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October 24, 2016

Mr. Patrick McKee, President/CEO
Wake Robin Corporation
200 Wake Robin Drive
Shelburne, VT 05482

Dear Mr. McKee,

This letter is submitted in accordance with the State's Health Resource Allocation Plan Certification of Need (CON) Standards 5.2 and 5.3 which requires the Department of Disabilities, Aging and Independent Living (DAIL) to review and provide a recommendation in relation to the CON applications from nursing homes and similar entities.

The Department has received the Certificate of Need application from Wake Robin Corporation related to the addition of six (6) new, skilled beds within an existing skilled care unit. Of note is the fact that these rooms would be Medicare certified, that Wake Robin does not utilize Medicaid funding and that these rooms represent a continuum of care for current and future Wake Robin residents rather than an open resource for the overall Vermont population.

In completing our review, the Department consulted with the Agency of Human Services' Division of Rate Setting and internally with relevant divisions and staff. We considered both the Department's mission and our desire to advance excellence in quality of care and quality of life for Vermonters. We also considered our desire to promote and support cultural change in our nursing, independent care and assisted living facilities in addition to our work to rebalance options and choices for care across a spectrum of support.

1. **Project Summary:** Wake Robin proposes, as part of a larger and more significant renovation of their campus, to add 6 skilled nursing rooms to the skilled nursing area that already exists. The addition of those 6 new rooms would be accompanied by renovation of the hallway and common areas in the skilled unit and an update to the HVAC system for the facility. The project would eliminate 5 rooms and then add those 5 rooms back, create a new, open dining area, a new den/living room and add the 6 new beds. Total beds at completion of the project would increase the number of total licensed, skilled rooms from 33 to 39.

The larger project includes the addition of 38 independent living apartments, renovation of the community meeting room, dining room, café, and activity space, and renovations of the residential care area with the addition of 10 rooms.

Overall, the project is designed to minimize disruption for residents by utilizing completed spaces for temporary relocation and timing the start and finish of each phase of the project to census and capacity for controlled use of available space/room resources.

Wake Robin seeks this CON as part of their work to actively change the culture within the facility and particularly within the skilled care unit to one that is “less medical and more home like”. In response to best practice and emerging guidelines and standards for care, the proposed changes will enable them to support a shift from a medical approach to care and to embrace choice and a comfortable, welcoming environment. Through environmental change, they hope to encourage community gathering, independence and individualized choices of schedules and activities. Wake Robin asserts their belief that these care approaches “serve an important role in the reduction of the use of antipsychotic medications often used to manage challenging behaviors in some skilled settings”. DAIL concurs with the approach and the intent of the project.

2. Evaluation of HRAP CON 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:

DAIL typically accesses census information from the Division of Rate Setting which tracks Medicaid bed census information. Wake Robin does not have any Medicaid beds but we can use Chittenden County Medicaid data to extrapolate need in the area. Overall, Chittenden County has an 88.95% occupancy for available Medicaid beds. The current empty Medicaid bed ratio is 11.05%, the lowest in the state. Based on this Medicaid census data, we can assume that there is a need for nursing home beds in the Chittenden County area and that the Wake Robin project will indeed meet a need and potentially free up additional beds across the county for other residents.

3. Evaluation of HRAP CON 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:

- a. **Quality of Care:** Wake Robin has consistently been a very high quality nursing home, and is currently (October 2016) rated as a 5-star nursing home on the CMS Nursing Home Compare website. They have consistently achieved a 5-star rating. In relation to their annual re-certification surveys, they have been in substantial compliance with all federal and state regulatory requirements since 2012.

In relation to their complaint and incident surveys, they had one minor federal deficiency in December of 2014, which they successfully corrected, but aside from that have been in substantial compliance since 2012.


b. Financial Review

Wake Robin submitted, as part of their CON application, an independent auditor’s report from CliftonLarsonAllen LLP for 2014 and 2015. In the opinion of the auditor, the financial statements presented fairly the financial position of Wake Robin Corporation.

General notes of strength in the financial information include consistent expenses, the growth of Wake Robin’s cash on hand and their current ratio of assets to liabilities. Areas which are less strong include some level of fluctuation in their revenue and a financial loss in operations in FFY 2014. Overall, Wake Robin’s financial picture appears to be consistently solid and DAIL believes that they can support the proposed project.

In conclusion, DAIL affirms its belief that Wake Robin can support the proposed construction and renovation project and that the need for the additional Medicare certified beds in the Chittenden County area exists. We are conditionally supportive of the Wake Robin proposal, dependent on the full application and information obtained by the Green Mountain Care Board during the CON process.

Sincerely,



Monica Caserta Hutt
Commissioner

C: Donna Jerry, Senior Health Policy Analyst, GMCB
Linda Phypers, Director of Health Services, Wake Robin
Camille George, Deputy Commissioner, DAIL
Clayton Clark, Director of Licensing and Protection, DAIL
Kathleen Denette, Director, Division of Rate Setting, AHS