



Massachusetts Department of Public Health Determination of Need Application Form

Version: 11-8-17

Application Type: Application Date:

Applicant Name:

Mailing Address:

City: State: Zip Code:

Contact Person: Title:

Mailing Address:

City: State: Zip Code:

Phone: Ext: E-mail:

Facility Information

List each facility affected and or included in Proposed Project

1 Facility Name:

Facility Address:

City: State: Zip Code:

Facility type: CMS Number:

1. About the Applicant

1.1 Type of organization (of the Applicant):

1.2 Applicant's Business Type: Corporation Limited Partnership Partnership Trust LLC Other

1.3 What is the acronym used by the Applicant's Organization?

1.4 Is Applicant a registered provider organization as the term is used in the HPC/CHIA RPO program? Yes No

1.5 Is Applicant or any affiliated entity an HPC-certified ACO? Yes No

1.6 Is Applicant or any affiliate thereof subject to M.G.L. c. 6D, § 13 and 958 CMR 7.00 (filing of Notice of Material Change to the Health Policy Commission)? Yes No

1.7 Does the Proposed Project also require the filing of a MCN with the HPC? Yes No

1.8 Has the Applicant or any subsidiary thereof been notified pursuant to M.G.L. c. 12C, § 16 that it is exceeding the health care cost growth benchmark established under M.G.L. c. 6D, § 9 and is thus, pursuant to M.G.L. c. 6D, §10 required to file a performance improvement plan with CHIA? Yes No

1.9 Complete the Affiliated Parties Form

2. Project Description

2.1 Provide a brief description of the scope of the project.

A. FACILITY INFORMATION

The Applicant is Long Term Centers of Wrentham, Inc. an S-corporation DBA Serenity Hill Nursing and Rehabilitation Center. Long Term Centers of Wrentham, Inc, has been delivering high quality health care to seniors and disabled persons in Massachusetts for over 30 years. The organization operates three skilled nursing and rehabilitation facilities in Massachusetts, Serenity Hill Nursing & Rehabilitation Center in Wrentham, Pine Knoll Nursing Center in Lexington, and Greenwood Nursing and Rehabilitation Center in Wakefield. It also operates the Mill Pond Rest Home in Ashland. All its skilled nursing and rehabilitation Centers are dually certified by Medicaid and Medicare.

Serenity Hill Nursing & Rehabilitation Center (Serenity Hill) is a 40-bed skilled nursing facility and rehabilitation center located in Wrentham, Massachusetts. The facility offers a continuum of care for individuals who need short or long-term care services. It provides long-term skilled nursing care, short-term rehabilitative care, hospice, and respite care to residents who need such services.

B. BACKGROUND

Serenity Hill is a 17,991 square foot, two-story facility that was constructed in 1961 with no additions since opening. It was purchased by Long Term Centers Group in 1998 and has been family owned and operated since that date. The facility is located at 665 Dedham Street, Wrentham easily accessible to Route 495. Wrentham is a residential community with more than 12,000 residents. In the 2020 census, 14% of the town's residents were age 65 and over and 6% were under 65 with a disability.

The facility is comprised of one 40 bed nursing unit on the first floor, and all beds are dually-certified by Medicaid and Medicare. The nursing unit has 1 private room; 2 semi-private rooms; 5 three-bed rooms, and 5 four-bed rooms. The second floor of the facility houses administrative functions including office space for the administrator, director of nursing, activities director and social worker. The facility also has a full basement which includes the kitchen and laundry.

C. SCOPE OF WORK

The scope of work outlined in this application is aimed at improving the quality of patient care and quality of life for all existing and future residents, regardless of their resources, payor source or length of stay.

