

**STATE OF VERMONT
GREEN MOUNTAIN CARE BOARD**

IN RE: APPLICATION OF)
BARRE GARDENS HOLDINGS LLC AND) **GMCB 020-15con**
BARRE GARDENS NURSING AND REHAB LLC)

Introduction

Barre Gardens Holdings LLC and Barre Gardens Nursing and Rehab LLC (the “applicants”) hereby apply for a certificate of need (“CON”) to purchase the operations and real estate of Rowan Court Health and Rehabilitation Center (“Rowan Court”), a skilled nursing facility in Vermont which has been deemed a Special Focus Facility by the Centers for Medicare & Medicaid Services (“CMS”). The applicants acknowledged the Green Mountain Care Board’s (the “Board”) CON jurisdiction in a letter to the Board dated September 10, 2015. Barre Gardens Holdings LLC will own the real estate, and the license and operations will be in the name of Barre Gardens Nursing and Rehab LLC.

This purchase is part of a larger set of transactions to purchase the assets of a total of four facilities. The other three facilities are located in New Jersey, Massachusetts, and Connecticut.

I. Project Details

A. Rowan Court Information

1. Current Ownership and Operations

Rowan Court is currently owned by Vermont Subacute LLC and operated by Revera Health System Management LLC (collectively, “Revera”).

2. Facility Contact Information

Address: 378 Prospect Street
Barre, VT 05641

Phone: 802-476-4166

Fax: 802-479-5679

County: Washington

3. Facility Location

The facility is located in Barre, Washington County, Vermont. Barre is the fourth largest city in Vermont.

4. Building

The building housing the facility was built in 1970. Upon information and belief, there have been no additions to the original structure.

5. Recent Upgrades

The following large scale upgrades have been made to Rowan Court over the past several years.

Evaporator fluid cooler	2/2012	\$68,000
Room renovations	5/2012	\$21,000
Furniture for above	5/2012	\$18,000
Room renovations	10/2012	\$48,000
Furniture for above	10/2012	\$17,000
Dishwasher	6/2012	\$15,000
Amenity room renovations	3/2013	\$225,000
Furniture for above	3/2013	\$36,000
Suite renovations	12/2013	\$123,000
Furniture for above	8/2013	\$85,000
Elevator upgrades	12/2012	\$77,000
Elevator upgrades	6/2014	\$55,000
Heat Exchanger	6/2014	\$20,000
2 water heaters	9/2014	\$35,000
Room renovations	12/2014	\$22,000
Telephone system	7/2014	\$38,000

6. Facility History

Rowan Court was established in 1970.

7. Licensed Beds

Licensed capacity: 96 beds.

8 private rooms.

44 semi-private rooms.

8. Rowan Court Referral Sources for 2015

University of Vermont Health Network, Central Vermont Medical Center

Dartmouth Hitchcock Health Center

Copley Hospital

University of Vermont Medical Center

Gifford Medical Center

Grace Cottage Hospital

Rutland Regional Medical Center

Vermont Veterans Hospital

9. Key Personnel

Rowan Court's key personnel, who will remain the same under the applicants, are:

- Administrator: Heather Filonow. A copy of her curriculum vitae and proof of licensure are submitted as Attachment A. Ms. Filonow will renew her license prior to the 3/31/16 expiration of the current licensure term.

- Interim Director of Nursing Services: Kathryn Larose. A copy of her curriculum vitae and proof of licensure are submitted as Attachment B. Ms. Larose stepped in the role of Interim Director of Nursing Services in October 2015. The applicants do not yet know whether Ms. Larose will continue as Interim DNS or will be the permanent DNS, as this is currently a matter between Ms. Larose and Revera.
- Medical Director: Dr. James Currie. A copy of his curriculum vitae and proof of licensure are submitted as Attachment C.
- Dietician: Alyssa Nathanson MS, RD. A copy of her curriculum vitae is submitted as Attachment D.
- Pharmacist: Rupesh Asher. Proof of licensure is submitted as Attachment E.

10. Staffing

- A current staffing list for Rowan Court's employees (FTE and per diem) is included as Attachment F.
- See also Table 9, Staffing Projections, Attachment G, which includes all contracted personnel and employees.

11. Description of Services

- Long term care: medical, social work, recreational services.
- Physical therapy services: through Premier Therapy Services.
- Short term rehabilitation: physical, occupational and speech/language therapy.
- Respite care services.
- Hospice services: palliative and end-of-life hospice care through local hospice providers. The hospice team typically includes nurses, a social worker, home health aides, clergy, and volunteers. Spiritual and grief counseling are available, as are extended visiting hours for families.

12. Organizational Chart

An organizational chart for Rowan Court is attached as Attachment H. The organizational structure is not expected to change under the applicants' ownership.

13. Survey History

All Rowan Court surveys performed by the Department of Disabilities, Aging and Independent Living, Division of Licensing and Protection and Rowan Court’s Plans of Correction for the past one-year period are submitted as Attachment I.

14. CMS Profile

Rowan Court’s CMS Five-Star Quality Rating System data, current as of January 14, 2016, is submitted as Attachment J.

15. Financial Statements

A set of financial statements for Rowan Court for each of the past three years is submitted as follows:

December 31, 2012, Attachment K;
December 31, 2013, Attachment L; and,
December 31, 2014, Attachment M.

B. Applicants Information

16. Individuals

Five individuals—Joshua Farkovits, Jordan Fensterman, David Gamzeh, Akiva Glatzer and Ephram M. Lahasky—formed two separate corporate entities¹ to purchase the real estate and operations of Rowan Court.²

17. Corporations

Barre Gardens Holdings LLC will own the real estate, and the license and operations will be in the name of Barre Gardens Nursing and Rehab LLC. Copies of the Articles of Organization for Barre Gardens Holdings LLC and Barre Gardens Nursing and Rehab LLC are submitted as Attachment N and Attachment O, respectively.

18. Ownership Interests

Each individual will hold a 20% interest in Barre Gardens Holdings LLC and a 20% interest in Barre Gardens Nursing and Rehab LLC. Jordan Fensterman may create an LLC for his interests. To the extent there are any other members in the LLC, their interests will each equate to a less than 5% interest in either entity, Barre Gardens Holdings LLC or Barre Gardens Nursing and Rehab LLC.

¹ For simplicity, we refer herein to both the individuals and the corporate entities as “the applicants.”

² The corporate entities have been formed with four of the individual applicants as named members. Jordan Fensterman, or an LLC he forms, will be added as a member of Barre Gardens Holdings LLC and Barre Gardens Nursing and Rehab LLC.

Owner	Joshua Farkovits	Jordan Fensterman	David Gamzeh	Akiva Glatzer	Ephram Lahasky
Interest in Real Estate	20%	20%	20%	20%	20%
Interest in Operations	20%	20%	20%	20%	20%
Equity Contribution	\$350,000	\$350,000	\$125,000	\$125,000	\$350,000

19. A curriculum vitae is submitted for each of the individual applicants as follows:

- Joshua Farkovits, Attachment P;
- Jordan Fensterman, Attachment Q;
- David Gamzeh, Attachment R;
- Akiva Glatzer, Attachment S; and
- Ephram Mordy Lahasky, Attachment T.

20. A Personal Financial Statement, and accompanying Verification Under Oath, is submitted for each individual applicant under separate cover.

- Joshua Farkovits - Personal Financial Statement, Attachment FF;
- Jordan Fensterman - Personal Financial Statement, Attachment GG;
- David Gamzeh - Personal Financial Statement, Attachment HH;
- Akiva Glatzer - Personal Financial Statement, Attachment II; and
- Ephram M. Lahasky - Personal Financial Statement, Attachment JJ.

21. The individual applicants have the following current holdings and/or operations experience with long-term care facilities.

Joshua Farkovits	Ownership Interests	Licensed Nursing Home Administrator	Attachments
Brighton Rehabilitation and Wellness Center f/k/a Friendship Ridge 246 Friendship Circle Beaver PA 15009	10.5% interest in real estate; 10.5% interest in operations. Purchased in March, 2014.		CMS Five-Star Quality Rating System data is included in <u>Attachment U (Tab 1)</u> . Applicants will provide copies of surveys and plans of correction upon request.

