

**REQUESTS TO APPROVE THE
ACQUISITIONS OF THE
OPERATIONS/BED RIGHTS OF:**

Baltimore Metro Facilities:

- Blue Point Healthcare Center**
- Ellicott City Healthcare Center**
- Fayette Health & Rehabilitation Center**
- Holly Hill Healthcare Center**
- Laurelwood Healthcare Center**
- Northwest Healthcare Center**

- * BEFORE THE**
- * MARYLAND HEALTH CARE**
- * COMMISSION**
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STAFF REPORT AND RECOMMENDATION

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I. INTRODUCTION

As a result of 2024 legislation, the Executive Director of the Maryland Health Care Commission (MHCC or Commission) now has the authority to approve, approve with conditions, or deny nursing home acquisitions. Health-Gen. § 19-120.2. The Executive Director may also defer a decision on an acquisition request to the Commission. The Commission promulgated regulations in February 2025 incorporating the statutory requirements into its procedural regulations, at COMAR 10.24.01.21, and the State Health Plan chapter for nursing home services, COMAR 10.24.20. With nursing homes, different entities often own and control the real estate and improvements, operations, and bed rights¹ of the facility. An acquisition involving any component of a nursing home requires review.

The Executive Director deferred the decision on this acquisition request to the Commission.

This report is one of five reports covering 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 real property and bed rights for these facilities are largely owned by real estate investment trusts (REITs).

The proposed owners 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 Maryland.

The set of transactions reviewed in this staff report are the Baltimore Metro facilities and involve the sale of operations and bed rights for six nursing homes:

- Blue Point Healthcare Center (Baltimore City)
- Ellicott City Healthcare Center (Howard County)
- Fayette Health & Rehabilitation Center (Baltimore City)
- Holly Hill Healthcare Center (Baltimore County)
- Laurelwood Healthcare Center (Cecil)
- Northwest Healthcare Center (Baltimore City)

A. Applicants

The applicants to this request are facility-specific limited liability companies that are all ultimately owned by the same configuration of trusts, detailed in the table below. Full organizational charts for the six facilities are located at Appendix 2. None of the proposed owners are a private equity company.

¹ “Bed rights” are the legal rights associated with the Commission’s approval of nursing home beds, including the right to sell the beds to another person, but does not include approvals required by other State or federal entities.

Trust	Ownership %	Trustee	Grantor	Beneficiaries
Gold MD Trust	31.005	Jack Shelby	Heather Scheiner	Issue
Silver MD Trust	31.005	Jack Shelby	Julie Lichtschein	Issue
Copper MD Trust	10	Jack Shelby	Chanie Kohn	Issue
BUAH MD Trust	8	Jack Shelby	Michal Rodkin	Issue
SGN Healthcare Trust	10	Esther Stern	Meir Silberberg	Esther Stern
AYSAN MD Trust	4.99	Chaye Lominitz		
CDP Maritime Trust	4	Chaye Lominitz		
RGP Maritime Trust	1	Laura Gottlieb		

Applicant Contractors

After the acquisition of these facilities, the applicant will enter into an administrative services agreement with Hallmark Health Consulting Services (Hallmark) for the operations of the facilities. Meir Silberberg is the sole owner of Hallmark and is also the grantor for SGN Healthcare Trust, which holds 10% ownership interest in the applicant. The trustee of SGN Healthcare Trust is one of Mr. Silberberg's children, Esther Stern. Hallmark has not previously managed or owned any other nursing home facility. For that reason, they will be utilizing the same quality policies of Health Consulting Services, which will be administering other facilities that are part of this overall transaction.

Precision Healthcare Services, dba Dynamic Fiscal Services, LLC (Dynamic) provides consulting services to the applicants. The applicant states that Dynamic may or may not continue to be a consultant to the applicants after the transactions have closed; however, they will not have a role in ownership or management services of these facilities. Robert Meisner and Michal Rodkin own Dynamic. Robert Meisner manages a limited liability company holding an indirect ownership interest in the real property applicants for the Baltimore Metro facilities.

B. Proposed Acquisitions

The anticipated date of transfer is April 1, 2026. The applications for operations/bed rights have companion applications for the real property of the same facilities. The acquisition is structured so that the purchase price is allocated to the real property rather than the operations or bed rights; for this reason, individual purchase prices for each facility are not included with the metrics in Appendix 1 to this report but can be found in Appendix 1 to the companion Real Property reports. The real property applicants will fund the purchase with a combination of a loan from a third-party institutional lender and capital

contributed by the beneficial owners of applicants. Debt service will be paid from rent received from the tenant operator. Applicants included a letter from the lender, MonticelloAM, LLC, verifying the financial feasibility of the transactions. Additionally, the applicants for the operations and bed rights included a letter from Benjamin Berger, CPA, demonstrating that the applicants have sufficient resources of five million for each facility to operate for 90 days. All facilities will take automatic assignment of the existing Medicare provider number.

C. Facilities to be acquired--operations/bed rights

Name	Size	CMS rating	Medicaid %	Details
Blue Point	135 beds	1 star	86.6%	Abuse flag. Specializes in SUD residents and wound program
Fayette Health	156 beds	2 stars	83.9%	Specializes in SUD residents, and amputee program
Ellicott City	182 beds	1 star	75.9%	Under a monitoring agreement through settlement with OAG Medicaid Fraud unit
Holly Hill	75 beds	2 stars	81.5%	Abuse flag
Northwest	91 beds	2 stars	90%	Abuse flag. Specializes in SUD residents and behavioral health
Laurelwood	110 beds	1 star	77%	

A complete listing of ownership before and after the transaction is in Appendix 3.

D. Procedural History

- Applications were received November 14, 2025
- Completeness questions were sent to the applicants December 16, 2025
- Acquisition notices to residents and staff were posted December 29, 2025. A copy of the notice for both operations and real property provided to residents, resident representatives, and employees of each facility was included in the applications. All applicants state that the notices were posted in prominent locations throughout the facility, hand delivered to residents and mailed to resident representatives. The applicants provided notice to the Commission when the notices were posted and accompanied each posting with an organizational chart of the new owners shown in Appendix 2 of this report.
- Completeness responses from the applicants were received on January 9, 2026

E. Comments by State Agencies

In accordance with regulations, a memorandum describing the transaction was sent to the Secretary of Health, the Attorney General, the Secretary of Aging, the State Long Term Care Ombudsman, and the Maryland Department of Health. No written comments were received.

F. Comments By Public

There were three written comments received by the public. A family member wanted to know if the acquisition would improve the care at the facility and included current concerns about care at the facility. Commission staff sent the concerns to the Office of Health Care Quality and followed up with the family. The second comment was a concern over whether the facility would still be enrolled in its Veterans contract for insurance. The applicants confirmed that they would continue to have the contract and Commission staff followed up with the family.

Lastly, the Commission received an anonymous comment that detailed multiple concerns about the transaction such as the lack of transparency of the applications and the proposed operator's history of quality performance. The comment is addressed in more detail in the public interest section.

II. REVIEW AND ANALYSIS OF ACQUISITION APPROVAL STANDARDS

10.24.20.06 SHP Nursing Homes Services: Acquisitions of Nursing Homes

A person seeking to acquire a nursing home shall meet the following acquisition approval standards.

(1) Quality.

An applicant shall meet the quality standard outlined in Regulation COMAR 10.24.20.05(A)(8): The applicant shall demonstrate that it will provide high quality of care, as determined by an assessment of the following information requested in(a)-(g).

- (a) An applicant shall report on its overall CMS Five Star Rating for all the nursing homes owned or operated by the applicant or a related or affiliated entity for three years or more, for the five quarterly refreshes for which CMS data is reported preceding the date of the applicant's letter of intent submission, or submission date for other Commission approval.**
 - (i) If the applicant or a related or affiliated entity owns or operates one or more nursing homes in Maryland, the CMS star ratings for Maryland facilities shall be used.**
 - (ii) If the applicant or a related or affiliated entity does not own or operate nursing homes in Maryland, the applicant shall select the state or states in which it owns the most facilities and the CMS star ratings for such facilities shall be used.**

In this application, the trustees are the individuals who hold the authority to make decisions for the trusts. No trustees, managers or other affiliates own or operate a nursing home in Maryland. Jack Shelby, the trustee controlling a combined 80% indirect interest in the applicants, has had ownership interest in nine facilities in Texas and 23 in Florida within the last three years. Details on each of these facilities is included in Attachment B of the report.

- (b) If any facilities identified under paragraph (a) has an average star rating below 3**

stars, the applicant shall provide a detailed quality rating analysis demonstrating good cause for not meeting the CMS star rating threshold and that the applicant is likely to provide adequate quality of care in the nursing home subject to the request.

