

Green Mountain Care Board
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DELIVERED ELECTRONICALLY

December 23, 2016

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

RE: Docket No. GMCB-005-16con, Proposed Purchase of Newport Health Care Center, Newport Residential Care Center and Adult Day Services Program in Newport, VT. Project cost: \$1,875,000.

Dear Shireen:

Thank you for the application for the above referenced project. The information requested below is needed to complete our review. Please respond to the following:

1. Explain whether the applicant plans to keep the eight Level III rooms and adult day services program. Breakout gross and net patient revenue by payer for the skilled nursing facility (SNF), Level III services, and adult day for 2016, 2017, 2018 and 2019.
2. Explain how expenses are allocated between the SNF, Level III and adult day lines of service.
3. Attachment J, Tab 1 and 2: The audited financial statements are not signed by the CPA firm. Please resubmit signed statements.
4. Identify the daily nursing hours per patient day used throughout the proforma, by position and by shift for 2016, 2017, 2018 and 2019.
5. Attachment KK, Financial Statements, page 1093: Detail the services that are included in the line item, Other Services.
6. Currently there are only two private rooms at the SNF. Explain whether you plan to increase the number of single rooms in the next two years.



7. Attachment KK, page 1092: It is stated that the applicant is allocating annual increases of \$30,000 for building and improvements and \$15,000 for equipment and furnishings for years 2017-2019. Explain your contingency plan if these amounts are insufficient.
8. Accounts Payable doubles from 2016 to 2017. Explain the major payable(s) contributing to the increase.
9. Identify the number of Medicare admissions expected for 2016, 2017, 2018 and 2019.
10. Identify the projected Medicare average length of stay used in the proforma for 2016, 2017, 2018 and 2019.
11. Attachment KK, page 1092: Explain the Bad Debt and Accounts Receivable amounts and calculation methodologies used in the Consolidated Financial Statement.
12. Explain whether Level III and adult day service revenues include Medicaid. If yes, clarify whether Medicaid revenue includes only the SNF Medicaid revenue or whether the Level III and adult day revenues are also included. If combined, break out the Medicaid revenue between the SNF, Level III, and adult day services for 2016, 2017, 2018, and 2019.
13. The Personal Financial Statements for five of the six individuals proposing to purchase Newport were signed in August 2016. Identify the specific interests each has acquired in health care and non-health care facilities or businesses since the date each Personal Financial Statement was signed. If more interests and/or acquisitions have been made by the individuals since August 2016, please revise the Personal Financial Statements and resubmit.
14. Given the number of potential SNFs under ownership by the applicants, explain how the applicants are complying with the Medicare Home Office provider status with the Centers for Medicare and Medicaid Services (CMS) and the Home Office Provider number. Provide a copy of the most recently filed and audited home office cost statement.

In responding, restate the question in bold font and respond in unbolded font. Send the original and two hard copies (three-hole punch one hard copy) with a Verification Under Oath to my attention at the Green Mountain Care Board, 89 Main Street, Montpelier, Vermont 05620, and an electronic copy to me at donna.jerry@vermont.gov.

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. Long Term Care Ombudsman

