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May 24, 2018

VIA EMAIL (monica.hutt@vermont.gov and donna.jerry@vermont.gov)

VIA UNITED STATES POSTAL SERVICE (original and two copies to Donna Jerry)

Monica Caserta Hutt, Commissioner
Vermont Department of Disabilities, Aging and Independent Living
Commissioner's Office
HC 2 South
280 State Drive
Waterbury, VT 05671-2020

Donna Jerry
Senior Health Policy Analyst
Green Mountain Care Board
144 State Street
Montpelier, VT 05620

RE: Docket No. GMCB-014-17con, Purchase of Birchwood Terrace in Burlington, VT.

Dear Commissioner Hutt and Ms. Jerry:

BIRCHWOOD OPERATIONS LLC (the "Applicants") seeks a determination that entering into a management agreement with Kindred Nursing Centers East LLC ("Kindred") does not require a certificate of need ("CON").

Although the Applicants have an application for a CON pending before the Green Mountain Care Board ("Board"), they will be availing themselves of the new process under Act 125 and submitting an application for transfer of ownership to the Agency of Human Services on or about July 1, 2018.

The Board previously determined that the Applicants entering into a Facility Consulting Agreement (the "Agreement") with Kindred did not trigger CON jurisdiction. In accordance with the Agreement, since February 1, 2018, the Applicants have been providing oversight to Birchwood; supervising the day-to-day fiscal and clinical operations of Birchwood subject to the ultimate control of Kindred. Kindred has continued as the licensed entity, maintaining its existing licenses, provider numbers, accreditations, and insurance policies.

Monica Caserta Hutt, Commissioner
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During their tenure as Consultants, the facility has had a successful annual survey (no clinical deficiencies) and its overall star rating has increased from three stars to four stars due to an increase in the facility's star rating for staffing. Additionally, the Applicants have put their efforts into determining areas where they can increase quality of services at the facility and are happy to report that the facility's executive director, with the Applicants full support and encouragement, has been appointed by Governor Philip Scott to the Committee on Alzheimer's Disease and Related Disorders, representing the Skilled Nursing Facilities in Vermont. The Applicants are confident that this appointment will increase the quality of care of the Facility's memory care resident population.

The Applicants and Kindred seek to replace the current consulting arrangement with a typical management agreement, effective July 1, 2018. Upon information and belief, Kindred has closed on all but three of the nursing homes it has been selling and is eager to cease all nursing home operations. Under the proposed management agreement:

The Applicants will be responsible to provide all day-to-day, fiscal and clinical services necessary to operate Birchwood.

The Applicants will provide all administrative and back-office services to the home.

Kindred will remain the licensed operator of Birchwood and will maintain its existing licenses, provider numbers, accreditations, tax identifications number, and insurance policies.

Birchwood's management will all remain in place as employees of the facility.

On the Facility level, no service is being eliminated.

If you or any of your staff have any questions regarding the arrangement, please do not hesitate to contact me.

Sincerely,



Shireen T. Hart