Commission staff reviewed the Texas and Florida facilities in which Jack Shelby has an ownership interest. Overall, the trustee's Texas facilities hold an average CMS star rating of 3.73 stars. Of the nine Texas facilities owned by Mr. Shelby, three currently fall below the three-star average threshold: Palo Pinto Nursing Center (1.6), Whitehall Rehab and Nursing (2.2), and Park View Care Center (2.4). The applicants report that each facility has identified the causes of its lower rating and have implemented corrective measures to ensure continued improvement and quality of care. Palo Pinto had poor survey results because of nursing staff lacking knowledge of their job duties. The facility will search for a new Director of Nursing. Until a new DON is hired and trained regional nursing and operations staff will cover the facility. Whitehall has had lapses in clinical oversight and care coordination that impacted resident outcomes. In response, the facility has implemented a detailed improvement plan emphasizing fall prevention, timely wound care, and medication review. Park View had a low star rating because of the lack of established systems, limited oversight, and deferred capital improvements under prior management. Since then, leadership has carried out extensive corrective actions, including replacing much of the staff and key department heads, implementing consistent training and monitoring processes, and completing critical facility upgrades to ensure regulatory compliance.

Of the 23 Florida facilities owned by Mr. Shelby, ten are rated below average. Four have a rating of one star (The Club Healthcare and Rehabilitation Center at the Villages, Sunset Lake Healthcare and Rehabilitation Center, North Beach Healthcare and Rehabilitation Center and Park Meadows Healthcare and Rehabilitation Center) and six have a rating of two stars (Rockledge Healthcare and Rehabilitation Center, Apollo Healthcare and Rehabilitation Center, Gardens Healthcare and Rehabilitation Center, Greenbrier Healthcare and Rehabilitation Center, Lexington Healthcare and Rehabilitation Center, and Lehigh Healthcare and Rehabilitation Center). The applicants report that each facility has identified the causes of its lower rating and have implemented corrective measures to ensure continued improvement and quality of care. The facility performance improvement plans include a focus on staffing, inspections, and quality measures.

(c) The applicant shall address whether any nursing home currently or previously owned by the applicant or a related or affiliated entity, within or outside the State, for the period of 3 years immediately preceding the submission of the letter of intent or request for other Commission approval was the subject of an enforcement action a special focus facility designation, or a deficiency involving serious or immediate threat, actual harm, or immediate jeopardy to a resident. The applicant shall describe what measurable efforts it has taken to address the deficiencies.

As seen in Attachment B to this report, there were 13 Florida facilities and four Texas facilities owned by the trustee, Jack Shelby, that were the subject of an enforcement action, a special focus facility designation, or a deficiency involving serious or immediate threat, actual harm, or immediate jeopardy to a resident. The facilities created mandatory plans of corrections that focused on policy revisions, training, monitoring

to ensure compliance and enhanced quality assurance programs.

(d) The applicant shall address whether any nursing home currently or previously owned by the applicant or a related or affiliated entity, within or outside the State, for the period of 3 years immediately preceding the submission of the letter of intent or request for other Commission approval was the subject of a lawsuit judgment or an arbitration finding, following a complaint filed by a resident, resident representative, or a government agency. The applicant shall provide an explanation of the circumstances surrounding the judgment or finding and subsequent actions taken.

No facilities affiliated with the applicants were subject to a lawsuit judgment or arbitration finding.

(e) An applicant shall demonstrate appropriate infection prevention and control by providing the percent of residents receiving COVID, flu and pneumonia vaccinations, and the percent of staff receiving COVID, flu and pneumonia vaccinations at the nursing homes identified under (a).

Attachment B to the application reports the percentage of residents and staff receiving COVID, flu, and pneumonia vaccinations at each of the facilities listed under paragraph (a). Most of the facilities reporting on the flu vaccine had very high vaccination rates, usually 100%. The COVID vaccination percentages vary between 0% to 60%. The pneumonia vaccine is given to residents only not staff, but similar to the flu it also has a high rate of administration, usually 100%.

(f) If the applicant or a related or affiliated entity owns or operates or previously owned Maryland nursing homes, it shall report its rating of overall care and percent satisfied for the most recent three years on the MHCC Family Experience of Care Survey, reporting on any trends in the results. If the facility's average rating of overall care is below 7.0, the applicant shall document efforts to improve the facility's rating.

Applicants state that this question is not applicable. Neither the applicants nor any affiliated entity owns or operates Maryland nursing homes.

(g) Quality Assurance.

- (i) An applicant shall demonstrate that it has an effective quality assurance program in each nursing home facility that is owned or operated by the applicant or a related or affiliated entity for the period of 3 years immediately preceding the submission of the request for other Commission approval**
- (ii) An applicant that has never owned or operated a nursing home shall provide documentation that demonstrates a thorough understanding of assessing quality assurance in a long-term care facility or related facility/program. Include any documentation of a prior assessment that reviewed quality metrics, a review of operations, and regulatory compliance and include any subsequent follow up in the form of actions taken, results, or improvement plans**

Applicants provided the dates of the quality assurance meetings in the Texas facilities owned by Jack Shelby located in Attachment B to the report. They also included one Florida facility, Bristol SNF in the report. Additionally, the applicants state that after acquisition they will enter into an administrative services agreement with Hallmark Health Consulting Services who will oversee the implementation of all quality assurance policies at the facilities and attached sample quality assurance policies and procedures.

In response to a completeness question, the applicants provided Attachment S to the applications which document quality assurance improvements implemented at the Texas facilities where Jack Shelby has ownership interest. These facilities include Whitehall Rehab and Nursing, Advanced Rehabilitation and Healthcare of Bowie, Clyde Nursing Center, Crowell Nursing Center, Palo Pinto Nursing Center, Prairie House Living Center, Santa Fe Health and Rehabilitation Center, Seymour Rehabilitation and Healthcare, and Park View. Additionally, one Florida Facility, Bristol SNF was included. The applicants state that Jack Shelby no longer holds ownership interest in the other Florida facilities, so quality assurance plans could not be obtained. Additionally, the applicants attempted to prove divestiture of the remaining Florida facilities by documenting resolutions showing that that Mr. Shelby was no longer involved with the Florida facilities.

Staff Analysis

Although the overall quality scores for Florida are slightly below average, Texas is slightly above and the two together hover around the three star score (3.06 stars)². In comparison, the applicants past performance is slightly higher than the eighteen CommuniCare facilities which currently average 2.38 stars. The low star ratings of the CommuniCare facilities underscore the need for quality assurance plans to monitor quality improvements in these nursing homes. For these six Baltimore Metro facilities, the current average rating is even lower at 1.6 stars. In terms of the inspection results for the facilities in which Jack Shelby has ownership, the corrective action plans for all deficiencies provided reasonable plans on how the facility would improve its staffing, quality measures and monitoring; all corrective action plans were accepted by the State. Because Jack Shelby has divested in all but one of the Florida facilities, quality assurance plans were only obtained for one Florida facility, Bristol SNF. Although the applicants provided resolutions for the Florida facilities showing Mr. Shelby was no longer involved, not all of the resolutions had dates or signatures. Given the low quality of some of the CommuniCare facilities to be acquired, and the lack of quality assurance plans from many of the facilities in other states, Commission staff recommends a condition that is focused on quality improvement located in the Staff Recommendation section of this report.

(2) Multi-bedded Rooms

If the nursing home to be acquired contains resident rooms with more than two beds, the applicant shall:

² To control for variation among states that results from differences in practices, the star ratings are based on the ranked performance of facilities within a state. The star ratings are curved, wherein 5-star ratings are reserved for the 10 percent of nursing homes that received the highest score, and 1- star ratings are reserved for the 20 percent of nursing homes that scored the lowest. The remaining 70 percent of nursing homes are evenly assigned 2, 3, and 4 stars.

- (a) Eliminate all resident rooms containing more than two beds within 3 years of the acquisition approval, which shall be a condition on approval of the acquisition unless granted a waiver in accordance with COMAR 10.24.20.06C(3); and**
- (b) Submit a detailed plan outlining how the applicant intends to eliminate the resident rooms containing more than two beds.**

Three Baltimore Metro facilities currently operate triple- or quad-occupancy rooms, or both—Blue Point Healthcare Center, Fayette Health and Rehabilitation, and Northwest Health Center. Applicants have requested waivers of the requirement to fully eliminate all rooms with more than two beds for all three facilities.

COMAR 10.24.20.06C(3) provides that the Executive Director may grant a waiver, partial waiver, or extension if the acquirer can demonstrate that the requirement to eliminate all resident rooms containing more than two beds would (1) impose significant financial loss; (2) unreasonable reduce the number of nursing home beds in the jurisdiction; or (3) impede access to underserved or difficult-to-place residents. In addition, the acquirer must demonstrate that it has taken, or will take, reasonable steps to reduce the room density, which may include limiting new admissions and reconfiguring room assignments to avoid assigning more than two residents to a room.

