

**STAFF REPORT TO THE PUBLIC HEALTH COUNCIL
FOR A DETERMINATION OF NEED**

Applicant Name	Campion Health & Wellness, Inc.
Applicant Address	319 Concord Road, Weston, MA 02193
Filing Date	December 2, 2020
Type of DoN Application	LTC Substantial Change in Service
Total Value	\$3,738,853.00
Project Number	20111605-LS
Ten Taxpayer Groups (TTG)	No
Community Health Initiative (CHI)	\$112,165.59 – Healthy Aging Fund
Staff Recommendation	Approval with Conditions
Public Health Council	April 28, 2021

Project Summary and Regulatory Review

Campion Health & Wellness, Inc. (Applicant) submitted an Application for a Proposed Project to renovate the third floor of their facility and upgrade classification of 12 Level IV rest home beds to Level II skilled nursing beds. The renovations include updating to a modern, skilled nursing unit with 12 private/single rooms, a rest home unit with six private/single rooms, and an upgrade of HVAC and mechanical systems. The Proposed Project's total capital expenditure is \$3,738,853.00; the Community Health Initiatives (CHI) contribution is \$112,165.59, which will go to the Healthy Aging Fund.

This DoN application falls within the definition of DoN-Substantial Change in Services, which is reviewed under the DoN regulation 105 CMR 100.000. The Department must determine that need exists for a Proposed Project, on the basis of material in the record, where the Applicant makes a clear and convincing demonstration that the Proposed Project meets each Determination of Need Factor set forth within 105 CMR 100.210.

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Background: Campion Health & Wellness, Inc. and Application Overview

The Campion Health & Wellness, Inc., located in Weston, MA, was founded in 1977 by the USA East Province of the Society of Jesus (the Jesuits). It is a long-term care skilled nursing facility licensed by the Massachusetts Department of Public Health serving only Jesuit priests. Campion offers five levels of care: independent living, sub-acute independent living assistance, rehabilitation, assisted living, and skilled nursing care, including palliative care hospice. In its five-story facility, there are a total of 70 licensed beds (34 Level II and 36 Level IV). Level II beds are licensed for skilled nursing care units while Level IV beds are for rest home units.¹ There are 17 Level II beds (15 private and 2 semi-private beds) on each the first and second floors, and 18 private, Level IV beds on each the third and fourth floors.

Campion proposes to renovate the third floor of the facility. A portion of the third floor will be renovated for the six-bed rest home unit with single rooms and all required support space. For the remaining area of the third floor, the Applicant seeks to upgrade the classification of 12 Level IV rest home beds to 12 Level II skilled nursing beds, and create a modernized, skilled nursing unit with 12 private rooms, each with bathrooms, showers, and all required support spaces. The facility has not had any updates in over 25 years and the renovation will include updated HVAC and mechanical systems for the floor. There is no change in the Gross Square Feet (GSF) of the facility or the Applicant's licensed bed capacity.

¹ 105 CMR 150.000: Standards For Long-Term Care Facilities. <https://www.mass.gov/files/documents/2018/03/27/105cmr150.pdf>

OVERVIEW of PROPOSED PROJECT AND FACTOR REVIEW

Description of Proposed Project Component	What's Needed to Meet Factor 1: Demonstration of need; improved health outcomes and quality of life; assurances of health equity; continuity and coordination of care; evidence of community engagement; and competition on recognized measures of health care spending.	What's Needed to Meet Factor 2: Demonstration of cost containment, improved public health outcomes, and delivery system transformation.	Factors 3, 4 & 5 ²	What's Needed to Meet Factor 6: Demonstration of plans for fulfilling ... responsibilities ... in the DPH Community-based Health Initiatives Guideline.
	<i>Staff Report finds</i>			
	MEETS	MEETS	MEETS	MEETS
Renovate the third floor of the facility and upgrade the classification of 12 Level IV rest home beds to 12 Level II skilled nursing beds.	✓	✓	✓	✓

² Factor 3: Sufficient evidence of compliance and good standing with federal, state, and local laws and regulations

Factor 4: Sufficient documentation of the availability of sufficient funds for capital and ongoing operating costs necessary to support the Project without negative impacts or consequences to the Applicant's existing Patient Panel

Factor 5: The ... Project, on balance, is superior to alternative and substitute methods for meeting ... Patient Panel needs.

