



## Vernon Advent Christian Home

### Q005 Responses to GMCB

RE: Docket No. GMCB-001-22con, Replacement of Vernon  
Green Skilled Nursing

August 23, 2023

# ADMINISTRATIVE DOCUMENTS

Verification Under Oath

STATE OF VERMONT  
GREEN MOUNTAIN CARE BOARD

In re: Vernon Green Nursing Home                    )  
      Vernon, VT  
      Owned and Operated by                    )       Docket No. GMCB-001-22con  
      Vernon Advent Christian Home, Inc )  
      Vernon, VT

Verification Under Oath to file with Certificate of Need Application, correspondence and additional information subsequent to filing an Application.

M. Bradford Ellis, being duly sworn, states on oath as follows:

1. My name is M. Bradford Ellis. I am the Executive Director of Vernon Advent Christian Home, Inc. I have reviewed the **Q005 Responses to GMCB questions asked on August 17, 2023 RE: Docket No. GMCB-001-22con, Replacement of Vernon Green Skilled Nursing Facility.**
2. Based on my personal knowledge and after diligent inquiry, I attest that the information contained in **Q005 Responses to GMCB questions asked on August 17, 2023 RE: Docket No. GMCB-001-22con, Replacement of Vernon Green Skilled Nursing Facility** is true, accurate and complete, does not contain any untrue statement of a material fact, and does not omit to state a material fact.
3. My personal knowledge of the truth, accuracy and completeness of the information contained in the **Q005 Responses to GMCB questions asked on August 17, 2023 RE: Docket No. GMCB-001-22con, Replacement of Vernon Green Skilled Nursing Facility** is based upon either my actual knowledge of the subject information or upon information reasonably believed by me to be true and reliable and provided to me by the individuals identified below in paragraph 4. Each of these individuals has also certified that the information they have provided is true, accurate and complete, does not contain any untrue statement of a material fact and does not omit to state a material fact.
4. The following individuals have provided information or documents to me in connection with the **Q005 Responses to GMCB questions asked on August 17, 2023 RE: Docket No. GMCB-001-22con, Replacement of Vernon Green Skilled Nursing Facility** and each individual has certified, based either upon his or her actual knowledge of the subject information or, where specifically identified in such certification, based on information reasonably believed by the individual to be reliable, that the information or documents provided are true, accurate and complete, do not contain any untrue statement of a material fact, and do not omit to state a material fact:
  - (a) M. Bradford Ellis, Executive Director, Vernon Advent Christian Home, Inc.  
Vernon, VT - Q005 response and assisted with Financials
  - (b) Joseph McCarron, Proprietor, Capital Care Associates, Manchester NH – Q005 response and Financial Tables

(c) Lisa Trundy-Whitten, Certified Public Accountant, Berry Dunn, Portland, ME –  
Financial Feasibility Consultants

5. In the event that the information contained in the **Q005 Responses to GMCB questions asked on August 17, 2023 RE: Docket No. GMCB-001-22con, Replacement of Vernon Green Skilled Nursing Facility** becomes untrue, inaccurate or incomplete in any material respect, I acknowledge my obligation to notify the Green Mountain Care Board and to supplement the **Q005 Responses to GMCB questions asked on August 17, 2023 RE: Docket No. GMCB-001-22con, Replacement of Vernon Green Skilled Nursing Facility** as soon as I know, or reasonably should know, that the information or document has become untrue, inaccurate or incomplete in any material respect.

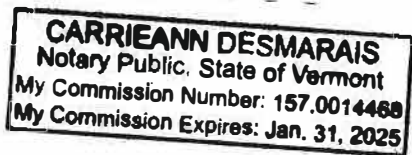


M. Bradford Ellis  
Executive Director  
Vernon Advent Christian Home, Inc.

On 8-23-2023, M. Bradford Ellis appeared before me and swore to the truth, accuracy and completeness of the foregoing.



Notary public  
My commission expires  
[seal]



## Q005 RESPONSE

Vernon Advent Christian Home, Inc.