The applicants primarily examined whether reconfiguration of existing space would allow them to reduce the number of resident rooms containing more than two beds and requested waivers for the facilities for which such reconfiguration would not eliminate the multi-bedded rooms. In support of their waiver requests, the applicants submitted a letter from an architect. The architect states that he used a laser scan to identify opportunities for the reconfiguration of the bed rooms. The architect also states he consulted various applicable building codes and requirements and that facilities with older layouts including triple and quadruple beds in a room can be challenging to modernize because the current rooms are often deeper and arranged differently.

The applicants have not provided any analysis that would demonstrate alternatives, such as, reducing capacity, which could be done by selling the beds or moving the beds between facilities. In a revised letter, the architect states the strategy was to eliminate any triple rooms first to bring more rooms into compliance. Additionally, the architect letter gives the following caveat: “the proposed reconfigurations...represent highly aggressive strategies that push the absolute boundaries of each facility's footprint. Please be advised that these updated strategies are strictly preliminary and conceptual in nature.”

Staff have considered the waiver requests for each facility, including evidence and proposed plans submitted by the applicants, occupancy rates and capacity, Medicaid participation rates, quality ratings, and local occupancy rates. As further detailed below, Staff recommends granting or partially granting the waiver requests subject to conditions.

Blue Point Healthcare Center (135 beds)

Current Multi-Bed Configuration

	Private	Semi	Triple	Quad	Multi-bed Total
Beds	5	66	48	16	64
Bedrooms	5	33	16	4	20

Facility Data

Occupancy	90.24%
Average Occupancy in jurisdiction	86.1% in Baltimore City
Medicaid participation rate	86.6%, threshold is 58.6% in Baltimore City
CMS star rating, abuse flag	1 star, abuse flag

Request: The facility’s non-compliant capacity is 20 multi-bedded rooms, sourced from 4 quads and 16 triples. The applicants state that Blue Point specializes in substance use disorder treatment, providing methadone and suboxone medication along with psychotherapy. The facility also has an organized program for severe wound care. The applicants propose to eliminate all quad rooms and one triple room but seek a waiver for the remaining 15 triple occupancy rooms.

Number of remaining multi-bedded rooms: 15 rooms (45 beds)

Analysis: The proposed plan leaves 15 rooms out of compliance, eliminating quad bedrooms and one triple, but maintaining 15 triple bedrooms. This facility has higher than local average occupancy rate and high Medicaid participation rates and serves a underserved population of residents suffering from substance use disorder. According to CMS, 94 out of 111 residents of this facility have diagnoses including substance use disorder.³ Quality is low at this facility, with an abuse flag; however, the elimination of quad bedrooms may facilitate improvements in quality and safety ratings. There is also high occupancy rates across Baltimore City. Given the structural limits at the facility, staff is concerned that requiring an additional reduction of multi-bedded rooms would require the elimination of beds, which would impede access for underserved populations.

Staff Recommendation: Grant the waiver request, permitting the applicants to retain the 15 triple rooms, subject to the following conditions:

1. The facility must continue to provide services to substance use disorder treatment and wound care.
2. The facility must maintain 80% Medicaid participation rate.

Fayette Health and Rehabilitation Center (156 beds)

Current Multi-Bed Configuration

	Private	Semi	Triple	Quad	Multi-bed Total
Beds	0	100	12	44	56
Bedrooms	0	50	4	11	15

Facility Data

³ <https://www.medicare.gov/care-compare/inspections/pdf/nursing-home/215340/health/complaint-inspection?date=2025-07-07>

Occupancy	82.13%
Average Occupancy in jurisdiction	86.1% in Baltimore City
Medicaid participation rate	83.9%, threshold is 58.6% in Baltimore City
CMS star rating, abuse flag	2 stars

Request: The facility’s non-compliant capacity is 15 multi-bedded rooms sourced from 11 quad rooms and four triple Rooms. The architect states that Fayette can convert two quads into semi-private rooms but cannot expand due to site constraints. The applicants state that the facility has high occupancy and high Medicaid use, supporting the need for these beds. Additionally, the facility specializes in residents with substance use disorder, providing methadone, suboxone, and psychotherapy. They also have an amputee program.

Number of remaining multi-bedded rooms: 13 rooms (48 beds)

Analysis: The proposed plan leaves 13 bedrooms out of compliance, eliminating only 2 quad bedrooms out of 11. Although this facility’s Medicaid participation rate is relatively high and the facility serves residents with substance use disorder and amputations, indicating service to underserved communities. Occupancy rates are below the local jurisdiction average, suggesting there is unused capacity at this facility.

Staff analysis is that the applicants could eliminate 6 additional quad rooms without jeopardizing access for underserved populations. While this could lead to the elimination of 12 beds from the facility’s capacity, occupancy would only increase to 90% based on current utilization. This approach maximizes capacity while ensuring access for Medicaid and otherwise underserved communities.

Staff Recommendation: Commission staff recommends partially granting the applicants’ waiver request for this facility, requiring further elimination of 6 quad rooms, subject to the following conditions:

1. The facility must continue to provide services for substance use disorder treatment, provide methadone, suboxone, psychotherapy and care for residents who are amputees.
2. The facility must maintain 80% Medicaid participation rate.

Northwest Healthcare Center (91 beds)

Current Multi-Bed Configuration

	Private	Semi	Triple	Quad	Multi-bed Total
Beds	2	56	21	12	33
Bedrooms	2	28	7	3	10

Facility Data

Occupancy	86.64%
Average Occupancy in jurisdiction	86.1% in Baltimore City
Medicaid participation rate	90.3%, threshold is 58.6% in Baltimore City
CMS star rating, abuse flag	2 star, abuse flag

Request: The facility’s non-compliant capacity is 10 multi-bedded rooms sourced from three quad rooms and seven triple rooms. The architect states that Northwest cannot make any progress toward eliminating its non-compliant beds and requests a full waiver from the Commission.⁴ The applicants state the facility specializes in caring for behavioral health and SUD populations.

Number of remaining multi-bedded rooms: 10 rooms (33 beds)

Analysis: The proposed plan leaves all 10 multi-bedded rooms out of compliance. This facility’s Medicaid participation rate is high, and occupancy rates are higher than the local average, indicating service to underserved communities and high demand for services. However, star ratings are low, with an abuse flag, indicating quality and safety may be compromised due to capacity and multi-bed room configurations. Staff analysis is that the applicants could eliminate one additional quad room and one triple without jeopardizing access for underserved populations. While this could lead to the elimination of 3 beds from the facility’s capacity, occupancy would increase to 90% based on current utilization. This approach maximizes capacity while ensuring access for Medicaid and otherwise underserved communities.

Staff Recommendation: Commission staff recommends granting a partial waiver for this facility, requiring elimination of 1 quad and 1 triple, subject to the following conditions:

1. The facility must continue to provide services for substance use disorder and behavioral health residents.
2. The facility must maintain 80% Medicaid participation rate.

(3) Medicaid Participation.

Except for nursing home beds contained in a continuing care requirement community exempt from CON regulation under § 19-114(d)(2)(ii) of the Health-General Article, an applicant for acquisition approval shall agree to serve and maintain a proportion of Medicaid days at the acquired facility that is at least equal to the proportion of Medicaid days in all other nursing homes in the jurisdiction or region, whichever is lower, calculated in accordance with COMAR 10.24.20.05A(2)(b).

Staff Analysis

Each of the six facilities subject to this report currently maintains a Medicaid percentage rate that meets or exceeds the threshold for either county or health planning region, whichever is less. Access to Medicaid beds is essential to care for the vulnerable populations in nursing homes, providing financial support, skilled nursing services, and supporting both residents and families with dignity. The applicants agree to maintain the same compliance with Medicaid thresholds after the acquisitions. As part of the acquisition process, applicants will continue to submit Medicaid utilization data as part of the annual Long Term Care survey and the Commission will monitor the performance for the next three years.

⁴ In July 2023, CommuniCare requested a Determination of Coverage from the Commission to move the entire facility to a nearby site with an unused school. The Commission approved this request but the plan was never carried out. The prior plan of a full relocation, corroborates with the architect’s letter that states that the facility cannot be renovated to reduce multi-bedded rooms.

(4) Public Interest.⁵

An applicant shall demonstrate the proposed acquisition is in the public interest and will benefit residents, employees and the community.

The applicants submitted plans describing commitments to quality care, employee stability, and community engagement. They state that they will stabilize and upgrade facility assets to preserve an essential community resource. The facilities maintain high occupancy and serve a high proportion of Medicaid residents.

The applicants commit to providing equitable, high-quality care to all residents, regardless of race, ethnicity, disability, sexual orientation, gender, socioeconomic status, geography, language, or other factors affecting access and outcomes. To support quality care, the applicants executed administrative services contracts with Hallmark Health Consulting Services, which will develop and oversee facility policies. (Application, Attachment F). The applicants also plan on facility renovations to improve the resident environment.