Joshua Farkovits	Ownership Interests	Licensed Nursing Home Administrator	Attachments
Claiborne and Hughes Health Center 200 Strahl St Franklin TN 37064	9.0% interest in real estate; 9.0% interest in operations. Purchased in January, 2015.		CMS Five-Star Quality Rating System data is included in <u>Attachment U (Tab 4)</u> . Applicants will provide copies of surveys and plans of correction upon request.
Delmar Nursing and Rehabilitation Center 101 E. Delaware Ave Delmar DE 19940	19% interest in real estate; 19% interest in operations. Purchased in June, 2015		CMS Five-Star Quality Rating System data is included in <u>Attachment U (Tab 6)</u> . Applicants will provide copies of surveys and plans of correction upon request.
Hamilton Home 590 East Grand Blvd Detroit MI 48207	11.25% interest in real estate; 18.75% interest in operations. Purchased on 9/2/15.		CMS Five-Star Quality Rating System data is included in <u>Attachment U (Tab 9)</u> . Applicants will provide copies of surveys and plans of correction upon request.
ManorCare Health Services n/k/a Barclay's Health and Rehabilitation 412 Marlton Pike E, Cherry Hill, NJ 08034	12.5% interest in operations. Purchased in November 2015.		CMS Five-Star Quality Rating System data is included in <u>Attachment U (Tab 15)</u> . Applicants will provide copies of surveys and plans of correction upon request.
Neptune Rehabilitation and Care Center 100 Walnut St. Neptune, NJ 07753	20% interest in real estate; 20% interest in operations. Purchased on 11/6/2015		CMS Five-Star Quality Rating System data is included in <u>Attachment U (Tab 17)</u> . Applicants will provide copies of surveys and plans of correction upon request.

Joshua Farkovits	Ownership Interests	Licensed Nursing Home Administrator	Attachments
Pearl Valley Rehabilitation & Healthcare Center 601 E Polk St. Washington, IA 52353	18.5 % interest in real estate; 18.5% interest in operations. Purchased in September, 2015.		CMS Five-Star Quality Rating System data is included in <u>Attachment U (Tab 19)</u> . Applicants will provide copies of surveys and plans of correction upon request.
Renaissance Manor of Westfield 37 Feeding Hills Road, Westfield, MA 01085	20% interest in real estate and 20% interest in operations. Purchased on 12/16/2015.		CMS Five-Star Quality Rating System data is included in <u>Attachment U (Tab 21)</u> . Applicants will provide copies of surveys and plans of correction upon request.
St. Francis Home of Williamsville 147 Reist St Williamsville, NY 14221	37.5% interest in real estate; 37.5% interest in operations. Purchased in May, 2015.		CMS Five-Star Quality Rating System data is included in <u>Attachment U (Tab 24)</u> . Applicants will provide copies of surveys and plans of correction upon request.
Valley View Manor 200 9th Ave E, Lamberton, MN 56152	20% interest in real estate and 20% interest in operations. Purchased in 2015.		CMS Five-Star Quality Rating System data is included in <u>Attachment U (Tab 25)</u> . Applicants will provide copies of surveys and plans of correction upon request.
Villages of Orleans Health and Rehab Center 14012 State Highway 31 Albion, NY 14411	25% interest in real estate and 25% interest in operations. Purchased in 2015.		CMS Five-Star Quality Rating System data is included in <u>Attachment U (Tab 26)</u> . Applicants will provide copies of surveys and plans of correction upon request.

Jordan Fensterman	Ownership Interests	Licensed Nursing Home Administrator	Attachments
Burlington Rehab and Care Center 677 East State Street Burlington, WI 53105	7% interest in operations. Purchased June/July 2014		CMS Five-Star Quality Rating System data is included in <u>Attachment U (Tab 2)</u> . Applicants will provide copies of surveys and plans of correction upon request.
Cambridge Health and Rehab Center 1471 Wills Creek Valley Dr. Cambridge, OH 43725	7% interest in operations. Purchased June/July 2014		CMS Five-Star Quality Rating System data is included in <u>Attachment U (Tab 3)</u> . Applicants will provide copies of surveys and plans of correction upon request.
Colonial Manor Medical and Rehab Center 1010 East Wausau Avenue Wausau, WI 54403	7% interest in operations. Purchased June/July 2014		CMS Five-Star Quality Rating System data is included in <u>Attachment U (Tab 5)</u> . Applicants will provide copies of surveys and plans of correction upon request.
Delmar Nursing and Rehabilitation Center 101 E. Delaware Ave Delmar DE 19940	19% interest in real estate and 19% interest in operations. Purchased June, 2015.		CMS Five-Star Quality Rating System data is included in <u>Attachment U (Tab 6)</u> . Applicants will provide copies of surveys and plans of correction upon request.
Eastview Medical and Rehab Center 729 Park Street Antigo, WI 54409	7% interest in operations. Purchased June/July 2014		CMS Five-Star Quality Rating System data is included in <u>Attachment U (Tab 7)</u> . Applicants will provide copies of surveys and plans of correction upon request.
Franklin Woods Nursing and Rehab 2770 Clime Rd. Columbus, OH 43223	7% interest in operations. Purchased June/July 2014		CMS Five-Star Quality Rating System data is included in <u>Attachment U (Tab 8)</u> . Applicants will provide copies of surveys and plans of correction upon request.

Jordan Fensterman	Ownership Interests	Licensed Nursing Home Administrator	Attachments
Hamilton Home 590 East Grand Blvd Detroit MI 48207	10% of the real estate; 10% interest in operations. Purchased on 9/2/15.		CMS Five-Star Quality Rating System data is included in <u>Attachment U (Tab 9)</u> . Applicants will provide copies of surveys and plans of correction upon request.
Lebanon Country Manor 700 Monroe Rd. Lebanon, OH 45036	7% interest in operations. Purchased in June/July 2014.		CMS Five-Star Quality Rating System data is included in <u>Attachment U (Tab 13)</u> . Applicants will provide copies of surveys and plans of correction upon request.
Logan Health Care Center 300 Arlington Ave Logan, OH 43138	7% interest in operations. Purchased in June/July 2014.		CMS Five-Star Quality Rating System data is included in <u>Attachment U (Tab 14)</u> . Applicants will provide copies of surveys and plans of correction upon request.
Maple Ridge Medical and Rehab Center 2305 San Luis Place Green Bay, WI 54304	7% interest in operations. Purchased in June/July 2014.		CMS Five-Star Quality Rating System data is included in <u>Attachment U (Tab 16)</u> . Applicants will provide copies of surveys and plans of correction upon request.
Neptune Rehabilitation and Care Center 100 Walnut St. Neptune, NJ 07753	9% interest in real estate; 9% interest in operations. Purchased on 11/6/2015		CMS Five-Star Quality Rating System data is included in <u>Attachment U (Tab 17)</u> . Applicants will provide copies of surveys and plans of correction upon request.
North Ridge Medical and Rehab Center - 1445 North 7th Street Manitowoc, WI 54220	7% interest in operations. Purchased in June/July 2014.		CMS Five-Star Quality Rating System data is included in <u>Attachment U (Tab 18)</u> . Applicants will provide copies of surveys and plans of correction upon request.

