



Massachusetts Department of Public Health

Determination of Need

Application Form

Version: 11-8-17

Application Type:	Conservation Long Term Care Project	Application Date:	
Applicant Name:	Royal Norwell Nursing & Rehabilitation Center, LLC		
Mailing Address:	329 Washington Street		
City:	Norwell	State:	Massachusetts
		Zip Code:	02061
Contact Person:	Karen Koprowski	Title:	Regulatory Advisor
Mailing Address:	92 Montvale Avenue, Suite 2300		
City:	Stoneham	State:	Massachusetts
		Zip Code:	02180
Phone:	7742395885	Ext:	
E-mail:	kkoprowski@strategiccares.com		

Facility Information

List each facility affected and or included in Proposed Project

1	Facility Name:	Royal Norwell Nursing & Rehabilitation Center, LLC		
	Facility Address:	329 Washington Street		
	City:	Norwell	State:	Massachusetts
			Zip Code:	02061
	Facility type:	Long Term Care Facility	CMS Number:	225482
		Add additional Facility	Delete this Facility	
2	Facility Name:			
	Facility Address:			
	City:	Type first letter then scroll	State:	Massachusetts
			Zip Code:	
	Facility type:	Select from dropdown list or enter type if not on list	CMS Number:	
		Add additional Facility	Delete this Facility	

1. About the Applicant

1.1 Type of organization (of the Applicant):	for profit
1.2 Applicant's Business Type:	<input type="radio"/> Corporation <input type="radio"/> Limited Partnership <input type="radio"/> Partnership <input type="radio"/> Trust <input checked="" type="radio"/> LLC <input type="radio"/> Other
1.3 What is the acronym used by the Applicant's Organization?	NONE

- 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, Royal Norwell Nursing & Rehabilitation Center, LLC delivers health care and related services for elders and disabled persons in the Commonwealth of Massachusetts. Royal Norwell Nursing & Rehabilitation Center provides its services through the operation of its skilled nursing facilities for elders and disabled persons who need skilled nursing care, long term care services, dementia-specific care, and rehabilitation. Royal owns and operates ten (10) skilled nursing facilities in Massachusetts and manages 1 other facility. It also owns and operates two (2) nursing facilities in Rhode Island. The Massachusetts-owned facilities are in Eastern and Southeastern Massachusetts and on Cape Cod. All the skilled nursing facilities are dually-certified by Medicaid and Medicare.

B. BACKGROUND

Royal Norwell Nursing & Rehabilitation Center (Royal Norwell) is an 86-bed, 3-unit skilled nursing and rehabilitation center located in Norwell Massachusetts. Norwell, a town in Plymouth County, is an affluent residential community with over 11,000 residents. Royal Norwell provides both short-term, sub-acute transitional care (TCU) and long-term care services. The facility was purchased by the Royal Health Group in 2013. It was formerly known as Norwell Knoll.

The 27,701 square foot facility was originally built from 1968 to 1970 and was comprised of two nursing units. The East Wing, a 12 bed, short-term, sub-acute transitional care unit, was constructed as an addition in 1994.

The configuration for licensed beds is as follows;

- East Wing has twelve (12) licensed beds with 12 private rooms.
- North Wing has a total of forty (40) licensed beds comprised of one (1) private room, nine (9) semi-private rooms, and seven (7) triple-bedded rooms; and the
- South Wing has a total of thirty-four (34) licensed beds comprised of one (1) private room, fifteen (15) semi-private rooms, and one (1) triple-bedded room.

The state's nursing facility De-Densification Requirements, which will prohibit residents in three and four-bedded rooms effective April 30, 2022, would reduce Royal Norwell's eighty-six (86) licensed beds by eight (8) beds to a total of seventy-eight (78) beds.

C. SCOPE OF WORK

To comply with the De-Densification Requirements, the facility proposes to relocate the eight (8) beds in three-bedded rooms within the facility by constructing an eight (8) bed, 2,527 square foot addition off the East Wing. All the additional beds would be private as are all existing beds in the East Unit. To meet the discharge needs of the area hospitals and community, the addition would be able to accommodate skilled short-term, subacute transitional care (TCU) patients, who comprise 26% of the population. The demand for SNF beds for TCU patients is a growing need from area hospitals. The separate East 12 bed TCU with all private rooms has been attractive to potential admissions.

The new addition would also include access to the Needlepoint Bipolar Ionization (NPBI) to provide high quality air purification. The addition will also be designed so that infection control measures and features are also incorporated.

In addition to this major change, the proposed DON application would also include renovations and upgrades to the existing facility structure and systems. The proposed area to be renovated is 2,770 gross square feet

We have provided with this Determination of Need (DON) application a detailed copy of the scope of work and estimated cost of the proposed project. The estimated Maximum Capital Expenditure (MCE) for the project is \$3,579,537 (March 2022 dollars).

D. PATIENT PANEL

58% of the current residents are female, and 42% are male. 33.8% of the residents are age 70 and under, 41.5% are age 71 to age 80, 15.4% are age 81 to age 90, and the remaining 9.3% are over the age of 90. In the demographic of race and ethnicity, 96.9% of residents are Caucasian, 1.55% are Black, and 1.55% are Hispanic/Latino. While Royal Norwell does not discriminate against any religion and welcomes all to its facility, 13 residents out of 17 respondents listed their religion as Catholic, 3 of 17 were Protestant, while the remaining resident was Seventh Day Adventist.

The average length of stay (ALOS) for all residents discharged in 2021 was 111 days. ALOS ranged from 32 days for Medicare A patients to 515 days for Medicaid patients.

