

**Green Mountain Care Board**  
144 State Street  
Montpelier, VT 05602

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www.gmcboard.vermont.gov

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## **DELIVERED ELECTRONICALLY**

March 15, 2018

Ms. Shireen Hart, Esq.  
Primmer, Piper, Eggleston & Cramer, PC  
150 South Champlain St.  
PO Box 1489  
Burlington, VT 05402

**RE: Docket No. GMCB-014-17con, Proposed Purchase of Birchwood Terrace in Burlington, VT.**  
**Project Cost: \$ 3,527,206**

Dear Shireen:

Thank you for the response to the last set of questions for the above referenced project. The information requested below is needed to complete our review:

1. Provide a revised financial schedule to reflect the proposed revised lease terms for Projected Years 1, 2 and 3, segregating the operations and property LLCs in the format suggested by Andy Bachand. (See attachment.)
2. Provide specific dollar amounts for each component of the net annual basic rent, and the total annual rent, under the revised lease for Years 1, 2, and 3. Explain whether the totals include additional rental amounts that may be incurred by the facility, as noted in the lease.
3. Provide the specific computation supporting the revenue assumptions in Tab 35, including the \$2.25 per person per day increase related to the stepped-up capital rate.
4. Explain in detail how Birchwood Operations will fund any of the potential contingency costs outlined in the revised lease, including whether personal funds will be made available, if necessary, to assure financial stability of the facility. If such costs are included in the projections, identify where, by line item(s) in Attachment 35.
5. Confirm that the percentage of the owner distributions is 40% and that distributions will be taken out of the Property LLC. If not, please explain.
6. Provide names and addresses of each entity the applicant plans to contract with to achieve the projected cost-savings for the services noted on page 10 in Attachment 35, including therapy,



therapy supplies, nursing services, laundry and linen, housekeeping, pharmacy, x-ray, and laboratory services. In addition:

(a) Provide copies or drafts of all leases, agreements, MOUs, MOAs, contracts for each above-referenced service, if available;

(b) Identify whether any entity listed in response to the above is an affiliated or related party of any of the individuals and/or entities with ownership interests in the Property LLC or the Operating LLC.

7. In a table format, list the specific services Mr. Rubin provided to each facility shown in Attachment 44, the beginning and end dates of his tenure, and the CMS star ratings for: a) overall; b) health and safety inspections; c) staffing; d) RN staffing; e) fines and penalties; and f) quality ratings for the month in which he began and ended his tenure. For the quality measures, use the same format as in Attachment 29 in the revised application, listing all measures that fall below the state average for each facility.
8. Explain in more detail how \$150,000 annually will be sufficient to maintain the facility in light of historical annual spending in excess of \$300,000. Explain how the applicant intends to reverse the facility's net losses and increase cash flow.
9. Specify all services included in "other service" line item on page 10 of Attachment 35.

In responding, restate the question in bold font and respond in unbolded font. Send an electronic copy to me at [donna.jerry@vermont.gov](mailto:donna.jerry@vermont.gov) and one hard copy (three-hole punched) with a Verification Under Oath to my attention at the Green Mountain Care Board, 144 State Street, Montpelier, Vermont 05602.

If you have any questions, please do not hesitate to contact me at 802-828-2918.

Sincerely,

*s/ Donna Jerry*

Donna Jerry

Senior Health Policy Analyst

cc: E. Sebastian Arduengo,  
GMCB Associate General Counsel