Jordan Fensterman	Ownership Interests	Licensed Nursing Home Administrator	Attachments
Pickerington Nursing and Rehab Center 1300 Hill Rd. Pickerington, OH 43147	7% interest in operations. Purchased in June/July 2014.		CMS Five-Star Quality Rating System data is included in <u>Attachment U (Tab 20)</u> . Applicants will provide copies of surveys and plans of correction upon request.
Renaissance Manor of Westfield 37 Feeding Hills Road, Westfield, MA 01085	10% interest in real estate and 10% interest in operations. Purchased on 12/16/2015.		CMS Five-Star Quality Rating System data is included in <u>Attachment U (Tab 21)</u> . Applicants will provide copies of surveys and plans of correction upon request.
Sheridan Medical Complex 8400 Sheridan Road Kenosha, WI 53143	7% interest in operations. Purchased in June/July 2014.		CMS Five-Star Quality Rating System data is included in <u>Attachment U (Tab 23)</u> . Applicants will provide copies of surveys and plans of correction upon request.
Valley View Manor 200 9th Ave E, Lamberton, MN 56152	9.375% interest in real estate and 9.375% interest in operations. Purchased in 2015.		CMS Five-Star Quality Rating System data is included in <u>Attachment U (Tab 25)</u> . Applicants will provide copies of surveys and plans of correction upon request.
Waters Edge Rehab and Care Center 3415 Sheridan Road Kenosha, WI 53140	7% interest in operations. Purchased in June/July 2014.		CMS Five-Star Quality Rating System data is included in <u>Attachment U (Tab 27)</u> . Applicants will provide copies of surveys and plans of correction upon request.
Winchester Place Nursing and Rehab Center 36 Lehman Dr. Canal Winchester, OH 43110	7% interest in operations. Purchased in June/July 2014.		CMS Five-Star Quality Rating System data is included in <u>Attachment U (Tab 28)</u> . Applicants will provide copies of surveys and plans of correction upon request.

David Gamzeh	Ownership Interests	Licensed Nursing Home Administrator	Attachments
Daughters of Jacob Nursing Home Co., Inc. 1160 Teller Avenue Bronx, NY 10456		2013-2014 LNHA	A copy of a 5/16/14 survey is submitted as <u>Attachment W</u> . There were no other surveys during Mr Gamzeh's tenure as LNHA.
Hamilton Home 590 East Grand Blvd Detroit MI 48207	11.25% interest in real estate; 18.75% interest in operations. Purchased on 9/2/15.		CMS Five-Star Quality Rating System data is included in <u>Attachment U (Tab 9)</u> . Applicants will provide copies of surveys and plans of correction upon request.
Holliswood Center for Rehabilitation & Healthcare 195 44 Woodhull Ave Hollis, NY 11423		2010-2012 LNHA	CMS Five-Star Quality Rating System data is included in <u>Attachment U (Tab 12)</u> . A copy of the following survey and plan of correction is submitted as <u>Attachment X</u> : 5/16/12 recertification survey and 5/29/12 plan of correction.
Neptune Rehabilitation and Care Center 100 Walnut St. Neptune, NJ 07753	20% interest in real estate; 20% interest in operations. Purchased on 11/6/2015.		CMS Five-Star Quality Rating System data is included in <u>Attachment U (Tab 17)</u> . Applicants will provide copies of surveys and plans of correction upon request.
Renaissance Manor of Westfield 37 Feeding Hills Road, Westfield, MA 01085	20% interest in real estate and 20% interest in operations. Purchased on 12/16/2015.		CMS Five-Star Quality Rating System data is included in <u>Attachment U (Tab 21)</u> . Applicants will provide copies of surveys and plans of correction upon request.
Williamsbridge Manor Nursing Home 1540 Tomlinson Ave Bronx, NY 10461		2008 – 2010 LNHA	

Akiva Glatzer	Ownership Interests	Licensed Nursing Home Administrator	Attachments
Hamilton Home 590 East Grand Blvd Detroit MI 48207	11.25% interest in real estate; 18.75% interest in operations. Purchased on 9/2/15.		CMS Five-Star Quality Rating System data is included in <u>Attachment U (Tab 9)</u> . Applicants will provide copies of surveys and plans of correction upon request.
Holliswood Center for Rehabilitation & Healthcare 195 44 Woodhull Ave Hollis, NY 11423		November 2012 – August 2015 LNHA	CMS Five-Star Quality Rating System data is included in <u>Attachment U (Tab 12)</u> . Copies of the following recertification surveys and plans of correction during Mr. Glatzer’s tenure as LNHA are submitted as <u>Attachment Y</u> : 5/30/13 survey and 7/25/13 plan of correction; 6/30/14 survey and responsive plan of correction; and 6/26/15 survey and 7/03/15 plan of correction. There have been no complaint surveys.
Neptune Rehabilitation and Care Center 100 Walnut St. Neptune, NJ 07753	20% interest in real estate; 20% interest in operations. Purchased on 11/6/2015.		CMS Five-Star Quality Rating System data is included in <u>Attachment U (Tab 17)</u> . Applicants will provide copies of surveys and plans of correction upon request.
Renaissance Manor of Westfield 37 Feeding Hills Road, Westfield, MA 01085	20% interest in real estate and 20% interest in operations. Purchased on 12/16/2015.		CMS Five-Star Quality Rating System data is included in <u>Attachment U (Tab 21)</u> . Applicants will provide copies of surveys and plans of correction upon request.
Williamsbridge Manor Nursing Home 1540 Tomlinson Ave Bronx, NY 10461		November 2010 – November 2012 LNHA	

Ephram Mordy Lahasky	Ownership Interests	Licensed Nursing Home Administrator	Attachments
Brighton Rehabilitation and Wellness Center f/k/a Friendship Ridge 246 Friendship Circle Beaver PA 15009	9.7 % interest in real estate; 9.7% interest in operations. Purchased in March 2014.		CMS Five-Star Quality Rating System data is included in <u>Attachment U (Tab 1)</u> . Applicants will provide copies of surveys and plans of correction upon request.
Claiborne and Hughes Health Center 200 Strahl St Franklin TN 37064	9% interest in real estate; 9% interest in operations. Purchased in January 2015.		CMS Five-Star Quality Rating System data is included in <u>Attachment U (Tab 4)</u> . Applicants will provide copies of surveys and plans of correction upon request.
Delmar Nursing and Rehabilitation Center 101 E. Delaware Ave Delmar DE 19940	19% interest in real estate; 19% interest in operations. Purchased in June 2015.		CMS Five-Star Quality Rating System data is included in <u>Attachment U (Tab 6)</u> . Applicants will provide copies of surveys and plans of correction upon request.
Hamilton Home 590 East Grand Blvd Detroit MI 48207	11.25% interest in real estate; 18.75% interest in operations. Purchased 9/2/15.		CMS Five-Star Quality Rating System data is included in <u>Attachment U (Tab 9)</u> . Applicants will provide copies of surveys and plans of correction upon request.
Health Center at Galloway 66 West Jimmie Leeds Rd Galloway, NJ 08205	5% interest in real estate. Purchased in 2013.		CMS Five-Star Quality Rating System data is included in <u>Attachment U (Tab 10)</u> . Applicants will provide copies of surveys and plans of correction upon request.
Highland Manor Rehabilitation and Nursing Center 750 Schooley Ave Exeter, PA 18643	5% interest in real estate. Purchased in 2014.		CMS Five-Star Quality Rating System data is included in <u>Attachment U (Tab 11)</u> .

Ephram Mordy Lahasky	Ownership Interests	Licensed Nursing Home Administrator	Attachments
			Applicants will provide copies of surveys and plans of correction upon request.
ManorCare Health Services n/k/a Barclay's Health and Rehabilitation 412 Marlton Pike E, Cherry Hill, NJ 08034	12.5% interest in operations. Purchased November 2015.		CMS Five-Star Quality Rating System data is included in <u>Attachment U (Tab 15)</u> . Applicants will provide copies of surveys and plans of correction upon request.
Neptune Rehabilitation and Care Center 100 Walnut St. Neptune, NJ 07753	20% interest in real estate; 20% interest in operations. Purchased 11/6/2015.		CMS Five-Star Quality Rating System data is included in <u>Attachment U (Tab 17)</u> . Applicants will provide copies of surveys and plans of correction upon request.
Pearl Valley Rehabilitation & Healthcare Center 601 E Polk St. Washington, IA 52353	18.5% interest in real estate; 18.5% interest in operations. Purchased September 2015.		CMS Five-Star Quality Rating System data is included in <u>Attachment U (Tab 19)</u> . Applicants will provide copies of surveys and plans of correction upon request
Renaissance Manor of Westfield 37 Feeding Hills Road, Westfield, MA 01085	20% interest in real estate and 20% interest in operations. Purchased 12/16/2015.		CMS Five-Star Quality Rating System data is included in <u>Attachment U (Tab 21)</u> . Applicants will provide copies of surveys and plans of correction upon request.
Riverside Nursing Home & Rehabilitation Center 325 Jersey Street Trenton, NJ 08611	12.7% interest in real estate. 2012		CMS Five-Star Quality Rating System data is included in <u>Attachment U (Tab 22)</u> . Applicants will provide copies of surveys and plans of correction upon request.

