, gender, age, sexual orientation, national origin, or financial status who are uninsured, underinsured, or have experienced a catastrophic event and lack adequate resources to pay for services. If medical insurance is not available for reimbursement, the patient (or patient’s guarantor, if any) is responsible for payments. However, if the patient or guarantor does not have the ability to pay LHH for services, they may apply for charity care, based on a sliding fee scale, or attain a time payment plan. Probable eligibility will be decided within two business days of the initial request for these services or an application for Medical Assistance, or both. The amount of assistance will be based on Federal Income Poverty Guidelines. More information and/or an application are available by calling Lorien Mt. Airy Home Health Agency at (301) 829-6050.”

Payment and Time Payment Plan

Clients who are not eligible for insurance, Medicaid, or Charity are expected to pay for LHH services. Clients owing any financial balance to LHH are sent an invoice over three months

informing them of the balance. They receive a call after the second letter. They are provided the option on their billing statement to pay their balance by credit card or by monthly payments. LHH provides clients who are having difficulty paying LHH with a time payment plan in which they pay a minimum payment of as little as \$10.00 monthly and allow up to 18 months to pay the balance due.

LHH will supply the client and the client's family with the LHH charity care policy and review the arrangements for payment and/or the provision of charity care for services.

Determination Probable Eligibility

1. From either the referral source or during the first meeting with the client or the client's family (whichever comes first), LHH will discuss the family size, insurance status, and income of the client, which will be used to make a determination of probable eligibility for medical assistance, charity care, time payment, and/or reduced fees within two business days.
 - a. If the client has applied for medical assistance, LHH will consider the client to be insured by medical assistance, unless a denial is issued.
 - b. If the client (1) does not have insurance, (2) is not eligible for medical assistance, and (3) does not have the resources to pay based on the information obtained from the referral source or the client, the client will be deemed to have probable eligibility for charity care and/or reduced fees.
2. Within two business days following a client's initial request for charity care services, application for medical assistance, or both, LHH shall make a determination of probable eligibility for medical assistance, charity care, and reduced fees, and communicate this probable eligibility determination to the client within that timeframe.

Final Eligibility Determination

1. The client's charity eligibility must be determined by LHH, not by the patient or the referral source. A client's signed declaration of his inability to pay his medical bills cannot be considered proof of indigence.
2. If the client already filed for Community Medicaid and has completed the charity care process, LHH will accept the patient as Medicaid pending. LHH will track the client's progress in obtaining Medicaid. No LHH charity form will be required.
3. LHH will take into account a client's total resources which can include, but are not limited to, an analysis of disposable income and current expenses.
4. LHH must determine that no source other than the client would be legally responsible for the client's medical bill.

5. Charity Care will be provided according to the Federal Poverty Guidelines as described in this policy (see attached).
6. If a client does not qualify for Charity Care under the Federal Poverty Guidelines, but has extraordinary expenses, such as high medical bills, LHH may decide to approve Charity Care in such cases.
7. If the client qualifies for Medicaid, but has not completed all documentation, the client will be deemed provisionally eligible for charity and the Social Worker will track and follow up with the patient. The progress of the Medicaid application will be communicated to LHH's Reimbursement personnel.
8. If the client is deemed not eligible for Medicaid or charity care because their household income exceeds the charity care threshold, they may be eligible for a sliding scale fee or a time payment schedule.

LORIEN HOME HEALTH CHARITY FINANCIAL HARDSHIP APPLICATION

I have requested Charity Care for services I will receive or have received from Lorien Home Health. I understand that if I do not fill this form out truthfully, this request will automatically be denied. If my request for Charity Care is approved based on incorrect information, I will be responsible for paying for all services provided by Lorien Home Health.

Please describe why charity services should be granted. (to be completed by Medical Social Worker)

Patient Name: _____ DOB: _____ SS# _____
 Spouse Name: _____ DOB: _____ SS# _____

MONTHLY INCOME

Monthly Household Income:	Gross	\$			Net	\$	
			_____				_____
Other Monthly Income:	Gross	\$			Net	\$	
			_____				_____
Total Monthly Income:	Gross	\$			Net	\$	
			_____				_____

MONTHLY EXPENSES

Rent/Mortgage: _____	Cable: _____
Other Medical Expenses: _____	Furniture/Appliance Payment: _____
Medical Insurance: _____	Clothing Expenses: _____
Life Insurance: _____	Educational Expenses: _____
Car Payment: _____	Charitable Donations (church, etc): _____
Car Insurance: _____	Subscriptions/Magazines: _____
Groceries: _____	Other Expenses: _____
Utilities: _____	Telephone: _____
Other Assets: _____	

Credit Card 1 Name _____	Balance _____	Number _____
Credit Card 2 Name _____	Balance _____	Number _____
Credit Card 3 Name _____	Balance _____	Number _____

(Please use the back of this form if you need additional space to list other expenses)

Total Monthly Expenses: \$ _____

Please attach W2s, tax returns, and returns, recent pay stubs, and/or bank statements, etc.
If you have additional information that may be helpful in our decision, please attach to this form.

Recommendation: _____

MSW Signature: _____ Date: _____

LORIEN HOME HEALTH CHARITY CARE AGREEMENT

Client Name _____

Discharge Date _____

Lorien Home Health (LHH) agrees to make available to all clients (or their guarantors), regardless of their race, creed, gender, age, sexual orientation, national origin or financial status, who are uninsured, underinsured, have experienced a catastrophic event and lack adequate resources to pay for services the highest quality of medical care possible within the resources available. If there is no medical insurance for reimbursement, the client (or the client's guarantor) is responsible for payment. However, cases arise where the client or guarantor does not have the ability to pay LHH for services rendered and may apply for charity care, a sliding fee scale or time payments.

