**Project Description –**

1. The Application states that Royal Wayland is currently serving a mainly (approximately 80%) Medicaid population – Application p. 2. To better understand the current population, please fill out the Table below for FY2022 (Payor Mix categories may be altered to match the Applicant’s data collection categories):

|  |  |
| --- | --- |
| **Age**  Average Age of Residents | **79** |
| **Length of Stay**  Average Length of Stay for Residents | **106** |
| **Payor Mix**  Medicaid | **76%** |
| Medicare | **3%** |
| Managed Care | **5%** |
| Private Pay | **15%** |
| **Total** | **100%** |

**Proposed Project**

1. Page 2 of the Application notes that the Proposed Project will result in a “35,422 square foot facility.” The Factor 4 Form on Application p.6 indicates the Proposed Project’s resulting gross square footage will be 21,096. Could the applicant please clarify the difference in these figures?

Existing Structure (per Cutler diagram) 13,066 ft. sq.

New Addition (per Cutler diagram) 8,031 ft. sq.

Total Resultant Square Footage 21,097

1. To better understand the configuration of the current vs. renovated facility, please fill out the table below:

|  | **CURRENT FACILITY ROOM CONFIGURATION** | | **RENOVATED FACILITY ROOM CONFIGURATION** | |
| --- | --- | --- | --- | --- |
|  | **# of Rooms Floor 1** | **# of Rooms Floor 2** | **# of Rooms Floor 1** | **# of Rooms Floor 2** |
| **Private Rooms** | 4 |  | 4 |  |
| **Two-Bedded Rooms** | 8 |  | 24 |  |
| **Three-Bedded Rooms** | 0 |  | 0 |  |
| **Four-Bedded Occupancy Rooms** | 5 |  | 0 |  |

1. Will all 52 beds of the Proposed Project be Memory Care beds certified as Dementia Certified Secutre Unit (DSCU)? (If not, please provide breakdown).

All beds will be verified for dementia care.

1. How does the Applicant plan to minimize disruption of patient care and ensure patient safety and well-being during construction?

To ensure an environment with safety measures in place and minimum disruption to residents during construction, the facility has engaged with Cutler and Associates, an architectural design and construction management firm, who has worked in similar SNF projects. These factors were taken into careful consideration as part of their preconstruction assessment and design to eliminate safety risks during construction. Cutler will work closely with Royal ownership and management to ensure all Life Safety and local codes are met.

To provide reassurance the same day to day operations/activities will continue in a safe space, residents/family members will be kept well informed before and during construction of timetables/next steps with meetings and written communication.

New construction will be completed before a penetration is made into the existing facility minimizing disruption to current residents. A detailed phasing plan and work schedule will be developed. Egresses will be maintained at all times with all work equipment removed by the end of the workday. Because some residents may have to relocate to another room at that time, notice will be given well in advance to ensure a smooth transition.

Any necessary utility shut downs will be performed overnight to lessen disruption.

All DPH safety and infection control regulations/standards will be maintained and followed.

**Factor 4**

1. In the CPA Report (p.6), it is stated “Management’s assumption took into consideration the shifting of the payor mix from Medicaid while increasing Private Pay, Medicare and managed Medicare due to the semi-private and four-bedded rooms being eliminated with the expansion and renovation of the facility.” Could the Applicant please provide specific details on the anticipated change in Payor Mix as a result of the Proposed Project?

DPH has requested additional information on the anticipated change in payor mix as a result of the proposed project. As noted in the bed configuration table, four-bedded rooms will be eliminated as required by state regulation. The proposed project will be comprised of 4 private rooms and 24 semi-private rooms, for a total of 52 beds. All beds will be Medicaid and Medicare certified, and 52 of the beds will be dementia certified. Admission to the renovated facility will continue to be based on patient diagnosis and need for special care services and not on payor source. While there will be an increased focus on Medicare-funded short stay-rehabilitative services, Royal Wayland has been and will continue to be fully accessible to Medicaid-funded patients. We anticipate the percentage of patient days reimbursed by Medicaid in the renovated facility may decrease slightly, mainly due to an increase in Medicare days and not because of an increase in privately-funded days. As you know, many Medicare patients are dually eligible for Medicaid and often convert to Medicaid if they still require SNF care but are no longer clinically eligible for Medicare. The slight decrease in the Medicaid percentage of total patient days will be partially offset by an increase in the total number of available patient days given the proposed project’s 12 additional beds.

The proposed renovation project will be far more affordable and cost effective than the original planned replacement facility. We anticipate that the resulting Medicaid maximum capital rate of $37.50 per day will fully cover the renovated facility’s capital cost, providing greater accessibility for Medicaid-funded patients. In summary, most Royal Wayland residents have had their care reimbursed by Medicaid, and we fully expect that will continue to be the case in the renovated facility.

1. In the CPA Report (p.6), it is noted, “Due to the current conditions of excess inflation and staffing shortages, management expects expenses to increase steadily over the five-year period as the first year takes place in 2025.” Could Applicant or CPA please provide an estimate for the annual percentage increase in expenses over the five-year period?

The inflation factors used were 2.25% in year 2025 and 2.00% for the years 2026 through 2029.