Ephram Mordy Lahasky	Ownership Interests	Licensed Nursing Home Administrator	Attachments
St. Francis Home of Williamsville 147 Reist St Williamsville, NY 14221	37.5% interest in real estate; 37.5% interest in operations. Purchased in May 2015.		CMS Five-Star Quality Rating System data is included in <u>Attachment U (Tab 24)</u> . Applicants will provide copies of surveys and plans of correction upon request.
Valley View Manor 200 9th Ave E, Lamberton, MN 56152	20% interest in real estate and 20% interest in operations. Purchased 2015.		CMS Five-Star Quality Rating System data is included in <u>Attachment U (Tab 25)</u> . Applicants will provide copies of surveys and plans of correction upon request.
Villages of Orleans Health and Rehab Center 14012 State Highway 31 Albion, NY 14411	25% interest in real estate. Purchased in 2015.		CMS Five-Star Quality Rating System data is included in <u>Attachment U (Tab 26)</u> . Applicants will provide copies of surveys and plans of correction upon request.

22. Messrs. David Gamzeh and Akiva Glatzer will serve as the managing members for facility operations at Rowan Court, working collaboratively with the current Nursing Home Administrator, Ms. Heather Filonow.

23. David Gamzeh’s Background and Relevant Experience

During Law School, Mr. Gamzeh enrolled in an Administrator in Training Program at Fairview Nursing Care Center where he successfully completed the requisite program hours. He currently holds a Nursing Home Administrator’s License in both New York and New Jersey. In August of 2008, he was hired by Centers Health Care to become the Administrator of Williamsbridge Manor Nursing Home, a 77 bed SNF, where he obtained two near perfect Department of Health Surveys. He also guided the facility to attain a 5-Star rating by CMS.

24. In November of 2010, Centers Health Care entrusted Mr. Gamzeh to become the Administrator at Holliswood Care Center, a 314 bed skilled nursing facility (“SNF”), in order to transition the facility under new ownership. Census in the facility was 77% and within six months census was raised to 97%. Additionally, on the very first Department of Health Survey under new ownership, Holliswood received a clinically deficiency free DOH survey.

25. In November of 2012, Centers Health Care promoted David to become a regional director of operations.
26. In July of 2013, while still maintaining his duties as a regional administrator for Centers Health Care, Mr. Gamzeh was asked once again to become the Administrator in order to transition Daughters of Jacob Nursing Home, a 405 bed SNF with 28 ventilator dependent beds. Daughters of Jacob was a non-for-profit facility, and Mr. Gamzeh successfully transitioned the facility under new ownership, once again guiding the facility to a clinically free survey in its first year under new ownership. While Mr. Gamzeh was the Administrator for Daughters of Jacob, census increased from 86% to 97%, within 6 months.
27. Mr. Gamzeh has transitioned numerous nursing homes under new ownership, and each facility's CMS star rating improved. Throughout the years in each facility, Mr. Gamzeh had the privilege of extensive interaction with diverse residents from various backgrounds. Mr. Gamzeh spent much time and effort increasing the quality of patient care. These improvements can be seen from the rise in star ratings and outstanding New York State Department of Health surveys. Every facility presented different challenges, whether not-for-profit or proprietary, and Mr. Gamzeh successfully overcame these challenges.

28. Akiva Glatzer's Background and Relevant Experience

- In addition to Mr. Gamzeh, Akiva Glatzer likewise has significant nursing home operations experience. When he began working in healthcare for Centers Health Care in their corporate headquarters, his responsibilities were primarily focused on directing the operations of six facilities' finance departments and ensuring that policies and procedures were met and that systems were running smoothly.
29. In November 2010, Mr. Glatzer was appointed by Centers Health Care to become the Administrator of Williamsbridge Manor Nursing Home, a 77 bed SNF, where he transitioned the facility to a short-term care model. While there, he obtained two near perfect Department of Health Surveys. He also maintained a 5-Star rating by CMS.
 30. In November 2012, Centers Health Care appointed Mr. Glatzer to become the Administrator of Holliswood Center, a 314 bed SNF. Mr. Glatzer successfully transitioned the facility to a short-term care model where the mantra was "get healthy and go home." While there, he maintained near 100% occupancy. He led the Holliswood team to perfect or near perfect surveys with the last one under his leadership being clinically deficiency free. Through his time in Holliswood, Mr. Glatzer maintained a 5-star rating for Holliswood. Some notable accomplishments during his time at Holliswood were that he and the facility assisted in developing a state-of-the-art wander-prevention system that is integrated with real time data and features that help promote quality care. Mr. Glatzer and his team also developed a first-of-its-kind adult day care model program for Alzheimer's dementia residents to help promote wellness through structured group settings. The program has been

filmed by an award winning educational documentary journalist and intends to be a catalyst and model for Alzheimer's care in the future.

31. Holliswood had a 60 bed unit that catered to institutionalized psych residents and another 60 bed unit for cognitively impaired behavioral management residents. Both of these long term units partnered with hospitals and institutions for the cognitively impaired that enabled the care for these residents in a less restrictive setting where their individual needs could be better met. The goal was to take these residents who would have been more confined elsewhere and actually enable them to enjoy a better quality of life by being in such a facility. Many of Holliswood's institutionalized psych residents progressed so much so that the facility was able to transition them back into the community.
32. Holliswood had an aggressive program with its pharmacy consultant and psychiatrist for reductions in anti-psychotic medications. The facility, under both Messrs. Gamzeh and Glatzer also provided staff education in behavioral management. All of these elements helped contribute to a better quality of life for the residents.
33. Throughout his tenure as an administrator, Mr. Glatzer focused on care and compassion as the strength and backbone to what would create a desirable environment for his residents. He consistently maintained near perfect surveys and high CMS ratings. This was all reflected in his consistently high occupancy; he occasionally encountered waiting lists for residents wanting to reside in his facility. Mr. Glatzer understands that he works for the residents, with their well-being as his priority.
34. As stated, in June/July 2015, Mr. Glatzer co-founded Priority Healthcare.
35. **Priority Healthcare Group, LLC**
In June/July 2015, Mr. Gamzeh and Akiva Glatzer co-founded Priority Healthcare Group, LLC ("Priority Healthcare") and are the managing members of this management company that operates skilled nursing facilities. Priority Healthcare provides services, such as, accounts payable, accounts receivable, billing, payroll, compliance, day to day oversight, financial reporting, marketing, business development and purchasing.
36. At present, Priority Healthcare manages Hamilton Nursing Home in Detroit, Michigan, Neptune Rehab in Neptune, New Jersey (as of November 6, 2015), and Renaissance Manor in Westfield, Massachusetts (as of December 2016).
37. Priority Healthcare will be the new management provider for Rowan Court where it will provide the following services: accounts payable, accounts receivable, billing, payroll, compliance, day to day oversight, financial reporting, marketing, business development and purchasing.

38. Philosophy of Applicants on Rowan Court Operations

As managing members overseeing operations at Rowan Court, Messrs. Gamzeh and Glatzer have as their focus the improvement of quality of care and life for the residents and families, as well as employee satisfaction.

39. Residents

Having worked as Licensed Nursing Home Administrators, Messrs. Gamzeh and Glatzer understand first-hand the everyday challenges that care providers face. Recognizing the importance of individualize care for each resident is critical. Each resident's plan of care is and should be uniquely catered to what will improve that individual's overall quality of life. For example, as residents may be faced with external challenges impeding their ability to receive the services that would help them the most, Messrs. Gamzeh and Glatzer understand that they must serve as advocates for them in enabling them to receive the benefits to which they are entitled. From a clinical perspective, their partnerships with practitioners and their recognition of the value of preventative care models allow them to provide quality care addressed specifically to the needs that are initially bringing these residents to them as well as helping prevent future declines in resident health.