GMCB Question 5 Series Response

RE: Docket No. GMCB-001-22con, Replacement of Vernon Green Skilled Nursing Facility, Project Cost: \$35,690,981

**1. Your response to question 3 in Q004 stated that all operating expenses associated with therapy services (OT, PT, ST) are included in the line item titled, “Resident Services”. Given that Vernon Green intends to increase the annual number of Medicare short-term stay patients in the new facility, and as those individuals typically require therapy services (OT, PT, ST), for years 1, 2, and 3 of the project, provide in detail, the number of patients you have projected will need therapy services (OT, ST, PT) annually, the daily rate per patient, and the projected total revenue associated with therapy services included in financial Tables 3 A, B and C.**

Of the five (5) Green House Homes represented by the Project, one (1) is dedicated to short-term stay and rehabilitative services (“STR House”). This STR House is a major driver of the financial feasibility of the Project inasmuch as it contributes to overall occupancy improvement and profitability. The financial projections assume that occupancy of the STR House is represented by Medicare beneficiaries requiring therapy services extending to OT, ST, and PT. The following table exhibits the number of patients, daily rate per patient, projected total revenue associated with therapy service revenue, and the projected therapy service costs. This information conforms to that represented by the previously submitted Tables, 3A, B, and C.

Vernon Advent Christian Home, Inc. Green House Project - Therapy Services Projection			
Projected Years	2026	2027	2028
Medicare Resident Days	4,614	4,614	4,614
Medicare Average Daily Census	13	13	13
Medicare Per Diem - Part A	734.75	761.93	790.12
Medicare Per Diem - Part B	168.23	174.45	180.91
Total Medicare Per Diem	902.98	936.39	971.03
Medicare Revenue - Part A	3,390,118	3,515,553	3,645,628
Medicare Revenue - Part B	776,209	804,928	834,711
Total Medicare Revenue	4,166,327	4,320,481	4,480,339
Total Therapy Costs	744,652	766,991	790,001
Medicare Resident Days	4,614	4,614	4,614
Total Therapy Costs Per Diem	161.39	166.23	171.22

*Precise re-calculations require rounding for decimals.*

*Note: The above reflects the total projected Therapy Service Costs only where the Residence Services expenses reflected in Tables 3A, B, and C include all Ancillary Costs.*

Therapy Service Resident Occupancy – The overall occupancy of the Project is contained at ninety percent (90%) and has been assumed for the STR House as well. The Applicant believes this is a conservative assumption. The total number of residents projected to require therapy services is thirteen (13) for the forecast period, represented by the average occupants of the STR home (10.8) and those represented by the other houses (2.2). The residents requiring therapy services will be represented by and concentrated in the STR home. All residents of the STR Home are assumed to require therapy services and are all assumed to be Medicare payers.

Therapy Service Rate Structures – The rate structures associated with therapy services are based upon actual rates realized in 2022 and inflated by the Medicare assumed index of 3.7% throughout the forecast period. In the event that residents requiring therapy services represent payers other than Medicare (Private Pay or Managed Care), the applicable rate structure is assumed to equal or exceed Medicare reimbursement.

Therapy Service Revenue - The projected therapy service revenue for the Project is represented by the Medicare Part-B revenue derived from the rate structures assumed. The Medicare Part-B revenue results from a blended per diem rate based upon historical rate realization in 2022. The Medicare Part-B revenue reflects the 2022 historical mix of OT, ST, and PT for the forecast period. The Medicare Part B revenue rate in 2022 equates to \$145.49 per day and is inflated to \$168.23 in 2026, Year 1 of the Project financial projection. For example: Therapy service revenue of \$776,209 in Year 1 (2026) reflects total resident days (4,614) at the per diem Part B rate (\$168.23). *Rounding required for decimals.*

Therapy Service Costs – The Total Therapy Service Cost projections are included in the Residences Services expense classification of Tables 3 A, B, and C. All projected Therapy Service Costs are projected to be provided by outside contract service providers as they have been historically. Therapy Service Costs are projected at \$744,652, \$766,991, and \$790,001 for Years 1, 2, and 3 of the projection periods, respectively. Therapy Service Costs on a per diem basis equate to \$161.39, \$166.23, and \$171.22 for Years 1, 2, and 3 of the projection periods, respectively. These costs are based on the actual historical average of \$154.48 per day through June 30, 2022, and inflated annually by 3.5%. The Therapy Service Costs are supported by and comparable to the Vermont statewide average for ancillary costs of \$159.60 in 2020 and \$152.18 in 2021. This statewide data was sourced from the “as-filed” Medicare cost reports for the periods.

Inasmuch as the projected Therapy Service Costs are based on historical costs, the Applicant believes they are adequate and reasonably correlate to the Therapy Services revenue projections. The STR House of twelve (12) beds is anticipated to be in high demand for therapy and rehabilitative services while contributing to and sustaining the Project’s assumed overall occupancy level of ninety percent (90%). Of note, the Applicant has recently secured a new therapy services contract that is significantly more favorable to the prior contract agreement. This replacement therapy contract services agreement supports the adequacy of the Therapy Service Cost projections and proves them to be conservative. The contract agreement extends to all of the 4,614 projected Medicare residents.