Patient Panel³

The Campion facility serves only Jesuit priests. Its service area is comprised of the USA East Province of the Society of Jesus (the Jesuits) which includes 664 priests with an average age of 69, and a median age of 72. Table 1 below provides additional information on the potential population served. Campion's patient panel included 243 unique men served between June 2017 and May 2019 with an average age of 81.5 years old.

Table 1: Overview of Service Population (USA East Province of the Society of Jesus)

Age	Patient Panel (Number of Priests)
33-39	17
40-49	33
50-59	66
60-64	58
65-69	74
70-74	104
75-79	96
80-84	88
85-89	74
90-94	46
95-99	8

Campion provides a place for priests to retire and age with their fellow brothers, many whom they have known throughout their careers. Typically, the priests progress from independent living to requiring more intense care. Priests move to Campion after they have completed their assignments and usually start by living in independent housing and continue to be active in the community as semi-retired priests (e.g., lead Mass at other skilled nursing facilities). As these priests age and need more support with daily living activities, they move into the rest home, where they may live for many years on a permanent basis. When priests require skilled medical care, they transition to Campion's skilled nursing unit as a long-term resident.

Over 90% of the priests are long-term residents. Often priests who come to Campion for short-term rehabilitation or skilled care transition to becoming long-term residents as other conditions necessitating higher level of care are identified.

Table 2: Residents' Average Length of Stay

Care Level	Average Length of Stay (Days)
Long-term skilled nursing (Level II)	271
Short-term skilled nursing (Level II)	46
Long-term residential care (Level IV)	297
Short-term residential care (Level IV)	23

³ As defined in 105 CMR 100.100, Patient Panel is the total of the individual patients regardless of payer, including those patients seen within an emergency department(s) if applicable, seen over the course of the most recent complete 36-month period by the Applicant or Holder.

Amongst all levels of care, almost half of Campion's residents require support with at least two daily living activities. Table 3 shows the Activities of Daily Living needs for priests on the skilled nursing unit.

**Table 3: Activities of Daily Living (ADLs)
Needs for Residents in the Skilled Nursing Unit**

ADLs	Percent range of Residents
Assistance with one ADL	50-60
Assistance with two or more ADLs	40-50

Overall, for their Skilled Nursing Home Facility, 41% of patient days are paid by Medicare and Medicaid. Fifteen percent private pay reflects some of the contribution from the Society of Jesuits.

**Table 4: Campion 2019 Payer Mix
for Skilled Nursing Home Facility & Rest Home**

Payer Type	Payer-Mix
Skilled Nursing Facility	
Private	15%
Medicare	5%
Medicaid	36%
Rest Home	
Private	13%
Medicaid	31%

Data from 2019 fiscal year: 7/2018-6/2019.

Factor 1a: Patient Panel Need

In this section, we assess if the Applicant has sufficiently addressed Patient Panel need for the Proposed Project.

Patient Panel Need

The Applicant attributes the need for the upgrade classification of beds to three interrelated factors:

- Need for nursing facility services,
- An aging population, and
- Population's need for spiritual care.

a) Need for nursing facility services

Campion is the only skilled nursing facility serving the Jesuits in the USA East Province and generally runs at capacity for its skilled nursing care beds. The current 34 level II beds available are insufficient to meet both the current and future needs of the priests. As part of Campion's full range of care, there is particular need for skilled nursing (Level II) facility services as priests progress through their care trajectory, and less demand for their rest home (Level IV) beds. Further, a majority of the priests are long-term residents, and stay, on average, 271 days in Campion's skilled nursing unit. In 2020, the facility-wide occupancy rate was approximately 75%, and the occupancy rate for Level II and Level IV beds was 89% and 61%, respectively. The Applicant notes that the patient days does not fully capture available beds as holds are placed on beds for residents when they are out of the facility for a medical or therapeutic leave of absence.