40. Families

Messrs. Gamzeh and Glatzer understand that when a resident may be going through a sub-acute, long term or end of life situation, care can and should carry over to the family. As they attend to residents' families as well, they understand and recognize that there may be unique requests from families. Their goal is to meet all of the needs of their residents' families and to provide the highest quality of life for all, so they have endeavored to and will endeavor to meet each request to the extent of the facility's abilities. Another important point for the applicants is their view of respect as a cornerstone for how they run their facilities. This is underscored by the high occupancy rates at the facilities where Messrs. Gamzeh and Glatzer served as Administrators. Showing consistent respect toward the residents and families facilitates positive relationships. This ultimately enables all to work together towards excellent care and emotional satisfaction.

41. Staff

Employee Satisfaction is extremely important to Messrs. Gamzeh and Glatzer, as they understand that the care provided to residents is often reflective of the caregiver's attitude. This is why they promote programs that emphasize and reward good care. Properly recognizing staff efforts and addressing staff concerns in respectful and a timely manner have enabled them to provide quality care. While Mr. Glatzer was the Administrator for Holliswood, an employee won a state association Heart and Hands award for going above and beyond in providing excellent care to residents. This award reflects the culture at Holliswood, where an emphasis was placed on recognizing and rewarding staff for their efforts to go above and beyond that went well beyond the four walls of the facility.

42. By promoting all that has been mentioned above, supported by historical data from their time as Administrators (where complaints were at a minimum and census at near capacity), Messrs. Gamzeh and Glatzer are confident that they will create in Rowan Court another environment in which residents, families and staff are eager to be involved.

C. Scope of Project

43. Larger Transaction

This project is part of a larger set of transactions to purchase the assets of a total of four (4) facilities from Revera. The other 3 facilities are located in New Jersey, Massachusetts, and Connecticut.

- Neptune Rehabilitation and Care Center, 100 Walnut St, Neptune, New Jersey 07753, closed on change in ownership on November 6, 2015;
- Renaissance Manor of Westfield, 37 Feeding Hills Rd, Westfield, Massachusetts, closed on December 16, 2015; and
- Village Green of Waterbury, 128 Cedar Avenue, Waterbury, Connecticut 06705, is scheduled to close in February, 2016.

44. Purchase Agreements

- A copy of the Contract for Sale between Revera and the applicants is submitted as Attachment Z.
- A copy of the Operations Transfer and Surrender Agreement between Revera and the applicants is submitted as Attachment AA.

45. Rowan Court Purchase Price

The purchase price (“Purchase Price”) is Six Million Dollars (\$6,000,000.00). The Purchase Price will be allocated as follows:

Land	\$ 250,000
Buildings	\$5,430,000
Furnishings, Fixtures & Other Equipment	\$ 320,000

See Table 1, Attachment G.

46. Project Cost

The total project costs of purchasing Rowan Court, including associated costs, are \$6,100,000. The purchase price is \$6,000,000, and there are the following additional costs:

Administrative expenses and permits	\$ 75,000
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Debt financing expenses \$ 25,000

See Table 1, Attachment G.

47. Project Financing

The applicants propose to finance the purchase with a \$4,800,000 loan. See Table 2, Attachment G; see also Attachment BB, Barre Gardens Nursing & Rehab, LLC and Barre Gardens Holdings, LLC Consolidated Financial Statements, at p6 n4.

Included as Attachment CC is a conditional commitment letter from Greystone Funding Corporation.³ Greystone will require the submission of audited annual financial statements from the borrower and guarantor and monthly unaudited financial reporting from the borrower and guarantor.⁴

The remainder of the cost of acquiring Rowan Court will be financed with \$1,300,000 in equity from the individual applicants, as detailed in Paragraph 18 above.

48. First Year Operations

Any cash shortfall in the first year of operation will be covered with cash advances from the applicants which will be paid back as cash flow allows. Attachments FF through JJ support the Applicants' financial ability to provide cash advances if needed.

49. Census Increase

Overall census numbers are projected to increase from the 2014 census of 72.79% to 76%, 78% and 80% respectively as detailed below. This equates to approximately 2 additional residents each year. These increases are expected to increase at approximately the same ratio as the current resident mix among Private, Medicaid and Medicare utilization.

Projected Census	2016	2017	2018
Private days	4,093	4,200	4,308
Medicaid days	18,092	18,568	19,044
Medicare days	4,446	4,563	4,680
Total days	26,631	27,331	28,032

³Greystone identifies the interest rate as .675 basis points over 30-day over LIBOR. Table 1 estimates a flat rate of 4.5%. Because we do not predict what LIBOR will be at the time of closing, we have not changed Table 1.

⁴For the Loan Term, Greystone specifies a "Minimum 20 years, comprised of a 2 year bridge loan followed by a permanent HUD-insured loan. In the event the HUD-insured loan is not approved, Lender will convert the bridge loan to a permanent loan subject to underwriting and loan-to-value and debt service coverage ratio hurdles." The projections in Attachment BB do not assume a HUD loan. At present, the applicants anticipate negotiating a 20-year term, whether with Greystone or another lending company.

Occupancy %	76.00	78.00	80.00
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See Attachment BB, Barre Gardens Nursing & Rehab, LLC and Barre Gardens Holdings, LLC Consolidated Financial Statements, at p6 n4.

50. Plan to Increase Census

The applicants are confident about their ability to modestly increase the Rowan Court census and, in fact, believe that, in an abundance of caution, they more than likely underestimated the likely census increase in their projections.

- a. David Gamzeh and Akiva Glatzer have been extremely successful in addressing both quality and census, as detailed above.
- b. Messrs. Gamzeh and Glatzer, as the managing members of operations for the applicants, have a broad view when it comes to admissions. For example, as Administrator, Mr. Gamzeh broadened admissions and therefore the census at two facilities, Williamsville and Holliswood, in particular by welcoming residents with a more diverse set of needs. He dedicated units for residents with similar nursing and rehabilitative needs and created an environment that catered and appealed to many applicants, as they would feel more comfortable in their environment. This in turn appealed to healthcare providers and families who were more encouraged to refer residents to Mr. Gamzeh’s facilities, as he had a care model that they desired. Mr. Gamzeh facilitated positive relationships with hospitals and doctors to make them knowledgeable of the services his facilities offered and helped promote a culture where people wanted to go to his facility.
- c. With their high demands for quality, respect and service for their residents, families and employees, Rowan Court too shall be able to benefit from Messrs. Gamzeh and Glatzer’s healthcare model. They will bring to Rowan Court a comfort level in treating more diverse needs and will offer the necessary supportive resources through partnering with physicians, specialists, modern medicine and a better care model to be able to bring additional services that are not provided with the current operator.
- d. This includes on-site psychological services that will greatly impact the residents with reduced cognitive functions as well as enable the facility to accept residents with similar diagnoses who had been declining due to the inability to receive such services.
- e. Telemedicine will also be utilized in order to provide additional services for residents who may require a specialist for a particular nursing need that would otherwise be unavailable to travel to the facility. This too will enable the facility to have more of a comfort level in expanding the number of residents to whom they can provide quality care.

- f. Through this management team model, the applicants will be able to help Rowan Court accept more residents while assuring each resident's health and safety, through the highest quality of care.
- g. The applicants have an understanding of Revera's admissions model. Revera is selective about Rowan Court's admissions in that the risk involved in admitting a resident has led Rowan Court to decline residents that Mr. Gamzeh would enable Rowan Court to accept under his care model.
- h. Messrs. Gamzeh and Glatzer have proven success in admitting a broader range of resident needs. Revera declined a number of referrals which the applicants will now be able to accept *e.g.*, residents who require on site psychological services and residents who require physician specialists.
- i. Messrs. Gamzeh and Glatzer also bring an in-depth knowledge of the financial aspect of residents' coverage needs and in-turn can be more flexible in deciding whether a future resident has the means of coverage for their care. They have worked with private institutions that can assist residents with the proper senior planning to ensure that they have their finances and coverage needs set up to care for them whether they are living in the community or require in-patient skilled care. They share a keen understanding of the value of state departmental human services as well as local community services in addressing the financial needs of their residents.
- j. The applicants' mission is to cater to the needs of the residents who are in the demographic of each facility. This philosophy alone can and will impact the future census of the facility to perform at a much higher level and quality.