Our short-term goal is to provide services to educate you about your health care needs and how you may best manage those needs in the home setting. If you are unable to manage your treatment plan alone, you will be required to authorize someone to do this on your behalf.

Patient Acknowledgement:

I understand and agree that in order for LHH to provide home health services, I am responsible for:

1. Learning to manage my care independently or authorizing someone to learn on my behalf.
2. Providing accurate financial information (on an on-going basis) to assist in determining my eligibility for community resources and Charity Care. **Should my financial information prove inaccurate, my care will be billed retroactive for all services provided and for future care.**
3. Completing initial application processes for available community resources.
4. Continuing to follow up with community resources in a timely manner.
5. Agreeing to release information on Medicaid application to LHH.
6. Charity Care will not cover third party liability cases. If litigation is involved, I will be billed retroactive for the services that were provided for free and will be billed for all future services.

I accept responsibility for compliance with the above stated requirements and acknowledge that failure to comply could result in discharge from LHH. If I do not comply and LHH continues to support my care, this in no way affects the right of LHH to discharge me in the event of a subsequent failure on my part to comply with the terms of this agreement.

Date of Authorization

Signature of Patient

Witness / Relationship

Legal Representative if client is unable to sign /
Relationship to Patient

If patient signs by making an "X"

Witness / Relationship

LORIEN HOME HEALTH

NOTICE OF AVAILABILITY OF UNCOMPENSATED SERVICES

Lorien Home Health will make available a reasonable amount of health care without charge to persons eligible under Community Charity guidelines. Uncompensated services are available to patients whose family income does not exceed the limits designed by the Income Poverty Guidelines established by the Community Charity services. The current income requirements are the following.

If your income is not more than twice these amounts, you may qualify for uncompensated services.

2022 Federal Poverty Guidelines

<https://aspe.hhs.gov/topics/poverty-economic-mobility/poverty-guidelines>

2022 POVERTY GUIDELINES FOR THE 48 CONTIGUOUS STATES AND THE DISTRICT OF COLUMBIA				
Persons in family/household	Income Guideline	Poverty guideline	Uncompensated Care Amount	Patient Responsibility Amount
1	100%	\$13,590	200% ALLOWANCE	0%
2	100%	\$18,310	200% ALLOWANCE	0%
3	100%	\$23,030	200% ALLOWANCE	0%
4	100%	\$27,750	200% ALLOWANCE	0%
5	100%	\$32,470	200% ALLOWANCE	0%
6	100%	\$37,190	200% ALLOWANCE	0%
7	100%	\$41,910	200% ALLOWANCE	0%
8	100%	\$46,630	200% ALLOWANCE	0%
For families/households with more than 8 persons, add \$4,720 for each additional person.			200% ALLOWANCE	0%

If you feel you may be eligible for uncompensated services and wish to request them, please discuss with LHH Pre-Admission Personnel or call LHH at (301) 829-6050.

A written determination of your eligibility will be made within thirty working days of your request.

LORIEN HOME HEALTH

2022 SLIDING FEE SCHEDULE

Poverty Level:	225%	250%	275%	300%	Above 300%
Family Size	Pay 20%	Pay 40%	Pay 60%	Pay 80%	Pay 100%
1	\$27,181-\$30,578	\$30,579-\$33,975	\$33,976-\$37,373	\$37,374-\$40,770	\$40,770+
2	\$36,621-\$41,198	\$41,199-\$45,775	\$45,776-\$50,353	\$50,354-\$54,930	\$54,930+
3	\$46,061-\$51,818	\$51,819-\$57,575	\$57,576-\$63,333	\$63,334-\$69,090	\$69,090+
4	\$55,501-\$62,438	\$62,439-\$69,375	\$69,376-\$76,313	\$76,314-\$83,250	\$83,250+
5	\$64,941-\$73,058	\$73,059-\$81,175	\$81,176-\$89,293	\$89,294-\$97,410	\$97,410+
6	\$74,381-\$83,678	\$73,059-\$92,975	\$92,976-\$102,273	\$102,274-\$111,570	\$111,570+
7	\$83,821-\$94,298	\$94,299-\$104,775	\$104,776-\$115,253	\$115,254-\$125,730	\$125,730+
8	\$93,261-\$104,918	\$104,919-\$116,575	\$116,576-\$128,233	\$128,234-\$139,890	\$139,890+

Per Visit

Skilled Nursing	\$225.00
Physical Therapy	\$200.00
Occupational Therapy	\$200.00
Speech Therapy	\$200.00
Medical Social Worker	\$400.00
Home Health Aide	\$175.00

Snarski Consulting LLC

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

March 25, 2022

Maryland Health Care Commission
4160 Patterson Avenue
Baltimore, MD 21215

For Inclusion in Lorien Mt. Airy CON Application

Re: CareNet Health Services and Systems, Inc. t/a Lorien Health Systems Mt. Airy HHA Application

To Whom It May Concern:

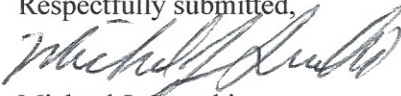
Lorien Mt. Airy does not produce audited financial statements. In lieu thereof, this is to document that the Applicant's proposed project complies with the applicable MHCC and CMS standards and criteria regarding financial aspects of the project.

