



## MEMORANDUM

**TO:** Commissioners

**FROM:** Jeanne Marie Gawel, Chief of Facility Planning

**DATE:** March 19, 2026

**SUBJECT:** Acquisitions of Real Property, Operations and Bed Rights of 18 Maryland CommuniCare Nursing Homes

Before acquiring a nursing home, a person must obtain approval from the Maryland Health Care Commission (MHCC or Commission) in accordance with Health-General § 19-120.2 unless the acquisition only involves changes of ownership among existing owners of the nursing home.

These acquisitions are a series of transactions involving the sale of the real estate, operations, and bed rights of all 18 nursing homes operated by CommuniCare Health Services in Maryland. CommuniCare is a privately held long-term care company that has been a major nursing home operator in Maryland for the past 10 years. The 18 facilities involved in this transaction span every region defined in the State Health Plan: Central Maryland (Anne Arundel, Howard and Baltimore Counties and Baltimore City), Southern Maryland (Prince George's County), Montgomery County, Western Maryland (Carroll, Washington and Allegany Counties), and the Eastern Shore (Cecil and Wicomico Counties). The acquisition of the bed rights and operations for these eighteen Maryland CommuniCare facilities is tentatively scheduled for April 1, 2026. The applicants posted notice to the residents and their representatives as well as staff of each facility on December 29, 2025.

The proposed acquirers of these 18 facilities are owned by a variety of family trusts. The set of acquisitions are divided into three groups based on the specific configuration of proposed owners involved and geographic location: Baltimore Metro, Potomac, and Western.

### **Acquiring Entities and Facilities**

**Baltimore Metro:** The nursing home facilities in the Baltimore Metro group are:

- Blue Point Nursing and Rehab Center LLC (135 beds)
- Ellicott City Nursing and Rehab Center LLC (182 beds)
- Fayette Nursing and Rehab Center LLC (156 beds)
- Holly Hill Nursing and Rehab Center LLC (75 beds)
- Laurelwood Nursing and Rehab Center LLC (110 beds)
- Northwest Nursing and Rehab Center LLC (91 beds)

**Potomac:** The nursing home facilities in the Potomac group are:

Anchorage Nursing and Rehab Center LLC (126 beds)  
Clinton Nursing and Rehab LLC (267 beds)  
Forestville Nursing and Rehab Center LLC (162 beds)  
Fort Washington Nursing and Rehab Center (150 beds)  
Kensington Nursing and Rehab Center LLC (140 beds)  
Marley Neck Nursing and Rehab Center LLC (95 beds)  
Silver Spring Nursing and Rehab Center LLC (92 beds)  
South River Nursing and Rehab Center LLC (111 beds)

**Western Maryland:** The nursing home facilities in the Western Maryland group:

Cumberland Nursing and Rehab Center LLC (134 beds)  
Hagerstown Nursing and Rehab Center LLC (140 beds)  
Pleasant View Nursing and Rehab Center LLC (104 beds)  
Westminster Nursing and Rehab Center LLC (158 beds)

### **Acquisition Approval Standards**

A person seeking to acquire a nursing home shall meet the acquisition approval standards found in COMAR 10.24.20.06: (1) Quality, (2) Medicaid Participation, (3) Multi-bedded rooms, and (4) Public Interest. With regard to the multi-bedded room standard, if the nursing home to be acquired contains residents' rooms with more than two beds, the applicant shall eliminate all resident rooms containing more than two beds within three years of the acquisition approval, as a condition of the approval of the acquisition, unless granted a waiver. The Executive Director may grant a waiver, partial waiver or extension, if the applicant can demonstrate that this requirement would (1) impose a significant financial loss, (2) unreasonably reduce the number of nursing home beds in the jurisdiction or (3) impede access to underserved or difficult-to-place residents. COMAR 10.24.20.06C(3).

Eleven of the facilities at issue have multi-bedded rooms. The acquirer has requested waivers to the multi-bed standard for nine of the nursing homes. Commission staff examined each of the nine requested waivers independently to consider each facility's unique characteristics and community needs. In reviewing a waiver request staff considered the facility's Medicaid participation rate, occupancy rate, number of multi-bedded rooms, and the basis of the request. Staff prioritized ensuring access to Medicaid-enrolled and otherwise underserved communities and minimizing the loss of needed capacity. Commission staff sought to balance bed reductions and available capacity, by calculating reductions such that occupancy rates would achieve 90%, which is the Commission's previously determined threshold for appropriate occupancy levels.<sup>1</sup>

Of nine waiver requests, Commission staff recommended the approval of three, partial approval of four and the denial of two. Detailed information for each waiver request and analysis are available in the staff reports.

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<sup>1</sup> The Commission has historically used 90% as the threshold in determining appropriate occupancy levels in nursing homes. The most recent SHP update reduced the occupancy levels to 80% due to COVID, but occupancy levels have rebounded since and average occupancy across the state is 84%. A 90% threshold is a reasonable measure that would not cause displacement of residents.



Based on the review of the proposed acquisitions, staff conclude that the acquisitions are compliant with the State Health Plan, COMAR 10.24.20.06. The acquisitions comply with the applicable quality and public interest standards and will have a positive impact. Staff recommend the Commission APPROVE the eighteen CommuniCare acquisitions with conditions.

FOR ALL BED WAIVERS:

1. The facility must maintain 80% Medicaid participation rate.
2. The facility must continue to serve its existing resident populations, including those with complex needs, in-house dialysis, behavioral health and individuals with substance use disorders.

FOR ALL REPORTS:

1. Within 90 days of the contract execution, applicants must submit a Quality Improvement Plan for the Commission staff's approval that is consistent with the [CMS Quality Assurance and Performance Improvement \(QAPI\) plan](#) for each acquired facility in collaboration with the real property owners. The Plans must include actions to eliminate documented harm tags and a detailed budget of planned quality improvement investments. If a facility has an overall rating below three (3) stars in the CMS Nursing Home Compare rating system, the plan must include measurable performance improvement goals to raise quality scores and associated quality metrics to an overall rating of 3 stars.
  - a. Each facility's plan, budget, and updates shall be single, consolidated submissions by the operations-acquiring entity. Commission staff will review the submitted Plans and budget and may recommend revisions prior to approval.
  - b. Applicants shall submit status updates on the Plan, including current expenditures on quality improvement, to the Commission every six months for the next three years, which the Commission may make public, in whole or in part.
  - c. The facility shall make demonstrable progress towards quality improvement to satisfy the terms of this condition.
2. Within 90 days of contract execution, applicants and affiliated entities must disclose any individuals that have a financial stake or managerial authority in both the applicant and any company that contracts with an acquired facility. Each disclosure shall identify: the name of the contracting entity, the services provided and associated fees, the individuals holding the financial interest and the value of the interest. If the payment for a specific contracted service exceeds fair market value, or upon the Commission's request, applicants must provide the Commission with an adequate justification for the payment. Applicants shall update this information on an annual basis as part of the post-acquisition report required by COMAR 10.24.20.06C(1).
3. If the applicant fails to meet any conditions on bed waiver approvals or conditions of the acquisition, the applicant may be subject to fines, penalties, and/or revocation of bed waivers.