51. Private Rate

Private rates are anticipated to increase \$6.00 per day annually to cover normal inflationary costs. See Attachment BB, Barre Gardens Nursing & Rehab, LLC and Barre Gardens Holdings, LLC Consolidated Financial Statements, at p6 n4.

52. Medicaid Rate

For the Medicaid rate, the 2015 "budget" year represents a \$30.00 per day increase for 1/2 the year. Revera received this increase as a result of the 2013 new rebase for Medicaid (effective July 1, 2015). The 2016 Medicaid rates are projected at the current rate of \$252.36, plus an estimated increase in the property rate for a stepped up basis adjustment at the time of purchase. Each year includes an expected 2.0% increase annually to cover normal inflationary costs. See Attachment BB, Barre Gardens Nursing & Rehab, LLC and Barre Gardens Holdings, LLC Consolidated Financial Statements, at p6 n4.

53. Medicare Rate

Medicare rates are expected to increase annually to cover normal inflationary costs starting with the current average Medicare rate of \$499.47 per day and increasing 2%

each year. Private and Part B ancillaries are expected to increase 2% per year using the current owner's revenues as a base. See Attachment BB, Barre Gardens Nursing & Rehab, LLC and Barre Gardens Holdings, LLC Consolidated Financial Statements, at p6 n4.

54. Management Fee

Revera's management fee will be replaced with a management fee of 4%-5% of revenues per year for the management services of Priority Healthcare.

55. Projected Increase in Costs

All Nursing, Rehabilitative, Pharmacy, Resident Services, Diagnostic and Dietary costs, along with related payroll taxes and benefits, are anticipated to increase at the same ratio of the census increase, on top of the 2% annual inflation increase.

56. Operating Lease

Barre Gardens Holdings, LLC will lease the facility to Barre Gardens Nursing & Rehab, LLC through a triple net lease. The lease payments will be based on the annual debt service. As a triple net lease, Barre Gardens Nursing & Rehab, LLC will be responsible for the operating costs of the building (real estate taxes, insurances and maintenance). The lease payment itself will be tied to the debt service of the mortgage.

57. Treatment of Lease in Projections

Because this application is being filed jointly by the proposed realty owner/lessor and the proposed operator/lessee, the projections are consolidated. The lease payments are eliminated (both the expense side and the revenue side) to get the consolidated results. The consolidated projections therefore reflect the actual debt and the actual operations, as if the facility is one consolidated entity. It is important to note that the operations will be paying the lease payment.

58. Projected Cash Flow

The cash flow statements in the projections, (Attachment BB, page 4) indicate positive cash flow provided by operating activities:

\$361,079 in Projected 2016 (Year One);
\$625,324 in Projected 2017 (Year Two); and
\$727,813 in Projected 2018 (Year Three).

Year One is lower than Year Two and Year Three, primarily due to Accounts Receivable being higher than Accounts Payable and Accrued Expenses -- indicated by the Year One increase of Accounts Receivable from Seller Forecasted (2015) of (\$57,713) to (\$1,109,404) for Year One (2016) versus the increase of Accounts Payable from Seller Forecasted (2015) of \$1,978 to \$102,903 for Year One (2016) and the increase of Accrued Expenses from Seller Forecasted (2015) of \$17,037 to \$886,267 for Year One (2016).

59. No Change in Services

There are no plans to change any of the current services.

60. No Change in Staffing

The applicants do not plan to make any material changes to staffing or services, except that they will contract with a management service, Priority Healthcare, thereby replacing the current management service provider, which is affiliated with Revera. The applicants do not plan to go through a rehiring process for the current staff. The Operations Transfer and Surrender Agreement (Attachment AA) references terminating the employment of all employees providing services at the facility, as of the closing date. (Paragraph 2.5. Employees). This is strictly done on the books and does not mean that the employees actually cease employment. They are nominally terminated and immediately rehired for the purpose of terminating any potential liability for benefits that is the obligation of the sellers.

61. No Immediate Renovations

No immediate renovations or upgrades have been identified, especially in light of the recent work on the facility. However, the applicants will be setting aside \$400,000 for working capital, and they will also be establishing an annual amount of \$150,000, to be allocated as follows: \$100,000 for improvements; and \$50,000 for equipment.

II. Satisfaction of Applicable Criteria

Section 9437 of Title 18 contains criteria that must be satisfied before the Board may issue a certificate of need to an applicant. The applicants submit that they meet the applicable criteria for the purchase of Rowan Court, as follows:

A. Institute of Health Improvement Triple Aims

Address the Institute of Health Improvement Triple Aims:

- 1. Improving the individual experience of care;**
- 2. Improving the health of populations; and**
- 3. Reducing the per capita costs of care for populations.**

1. Improving the individual experience of care.

Putting the resident first means that each Rowan Court resident will have the right to live in a community where dignity, safety, self-determination and independence are paramount. The applicants are resolute about promoting and protecting such rights.

Messrs. Gamzeh and Glatzer have personally been involved in de-institutionalizing the nursing homes where they have served as Administrators. They have focused on the needs and rights of each resident. This begins at the time of admission. For example, the applicants pride themselves on accepting residents with a wider array of needs, including psychological needs, because they have proven that they are successful in addressing more challenging, individual needs.

Each resident's plan of care is and should be uniquely catered to what will improve that individual's overall quality of life. For example, as residents may be faced with external challenges impeding their ability to receive the services that would help them the most, the applicants understand the importance of serving as advocates to enable residents to receive the benefits to which they are entitled. From a clinical perspective, the applicants will use the experience and proven success of Messrs. Gamzeh and Glatzer to build and foster partnerships with practitioners to directly benefit their residents. Likewise, these partnerships will be used to create a preventative care model that allows Rowan Court to provide quality care addressed specifically to the needs that are initially bringing these residents to them as well as helping prevent future declines in resident health.

2. Improving the health of populations.

Messrs. Gamzeh and Glatzer have a proven track record when it comes to community and referral source relationships. This is perhaps best evidenced by the absence of complaint surveys and their high census rates. They plan to foster the same relationships on behalf of Rowan Court. They will be working with their short term rehabilitation residents to recover and return home. They will also be working with these residents on preventative care and care coordination for their return home. The ultimate impact of such a philosophy over time should be an overall improvement in the physical and mental health of the community's adult population.

3. Reducing the per capita costs of care for populations.

The applicants intend to contribute to a decrease in the per capita costs of care for Vermont's adult population. The applicants will foster preventative health measures, so that their residents who complete short term rehabilitation are less likely to return. They will empower individual residents to be more involved in their care, through self-management. They will focus on reducing re-hospitalizations and will also have practitioners provide services with the facility which will help reduce overall costs of care. Also, the applicants have found success with on-site psychological services that can further prevent avoidable occurrences that may result in avoidable hospitalizations. The ultimate goal is to reduce expenditures on traditional healthcare and the number of their residents requiring hospitalization as well as pharmaceutical expenditures. They also hope to enable more residents to return home through better management of services to psych patients as discussed above in relation to Holliswood.

B. The proposed project is consistent with the health resource allocation plan (HRAP). 18 V.S.A. § 9437(1) (Criterion 1).

STANDARD 1.6: Applicants seeking to develop a new health care project shall explain how the applicant will collect and monitor data relating to health care quality and outcomes related to the proposed new health care project. To the extent practicable, such data collection and monitoring shall be aligned with related data

collection and monitoring efforts, whether within the applicant's organizations or the government.

The 2015 QAPI (Quality Assurance and Performance Improvement) Plan for Rowan Court is submitted as Attachment DD. The QAPI program's scope encompasses all segments of the facility's organization including resident/family feedback, staff satisfaction, individualized resident care plans, information technology, center and maintenance plan and QAPI. Aspects of service and care are measured against established performance goals. Key monitors are measured and trended on a quarterly basis. The intent of the QAPI program, through CMS, is to make systems improvements proactively in all the areas of care and services, rather than to react to problems and issues.