For 24 years I have been the accountant for the health care division of Mangione Family Enterprises, including Maryland Health Enterprises, Inc. and their other related health care entities including Lorien Health Systems Mt. Airy (Lorien Mt. Airy), the applicant for a Certificate of Need to establish a new nursing home - based Home Health Agency. I have prepared Medicaid Cost Reports, corporate income tax returns, and performed various other accounting and reimbursement services for the Mangione Family's health care related facilities. Based on this knowledge, it is my professional opinion that Lorien Mt. Airy and the Mangione Family have sufficient financial resources to implement the proposed new home health agency within the MHCC's required time frames, and to sustain the proposed project.

Specifically, in accordance with its 12/31/2021 Medicaid Cost Report at Schedule R, Lorien Mt. Airy has \$1,499,129 in Cash and Total Capital / Equity of \$1,512,347. Further, the applicant has additional resources in the form of a line of credit if such resources were ever required. Accordingly, this documents the sources of funds listed in Part IV, Table 1B. Sources of Funds for Project.

In addition, Lorien Mt Airy has the ability to comply with the capital reserve and other solvency requirements specified by CMS for a Medicare-certified home health agency. The Applicant has assigned \$230,000 in Cash to this project of which \$155,000 has been set as working capital start-up funds (*See* CON Application, Project Budget, Table 1, Line 3). This \$155,000 in Cash meets the first three months of operations based on the provision of approximately 824 visits (using 25% of the first year's budgeted visits). Thus, the CMS standard for a Medicare-certified home health agency has been met.

Finally, by letter dated February 24, 2022 submitted to the MHCC with the Applicant's Qualification submission, I have previously documented Lorien Mt. Airy's record of serving all applicable payer types including Medicare, Medicaid, private insurance, HMOs, and self-pay patients.

Respectfully submitted,

Michael J. Snarski
Certified Public Accountant

Lorien Home Health Discharge Planning Policy

PURPOSE

To ensure the safety and well-being of the client when client is no long receiving services.

POLICY

In accordance with the terms of this Policy, a discharge plan will be developed and implemented for any client discharged from the care of Lorien Mt Airy Home Health (LHH) other than through death.

LHH will discharge or transfer a client for the following reasons:

1. Client acuity requires a higher level of care than LHH can provide, or if CMS states that LHH must arrange a safe and appropriate transfer to other care entities.
2. Client goals are met as agreed upon by the physician and agency.
3. The client or payer will no longer pay for services.
4. The client refuses care or requests transfer or discharge.
5. The client dies.
6. LHH ceases to operate.
7. The client or people in the client's home demonstrate disruptive, abusive or uncooperative behavior that impedes the delivery of care and treatment.

DEFINITION

'Discharge Planning' means the process of ending or completing services for a qualified episode of home health care for an individual.

PROCEDURE

Responsibility for discharge planning is delegated to the assigned clinical staff. This planning will begin at the time of admission.

The LHH Care Team shall:

- Discuss client's discharge potential based on the initial assessment.
- Develop and document plans for continuity of client care after discharge from LHH services.
- Review client's continuing eligibility for care.

The comprehensive discharge plan shall include the following and be made available to the client or his/her designee and receiving physician:

- A summary of the treatment goals, objectives and current functional level for each client.
- The need and recommendations for continued therapy.

- The potential for independence in living, learning and/or work activities with consideration of living arrangements, support systems, functional needs and skills, resources, adaptive skills, assistive devices and referrals for continued services.
- Educating the client and client family regarding the reason and the need for discharge from the agency, or transfer to another organization within a reasonable time frame prior to the event.
- Consulting with client and client family regarding alternatives, if any, prior to transfer.

A. Standard Discharge Planning Process

1. The case manager and each discipline involved in the care of the client prepares the client for discharge from the first visit, by working with the client and physician in formulating goals and interventions to meet the goals.
2. The goals are identified at each visit and when the goals are completely achieved, the case manager marks them as met. Goals may be added if needed through the physician's orders. The orders are reviewed before each visit.
3. The client will be informed of when the final visit is planned, as preparation for discharge is discussed throughout the period of care.
4. The physician is notified of the discharge date as well as the client and caregiver. The provider schedules the appropriate visit code on the medical record to complete the discharge visit note.
5. When discharging from all services, the clinician completes a comprehensive discharge assessment with the collection of OASIS data according to CMS guidelines and transmits it to the office within 24 hours. Discharge instructions are reviewed with the client and/or caregiver.
6. Discharge instructions, if applicable, are submitted to the agency no later than 24 hours from the date of discharge and filed into the LHH online service management portal.

B. Discharge before end of planned services (early discontinuation of services)

1. In certain instances it may be necessary to discontinue service(s) to a client prior to expected discharge date. To prevent abandonment, the process to end services occurs over an extended period of 2 – 4 weeks. Reasons for early discharge from services are listed under the policy above.
2. The client is always included in the transfer process, with appropriate referrals made with the choice and involvement of the client.
3. Appropriate insurance forms are completed as required.

C. Immediate Discharge Required

If the safety or well-being of a health care provider is threatened, immediate discharge is required.

D. Referral to Alternative Services After Discharge from Home Health Care

1. As part of its discharge planning process, Lorien Home Health will provide to and discuss with the client a list of its referral relationships with hospitals, physical therapy sites, adult day care, assisted living facilities, comprehensive care facilities, home health agencies, and other resources that the client may need upon discharge to ensure continuity of care. Lorien Home Health will emphasize that the selection of such alternative service providers is a matter of client choice.