The payer mix shows that the vast majority (76.83%) of Royal Norwell nursing facility residents had 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. 76.83% of residents had their stays paid by Medicaid, 8.28% were private pay residents, 8.04% were managed care, 3.09% were covered by Medicare Part A or Medicare Part A hospice, and the remaining 3.76% had their care paid for by the PACE program or hospice private.

Royal Norwell has seen a significant increase in its admissions over the past year as the covid-19 crisis has ebbed somewhat. There were 161 admissions in 2020 and 240 admissions in 2021, an increase of 49%. Most of these admissions came from South Shore Hospital. Royal Norwell's successful return home rate of 73.6% was well above the national average of 52.9%, reflecting its strong post-acute, rehabilitative services. Royal Norwell's use of short-term (2.4%) and long-term (14.0%) anti-psychotic medications were below comparable state and national averages.

E. COMPETITION

Royal Norwell operates within a highly competitive environment. There are a total of 22 skilled nursing facilities with 2,296 total beds located within 7 miles of the facility. These facilities are in 9 different cities and towns. Royal Norwell draws its residents from a large number of eastern Massachusetts cities and towns. The top resident prior locations have been Weymouth, Hingham, Hanover, Braintree, Marshfield, Quincy, and Norwell. Despite this intense competition as well as admission limitations caused by Covid-19, Royal Norwell has been able to maintain 90% occupancy over the past few years. One of the reasons for such high occupancy is undoubtedly Royal Norwell's close attention to infection control safety measures. An example is the facility taking the initiative to improve air quality in the facility. A state-of-the art air purification system, the Needlepoint Bipolar Ionization (NPBI), was installed in the air handler system in February 2021 to provide additional protection for residents, staff, and family members. Royal Norwell is also competitive in terms of daily rates on its private and semi-private accommodations.

CONCLUSION

Royal Norwell Nursing & Rehabilitation Center has been a vital part of the town of Norwell's health care system since its original construction in the early-1970s. The Royal Health Group's commitment to high quality long-term and post-acute services has allowed the facility to maintain high occupancy rates, strong state surveys, and high patient satisfaction throughout the challenging Covid-19 era.

The scope of work proposed in this DON application will follow closely the "sustain and restore" sections (105 CMR:100.100) of the Department of Public Health Determination of Need regulations. It will allow the facility to meet the Department of Public Health's (DPH's) new De-Densification Licensure requirements by eliminating the existing eight (8) 3 bedded-rooms by constructing an eight (8) bed addition to the East Unit. No additional beds are proposed in this application. After completion of the project, all residents will have access to semi-private or private rooms. Lastly, because the proposed addition will be off the existing East Unit, it will not have a significant impact on existing resident quality of care during the construction project.

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?

Adding 8 private bedrooms

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:

- | | |
|---|---|
| <input type="checkbox"/> Adding a new service? | <input type="checkbox"/> 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 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:

\$3,579,537.00

12.2 Total CHI commitment expressed in dollars: (calculated)

\$35,795.37

12.3 Filing Fee: (calculated)

\$7,159.07

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
<div><div>+</div><div>-</div></div>	N/A			N/A

Factor 4: Financial Feasibility and Reasonableness of Expenditures and Costs

Applicant has provided (as an attachment) a certification, by an independent certified public accountant (CPA) as to the availability of sufficient funds for capital and ongoing operating costs necessary to support the Proposed Project without negative impacts or consequences to the Applicant's existing Patient Panel.

F4.a.i Capital Costs Chart: For each Functional Area document the square footage and costs for New Construction and/or Renovations.															
Add/Del Rows		Functional Areas	Present Square Footage		Square Footage Involved in Project				Resulting Square Footage		Total Cost		Cost/Square Footage		
			Net	Gross	New Construction		Renovation		Net	Gross	New Construction	Renovation	New Construction	Renovation	
+	-	Administration	3,135	3,425											
+	-	Bathing and Showering	424	489											
+	-	Beauty	141	153											
+	-	Circulation	9,081	9,848	433	456	113	122	9,632	10,430					
+	-	Day Room	1,176	1,271											
+	-	Dietary	61	70											
+	-	Dining/Activity	1,954	2,067											
+	-	Janitor	215	261											
+	-	Kitchen	989	1,058											
+	-	Laundry/Linen	348	391											
+	-	Maintenance	689	741											
+	-	Mechanical	380	447											
+	-	Nursing Area	1,068	1,174											
+	-	Public Toilets	280	334											
+	-	Rehab	1,204	1,279											
+	-	Resident Rooms	11,960	13,210	1,862	2,071	2,199	2,372	13,822	15,281					
+	-	Staff Area	391	424											
+	-	Storage	3,846	4,213											
+	-														
+	-														
Total: (calculated)			37,342	40,855	2,295	2,527	2,570	2,770	39,637	43,382					

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	\$113715.		\$113715.
	Other Non-Depreciable Land Development			
	Total Land Costs	\$113715.		\$113715.
	Construction Contract (including bonding cost)			
	Depreciable Land Development Cost			
	Building Acquisition Cost			
	Construction Contract (including bonding cost)	\$1715833.	\$60940.	\$1776773.
	Fixed Equipment Not in Contract			
	Architectural Cost (Including fee, Printing, supervision etc.) and Engineering Cost	\$182955.	\$6094.	\$189049.
	Pre-filing Planning and Development Costs			
	Post-filing Planning and Development Costs			
Add/Del Rows	Other (specify)			
<input type="checkbox"/> <input type="checkbox"/>	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 .		\$1500000.	\$1500000.
	Net Interest Expensed During Construction			
	Major Movable Equipment			
	Total Construction Costs	\$1898788.	\$1567034.	\$3465822.
	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	\$2012503.	\$1567034.	\$3579537.

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
- ☐ 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: -22031611-CL

Use this number on all communications regarding this application.

☐ Community Engagement-Self Assessment form