

Current

Pending Notices of Acquisition/Change of Ownership for Comprehensive Care Facilities (Nursing Homes)

Smith Nursing and Rehabilitation Center

Transaction: Acquisition of assets

CURRENT

Owner of the real property: 4409 East West Highway LLC

Owner of bed rights: 4409 East West Highway LLC

Operator: Smith SNF LLC

POST-TRANSACTION

Owner of the real property: 4409 East West Highway LLC

Owner of bed rights: 4409 East West Highway LLC

Operator: Jones SNF Operator LLC

Purchase price: \$0 (lease with a line of credit)

Additional information: The 150-bed CCF is located at 4409 East West Highway, Baltimore, Maryland, 21228. The facility currently has an average 3 out of 5-star rating on the CMS Nursing Home Compare website. The facility has a Memorandum of Understanding (MOU) with Medicaid of 43.8% and it has met its threshold. The anticipated closing date of the transaction is November 1, 2023.

While MHCC acknowledges that this transaction has met the requirements for an acquisition, we note that CCFs associated with majority owner John Doe have below average ratings (composite scores of 1 star out of five) on the CMS Nursing Home Compare Five-Star Quality Rating System. In addition, two of the 13 nursing homes affiliated with John Doe have been flagged by CMS for Resident Abuse¹. The track record of the person acquiring this CCF would probably fail to meet the requirements for docketing of a CON application to establish or expand a CCF under the State Health Plan Quality Rating standard [COMAR 10.24.20.05A(8)].

¹ The rating scores were accessed on August 30, 2023, from the CMS Nursing Home Compare website. The data had been last updated on July 26, 2023. The CMS flag for Resident abuse is given to CCFs who have an abuse citation within the last year.

Proposed

(Additional Summary of Findings for SB0509/HB0702)

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Staff notes that for the immediately preceding three-year period, facilities currently or previously owned, within or outside the State, associated with majority owner John Doe have below average ratings (composite scores of 1 star out of five) on the CMS Nursing Home Compare Five-Star Quality Rating System. In addition, two of the 13 nursing homes affiliated with John Doe have been flagged by CMS for Resident Abuse². The applicant has provided evidence that its existing 13 facilities have maintained quality assessment and assurance committees that meet at least quarterly. The applicant provided its most recent annual inspection reports and the subsequent plans of correction. The applicant also documented no lawsuits or arbitration filings by any patient or patient representative against facilities. In summary of the findings, due to the low star ratings of other facilities owned by the person acquiring this CCF the applicant would probably fail to meet the requirements for docketing of a CON application to establish or expand a CCF under the State Health Plan Quality Rating standard [COMAR 10.24.20.05A(8)] and MHCC recommends that the Office of Health Care Quality (OHCQ) and Secretary of Health find that the acquisition be denied.

² The rating scores were accessed on August 30, 2023, from the CMS Nursing Home Compare website. The data had been last updated on July 26, 2023. The CMS flag for Resident abuse is given to CCFs who have an abuse citation within the last year.