LORIEN STAFF RECRUITING PLAN OVERVIEW

Incremental Staff needs for the Lorien Mt. Airy Home Health Agency will be met by utilizing, as necessary, Lorien Health Services' Staff Recruiting system. More information can be found online at:

Overview - <https://info.lorienhealth.com/workwithus/> **See attached Print Version.**

Job Openings and Description - <https://lorienhealth.applicantpro.com/jobs/> **See attached Print Version.**

In addition, Lorien's recruitment efforts include the following:

Overseas Recruiting: Lorien utilizes recruiting services to secure nurse recruits from the Philippines.

Targeted Institutions: Recruiting personnel will identify all Community Colleges, Vocational Schools and High Schools offering related programs (i.e. Nursing, Food Service. Job offers will be posted through the appropriate department of these institutions).

Targeted Civil and Government Organizations: Lorien Recruiting personnel will utilize employment services of the local Job Corps, the Office of Unemployment and Maryland Job Service.

Targeted Fairs and Expo's: Lorien Recruiting Staff will attend Job expos and all appropriate scheduled community events including on site Job Fairs / Hiring Events.

Targeted Media: Lorien will advertise online with CareerBuilder.com, Indeed.com, Lorien Health Websites (see above referenced URLs), WCBM Radio station, and other media as necessary.

Lorien Health Resources: Lorien Health promotes and provides educational and training assistance along the nursing career ladder beginning with Temporary Nursing Assistants all the way up to RNs..



Care forward.

SEE WEBSITE AT:
<https://info.lorienhealth.com/workwithus/>

We nurse your career.

At Lorien Health services, we understand nursing isn't easy which is why we care for our nurses as much as our residents. We respect and listen to you and want to see you succeed. At all levels - GNAs, CNAs, LPNs, RNs - we provide the mentoring you need to grow your career in a place you'll love working for.



Not a nursing home

Lorien isn't a typical nursing home so working for us isn't a typical nursing job. We treat everyone like family to ensure you are listened to, appreciated and valued.



Grow your career

We know you love nursing and we want you to succeed. At Lorien, we invest in your development through on-site training and mentorship programs aimed at helping you climb the nursing ladder so you can advance your career.



Benefit yourself

At Lorien, we ensure that the ratio of staff to residents is strong and we offer great benefits like upfront paid tuition, educational assistance and more.

Request More Information

A member of our recruitment team will
follow up with you.

First Name*

Last Name*

Email*

Phone Number*

LEARN MORE TODAY

Join us. Be rewarded!

Lorien wouldn't exist without our nurses. We know how challenging this job can be and we want to make sure you're rewarded. Help us bring joy and fun back into the buildings like in this video which we filmed before the pandemic.

Lip Sync Battle Compilation



DON'T JUST TAKE OUR WORD FOR IT



"Working at Lorien is one of the best decisions I ever made. So many great opportunities."

Deborah
GNA & Staff Coordinator



"I love the family atmosphere. Hope to work here for many years."

Louise
CMA

WE'RE HIRING



Explore our careers

Visit our Careers page for a more in depth look at Lorien's employee offerings. Read about our "Care Forward" approach to caring for our residents and search through our open positions to find the one that's best for you.

[Learn More](#)



Cherie Carter
Centralized Recruiter

ccarter@lorienhealth.com

(240) 298-0538



Care forward.

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 Find Nearby Location

Find another Location 



SEE WEBSITE AT:

<https://www.lorienhealth.com/careers>



Careers

Why Work at Lorien?

Forget whatever you've heard about working in nursing homes before. Lorien is not your average nursing home and assisted living company. Our CEO, Lou Grimmel, is often heard saying that "We are a nursing home that dislikes nursing homes!" Why? Because we are **different**.

It shows with our employees and our "*Care forward*," innovative approach to caring for our residents. As a family-owned business for over 40 years, we see our team members as an extension of family. We invite everyone who joins Lorien to share the values set forth by our Founder, Nicholas Mangione, Sr. We encourage each other to work hard and aim to set our teams up for success. Then, when we do, we're the first to praise, reward and acknowledge achievements.

In fact, Lorien Health Services is proud to have been awarded The Daily Record's [2019 Advancements Nursing](#) and [2019 Nurse of the Year](#), as well as [The Baltimore Sun's "Baltimore's Best" Elder Care \(Reader's Choice\)](#). Additionally, we have been named Best Nursing Home for 2020-21 by the US News and World Report!

Whether you are brand new to healthcare or fresh out of school, a Lorien job provides you with a wide variety of opportunities in a meaningful, fast-paced environment. If you're a veteran on the move, it provides a purpose-based new challenge with quality benefits. No matter who you are.

[Schedule a Tour](#)

For more information on our temporary Nursing Assistant program, please click [here](#).

Without our team, we would not be able to care for our residents. We also know how challenging this job can be so promoting the emotional and physical well-being of our employees remains one of our top priorities. We offer generous benefits including an Aetna healthcare insurance package and even perks at Turf Valley Resort.