The facility proposes to construct a 15,210 square foot addition to the existing structure to house 34 beds and the required support areas. This will allow Serenity Hill to comply with the state's Dedensification requirements, which will prohibit skilled nursing facilities from housing residents in three or four bedded rooms effective April 30, 2022. As noted earlier in the narrative, Serenity Hill currently has five three-bed rooms and five four-bed rooms. Without this proposed addition, Serenity Hill would lose 15 of its 40 beds and no longer be able to function as a high quality, efficient and effective facility. With this addition, all of Serenity Hill's patient rooms would be semi-private or private, complying with the state's new Dedensification regulation. The addition would also include twelve (12) additional beds under the facility's one-time regulatory allowance.

The overall maximum capital expenditure (MCE) sought in this application is \$7,043,250 (March 2022 dollars). The lion's share of these expenditure would be for the new addition, but some limited funds would cover minimal work at the existing facility such as renovating corridors at the connection points only and reconfiguring beds for all semi-private and private rooms.

We have provided with this application a detailed copy of the scope of work (SOW) for the Serenity Hill project (See COMBINED – DIVISION SUMMARY). The summary lists estimated costs for the proposed addition in the first column and separates them into three categories, sitework, construction, and design and engineering. The sitework subtotal of \$1,046,975 is included in the construction total of \$5,694,750. The design and engineering total is \$348,500 bringing the overall project cost estimate to \$6,043,250. We have added \$1,000,000 to that figure to account for costs at the existing building including costs to tie in the addition to the existing structure (renovating corridors at the connection points) as well as renovations to address life safety issues and costs to reconfigure beds. The last two line items, furniture/equipment and contingency, are listed "by owner." As noted in the prior paragraph, this would bring the total maximum capital expenditure (MCE) request to \$7,043,250.

D. PATIENT PANEL

Of the facility's current 33 residents, 17 (51.5%) are male and 16 (48.5%) are female. 3 residents (9.1%) are age 55-65, 12 residents (36.4%) are age 66-75, 12 residents (36.4%) are age 76-85, and 6 residents (18.1%) are age 86 and over. While Serenity Hill does not discriminate against any religion and welcomes all to its facility, most residents who responded listed their faith as Catholic or Protestant. 99% of the

current are white.

The average length of stay (ALOS) for all residents discharged in 2021 was approximately one and one-half years. Patient panel diagnoses for Serenity Hill long-term patients are primarily general medical and dementia, in addition to requiring assistance or supervision with activities of daily living such as bathing, dressing, toileting, eating and ambulating. Other admission diagnoses include cardiac, pulmonary, infectious disease, post-surgical and other medical conditions.

The payer mix for 2021 shows that the vast majority (82%) of Serenity Hill residents have their care covered by Medicaid. This represents primarily longer stay residents who were either admitted to the facility on Medicaid or who spent down their private resources over time and then converted to Medicaid. 9% of the residents were private pay and the remaining 9% were covered by Medicare.

Serenity Hill Medicaid patients' case-mix (MMQ categories) were 30% lighter care (categories J/K), 40% were moderate care (categories L/M/N/P), and 30% were heavy care (categories R/S). The average case-mix adjusted MMQ rate is \$221.91.

Given Serenity Hill's year and one-half average length of stay and longer stay dementia and general medical patient populations, its admissions are limited. 38 residents were admitted in 2020 and 21 in 2021. Because of the covid epidemic, admissions were closed for 5 months in 2020. In 2021, admissions were kept low to move toward the state's three and four-bedded room dedensification regulation.

E. COMPETITION

Serenity Hill operates in a highly competitive environment. There are 11 cities and towns within a 10-mile radius of Wrentham, 9 in Massachusetts and 2 over the border in Rhode Island. There are a total of 13 skilled nursing facilities with 1,355 total beds within that 10-mile radius. Despite that competition, Serenity Hill has historically maintained occupancy in the low 90s. However, like most facilities across the state, occupancy has dropped over the past two years due to admission limitations caused by Covid-19. Occupancy in 2019 was 91.7%. It dropped to 80.76% in 2020 and 76.3% in 2021.