To support workforce stability, the applicants intend to retain 100% of non-management frontline staff. They also do not plan to replace Administrators or Directors of Nursing; if leadership changes occur, management will ensure appropriate training and licensure compliance of new leadership. The applicants will provide ongoing staff training and professional development. The proposed acquiring entities notified current staff via FAQs that it does not plan to reduce wages or benefits and will honor seniority.

The applicant provided multiple letters of community support from residents, families, physicians and other facilities that they have linkages with. The applicants state that the facilities will continue existing community engagement activities such as needs assessments to identify specific health care needs and challenges faced by the target population, as well as collaboration with local organizations, community leaders, and local hospitals to gain insight into the needs and preferences of the community. The applicants do not anticipate adverse effects on other community providers, as the transactions will not change the number of licensed beds.

Staffing and hospital readmissions are important measures to consider when evaluating whether a new operator will provide quality and accessible services. Jack Shelby has current ownership interest in nine nursing homes in Texas and one in Florida. The applicant supplied the total nursing home hours per patient per day (HPPD) from 2019- 2025 in these facilities. (Completeness, Attachment P). The data shows that after Jack Shelby acquired the Texas facilities, the total nursing staff hours increased in all nine facilities. Even though, Shelby's Texas' facilities increased their numbers, their 2025 average of all the facilities is 3.50, which is lower than the 2025 national average of 3.97. The applicants note that they face issues with continual post-COVID staffing shortages and increased resident acuity.

In Attachment Q, the applicants provided four tables assessing hospital admissions and readmissions. First the rates of potentially preventable hospital readmissions within 30 days increased nationally from 7.67 in 2021 to 10.72 in 2025. Among the Jack Shelby facilities, eight of 32 (25%) performed below the

⁵ "Public interest" means the interests of the public in protecting competitive and accessible health care markets for prices, quality, choice, accessibility, and availability of all health care services for local communities, regions, or the State as a whole.

national average (lower numbers are better for this measure). Secondly, for short-stay resident rehospitalizations, 13 of 32 facilities (41%) performed below the 2025 national average of 23.7 percent (lower numbers are better for this measure). For outpatient emergency department visits among short-stay residents, 20 of 32 facilities (63%) performed below the national average of 12 percent (lower numbers are better for this measure). Lastly, for hospitalizations per 1,000 long-stay resident days, performance was evenly split, with 16 facilities above and 16 below the national average of 1.9 (lower values indicate better performance for this measure).

Staff Analysis

In this standard the applicants discuss how the proposed acquisitions will be in the public interest and the positive impacts on quality care, employee stability, and community engagement. During the acquisition review the applicants distributed FAQs to the employees and provided dates for meeting with staff. Additionally, the Commission received three comments in writing from family members of residents. The first questioned if the Veterans insurance contract would remain in place, and the second was indifferent stating if the care improved he was for the acquisition and if it declined he was against it. The Commission staff followed up with both families. Lastly, the Commission received an anonymous comment that detailed multiple concerns about the transaction such as the lack of transparency of the applications and the proposed operator's history of quality performance. Because the comments were submitted anonymously, the Commission was unable to follow up with the author.

Lastly, three families-Kohn, Lichtschein, and Scheiner have ownership interest on both the operations and the real property side of this transaction. TL Management LLC (TL) is a privately held real estate management company owned by Teddy Lichtschein and Eliezer Scheiner. Zevi Kohn is the CEO. Additionally, Robert Meisner is both an owner of the Dynamic who is consulting in this transaction and holds ownership interest in real property. An overlap of interests between operations, real estate, and contractors creates incentives to overpay fees to consultants or overpay in rent, devoting less resources to patient care. Staff recommend a condition requiring regular reporting around the financial interests of overlapping parties for transparency.

III. STAFF RECOMMENDATION

Based on its review of the proposed applications, staff conclude that, subject to the recommended conditions below, the project complies with the acquisition standards in the State Health Plan, COMAR 10.24.20.06. Staff also conclude that the acquisition meets the applicable standards and is expected to have a positive impact.

In addition to the conditions recommended for specific facilities that receive a waiver or partial waiver of the requirement to eliminate resident rooms containing more than two beds, Commission staff recommend the following conditions on acquisition approval:

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. For any facilities for which a waiver request was denied in whole or part, applicants must submit a detailed plan for how the applicant intends to eliminate or further reduce the resident rooms containing more than two beds within 90 days of contract execution.
4. 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 waivers of the requirement to fully eliminate rooms containing more than two beds.

ATTACHMENT A

Identify each person with an ownership interest in the acquiring entity or a related or affiliated entity; the percentage of ownership interest of each such person; and the history of each such person's experience in ownership or operation of health care facilities. Include the names and addresses of all healthcare facilities owned or operated by each individual within the last three years. (This form is designed in WORD so that those completing it can expand the number of rows, as necessary.)

Owners

Jack Shelby is the Trustee for the HCS and Hallmark facilities and the direct owner for the Shelby facilities. Mr. Shelby has ownership interest in nine Texas nursing home facilities and 23 Florida nursing home facilities. Jack Shelby does not have nursing home ownership in Maryland. Both Florida and Texas will be used for the analysis in Attachment B

Esther Stern has a 10 percent ownership interest in the Hallmark facilities. Esther Stern has no documented nursing home ownership

Grantors

Heather Scheiner, Indirect Ownership-Sands at South Beach Care Center, 42 Collins Avenue Miami Beach, Florida- five stars

Julie Lichtschein, Indirect Ownership, Meadow Park Rehabilitation and Health Care Center, LLC,78-10 164th Street, Flushing, New York-three stars

Chanie Kohn, Indirect Ownership, Chanie Kohn has no documented nursing home ownership

Michal Rodkin, Indirect Ownership, Michal Rodkin has no documented nursing home ownership

Meir Silberberg- no documented nursing home ownership

ATTACHMENT B

Texas Quality Analysis***

Facility Survey Analysis Texas*	Overall star ratings	Surveys in the last 3 years	Citations**	Harm tags, nursing home failed to:
ADVANCED REHABILITATION AND HEALTHCARE OF BOWIE	4.8	11/13/24, 9/27/23	7,7	Ensure that a nursing home area is free from accident hazards, Protect each resident from all types of abuse, Report suspected abuse timely, Develop policies to prevent abuse, neglect and theft
CLYDE NURSING CENTER	5	4/24/25, 3/6/24, 2/9/23	1,2,5	None
CROWELL NURSING CENTER	5	2/12/25, 1/10,24	6, 3	None
PALO PINTO NURSING CENTER	1.6	8/25/24, 5/31/23	11,9	Ensure that a nursing home area is free from accident hazards, Implement a care plan that meets all the resident's needs
PARK VIEW CARE CENTER *abuse tag	2.4	12/5/24, 10/27/23	13,24	Protect each resident from all types of abuse (multiple), Develop policies to prevent abuse, neglect and theft
PRAIRIE HOUSE LIVING CENTER *November dropped to 4 stars	4.6	11/14/24 ,9/21/23	4,5	None
SANTA FE HEALTH & REHABILITATION CENTER	4	2/21/25, 1/25/24	5,7	None
SEYMOUR REHABILITATION	4	4/8/25, 2/29/24	3,8	None

AND HEALTHCARE				
WHITEHALL REHAB & NURSING*November increased to 3 stars	2.2	11/13/24	7,7	Ensure that a nursing home area is free from accident hazards, Protect each resident from all types of abuse, Report suspected abuse timely, Develop policies to prevent abuse, neglect and theft

CMS Data accesses 11/21/25

*additional details in the applicants 18 applications

**average number of health citations in Texas 8.9

*** The average of the overall star rating for the most recent five quarterly refreshes is 3.73 stars

Jack Shelby Facilities Texas and One Florida Quarterly Quality Assurance Meeting Schedule and Staffing HPPD

TEXAS	Third week every month	Staffing HPPD 2025
ADVANCED REHABILITATION AND HEALTHCARE OF BOWIE		3.39
CLYDE NURSING CENTER	Third Tuesday every month	3.25
CROWELL NURSING CENTER	Second Tuesday every month	3.58
PALO PINTO NURSING CENTER	Second Friday of every month	3.30
PARK VIEW CARE CENTER *abuse tag	Third Tuesday every month	4.16
PRAIRIE HOUSE LIVING CENTER *November dropped to 4 stars	Second Thursday of every month	3.30
SANTA FE HEALTH & REHABILITATION CENTER	Second Tuesday every month	3.44

SEYMOUR REHABILITATION AND HEALTHCARE	Second Tuesday every month	3.50
WHITEHALL REHAB & NURSING* November increased to 3 stars	Second Thursday of every month	3.53
FLORIDA BRISTOL SNF		3.91

Florida Quality Analysis**

Jack Shelby Owned Facilities Florida*	Overall star rating	Surveys in the last 3 years	Citations**	Harm tags, nursing home failed to:
BRISTOL SNF LLC	N/A	N/A	N/A	SFF ¹ No data,
THE CLUB HEALTHCARE AND REHABILITATION CENTER AT THE VILLAGES	2	1/30/25, 10/19/23	9,9	None
WOODLAND GROVE HEALTHCARE	5	1/30/25, 3/16/23	0,3	None
KENDALL LAKES HEALTHCARE AND REHAB CENTER, LLC	5	8/21/25,4/18/24	1,3	None
SUNSET LAKE HEALTHCARE AND	1	4/16/25, 3/9/23	15,9	Protect each resident from all types of abuse, Administer the facility in a manner that enables it to use resources effectively and efficiently, Set up an ongoing

¹ A CMS special focus facility (SFF) a nursing home that has a history of serious quality issues and is included in a special program to stimulate improvements in the quality of care.

