

Green Mountain Care Board
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DELIVERED ELECTRONICALLY

May 11, 2016

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

RE: Docket No. GMCB-020-15con, Proposed Purchase of Rowan Court Health and Rehabilitation Center in Barre, VT.

Dear Shireen:

Thank you for the responses to the first set of questions relative to the above referenced project. The information requested below is needed to complete our review. Please respond to the following:

Financial

1. Provide detailed patient service revenue per day/per payer for 2016, 2017, and 2018.
2. Identify the assumptions and sources for the projected increase for patient admissions in 2016, 2017, and 2018.
3. Identify the daily nursing hours per patient day used in 2016, 2017, and 2018 by position and by shift.
4. Explain whether the Applicants intend to participate in any health care reform models (Accountable Care Organizations, Bundled Payments, Value Based Purchasing, etc.).
5. Explain the assumptions for anticipated increases in Medicaid payments for Year 1 (16.47%), Year 2 (4.68%), and Year 3 (4.61%).
6. Explain whether the Medicare Net Patient Service Revenue includes a reduction for CMS' Sequestration Adjustment of 2%.



7. Explain and provide assumptions for the projected increases of over 4.0% in Medicare rates in Years 1, 2 and 3.

Tab BB, Consolidated Financial Statements

8. Provide the accounts receivable allowance percentage and explain how it was developed.
9. Provide a breakdown of rehabilitative services expenses by type of service (physical therapy, occupational therapy and speech therapy).
10. Provide additional detail concerning each FTE associated with the dietary department.
11. Provide a breakdown of expenses for dietary purchased services (labor, non-labor and food costs).
12. Identify all employee benefits included in 2016, 2017 and 2018.

Quality

13. Eighteen of the 27 facilities currently owned by the Applicants have CMS overall star ratings of either 1 or 2. Explain the Applicants' plan to simultaneously improve the quality of Rowan Court (currently a Special Focus Facility) and the 27 other facilities.
14. Given their involvement in Priority Healthcare Group and ownership interests in other facilities, fully explain David Gamzeh and Akiva Glatzer's plans, including any staffing changes or additions, to improve quality at the Rowan Court facility.

Additional Questions

15. Complete and resubmit the mental health services and psychiatry services table on page 7 of your April 18, 2016 responses.
16. Provide and explain the contingency plan if occupancy rates or Medicare or Medicaid reimbursements are lower than projected for 2016, 2017 and 2018.
17. If any of the five prospective buyers have acquired additional business interests, assets or liabilities since their Personal Financial Statements (PFS) were submitted, identify each new interest or acquisition, provide the business name, description, location, percent of ownership interest and change in assets and liabilities for each individual.
18. Please revise and resubmit the PFS for David Gamzeh reflecting Priority Care Group instead of Hamilton Nursing Home in Schedule G (Business Ventures).



In responding, restate the question in bold font and respond in unbolded font. Send the original and two hard copies 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