Table 5: Occupancy Rates for Skilled Nursing and Rest Home Units, 2016-2020

Bed Level	2016	2017	2018	2019	2020
Skilled nursing (Level II)	91.53%	86%	90.25%	86.88%	89.57%
Rest Home (Level IV)	46.14%	57.76%	65.85%	69.86%	60.80%
Facility Wide	68.19%	71.48%	77.70%	78.13%	74.77%

Campion provides care at the rest home level as long as possible, which may include sending residents to the hospital if hospital-level medical care is needed. Campion's commitment to lifelong care enables it to manage occupancy and identify when a priest is ready to transition from the rest home to the skilled nursing unit. Campion anticipates that 90-100% of the rest home population will at some point in time transition to the skilled nursing units as long-term residents. However, the insufficient number of Level II beds has impacted Campion's ability to manage transitions timely and effectively for the past five years. The Applicant has already identified several residents who will need skilled nursing care and be ready to transition to the skilled nursing care unit after the Proposed Project is complete.

Most residents living on the skilled nursing units have long-term chronic diseases. The top four diagnoses for residents are cardiac, diabetes, hypertension, and dementia. The addition of new Level II beds will enable Campion to appropriately place residents with different levels of cognitive impairment in the correct level of care and create more availability for other priests with different needs throughout its continuum of care. Further, the Applicant suggests that priests are dedicated to their service and often overlook their own health and are less open about their underlying conditions. The Applicant also states that priests are at a higher risk of depression or other mental health diagnoses as they transition to retirement.⁴ Campion provides a community/family space for all its residents that strives to prevent social isolation and depression and supports the priests' well-being as they move to a new environment.

In collaboration with the Jesuit leadership, Campion regularly assess priests' needs and has determined that 24 level IV rest home beds will sufficiently meet its ongoing needs for this level of care (going down from 36 level IV beds). Additionally, transitioning rest home residents to the skilled nursing unit will open up availability for priests to move into Campion's rest home from independent housing, their community posts, or other rest homes.

b) Aging population

The priests who live in Campion's service area are aging, and the Applicant has projected a corresponding increased demand for skilled nursing care services in the next five to seven years as a result of the higher acuity in needs that co-occurs with aging. The Applicant projects that additional residents in the rest home section of the facility will, with increasing age and more assistance requirements, need to transition to the skilled nursing care beds.

c) Spiritual care

The Applicant states that the facility focuses on mind-body health through spirituality. The Jesuits' goal is to provide care where priests can be together and have access to religious activities and spiritual life while receiving quality care, and this Proposed Project will help meet this need. As a religious skilled nursing facility, the priests at Campion lead Mass (twice daily) and provide educational and spiritual sessions for the other priests. This allows the priests to continue to devote their lives to the priesthood and serving the Jesuit mission. When the facility has no beds available, a priest in need of skilled nursing care is temporarily placed at another Catholic nursing facility in

⁴ DoN Application 20111605-LS, Responses to DoN Questions on page 5

Massachusetts until the priest can be transferred to Campion. Additional skilled nursing care beds would decrease the frequency of moving residents in need of care, leading to better health outcomes.^a

Analysis

As Table 1 shows, the Applicant's Patient Panel are aging: half of the USA East Province priests are between ages 50-79. As adults age, they experience higher risk of chronic conditions, such as heart disease and dementia, that can affect daily activities and a need for long-term care.^b Currently, the facility operates at or near capacity in its skilled nursing care beds, and increasing the number of these beds will enable the facility to offer its Patient Panel access to appropriate level of health care in a facility that also addresses their religious and social needs. The Patient Panel will be with their community receiving care alongside their fellow brothers/peers and not in isolation.

Factor 1: b) Public health value, improved health outcomes and quality of life; assurances of health equity

In this section we will assess if the Proposed Project adds measurable public health value in terms of improved health outcomes and quality of life of the Applicant's existing patient panel, while providing reasonable assurances of health equity. All Determination of Need Holders will have to provide a plan for approval by the Office of Health Equity for the development and improvement of language access and assistive services provided to individuals with disabilities, non-English speaking, Limited English Proficiency (LEP), and American Sign Language (ASL) patients.