Current Job Openings

Benefits of Working with Lorien



**Aetna Health Insurance
Package**



Tuition Paid Upfront



401K Matching

Schedule a Tour

Carenet Health Systems and Services, Inc.
Related Healthcare Organizations subject to Medicaid MOU's
Medicaid Occupancy Levels:

Facility>	Lorien Nursing & Rehab Ctr Inc	Lorien Harford, Inc	Carenet Health Sys & Svs, Inc.	Lorien Lifecenter Howard II Inc	Lorien Howard Inc.	Lorien Life Center Harford II Inc	Lorien Life Center Baltimore Co. Inc	Lorien Taneytown Inc.	
Medicaid Provider # >	Lorien-Columbia	Lorien- Bel Air	Lorien- Mt Airy	Lorien Elkridge	Encore at Turf Valley	(Havre de Grace)	Lorien Mays Chapel	Lorien Taneytown	
FY>	6/30/2021	12/31/2021	12/31/2021	12/31/2021	12/31/2021	12/31/2021	12/31/2021	12/31/2021	
Per MA Cost Report, p. 3									
Medicaid	Line 13, Col. 2	45674	9650	10793	11913	14204	8398	17122	10965
Medicaid Hospice	Line 13, Col. 3	1650	1003	1297	1362	580	589	347	930
Medicaid- MCO	Line 13, Col. 4	0	0	0	0	0	0	0	0
Total Medicaid		47324	10653	12090	13275	14784	8987	17469	11895
Total Patient Days	Line 14, col. 5	54038	20999	17955	21860	25389	16390	26506	18087
Medicaid Occupancy %		87.58%	50.73%	67.34%	60.73%	58.23%	54.83%	65.91%	65.77%
FY>									
		6/30/2020	12/31/2020	12/31/2020	12/31/2020	12/31/2020	12/31/2020	12/31/2020	12/31/2020
Medicaid	Line 13, Col. 2	53958	12334	12625	12853	16180	13972	16001	9970
Medicaid Hospice	Line 13, Col. 3	3050	536	0	759	0	0	0	1204
Medicaid- MCO	Line 13, Col. 4	0	0	0	0	0	0	0	0
Total Medicaid		57008	12870	12625	13612	16180	13972	16001	11174
Total Patient Days	Line 14, col. 5	67481	23155	18350	20812	24434	20436	25903	18429
Medicaid Occupancy %		84.48%	55.58%	68.80%	65.40%	66.22%	68.37%	61.77%	60.63%

Michael J. Snarski

Certified Public Accountant

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

February 24, 2022

Maryland Health Care Commission
4160 Patterson Avenue
Baltimore, MD 21215

Re: Carenet Health Services and Systems, Inc
DBA Lorien Health Systems Mt. Airy
Certificate of Need- Home Health Agency

- Financial Resources
- Historical Service – By Payer Type

To Whom It May Concern:

I have been the accountant for twenty four years of Maryland Health Enterprises, Inc., and the related health care entities of the Mangione family. I have prepared Medicaid cost reports, corporate income tax returns, and performed various other accounting and reimbursement services for their health care related entities. Based on this knowledge, it is my opinion that the Mangione family have sufficient financial resources to implement the proposed project within the applicable time frames set forth in the Commission's performance requirements.

In addition, Lorien Health Systems Mt. Airy has a record of serving all applicable payer types, such as Medicare, Medicaid, private insurance, HMOs, and self-pay patients. Please see attached schedule of its patient days by payer type for its Nursing Facility for years 2020 and 2021 which documents the percentage of patients served by payer type.

Respectfully submitted,



Michael J. Snarski
Certified Public Accountant

Carenet Health Services and Systems, Inc.
dba Lorien Health Systems Mt. Airy
Nursing Facility Patient Days, By Payer Source

	Nursing Facility (Comprehensive Care)			
	Year 2020		Year 2021	
	Patient Days	%	Patient Days	%
Managed Care	380	2.071%	354	1.973%
Private	3,223	17.564%	2,863	15.956%
Medicare - Part A	2,122	11.564%	2,638	14.702%
Medicaid	12,625	68.801%	12,088	67.369%
Totals	18,350	100.000%	17,943	100.000%

**Lorien Mt. Airy
Monthly Census
FY 2020**

		62	93													
Payer Totals	Case Mix	Jan	Feb	Mar	April	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD Total	366	
Managed Care		33	93	31	14	15	31	15	28	51	41	0	28	380		
Private Pay-NH (PVT)	STD	270	246	268	285	265	259	281	294	304	254	264	233	3223		
Medicare A (MCA)		295	184	217	141	179	135	176	198	197	162	152	86	2122		
Medicaid (MCD)	Regular	1,009	925	983	906	840	709	757	778	713	799	768	906	10093		
	Vent	204	200	186	210	185	210	217	217	210	248	228	217	2532		
	Bedhold													0		
	Total Medicaid	1,213	1,125	1,169	1,116	1,025	919	974	995	923	1,047	996	1,123	12,625		
	TOTAL SNF	1,811	1,648	1,685	1,556	1,484	1,344	1,446	1,515	1,475	1,504	1,412	1,470	18,350		
	Per Day	58.42	56.83	54.35	51.87	47.87	44.80	46.65	48.87	49.17	48.52	47.07	47.42	50.14		
	%	94.22%	91.66%	87.67%	83.66%	77.21%	72.26%	75.23%	78.82%	79.30%	78.25%	75.91%	76.48%	80.87%		
	TOTAL ALF	2,720	2,489	2,680	2,494	2484	2299	2315	2294	2184	2266	2109	2034	28368		
	Per Day	87.74	85.83	86.45	83.13	80.13	76.63	74.68	74.00	72.80	73.10	70.30	65.61	77.51		
	%	94.35%	92.29%	92.96%	89.39%	86.16%	82.40%	80.30%	79.57%	78.28%	78.60%	75.59%	70.55%	83.34%		
	TOTAL Facility	4,531	4,137	4,365	4,050	3968	3643	3761	3809	3659	3770	3521	3504	46718		