The applicants have reviewed the current QAPI Plan and intend to continue with the QAPI Plan as established at Rowan Court.

STANDARD 1.7: Applicants seeking to develop a new health care project shall explain how such project is consistent with evidence-based practice. Such explanation may include a description of how practitioners will be made aware of such guidelines, and how guidelines will be incorporated into ongoing decision making.

Messrs. Gamzeh and Glatzer will work with both employed and contracted senior leadership at Rowan Court, including the Medical Director, the Director of Nursing Services, the Pharmacist, Dietician, etc. to routinely monitor, review, develop and modify clinical policies and procedures against evolving clinical standards. It is the expectation that leadership in such areas as rehab, social services, dementia care, mental health, food/nutrition, etc. will help to establish clinical strategy based on the evolving standards. Senior leadership are required to keep abreast of new evidence in their respective fields.

Routine and on-going training will be used to educate staff on the implementation of new and existing guidelines

Rowan Court scores worse than the state average in 11 of the 17 CMS quality measures for which there is data. The applicants intend to immediately implement procedures to improve the quality in the areas where the discrepancy is the largest. Based on the current CMS data, the applicants will most immediately focus their attention on short term stay care.

STANDARD 3.12: Any applicant seeking to expand services for potentially terminally ill patients shall explain what efforts that applicant has taken or will undertake which will support high quality, patient centered palliative and end of life care. Such efforts should include training and collaboration with other health care and hospice providers to facilitate high quality, patient centered end of life care.

At the outset, the applicants intend to continue using the palliative care approaches currently in place at Rowan Court for residents with advanced incurable illnesses or limited life expectancies. Rowan Court currently works with local hospice providers. The hospice team typically includes nurses, a social worker, home health aides, clergy, and volunteers.

Spiritual and grief counseling is available, as are extended visiting hours for families. Over time, the applicants will be better able to assess whether there are areas in which they are able to improve patient centered palliative and end of life care.

STANDARD 4.7: Applicants seeking to establish, expand or otherwise modify services available to elderly Vermonters shall establish how those services will support the mental health and well-being of this population, including addressing how the applicant supports or otherwise integrates with mental health services currently available.

As discussed above, the applicants, with high demands for quality, respect and service for their residents, families and employees, will offer the necessary supportive resources through partnering up with physicians, specialists, modern medicine and a better care model to be able to bring additional services that are not provided with the current operator. This includes on-site psychological services that will greatly impact the residents with reduced cognitive functions as well as enable the facility to accept residents with similar diagnoses who had been declining due to the inability to receive such services.

STANDARD 5.1: Applicants seeking a certificate of need relating to long-term care services shall demonstrate how they support the Vermont State Health Plan goal of insuring that Vermonters who need long-term care services will receive the services that reflect their personal values and preferences in the least restrictive environment possible.

The applicants recognize that each resident has the right to live in an environment that promotes dignity, safety, self-determination and independence. The applicants are resolute in promoting and protecting such rights.

The exact approach will depend in large part on the population to be served by Rowan Court. For example, Holliswood, where both Messrs. Gamzeh and Glatzer served as Administrators, reflected a significantly higher use of antipsychotic medications than the state average (See Attachment V (Tab 12)). This statistic, standing alone, seems troubling, yet the star rating for Holliswood and the CMS surveys were excellent. As already explained, Holliswood had a 60 bed unit that catered to institutionalized psych residents and another 60 bed unit for cognitively impaired behavioral management residents. Both of these long term units partnered with hospitals and institutions for the cognitively impaired that enabled the care for these residents in a less restrictive setting where their individual needs could be better met. Also, Holliswood had an aggressive program with its pharmacy consultant and psychiatrist for reductions in antipsychotic medications. The facility, under both Messrs. Gamzeh and Glatzer, also provided staff education in behavioral management. All of these elements helped contribute to a better quality of life for the residents. The goal was to take these residents who would have been more confined elsewhere and actually enable them to enjoy a better quality of life by being in such a facility. Many of Holliswood's institutionalized psych residents progressed so much so that the facility was able to transition them back into the community.

There is anecdotal evidence in the State of Vermont that nursing homes are refusing admittance of, or discharging, residents with behavior management issues – at times, taking them to the local hospital’s emergency department, even though there is no medical necessity to do so. The hospitals in turn struggle for days, even weeks and months, to place these residents in suitable skilled nursing facilities, often times being told by facility after facility after facility that they do not have the means to care for a resident with high behavioral management needs.

The applicants have had great success in caring for these residents. As such, in response to the question above, the applicants are committed to providing the least restrictive environment but recognize that such an environment could look very different from resident to resident.

STANDARD 5.2: Nursing homes or similar entities seeking to replace or increase beds shall show the beds are needed. Such showing of need shall be confirmed by the Department of Disabilities, Aging and Independent Living.

The proposed purchase does not include any change in the number of licensed beds at Rowan Court. The applicants will seek confirmation from the Department of Disabilities, Aging and Independent Living that such beds continue to be needed to provide long-term care to residents in their service areas following the submission of this application.

STANDARD 5.3: Nursing homes or similar entities seeking a certificate of need shall provide a written recommendation from the Department of Disabilities, Aging and Independent Living supporting the new health care project proposal.

The applicants will seek a written recommendation supporting the applicants’ project proposal from the Department of Disabilities, Aging and Independent Living.

STANDARD 5.4: Nursing homes or similar entities seeking a certificate of need shall demonstrate the applicant is sufficiently capitalized and insured to protect residents against substandard care and to provide for sufficient protection in the event of legal liability of the facility or the facility’s operators.

The confidential Personal Financial Statements provided by the five individual applicants under separate cover, Attachments GG - JJ, show that they have sufficient liquid assets or easily liquidated assets to cover the \$1,300,000 equity contribution, to retain sufficient insurance to cover Rowan Court in the event of legal liability, and to run the facility’s day-to-day operations. In addition, the applicants expect to receive \$4,800,000 in a loan to finance the rest of the purchase.

STANDARD 5.12: Applicants seeking to restructure nursing home ownership that triggers the need for a new license from DAIL shall demonstrate the ability to meet all reasonably anticipated financial and quality obligations imposed by the operation of the nursing home.

The applicants' financial information shows sufficient liquid assets or easily liquidated assets to cover anticipated financial obligations for the purchase and operation of Rowan Court. The applicants likewise submit that the projected Medicaid rates reflected in the CON application are acceptable estimates of future Medicaid rates, and that the projected occupancy estimates for the facility are reasonable.

As to quality, Rowan Court has an overall two-star (below average) CMS quality rating. The applicants are confident in their ability to improve the quality at Rowan Court. The records of Messrs. Gamzeh and Glatzer support this. They are confident that, through their approach to individualized care, the personal experience for each resident will improve. When that happens, the ratings increase. When the rating increases, the census increases. The applicants intend to focus most closely and immediately on improving the individual experience reflected by those quality measure which have lower than state average CMS ratings, at the time of change in ownership.

The applicants will prioritize the individual experience, quality of care, and trained, adequate, and appropriate staffing.

C. The applicants have met their burden to show that the cost of the project is reasonable pursuant to 18 V.S.A. § 9437(2) (Criterion 2).

Criterion 2 requires that the applicants demonstrate that the cost of the project is reasonable by meeting three statutory requirements: First, that they “will sustain any financial burden likely to result from the completion of the project”; second, that “the project will not result in an undue increase in the cost of medical care”; and third, that “less expensive alternatives do not exist, would be unsatisfactory, or are not feasible or appropriate.” 18 V.S.A. § 9437(2). The applicants address each requirement in turn.

1. The applicants can sustain the financial burden likely to result from completion of the Project.

The applicants have a commitment letter from Greystone. As long as the applicants are successful in securing the funds they plan to use to finance this transaction, they have sufficient funds to purchase the facility and make capital improvements and upgrades, as deemed appropriate. The applicants have submitted financial information showing they have sufficient cash flow to cover the debt obligation, maintain operations, and cover throughout the peaks and valleys in operations.