REHABILITATION CENTER LLC *abuse flag				quality assessment and assurance group to review quality deficiencies and develop corrective action plans, Ensure that a nursing home area is free from accident hazards
NORTH BEACH HEALTHCARE AND REHABILITATION CENTER, LLC	1	1/9/25, 8/31/23	10,16	Protect each resident from all types of abuse, Implement policies to prevent abuse, neglect and theft, Ensure that a nursing home area is free from accident hazards, Administer the facility in a manner that enables it to use resources effectively and efficiently, Set up an ongoing quality assessment and assurance group to review quality deficiencies and develop corrective action plans
ROCKLEDGE HEALTHCARE & REHABILITATION CENTER LLC	2	4/3/25, 7/13/23	8,21	None
APOLLO HEALTHCARE & REHABILITATION CENTER, LLC	2	6/8/24	8	None
VILLAGE PLACE HEALTHCARE AND REHABILITATION CENTER LLC *abuse flag	1	6/20/24	12	Protect each resident from all types of abuse, Ensure that a nursing home area is free from accident hazards, Ensure that nurses and nurse aides have the appropriate competencies to care for every resident in a way that maximizes each resident's wellbeing, Administer the facility in a manner that enables it to use resources effectively and efficiently
THE PONCE THERAPY CARE CENTER AND REHAB LLC	4	10/26/23	5	None

PARK MEADOWS HEALTHCARE & REHABILITATION CENTER LLC	1	11/15/24, 6/29/23	13,7	Ensure that a nursing home area is free from accident hazards, Ensure each resident receives and the facility provides food prepared in a form designed to meet individual needs, Administer the facility in a manner that enables it to use its resources effectively and efficiently. Set up an ongoing quality assessment and assurance group to review quality deficiencies and develop corrective plans of action.
VILLA HEALTHCARE & REHABILITATION CENTER LLC	4	9/28/23	8	None
GARDENS HEALTHCARE & REHABILITATION CENTER, LLC	3	1/25/24	5	Provide timely notification to the resident, and if applicable to the resident representative and ombudsman, before transfer or discharge, including appeal rights, Permit a resident to return to the nursing home after hospitalization or therapeutic leave that exceeds bed-hold policy.
GREENBRIAR HEALTHCARE REHABILITATION AND NURSING CENTER	3	7/17/25, 6/8/23	5,10	Ensure that a nursing home area is free from accident hazards and provides adequate supervision to prevent accidents.
THE LODGE HEALTHCARE AND REHABILITATION CENTER LLC	3	2/27/25, 11/16/23	10,6	Ensure each resident receives and the facility provides food that accommodates resident allergies, intolerances, and preferences, as well as appealing options.
WILTON MANORS HEALTHCARE & REHABILITATION	4	3/21/24	6	Provide appropriate treatment and care according to orders, residents' preferences and goals.

CENTER LLC				
LEXINGTON HEALTHCARE AND REHABILITATION CENTER LLC	3	7/17/25, 3/22/23	15,10	Ensure that a nursing home area is free from accident hazards and provides adequate supervision to prevent accidents.
LEHIGH ACRES HEALTHCARE & REHAB CENTER LLC	2	6/21/25, 10/26/23	9,11	Ensure that a nursing home area is free from accident hazards and provides adequate supervision to prevent accidents, Ensure that a nursing home area is free from accident hazards and provides adequate supervision to prevent accidents, Ensure that nurses and nurse aides have the appropriate competencies to care for every resident in a way that maximizes each resident's wellbeing, Administer the facility in a manner that enables it to use its resources effectively and efficiently, Protect each resident from all types of abuse such as physical, mental, sexual abuse, physical punishment, and neglect by anybody.
ISLE HEALTHCARE & REHABILITATION CENTER LLC	3	5/22/25, 6/29/23	4,2	Honor the resident's right to request, refuse, and/or discontinue treatment, to participate in or refuse to participate in experimental research, and to formulate an advance directive.
CARLTON SHORES HEALTHCARE AND REHABILITATION CENTER, LLC	5	4/4/24	1	None
SOUTH CAMPUS NURSING AND REHAB LLC	3	7/24/24, 3/15/23	10,11	None

NORTH LAKE NURSING AND REHAB LLC	2	5/16/24, 3/2/23	14,7	Ensure that a nursing home area is free from accident hazards and provides adequate supervision to prevent accidents.
TERRACE HEALTHCARE & REHABILITATION CENTER LLC	5	10/4/24, 6/7/23	4,7	None

CMS Data accessed 12/3/25

*average number of health citations in Florida 7.4

**The average of the overall star rating for the most recent five quarterly refreshes is 2.97 stars

Abuse citations Texas facilities:

PARK VIEW CARE CENTER

On 7/16/25 the facility was cited for actual harm because of a failure to protect residents from all types of abuse such as physical, mental, sexual abuse, physical punishment, and neglect. There was complaint filed for resident to resident physical abuse. The physical abuse that occurred was not documented on an undated care plan. The two residents were separated and assessed for pain by the nurse.

Abuse citations Florida facilities:

SUNSET LAKE HEALTHCARE AND REHABILITATION CENTER

On 10/8/24 there was an evacuation before a hurricane. The transport that arrived did not have the proper lifts for wheelchair bound residents and there was no room for a female resident who was on a stretcher. EMS was called to assist and lifted her on the transport. When the transport arrived at safe location the resident was lifted by two therapy staff out of the transport and the right foot came in contact with the ground causing a fracture. The Administrator did not immediately report the incident, leading to resident neglect.

VILLAGE PLACE HEALTHCARE AND REHABILITATION CENTER

On 4/17/25 a cognitively impaired resident was found on the floor of the bedroom. The nurse did not document the fall or assess the resident. On 4/18/25 the resident verbalized pain in hip and knee to PT but it was not reported to nursing. The same day the Unit Manager ordered an x-ray which was never done but marked completed. On 4/24/25 the resident was transferred to the hospital. Then at the hospital a CT scan showed multiple fractures. The facility failure to implement processes to prevent neglect created a likelihood of

serious rm, serious injury or death of the resident and other residents from complication of falls, including untreated fractures which could result in severe pain, severe bone infection, delayed healing, and deformity.

Vaccination Report Operations

List facilities that are required for review under 10.24.20.05(8)	c. % of residents and staff receiving Flu, COVID and Pneumonia vaccines					
	Flu		COVID		Pneumonia	
	<i>resident</i>	<i>staff</i>	<i>resident</i>	<i>staff</i>	<i>resident</i>	<i>staff</i>
<u>TEXAS</u>	00.0	6.8	0.5	.0	00.0	N/A
ADVANCED REHABILITATION AND HEALTHCARE OF BOWIE						
CLYDE NURSING CENTER	00.0	3.9	2.5	.5	00.0	N/A
CROWELL NURSING CENTER	00.0	4.0	8.0	.0	00.0	N/A
PALO PINTO NURSING CENTER	00.0	N/A	4.2	.8	00.0	N/A
PARK VIEW CARE CENTER	6.6	3.6	.0	.0	9.4	N/A
PRAIRIE HOUSE LIVING CENTER	00.0	4.6	6.3	.0	00.0	N/A
SANTA FE HEALTH & REHABILITATION CENTER	00.0	4.7	2.9	.1	00.0	N/A
SEYMOUR REHABILITATION AND HEALTHCARE	00.0	1.1	2.9	.0	9.4	N/A