SNF Patient Mix by Payer per Day

		Jan	Feb	Mar	April	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD Total
Manged Care		1.06	3.21	1.00	0.47	0.48	1.03	0.48	0.90	1.65	1.32	-	0.90	1.04
Private Pay-NH (PVT)	STD	8.71	8.48	8.65	9.50	8.55	8.63	9.06	9.48	9.81	8.19	8.80	7.52	8.81
Medicare A (MCA)		9.52	6.34	7.00	4.70	5.77	4.50	5.68	6.39	6.35	5.23	5.07	2.77	5.80
Medicaid (MCD)	Light	32.55	31.90	31.71	30.20	27.10	23.63	24.42	25.10	23.00	25.77	25.60	29.23	27.58
	Medium	6.58	6.90	6.00	7.00	5.97	7.00	7.00	7.00	6.77	8.00	7.60	7.00	6.92
	Total Medicaid	39.13	38.79	37.71	37.20	33.06	30.63	31.42	32.10	29.77	33.77	33.20	36.23	34.49
	Total SNF	58.42	56.83	54.35	51.87	47.87	44.80	46.65	48.87	49.17	48.52	47.07	47.42	50.14
	Total ALF	87.74	85.83	86.45	83.13	80.13	76.63	74.68	74.00	72.80	73.10	70.30	65.61	77.51
	Total Facility	146.16	142.66	140.81	135.00	128.00	121.43	121.32	122.87	121.97	121.61	117.37	113.03	127.64

**Lorien Mt. Airy
Monthly Census
FY 2021**

	62	93	31	28	31	30	31	30	31	31	30	31	30	31	365
Payer Totals	Case Mix	Jan	Feb	Mar	April	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD Total	
Managed Care		59	29	41	24	16	-	23	42	28	23	16	53	354	
Private Pay-NH (PVT)	STD	207	204	239	216	259	245	302	239	242	256	248	206	2863	
Medicare A (MCA)		75	145	157	176	215	286	314	206	148	210	323	383	2638	
Medicaid (MCD)	Regular	945	830	841	875	893	838	834	865	838	833	712	788	10092	
	Vent	175	167	171	180	185	169	155	176	171	149	148	150	1996	
	Bedhold													0	
	Total Medicaid	1,120	997	1,012	1,055	1,078	1,007	989	1,041	1,009	982	860	938	12,088	
	TOTAL SNF	1,461	1,375	1,449	1,471	1,568	1,538	1,628	1,528	1,427	1,471	1,447	1,580	17,943	
	Per Day	47.13	49.11	46.74	49.03	50.58	51.27	52.52	49.29	47.57	47.45	48.23	50.97	49.16	
	%	76.01%	79.21%	75.39%	79.09%	81.58%	82.69%	84.70%	79.50%	76.72%	76.53%	77.80%	82.21%	79.29%	
	TOTAL ALF	1,934	1,714	1,898	1,812	1,791	1,710	1,722	1,700	1,582	1,592	1,520	1,600	20,575	
	Per Day	62.39	61.21	61.23	60.40	57.77	57.00	55.55	54.84	52.73	51.35	50.67	51.61	56.37	
	%	67.08%	65.82%	65.83%	64.95%	62.12%	61.29%	59.73%	58.97%	56.70%	55.22%	54.48%	55.50%	60.61%	
	TOTAL Facility	3,395	3,089	3,347	3,283	3,359	3,248	3,350	3,228	3,009	3,063	2,967	3,180	38,518	

SNF Patient Mix by Payer per Day

	Jan	Feb	Mar	April	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD Total	
Manged Care	1.90	1.04	1.32	0.80	0.52	-	0.74	1.35	0.90	0.74	0.53	1.71	0.97	
Private Pay-NH (PVT)	6.68	7.29	7.71	7.20	8.35	8.17	9.74	7.71	7.81	8.26	8.27	6.65	7.84	
Medicare A (MCA)	2.42	5.18	5.06	5.87	6.94	9.53	10.13	6.65	4.77	6.77	10.77	12.35	7.23	
Medicaid (MCD)	Light	30.48	29.64	27.13	29.17	28.81	27.93	26.90	27.90	27.03	26.87	23.73	25.42	27.65
	Medium	5.65	5.96	5.52	6.00	5.97	5.63	5.00	5.68	5.52	4.81	4.93	4.84	5.47
	Total Medicaid	36.13	35.61	32.65	35.17	34.77	33.57	31.90	33.58	32.55	31.68	28.67	30.26	33.12
	Total SNF	47.13	49.11	46.74	49.03	50.58	51.27	52.52	49.29	47.57	47.45	48.23	50.97	49.16
	Total ALF	62.39	61.21	61.23	60.40	57.77	57.00	55.55	54.84	52.73	51.35	50.67	51.61	56.37
	Total Facility	109.52	110.32	107.97	109.43	108.35	108.27	108.06	104.13	100.30	98.81	98.90	102.58	105.53



Friendly Acres Community Association

c/o Sunshine Management Corporation
178 Thomas Johnson Drive
Suite 201
Frederick, MD 21702

March 10, 2022

Suzanne Giangrasso, LNHA
Lorien Health Systems Mt. Airy
705 Midway Avenue
Mount Airy, Maryland 21771

Dear Ms. Giangrasso,

I am happy to add my support for your proposed new Home Health Agency services. Your facility has an excellent reputation in the community and the new services will allow you to continue to provide medical and therapeutic services to your former residents after they are discharged to their homes as well as to those discharged from Lorien Taneytown. I understand the new services will also be available to all residents of Carroll County. Lorien Mt Airy is an important part of the Carroll County community and I wish you continued success.