F. CONCLUSION

Serenity Hill Nursing and Rehabilitation Center has successfully competed with other health care providers in various Norfolk County communities. Since its purchase by Long Term Centers of Wrentham, Inc., it has undergone both exterior and interior renovations to ensure the comfort and safety of its residents, staff, and family members.

If approved and implemented, this Determination of Need (DON) project will allow ownership to address the state's De-Densification requirements. The facility proposes to relocate the 15 beds lost in the three and four-bedded rooms by constructing a 34 bed, 15,210 square foot addition connected to the existing structure. The Applicant would also use its one-time regulatory allowance of an additional twelve (12) beds. The DON would also include funds to tie the addition into the existing structure as well as renovations/upgrades to the existing structure to address life safety issues and reconfigure beds. Taken together, these changes will add greatly to the quality of life for existing and future residents as well as helping the facility better address the discharge needs of area hospitals and communities in Norfolk County.

Lastly, the new addition and the scope of work proposed in this Determination of Need (DON) application will follow closely the "sustain and restore" sections (105 CMR:100.100) of the Department of Public Health DON regulations.

2.2 and 2.3 Complete the Change in Service Form

3. Delegated Review

3.1 Do you assert that this Application is eligible for Delegated Review?

Yes No

3.1.a If yes, under what section?

4. Conservation Project

4.1 Are you submitting this Application as a Conservation Project?

Yes No

4.2 Within the Proposed Project, is there any element that has the result of modernization, addition or expansion?

Yes No

4.2.a If yes, How?

4.3 Does the Proposed Project add or accommodate new or increased functionality beyond sustainment or restoration

Yes No

4.4 As part of the Proposed Project, is the Applicant:

Adding a new service?

Expanding a service?

<input type="checkbox"/> Modernizing the provision of a service?	<input type="checkbox"/> Substituting a service?
<input type="checkbox"/> Otherwise altering a serves's usage or designation, including patients served?	
<input type="checkbox"/> Adding a new piece(s) of equipment	<input type="checkbox"/> Modernizing a piece(s) of equipment?
<input type="checkbox"/> Expanding bed capacity?	<input checked="" type="checkbox"/> Adding bed capacity?
<input type="checkbox"/> Otherwise altering bed capacity, usage, or designation?	<input checked="" type="checkbox"/> Adding additional square footage?

5. DoN-Required Services and DoN-Required Equipment

5.1 Is this an application filed pursuant to 105 CMR 100.725: DoN-Required Equipment and DoN-Required Service? Yes No

6. Transfer of Ownership

6.1 Is this an application filed pursuant to 105 CMR 100.735? Yes No

7. Ambulatory Surgery

7.1 Is this an application filed pursuant to 105 CMR 100.740(A) for Ambulatory Surgery? Yes No

8. Transfer of Site

8.1 Is this an application filed pursuant to 105 CMR 100.745? Yes No

9. Research Exemption

9.1 Is this an application for a Research Exemption? Yes No

10. Amendment

10.1 Is this an application for a Amendment? Yes No

11. Emergency Application

11.1 Is this an application filed pursuant to 105 CMR 100.740(B)? Yes No

12. Total Value and Filing Fee

Enter all currency in numbers only. No dollar signs or commas. Grayed fields will auto calculate depending upon answers above.

Your project application is for: Conservation Long Term Care Project

12.1 Total Value of this project:	\$7,043,250.00
12.2 Total CHI commitment expressed in dollars: (calculated)	\$70,432.50
12.3 Filing Fee: (calculated)	\$14,086.50
12.4 Maximum Incremental Operating Expense resulting from the Proposed Project:	
12.5 Total proposed Construction costs, specifically related to the Proposed Project, If any, which will be contracted out to local or minority, women, or veteran-owned businesses expressed in estimated total dollars.	

13. Factors

Required Information and supporting documentation consistent with 105 CMR 100.210

Some Factors will not appear depending upon the type of license you are applying for.

Text fields will expand to fit your response.

