

Green Mountain Care Board
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DELIVERED ELECTRONICALLY

April 7, 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 in Newport, VT.

Dear Shireen:

Thank you for the letter dated March 23, 2016 regarding the above referenced project.

The application should include a detailed description of, and the need for, the proposed project, cost of the individual components and total project cost, and an explanation of existing and new or expanded services to be offered, any purchase or lease arrangements that will be entered into, and a description of any renovation/construction and IT components of the project.

The application should address the Institute of Health Improvement Triple Aims: 1) improving the individual experience of care, 2) improving the health of populations, and 3) reducing the per capita costs of care for populations. Pursuant to 18 V.S.A. § 9437(1), the application must be consistent with the current Health Resource Allocation Plan (HRAP); the applicable HRAP Standards for the proposed project are Standards 1.6, 1.7, 1.9, 1.10, 1.11, 1.12, 3.12, 4.7, 5.1, 5.2, 5.3, 5.4 and 5.12. In addition, the criteria set forth in 18 V.S.A. § 9437(2)-(6) and (8) apply to your application.

Sufficient financial information is also required to evaluate the impact of the project. Please submit the following:

- **Profit and Loss Statements:** Include the actual for 12-month period for 2013, 2014, budget 2015, Proposed Year 1, Proposed Year 2, and Proposed Year 3 (specify the 12-month period for each). Include a summary of all financial assumptions that underlie projections;



- Revenue Projections: Include the actual for 12-month period for 2013, 2014, budget 2015, Proposed Year 1, Proposed Year 2, and Proposed Year 3 (specify the 12-month period for each). Include a summary of all financial assumptions that underlie projections;
- Balance Sheets: Include the actual for 12-month period for 2013, 2014, budget 2015, Proposed Year 1, Proposed Year 2, and Proposed Year 3 (specify the 12-month period for each). Include a summary of all financial assumptions that underlie projections;
- Cash Flows: Include the actual for 12-month period for 2013, 2014, budget 2015, Proposed Year 1, Proposed Year 2, and Proposed Year 3 (specify the 12-month period for each). Include a summary of all financial assumptions that underlie projections;
- Operating Costs: Indicate actual by line item for a 12- month period for 2013, 2014, budget 2015, Proposed Year 1, Proposed Year 2, and Proposed Year 3 (specify the 12-month period for each). Include a summary of all financial assumptions that underlie projections.
- Financial Table 1, Project Costs;
- Financial Table 2, Financing Arrangement;
- Financial Table 6A, 6B, and 6C, Revenue Source Projections;
- Financial Table 7A, 7B, and 7C, Utilization Projections;
- Financial Table 9A, 9B, and 9C, Staffing Projections; and
- Current Owner’s Most Recent Audited Financial Statement, and
- Personal financial statements reflecting all personal and business interests in health care and non-health care sectors for all individuals purchasing the real estate and the operations of Rowan Court.
- Provide the names and full contact information for all prospective owners and/or shareholders in the transaction, percent interest in the real estate and percent interest in the operations for each, and the dollar amount each member is contributing of the total equity contribution reflected on Financial Table 2, Financing Arrangement.
- In table formats, provide current (as of the date of submission) star ratings (1-5) for overall rating, overall health/fire/safety inspections, staffing, RN staffing, quality measure ratings and penalties from the Centers for Medicare and Medicaid Services (CMS), *Nursing Home Compare* website for Newport and all other facilities in which the proposed buyers have an interest.



- For Newport and each of the facilities in which the applicants have an interest, list the 18 short and long term quality measures from the CMS website, indicate the percent for the facility, the state average, and the percentage better or worse than the state average. Provide in a table format.

In responding to the HRAP standards and statutory criteria, please restate the standards and criteria verbatim in bolded font and respond to each in unbolded font. Please provide the original and two copies of the application, existing and proposed floor plans if renovations are anticipated, any attachments and the Verification Under Oath. In addition, please send an electronic copy to donna.jerry@vermont.gov.

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

Sincerely,

s/ Donna Jerry

Donna Jerry

Senior Health Policy Analyst