Sincerely,

Cheryl A. Cane, President

Address:

*Friendly Acres Community Association
709 Horpel Drive
Mount Airy, MD. 21771*



GRACE UNITED CHURCH OF CHRIST

49 WEST BALTIMORE STREET TANEYTOWN, MARYLAND 21787-2099
410-756-2302 graceucctaneytown@gmail.com

Rev. Steven M. Ostendorf, Pastor

March 18, 2022

Ms. Suzanne Giangrasso, LNHA
Administrator
Lorien Health Systems Mt. Airy
705 Midway Avenue
Mt. Airy, Maryland 21771

On behalf of Grace United Church of Christ & Grace United Learning Center, I am pleased to add our support to Lorien's proposed Home Health Agency services. Having Lorien in Taneytown has brought peace of mind to family members of both our congregation and Learning Center. The possibility of seniors receiving quality care while remaining in their homes will be very comforting to their families. The advantages for seniors to be able to continue to be a valuable part of the community and age with dignity is immeasurable.

We look forward to the Mt. Airy Lorien's expansion of services in our community. Thank you for the opportunity to lend our support for this valuable community resource.

Sincerely,

Beth Hogg

March 21, 2022

Suzanne Giangrasso, LNHA, Administrator
705 Midway Avenue
Mount Airy, Maryland 21771

Re: Proposed New Lorien Mt. Airy Home Health Agency

Dear Suzanne Giangrasso,

Please note my support for your proposed new home health agency. Your plan to expand the services offered by Lorien Mt. Airy will meet the needs of seniors and their families for a continuum of care. It will also enhance continuity of care in addressing the needs of your residents who are discharged to their homes for follow up care.

Adding the availability of home health services provided by Lorien caregivers will enhance seniors' ability to age in place as they remain in their home settings. Lorien's proposal will also allow them to access different levels of service as their needs change without being "handed off" to new and different providers.

I look forward to seeing your planned undertaking come to fruition.

Sincerely,

Mr. + Mrs. William Knell

Knell: Farm Market



March 14, 2022

Ms. Suzanne Giangrasso, LNHA
Administrator
Lorien Health Systems Mt. Airy
705 Midway Avenue
Mt. Airy, Maryland 21771

Re: Lorien Mt. Airy Home Health Agency

Dear Ms. Giangrasso,

Please be advised that I support establishment of Lorien Mt. Airy's proposed new home health agency services. Lorien Health Services has an excellent reputation in the community and Lorien Mt. Airy is an important part of the Carroll County Community. This proposal will provide home health services to people discharged from your Carroll County facilities. It will also enhance Encore's ability to offer comprehensive care services which meet the community's needs and enhances the quality of life of our residents and their families. I look forward to seeing your planned undertaking come to fruition.

Sincerely,

A handwritten signature in black ink that reads 'Mike McMullin'.

Mike McMullin

President

Carroll County Chamber of Commerce



MOUNT AIRY VOLUNTEER FIRE COMPANY, INC.

702 NORTH MAIN ST. • MOUNT AIRY, MARYLAND 21771

BUSINESS PHONES

301-829-0100 • 301-831-7454 • 410-795-8055

FAX LINE

301-829-2353

EMERGENCY PHONE

911



March 21, 2022

Suzanne Giangrasso, LNHA, Administrator
705 Midway Avenue
Mount Airy, Maryland 21771

Re: Proposed New Lorien Mt. Airy Home Health Agency

Dear Suzanne Giangrasso,

Please note my support for your proposed new home health agency. Your plan to expand the services offered by Lorien Mt. Airy will meet the needs of seniors and their families for a continuum of care. It will also enhance continuity of care in addressing the needs of your residents who are discharged to their homes for follow up care.

Adding the availability of home health services provided by Lorien caregivers will enhance seniors' ability to age in place as they remain in their home settings. Lorien's proposal will also allow them to access different levels of service as their needs change without being "handed off" to new and different providers.

I look forward to seeing your planned undertaking come to fruition.

Sincerely,

A handwritten signature in cursive script, appearing to read "Daniel Caiola".

Daniel Caiola
President

**Mt. Airy Lions Club
P.O. Box 53
Mount Airy, MD 21771**

March 21, 2022

Ms. Suzanne Giangrosso, LNHA, Administrator
Lorien Health Systems Mt. Airy
705 Midway Avenue
Mt. Airy, Maryland 21771

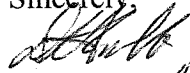
Re: Lorien Mt. Airy Home Health Agency

Dear Ms. Giangrosso,

Please be advised that I support establishment of Lorien Mt. Airy's proposed new home health agency services. Lorien has an excellent reputation in the community and among its residents for offering nursing care and therapeutic services in the inpatient setting. Offering a range of home care services to its residents after discharge to their homes will enhance continuity of care and will contribute to positive outcomes.

Many thanks for this opportunity to share my views.

Sincerely,



Dennis Ahalt

Treasurer

Mt Airy Lions Club



Mt Airy Net, Inc.
1402 N. Main St., Po Box 569
Mount Airy, MD 21771

April 6, 2022

Ms. Suzanne Giangrasso, LNHA, Administrator

Lorien Health Systems Mt. Airy

705 Midway Avenue

Mt. Airy, Maryland 21771

Re: Lorien Mt. Airy Home Health Agency

Dear Ms. Giangrasso,

Please be advised that I support establishment of Lorien Mt. Airy's proposed new home health agency services. Lorien has an excellent reputation in the community and among its residents for offering nursing care and therapeutic services in the inpatient setting. Offering a range of home care services to its residents after discharge to their homes will enhance continuity of care and will contribute to positive outcomes.