Factor 3: Compliance

Applicant certifies, by virtue of submitting this Application that it is in compliance and good standing with federal, state, and local laws and regulations, including, but not limited to M.G.L. c. 30, §§ 61 through 62H and the applicable regulations thereunder, and in compliance with all previously issued notices of Determination of Need and the terms and conditions attached therein .

F3.a Please list all previously issued Notices of Determination of Need

Add/Del Rows	Project Number	Date Approved	Type of Notification	Facility Name
<input type="checkbox"/> + <input type="checkbox"/> -	N/A			N/A

F4.a.ii For each Category of Expenditure document New Construction and/or Renovation Costs.				
	Category of Expenditure	New Construction	Renovation	Total (calculated)
	Land Costs			
	Land Acquisition Cost			
	Site Survey and Soil Investigation			
	Other Non-Depreciable Land Development			
	Total Land Costs			
	Construction Contract (including bonding cost)			
	Depreciable Land Development Cost	\$1046975.		\$1046975.
	Building Acquisition Cost			
	Construction Contract (including bonding cost)	\$3768625.		\$3768625.
	Fixed Equipment Not in Contract			
	Architectural Cost (Including fee, Printing, supervision etc.) and Engineering Cost	\$348500.		\$348500.
	Pre-filing Planning and Development Costs	\$879150.		\$879150.
	Post-filing Planning and Development Costs			
Add/Del Rows	Other (specify)			
<input type="checkbox"/> + <input type="checkbox"/> -	<p>The Applicant has focused in the submission and Factor Four on the specific scope of work that is directly connected to the correction of the deficiencies under the new DPH licensure rules for 2 bed rooms that take full effect on May 1, 2022. Compliance with the two-bed rule is the immediate priority in the project . The Applicant has been advised by its professional advisors that there are other existing systems and fire safety features of the facility that merit consideration for upgrading in any future project . We have projected that the additional cost and MCE for these upgrades is about 1.5 million . The applicant is noting this reality , and is prepared to submit additional data and detail as needed to DPH , including the office involved in project plan approval .</p>		\$1000000.	\$1000000.
	Net Interest Expensed During Construction			
	Major Movable Equipment			
	Total Construction Costs	\$6043250.	\$1000000.	\$7043250.
	Financing Costs:			
	Cost of Securing Financing (legal, administrative, feasibility studies, mortgage insurance, printing, etc			
	Bond Discount			
Add/Del Rows	Other (specify)			
<input type="checkbox"/> + <input type="checkbox"/> -				
	Total Financing Costs			
	Estimated Total Capital Expenditure	\$6043250.	\$1000000.	\$7043250.

Documentation Check List

The Check List below will assist you in keeping track of additional documentation needed for your application. Once you have completed this Application Form the additional documents needed for your application will be on this list. E-mail the documents as an attachment to: DPH.DON@state.ma.us

- Copy of Notice of Intent
- Affidavit of Truthfulness Form
- Scanned copy of Application Fee Check
- Affiliated Parties Table Question 1.9
- Change in Service Tables Questions 2.2 and 2.3
- Certification from an independent Certified Public Accountant
- Articles of Organization / Trust Agreement
- Current IRS Form, 990 Schedule H CHNA/CHIP and/or Current CHNA/CHIP submitted to Massachusetts AGO's Office
- Community Engagement Stakeholder Assessment form
- Community Engagement-Self Assessment form

Document Ready for Filing

When document is complete click on "document is ready to file". This will lock in the responses and date and time stamp the form.

To make changes to the document un-check the "document is ready to file" box. Edit document then lock file and submit

Keep a copy for your records. Click on the "Save" button at the bottom of the page.

To submit the application electronically, click on the "E-mail submission to Determination of Need" button.

This document is ready to file:

Date/time Stamp:

E-mail submission to
Determination of Need

Application Number: -22032815-CL

Use this number on all communications regarding this application.

Community Engagement-Self Assessment form