WHITEHALL REHAB & NURSING	00.0	3.4	2.9	.0	00.0	N/A
FLORIDA	100.0%	7.5%	8.6%	0.8%	94.0%	N/A
THE BRISTOL CARE CENTER						
CLUB HEALTHCARE AND REHABILITATION CENTER	0.0%	8.2%	0.0%	0.0%	100.0%	N/A
WOODLAND GROVE HEALTHCARE & REHABILITATION CENTER	100.0%	36.3%	34.9%	1.2%	99.4%	N/A
KENDALL LAKES HEALTHCARE AND REHAB CENTER	100.0%	20.9%	29.5%	0.0%	100.0%	N/A
SUNSET LAKE HEALTHCARE AND REHABILITATION CENTER	100.0%	41.4%	10.2%	76.8%	100.0%	N/A
NORTH BEACH HEALTHCARE AND REHABILITATION CENTER	100.0%	25.5%	0.0%	0.0%	99.7%	N/A
ROCKLEDGE HEALTHCARE & REHABILITATION CENTER	100.0%	20.0%	0.0%	0.0%	98.7%	N/A
APOLLO HEALTHCARE & REHABILITATION CENTER	100.0%	5.7%	0.0%	0.6%	100.0%	N/A
VILLAGE PLACE HEALTHCARE AND REHABILITATION CENTER	N/A	20.0%	0.0%	0.0%	100.0%	N/A
PONCE THERAPY CARE CENTER AND REHAB, THE	100.0%	1.7%	0.0%	0.0%	97.6%	N/A
PARK MEADOWS HEALTHCARE & REHABILITATION CENTER	100.0%	23.0%	0.0%	0.0%	99.6%	N/A
VILLA HEALTHCARE &	100.0%	26.4%	11.1%	1.7%	100.0%	N/A

REHABILITATION CENTER						
GARDENS HEALTHCARE & REHABILITATION CENTER	100.0%	34.8%	1.9%	0.0%	100.0%	N/A
GREENBRIAR HEALTHCARE REHABILITATION AND NURSING C	100.0%	4.8%	28.9%	0.0%	100.0%	N/A
THE LODGE HEALTHCARE AND REHABILITATION CENTER	100.0%	45.2%	9.6%	1.3%	100.0%	N/A
WILTON MANORS HEALTHCARE & REHABILITATION CENTER	100.0%	27.8%	7.3%	10.8%	99.0%	N/A
LEXINGTON HEALTHCARE AND REHABILITATION CENTER	100.0%	21.8%	34.0%	0.0%	79.5%	N/A
LEHIGH ACRES HEALTHCARE & REHAB CENTER	100.0%	18.2%	18.6%	10.0%	100.0%	N/A
ISLE HEALTHCARE & REHABILITATION CENTER	100.0%	23.3%	46.7%	0.6%	100.0%	N/A
CARLTON SHORES HEALTHCARE AND REHABILITATION CENTE	100.0%	18.5%	30.8%	0.0%	100.0%	N/A
SOUTH CAMPUS CARE CENTER AND REHAB	100.0%	10.0%	5.7%	0.6%	96.0%	N/A
NORTH LAKE CARE CENTER AND REHAB	100.0%	8.3%	58.1%	0.0%	100.0%	N/A
TERRACE HEALTHCARE & REHABILITATION CENTER	100.0%	13.7%	23.3%	14.8%	97.5%	N/A

Appendix 1 Baltimore Metro

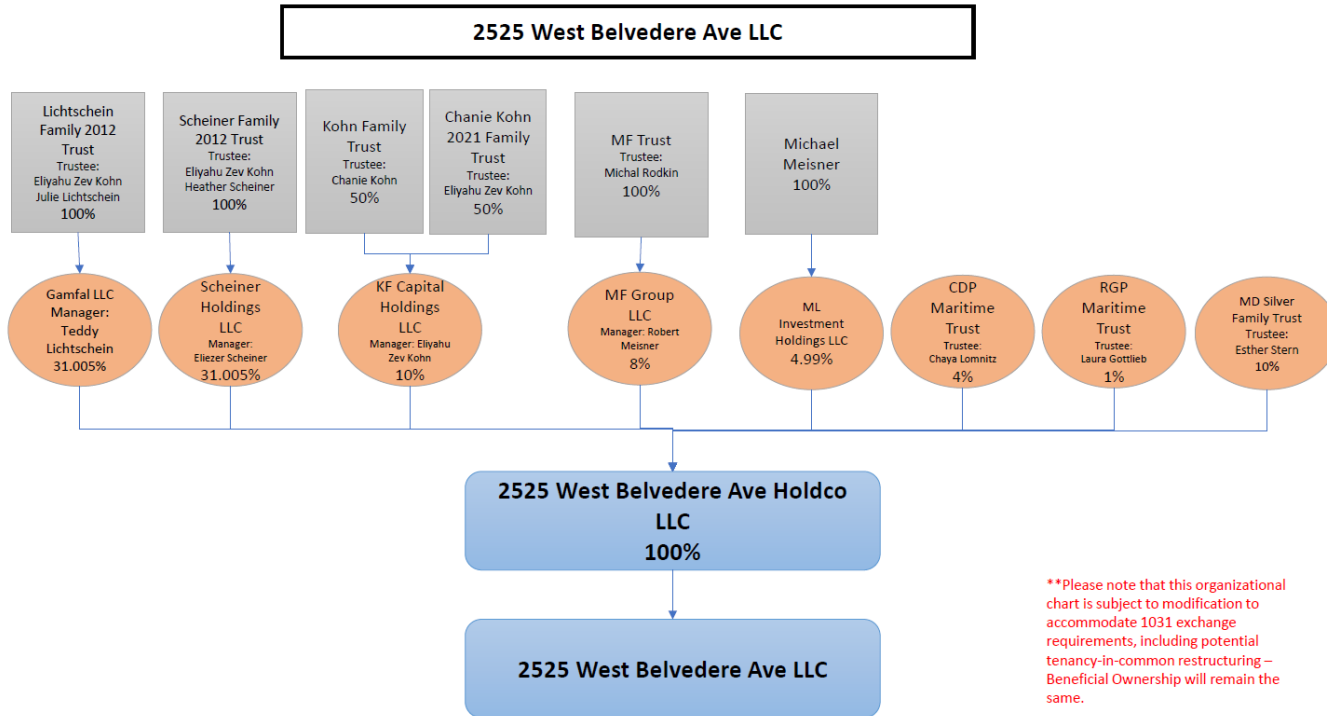
Facility Name, Address, Medicare/Medicaid Number, Bed Count and Purchase Price

Name and Address	Medicare/Medicaid	Jurisdiction/HPR Beds and %	Beds/Price/Number of Admissions/Operating Revenue Last Year	Triple/Quad Beds
Blue Point Healthcare Center 2525 West Belvedere Avenue Baltimore, MD 21215	Medicare – 215340 Medicaid – 420837400	Jurisdiction 226 beds and 7.7% HPR 845 beds and 6.1%	135 \$27,618,570 358 \$17,866,016	48 triple 16 quad
Ellicott City Healthcare Center 3000 North Ridge Road Ellicott City, MD 21043	Medicare – 215160 Medicaid – 414426100	Jurisdiction 182 beds and 21.4% HPR 845 beds and 6.1%	182 \$37,233,924 303 \$22,629,309	N/A
Fayette Health & Rehabilitation Center 1217 West Fayette Street Baltimore, MD 21223	Medicare – 215183 Medicaid – 414424400	Jurisdiction 231 beds and 3.5% HPR 845 beds and 6.1%	156 \$31,914,792 397 \$19,189,189	12 triple 44 quad
Holly Hill Healthcare Center 531 Stevenson Lane Towson, MD 21204	Medicare – 215204 Medicaid – 414068100	Jurisdiction 231 beds and 3.5% HPR 845 beds and 6.1%	75 \$15,343,650 113 \$10,316,686	N/A
Laurelwood Healthcare Center 100 Laurel Drive Elkton, MD 21921	Medicare – 215111 Medicaid – 424086300	Jurisdiction 121 beds and 20.6% HPR 247 beds and 8%	110 \$22,504,020 177 \$12,280,476	N/A