2. The Project will not result in an undue increase in the costs of medical care.

The proposed transaction does not increase the cost of health care. The projected Medicaid rates are modest estimates of future Medicaid rates. In addition, the applicants have requested from DAIL a letter documenting the continued need for the 96 licensed beds at Rowan Court. The Department has responded that upon receipt of the applicants' CON application, it will be in a better position to respond to this request.

3. Less expensive alternatives are not feasible or appropriate.

The applicants seek to purchase a skilled nursing facility which is currently in operation with nursing beds that are needed in Vermont. Revera no longer wishes to own or operate Rowan Court. No less expensive alternative exists.

D. The applicants have shown that there is an identifiable need for the proposed project which is appropriate for the applicants to provide (Criterion 3).

Rowan Court is a needed facility. Without this facility, there would be an insufficient number of nursing home beds for this service area. The applicants hope to obtain a letter from DAIL confirming this fact. The applicants have established their ability to finance the project. See Attachments FF, GG, HH, II and JJ. They likewise have described in detail their successes and experiences in the day-to-day operations of nursing homes. As such, the applicants submit that it is appropriate for them to provide these services.

E. The applicants have shown that the project will provide greater access to health care for Vermonters (Criterion 4).

The applicants' purchase of Rowan Court will improve health care quality and will ensure that sufficient and needed nursing home beds will be available to Vermonters. The applicants are confident that they have the proven skills and commitment to address the needs of residents with higher needs, namely behavior management needs. At present, these are the residents with the most difficulty finding placement in Vermont. The applicants expect to better be able to care for these residents, such that the Rowan Court beds will increase in need over time.

F. The project will not have an undue adverse impact on any other existing services provided by the applicants (Criterion 5).

The project allows for the continued operation of Rowan Court. There is nothing to suggest that any of the current services provided by the applicants in their other interests and involvements will suffer. Priority Healthcare will enable Messrs. Gamzeh and Glatzer to oversee management at Rowan Court, without a concomitant drop in management at Priority Healthcare's other facilities.

G. The project will serve the public good (Criterion 6).

The project will serve the public good because it will improve an existing facility that is currently identified by CMS as a Special Focus Facility ("SFF").⁵ The applicants expect to quickly improve and graduate Rowan Court from the SFF program through significant improvements in quality of care that are continued over time. However, it should be noted that the applicants anticipate that the facility may no longer be in the SFF program at the time

⁵ <https://www.cms.gov/Medicare/Provider-Enrollment-and-Certification/CertificationandCompliance/downloads/sfflist.pdf>.

of purchase. In addition, as detailed above, the facility is expected to welcome residents who of late have had difficulty finding a home due to their high behavior management needs.

H. The applicant has adequately considered the availability of affordable, accessible patient transportation services to the facility (Criterion 7); and

The proposed purchase of Rowan Court includes a van for transporting residents.

I. If the application is for the purchase or lease of new health care information technology, it conforms with the health information technology plan established under section 9351 of this title (Criterion 8).

This criterion is not applicable, as the application does not include the purchase or lease of new health care information technology.

Based on the foregoing, the applicants submit that the purchase and continued operation of Rowan Court meet the applicable statutory criteria.

Attachment	Document Description
Attachment A	Administrator's curriculum vitae and proof of licensure
Attachment B	Director of Nursing Services' curriculum vitae and proof of licensure
Attachment C	Medical Director's curriculum vitae and proof of licensure
Attachment D	Registered Dietician's curriculum vitae
Attachment E	Pharmacist's proof of licensure
Attachment F	Rowan Court Staffing List
Attachment G	Barre Gardens Nursing & Rehab LLC & Barre Gardens Holdings LLC Financial Tables: Table 1, Table 2, Table 6A, Table 6B, Table 6C, Table 7 and Table 9
Attachment H	Rowan Court Organizational Chart from Revera
Attachment I	Rowan Court surveys and plans of correction for the past one-year period
Attachment J	Rowan Court's CMS Five-Star Quality Rating System data, October 30, 2015
Attachment K	Rowan Court Audited Financial Statement, dated December 31, 2012
Attachment L	Rowan Court Audited Financial Statement, dated December 31, 2013
Attachment M	Rowan Court Audited Financial Statement, dated December 31, 2014
Attachment N	Articles of Organization for Barre Gardens Holdings LLC
Attachment O	Articles of Organization for Barre Gardens Nursing and Rehab LLC
Attachment P	Joshua Farkovits' curriculum vitae
Attachment Q	Jordan Fensterman's curriculum vitae
Attachment R	David Gamzeh's curriculum vitae
Attachment S	Akiva Glatzer's curriculum vitae
Attachment T	Ephram Mordy Lahasky's curriculum vitae
Attachment U	Summary: CMS Five-Star Quality Rating System data for all Tab V facilities
Attachment V	
Tab 1	Brighton Rehab CMS Five-Star Quality Rating System data
Tab 2	Burlington Rehab CMS Five-Star Quality Rating System data
Tab 3	Cambridge Health CMS Five-Star Quality Rating System data
Tab 4	Claiborne and Hughes CMS Five-Star Quality Rating System data
Tab 5	Colonial Manor CMS Five-Star Quality Rating System data
Tab 6	Delmar Nursing CMS Five-Star Quality Rating System data
Tab 7	Eastview Medical CMS Five-Star Quality Rating System data
Tab 8	Franklin Woods CMS Five-Star Quality Rating System data
Tab 9	Hamilton Home CMS Five-Star Quality Rating System data
Tab 10	Health Center at Galloway CMS Five-Star Quality Rating System data
Tab 11	Highland Manor CMS Five-Star Quality Rating System data
Tab 12	Holliswood Center CMS Five-Star Quality Rating System data
Tab 13	Lebanon Country CMS Five-Star Quality Rating System data
Tab 14	Logan Health CMS Five-Star Quality Rating System data
Tab 15	ManorCare n/k/a/ Barclay's CMS Five-Star Quality Rating System data
Tab 16	Maple Ridge CMS Five-Star Quality Rating System data
Tab 17	Neptune Rehabilitation CMS Five-Star Quality Rating System data
Tab 18	North Ridge CMS Five-Star Quality Rating System data
Tab 19	Pearl Valley CMS Five-Star Quality Rating System data
Tab 20	Pickerington CMS Five-Star Quality Rating System data

Tab 21	Renaissance Manor at Westfield CMS Five-Star Quality Rating System data
Tab 22	Riverside Nursing Home & Rehabilitation CMS Five-Star Quality Rating System data
Tab 23	Sheridan Medical CMS Five-Star Quality Rating System data
Tab 24	St. Francis Home CMS Five-Star Quality Rating System data
Tab 25	Valley View CMS Five-Star Quality Rating System data
Tab 26	Villages of Orleans CMS Five-Star Quality Rating System data
Tab 27	Waters Edge CMS Five-Star Quality Rating System data
Tab 28	Winchester Place CMS Five-Star Quality Rating System data
Attachment W	Daughters of Jacob survey 5/16/14
Attachment X	Holliswood Center recertification survey and plan of correction for 5/16/12 survey
Attachment Y	Holliswood Center recertification surveys and plans of correction for 5/30/13, 6/30/14 and 6/26/15 surveys
Attachment Z	Contract for Sale between Revera and the applicants
Attachment AA	Operations Transfer and Surrender Agreement between Revera and applications
Attachment BB	Barre Gardens Nursing & Rehab, LLC and Barre Gardens Holdings, LLC Consolidated Financial Statements (and Projections)
Attachment CC	Greystone Funding Commitment Letter
Attachment DD	2015 QAPI Quality Assurance and Performance Improvement Plan for Rowan Court
Attachment EE	Insurance

Attachment	Document Description –Confidentially Filed Under Separate Cover
Attachment FF	Joshua Farkovits - Personal Financial Statement and Verification Under Oath
Attachment GG	Jordan Fensterman - Personal Financial Statement and Verification Under Oath
Attachment HH	David Gamzeh - Personal Financial Statement and Verification Under Oath
Attachment II	Akiva Glatzer - Personal Financial Statement and Verification Under Oath
Attachment JJ	Ephram Mordy Lahasky - Personal Financial Statement and Verification Under Oath