



March 8, 2024

Mr. Jeff Kagan
709 Kersey Road
Silver Spring, Maryland 20902

**Re: Hillhaven SNF Operator, LLC
dba Sterling Care Hillhaven (Hillhaven)
Prince George's County**

Dear Mr. Kagan:

Commission staff has reviewed a Certificate of Need (CON) application from Hillhaven to add 32 beds to its facility in a newly constructed wing of the building. There are areas in the application submitted which were found by staff to be incomplete, and therefore please provide responses to the following questions:

Part 1: Project Identification and General Information:

1. Although you have budgeted \$200,000 for contingencies related to COVID-19 and the impact on supply chains, what will be the impact on your contingency allowance if the current utilities are not enough to support the new wing?

Part IV: Consistency with the State Health Plan:

2. Under (2) Medical Assistance: Given Hillhaven's past performance of not meeting its Medicaid MOU, provide detail and/or the strategic plans to reach and maintain the Medicaid MOU threshold going forward?
3. Under (3) Community Based Services please include:
 - a. A copy of the flyer or other communication given to Residents at admission on the Money Follows the Person Program.
 - b. Provide documentation or other evidence of compliance with section Q of the MDS completion to assess interest in community-based alternatives to nursing homes.
 - c. Provide documentation or other evidence that Hillhaven permits access to community-based programs to the facility for education and outreach.
 - d. A copy of the facility's discharge planning policy.
4. Under (4) Appropriate Living Environment, the standard requires compliance with the most recent FGI guidelines. Applicant states 2018 FGI guidelines were used instead of

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- the most recent 2022 FGI guidelines. Please explain the use of the older guidelines throughout the application.
5. Under (5) Specialized Unit Design, will the new dining room be used as a common area for Residents for other purposes such as activities ?
 6. Please include the square footage of all the dining rooms, the rehab gym and any other Resident common areas and provide a comparison to the square footage requirements in COMAR 10.07.02. Please also note if Assisted Living Residents use the same common areas.
 7. Under (6) Renovation or Replacement of Physical Plant, please disclose whether Hillhaven has any current life safety code waivers.
 8. Under (8) Quality Rating, please include a copy of Hillhaven's most recent quarterly QAPI minutes and QAPI policy.
 9. Under (9) Collaborative Relationships:
 - a. Other than the hospice contract, the required documentation was not provided, including hospitals, home health, assisted living, adult day and Adult Evaluation and Review Services. Please provide this documentation.
 - b. Please provide evidence of the relationship with Adventist, Amedisys and any other home health agencies referenced.
 - c. Please provide documentation of all hospices you work with (Montgomery Hospice mentioned), apart from Holy Cross which contract was included.
 - d. Provide more detail and documentation of the physician based palliative services provided at the facility.

Need:

10. In the footnotes to the chart on page 39 you state that Hyattsville Rehab Center is a CCRC, however they are not listed on the Maryland Department of Aging website under CCRC facilities-please explain.
11. In comparing the chart on p. 33 vs the bullet points on p. 34 the hospitalization numbers do not match, please explain this discrepancy.

Cost-Effective Alternatives:

12. On page 44 the applicant discusses waiver beds "for each new construction project" as an alternative to the proposed project. The waiver provisions in COMAR 10.24.20.04 state that waiver beds can only be used if the facility "has licensable physical space to accommodate the additional beds". Unless the space exists for the waiver beds proposed, this would not be a viable alternative. Please explain and provide any additional considerations.

Health Equity:



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13. On page 51 the applicant discussed community engagement initiatives and programs including workshops, support groups and other resources. Please provide more detail and elaborate on the types of workshops, support groups and other resources planned.
14. Please provide more detail and elaborate on how the facility integrates implicit bias and cultural competency into its training program.

Tables:

15. In Table C. Budget, please provide more detail and elaborate on the following:
 - a. Table B shows 1,300 SF in renovations, but nothing is listed under renovations (there are also no renovations listed in Table J).
 - b. Interest on the mortgage.
 - c. Loan placement fees.
 - d. No expenses listed for CON application assistance or legal fees.
16. Table D, explain why the 1,167 admissions in 2021 decreased to 345 in 2022.
17. Table E, there are 28 admissions in 2025 totaling 3407 patient days (an average of 122 days per patient)-however, in 2026 there are 156 admissions totaling 10,512 patient days (an average of 68 days per patient). In 2027 there are 104 admissions totaling 10,512 patient days (an average of 101 days per patient). Please provide the assumptions relied on for these projections.
18. Table E, please provide an explanation of why admissions projected to decline 50% from 2026 to 2027?
19. Table F, please provide an explanation of why bad debt increased significantly from 2021 to 2023, and is not projected to show a significant increase from 2023 onwards?
20. Table F shows significant losses 2021-2024 with income increasing by nearly a million in 2024 to 2025 when 2024 only expects 50% occupancy from June of that year onwards - please explain the assumptions leading to this projection.
21. Table G shows 3400 patient days in 2025 leading to 2.8M in income but then in 2026 10,500 patient days leading to only 2M more. Please explain the assumptions leading to these projections.
22. Table H, contractual employees is blank, however in Appendix 17 you provided a contract for rehabilitation services-please explain.

Please submit four copies of the responses to the above questions and requests for additional information within ten working days of receipt. Also submit the response electronically, in both Word and PDF format, to Ruby Potter (ruby.potter@maryland.gov) and mhcc.confilings@maryland.gov. If additional time is needed to prepare a response, please let me know at your earliest convenience.

As with the request itself, all information supplementing the request must be signed by person(s) available for cross-examination on the facts set forth in the supplementary

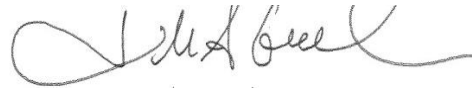


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information, who shall sign a statement as follows: "I hereby declare and affirm under the penalties of perjury that the facts stated in this application and its attachments are true and correct to the best of my knowledge, information, and belief."

Should you have any questions regarding this matter, please contact me at (410) 764-3371.

Sincerely,



Jeanne Marie Gawel, Acting CON Chief

cc:

Nancy Lane, Consultant
Wynee Hawk, Director Health Care Facilities Planning and Development
Ruby Potter, MHCC
Moirra Lawson, Program Manager, MHCC
Caitlin Tepe, AAG
Alexa Bertinelli, AAG
Dr. Matthew Levy, Health Officer, Prince George's County Health Department