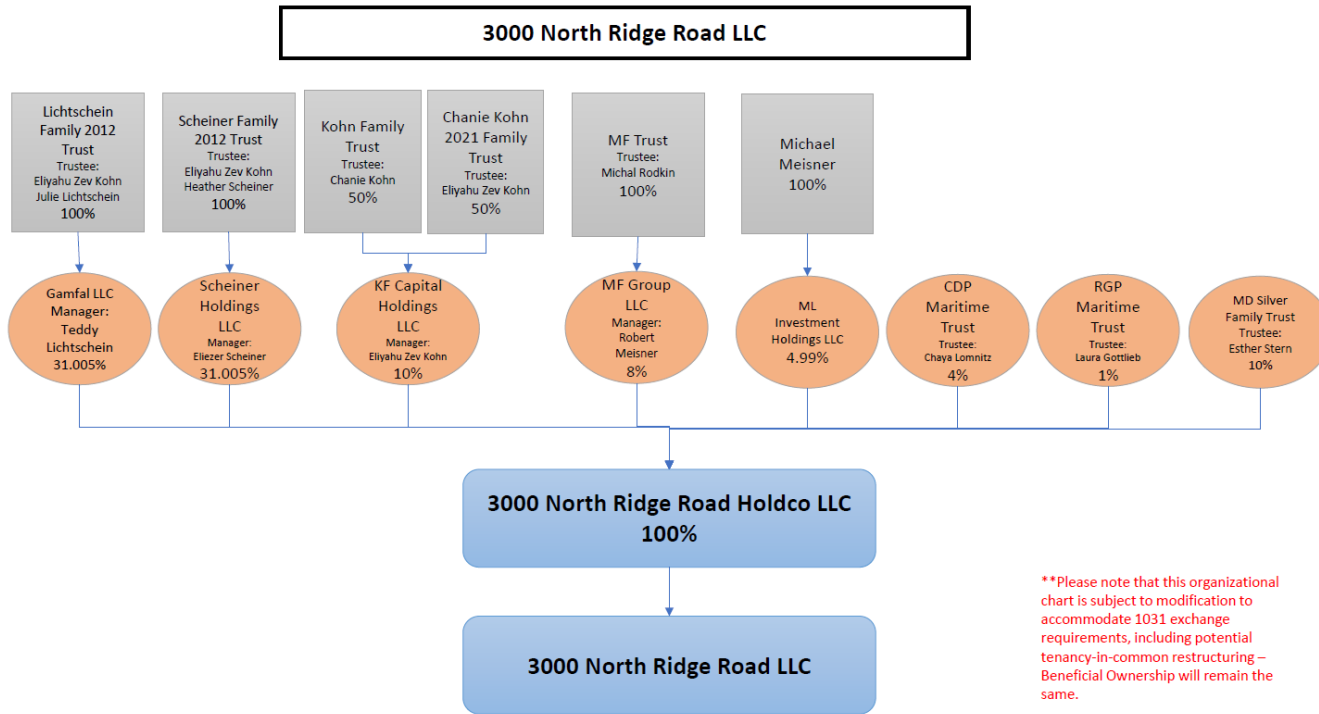
Northwest Healthcare Center 4601 Pall Mall Road Baltimore, MD 21215	Medicare – 215346 Medicaid – 420836600	Jurisdiction 226 beds and 7.7% HPR 845 beds and 6.1%	91 \$18,616,962 133 \$10,996,781	21 triple 12 quad
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Appendix 2

Blue Point Health and Rehabilitation Center

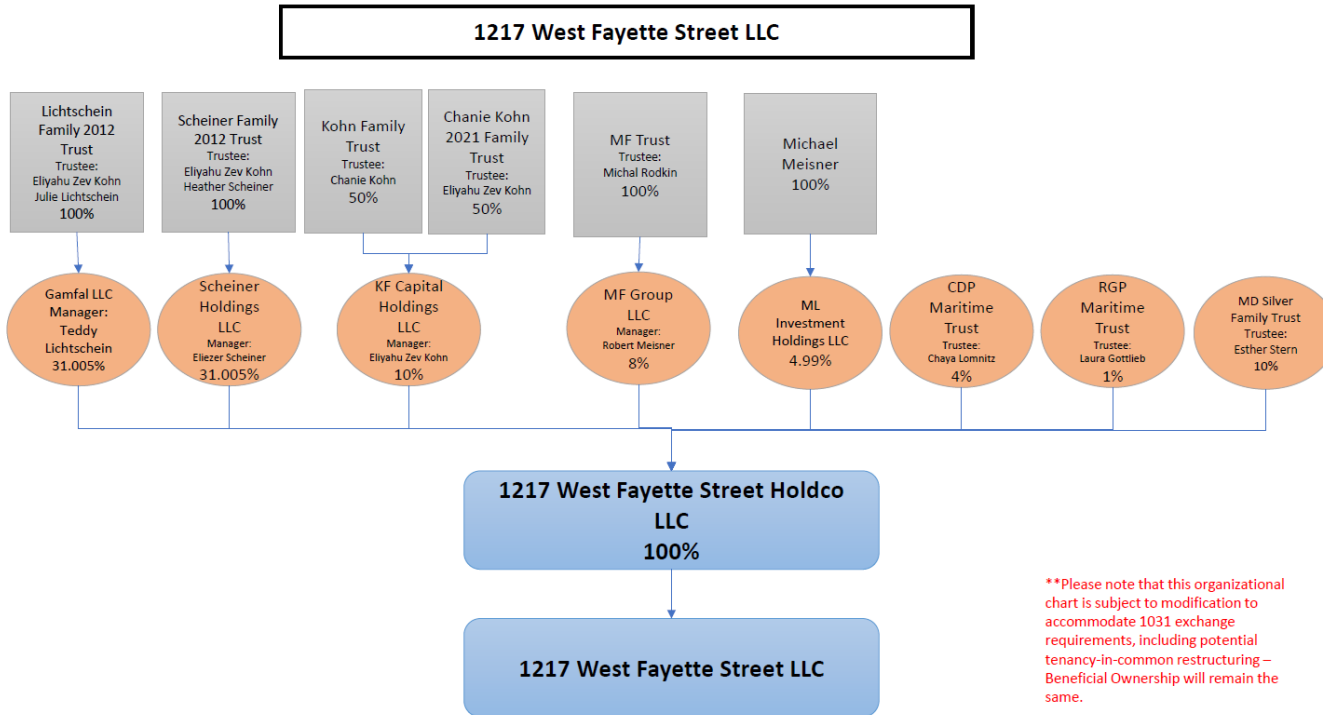


Ellicott City Health and Rehabilitation Center



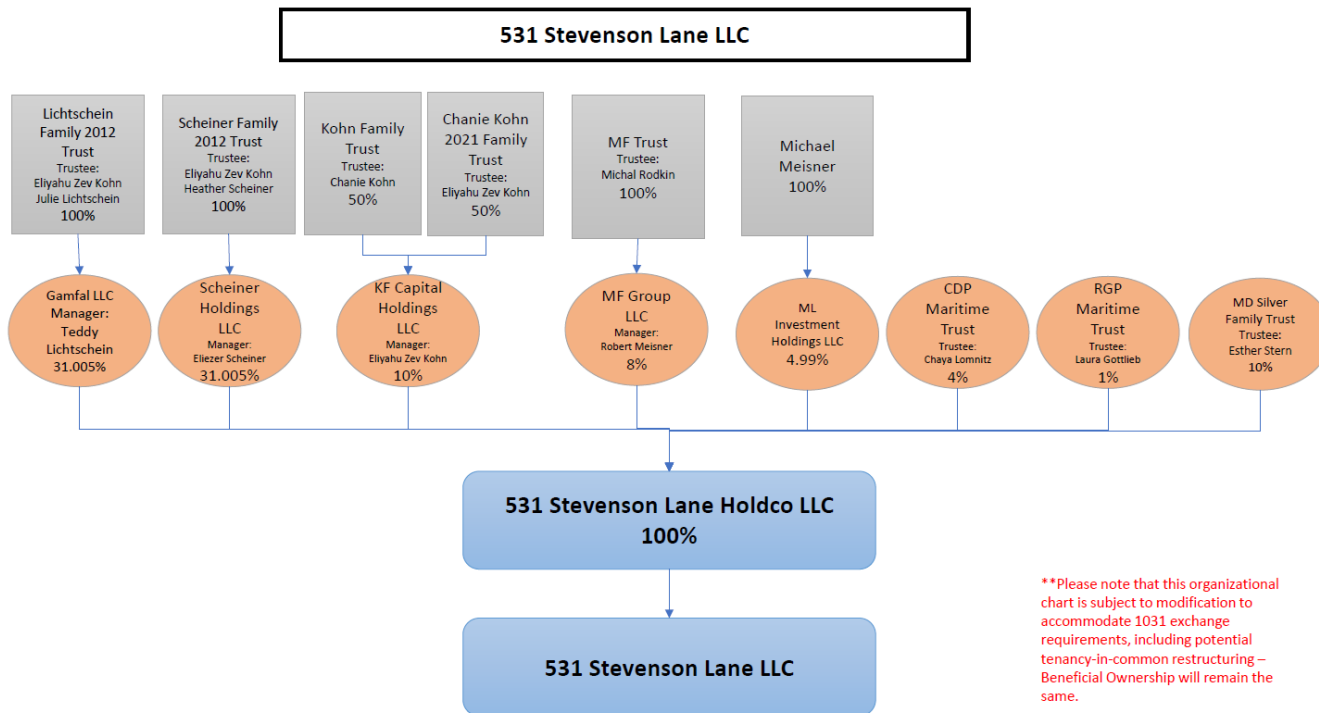
**Please note that this organizational chart is subject to modification to accommodate 1031 exchange requirements, including potential tenancy-in-common restructuring – Beneficial Ownership will remain the same.