Many thanks for this support in this area.

Sincerely,

Sue Veres
Operations Director
Mt. Airy Net, Inc.

March 10, 2022

To: Administrator Suzanne Giangrasso, LNHA

Lorien Health Systems

705 Midway Ave, Mount Airy, Maryland, 21771

Re: Lorien Mount Airy Home Health Agency

Dear Administrator Giangrasso:

Hello,

My name is Andrea Brown and I have been a life-long resident of the Taneytown community for over thirty years. My residency and long-time employment at the Taneytown Branch of Truist Bank has provided me with numerous hours assisting the businesses community as well.

Admittedly, I have acquired deep affiliations with Lorien of Taneytown for several reasons; as stated, it is my hometown and I have also been subjected to their personalized HealthCare facility. Thus having personal friends either being assigned for rehabilitation inside this facility or other's that have become a resident in the nursing home environment.

With today's medical advancements and the necessity of long-term obligations of care for our senior communities. It is very disheartening when an individual arrives at that crossroad in their lives, possibly having lost the ability to take care of themselves. The anxiety can be turned into comfort knowing there is a facility with an earnest assortment of diverse personnel to fit their needs in a nurturing manner.

I have witnessed the deep concernment for patients that soon become friends to the nursing staff, along with an everlasting care and compassion that is second to none.

I am ecstatic and excited to hear the news of Lorien's new proposed Home Health Services.

The growth and development opportunities within the Lorien Home Health systems in the vicinity of Mount Airy will be a welcomed adventure. I believe that the honor and integrity that is so prevalent inside the Taneytown facility will be echoed and equally achieved within the Mount Airy community as well.

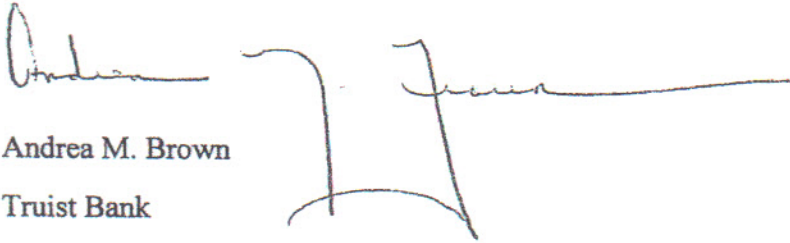
So many of the live-in clientele are exuberant to call Lorien their forever home and this is attested by the resilient smiles that are observed while visiting these facilities.

I look forward to viewing the projected services that Lorien of Mount Airy will be promoting in the very near future. Along with the provision of advanced employment opportunities for so many Healthcare providers within the community.

I wish all the Lorien facilities continued and prosperous success with this committed journey of assisting our senior generations.

Thank you so much for allowing me the opportunity to share my first-hand perspectives.

Sincerely,

A handwritten signature in black ink, appearing to read "Andrea M. Brown". The signature is written in a cursive style with a long horizontal stroke at the end.

Andrea M. Brown

Truist Bank

4345 Old Taneytown Road

Taneytown, Maryland 21787



Veterans of Foreign Wars of the United States
The Counties Four Post No. 10076
P. O. Box 13
Mount Airy, Maryland 21771

Suzanne Giangrasso, LNHA, Administrator

705 Midway Avenue

Mount Airy, Maryland 21771

Re: Proposed New Lorien Mt. Airy Home Health Agency

Dear Suzanne Giangrasso,

Please note my support for your proposed new home health agency. Your plan to expand the services offered by Lorien Mt. Airy will meet the needs of seniors and their families for a continuum of care. It will also enhance continuity of care in addressing the needs of your residents who are discharged to their homes for follow up care.

Adding the availability of home health services provided by Lorien caregivers will enhance seniors' ability to age in place as they remain in their home settings. Lorien's proposal will also allow them to access different levels of service as their needs change without being "handed off" to new and different providers.

I look forward to seeing your planned undertaking come to fruition.

Sincerely,

Chad W. Wright

Chad W Wright
Commander



WANTZ CHEVROLET, INC.

1 Chevro Drive
P.O. Box 331
Taneytown, MD 21787
Phone: 410-756-6006 410-751-1200 410-239-8440
www.wantzchevrolet.com

March 18, 2022

Ms. Suzanne Giangrosso, LNHA Administrator
Lorien Health Systems, Mt Airy
705 Midway Avenue
Mt Airy, MD 21771

Dear Ms. Giangrosso,

I am writing to recommend that I support the establishment of Lorien, Mt. Airy's proposed new home health agency services. Lorien has an excellent reputation in the community and continues to be an especially important part of the Carroll County Healthcare and business community.

My family and I have been associated with Lorien in both professional dealings and having personal dealings, by having a family member being cared for. I have been satisfied with Lorien's dedication and skill in supplying the services that I needed and expected from them.

The addition of Home Health Services by Lorien will be a great asset to our community. The ability for a discharged patient or a senior citizen to recover in their home setting will supply positive outcomes and enhance the quality of life for not only the patients, but their families as well.

I am looking forward to seeing this new undertaking come to fruition.

Sincerely,

G. Scott Wantz
Vice President
Wantz Chevrolet, Inc



**BUSINESS
ELITE**