Fayette Health and Rehabilitation Center



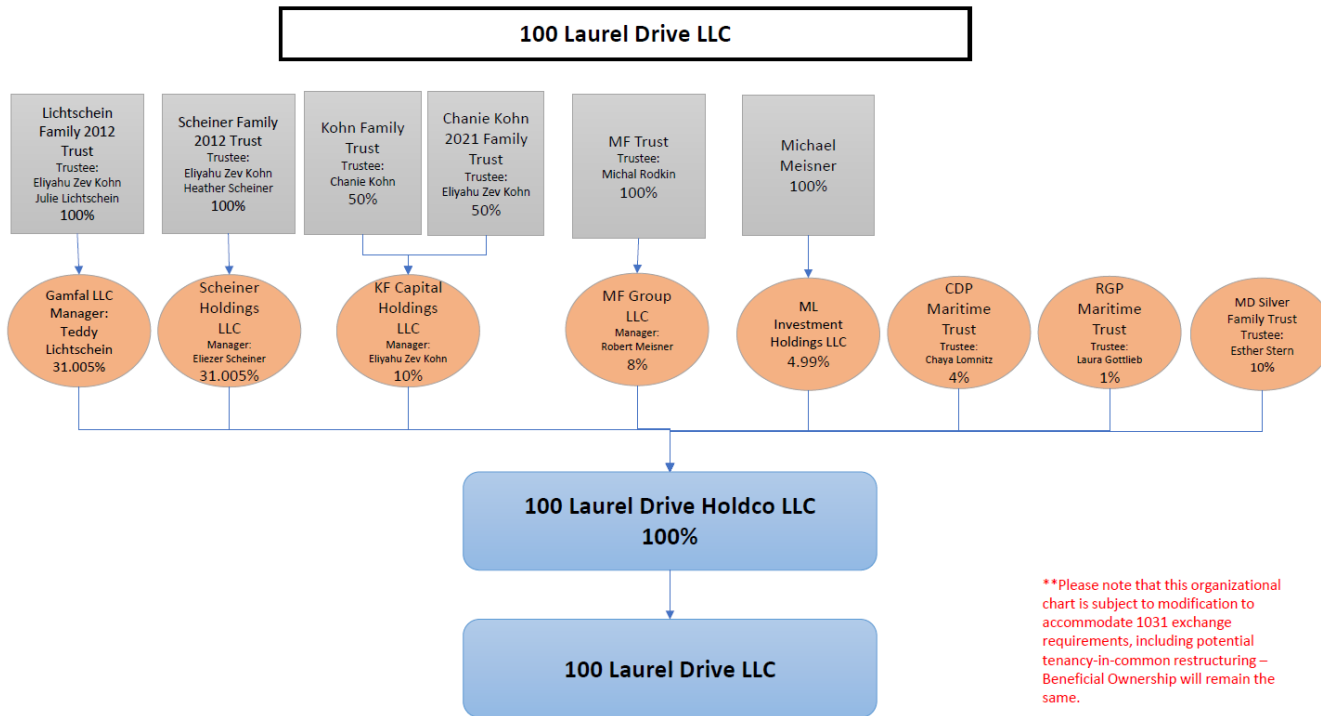
****Please note that this organizational chart is subject to modification to accommodate 1031 exchange requirements, including potential tenancy-in-common restructuring – Beneficial Ownership will remain the same.**

Holly Hill Health and Rehabilitation Center



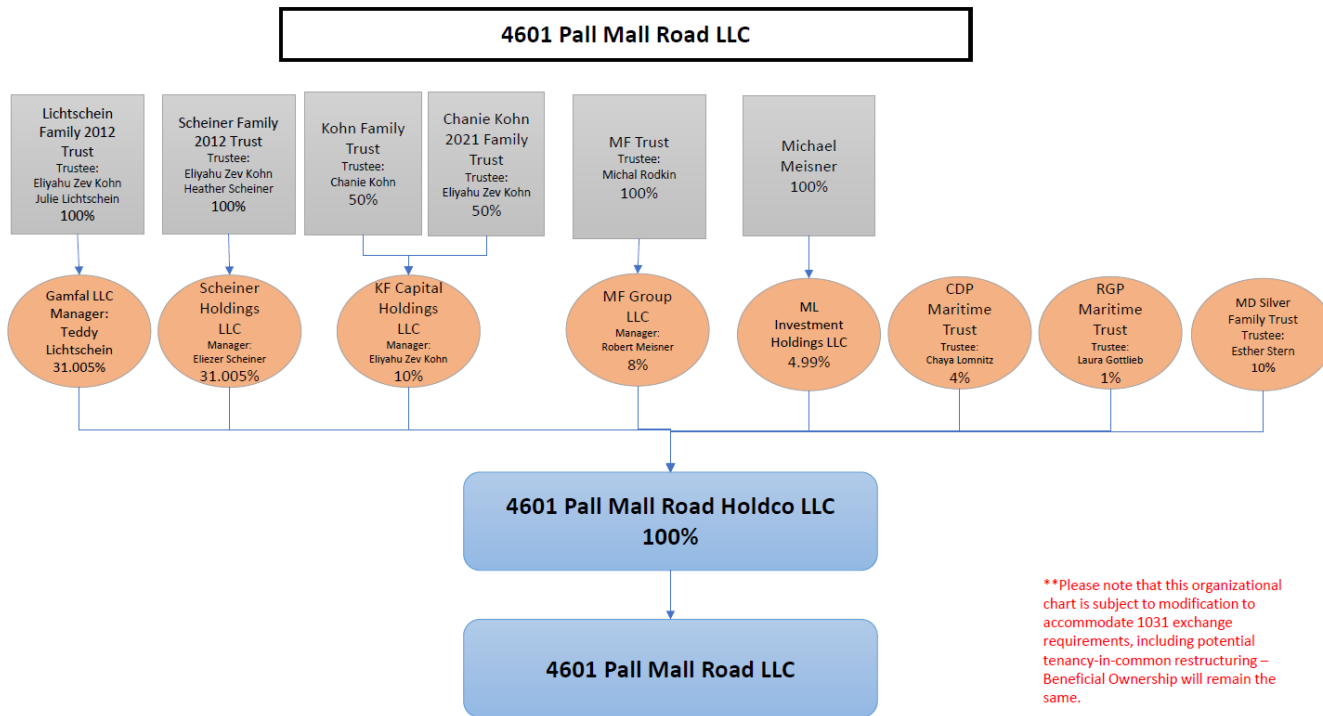
****Please note that this organizational chart is subject to modification to accommodate 1031 exchange requirements, including potential tenancy-in-common restructuring – Beneficial Ownership will remain the same.**

Laurelwood Health and Rehabilitation Center



****Please note that this organizational chart is subject to modification to accommodate 1031 exchange requirements, including potential tenancy-in-common restructuring – Beneficial Ownership will remain the same.**

North West Health and Rehabilitation Center



**Please note that this organizational chart is subject to modification to accommodate 1031 exchange requirements, including potential tenancy-in-common restructuring – Beneficial Ownership will remain the same.

Appendix 3

The following tables outline the current ownership of the bed rights and operations and the post -transaction ownership:

Blue Point Healthcare Center

Transaction	Before	After
Bed Rights	OHI ASSET (MD) BALTIMORE – WEST BELVEDERE, LLC	Blue Point Nursing and Rehab Center LLC
Operations	BLUE POINT SNF, LLC	Blue Point Nursing and Rehab Center LLC

Ellicott City Healthcare Center

Transaction	Before	After
Bed Right	OHI ASSET (MD) ELLICOTT CITY, LLC	Ellicott City Nursing and Rehab Center LLC
Operations	RIDGE (MD) LEASING CO., LLC	Ellicott City Nursing and Rehab Center LLC

Fayette Nursing & Rehabilitation Center

Transaction	Before	After
Bed Rights	FAYETTE ASSET OWNERSHIP, LLC	Fayette Nursing and Rehab Center LLC
Operations	FAYETTE LEASING CO., LLC	Fayette Nursing and Rehab Center LLC

Holly Hill Healthcare Center

Transaction	Before	After
Bed Rights	PV REALTY – Holly Hill, LLC	Holly Hill Nursing and Rehab Center LLC
Operations	HOLLY HILL NURSING, LLC LLC	Holly Hill Nursing and Rehab Center LLC

Laurelwood Healthcare Center

Transaction	Before	After
Bed Rights	CSE Elkton LLC	Laurelwood Nursing and Rehab Center LLC
Operations	LAUREL LEASING CO., LLC	Laurelwood Nursing and Rehab Center LLC

Northwest Healthcare Center

Transaction	Before	After
Bed Rights	OHI Asset (MD) BALTIMORE – Pall Mall, LLC	Northwest Nursing and Rehab Center LLC
Operations	NORTHWEST SNF, LLC	Northwest Nursing and Rehab Center LLC