As previously noted, Campion only serves the priests who have, as part of their priesthood, taken a vow of poverty, and is not open to the public. The Applicant asserts that the Proposed Project will enable it to better meet the need for quality skilled nursing and long-term care services, improving the Patient Panel's health outcomes and quality of life. Generally, before coming to Campion, priests are high functioning (e.g., independent and not needing assistance with activities of daily living) and often receive inconsistent care. Moreover, according to the Applicant, priests are focused on service and often do not prioritize their health. Campion provides access to rehabilitation, medical care, and psychosocial supports for priests when needed. By providing a space for priests to receive care alongside many of their known peers and not in isolation, the Proposed Project can enhance priests' mental well-being, thus contributing to improved physical health and quality of life. With the additional Level II beds, the Applicant can ensure residents will be able to transition from the rest home to skilled nursing home unit in an appropriate timeframe. This can reduce or eliminate residents from receiving short-term skilled care outside of Campion, where priests may be isolated from their community. Without a bed available at Campion, priests would be placed in different facilities across the Commonwealth, which would likely result in further isolation and have a detrimental impact on their quality of life and health outcomes.

Additionally, the renovated, modernized skilled nursing unit will increase efficiency, contributing to the Patient Panel's improved health outcomes and quality of life. With the new state-of-the-art skilled nursing unit, the residents will have increased access to services including skilled observation, effective care planning and evaluation, and physician oversight, as well as receive the same high standard of medical and nursing care that will lead to improved health outcomes.

As of September 2020, the facility had a 5-star rating by the Centers for Medicare & Medicaid Services (CMS) and scored 28 out of 28 on core competencies on their most recent infection control audit and the Applicant will continue to implement:

- **Assessment of appropriate care** –To ensure that priests have access to skilled nursing and health care services they need, priests are referred to the Provincial Assistant for Healthcare, a registered nurse, who oversees the Jesuits health care administration. The Provincial Assistant will assess the priest to

determine if Campion's skilled nursing facility can appropriately meet the resident's health care needs. If appropriate care can be provided at skilled nursing level, Campion's Director of Nurse Services will review referral information. If beds are unavailable at Campion, priests may be referred to an outside facility and when an appropriate bed is available, they will have the option to transfer to Campion.

- **Quality improvement program** – As a participant in the Medicare and MassHealth programs, Campion will continue to assess their skilled nursing services' health outcomes, quality of life, and health equity. Campion has a robust quality assurance & performance improvement (QAPI) program. One of the tools the Applicant uses is the abaqis Quality Management System, a web-based assessment and reporting tool, to assess the health outcomes, quality of life, and health equity of the services it provides. Campion performs annual facility assessments and monitors health trends and regulatory requirements gaps to identify and address performance improvement and compliance areas.

Analysis

Staff has reviewed the Applicant's evaluation of the impact assessing appropriateness of care and conducting quality improvement efforts have on the quality of life and health outcomes of its residents, and concurs with its assessment. The renovations to the facility and upgrade of bed classifications have the potential to improve health outcomes and quality of life of the Patient Panel. The Commonwealth's Nursing Home Surveillance Performance Tool⁵ found that the facility performs above the state average on its annual performance survey.^{6,c} On the CMS Nursing Home Compare,⁷ Campion has a 5-star overall rating.^d Staff expects the high ratings will continue with the Proposed Project.

Health Equity and Social Determinants of Health (SDoH)

The Applicant has a specific Patient Panel and only offers services to Jesuit priests in the USA East Province. The Applicant does not have plans to provide services to individuals outside this community.

The Applicant asserts that the Proposed Project will contribute to its commitment to ensuring that all priests in the USA East Province have equal access to Campion's skilled nursing facility, including long-term services. Most of the priests are covered by Medicaid; for residents who do not have insurance or other form of payment source, the Society of Jesuits cover costs of priests, as needed (private pay). Campion is committed to providing a continuum of care that fosters an environment to allow for optimal functional ability and interdisciplinary care. This is consistent with the Jesuit's mission in delivering a person-centered approach to high quality post-acute and long-term care services to priests.

Campion's Province Health Care Coordinator is responsible for assessing and identifying support needs of priests, even prior to coming to Campion. Campion and the greater Jesuit community on campus meet the residents' social needs through access to social determinants of health such as stable housing and access to nutritious food. As previously mentioned, a majority of residents are long-term residents and are not discharged back to the community. When short-term residents who come from a Jesuit college or university are discharged, the Applicant will coordinate with the college's or university's nurse for follow-up or relay information on issues related to social determinants of health identified by the Province Health Care Coordinator.

⁵ The Nursing Home Survey Performance Tool compiles information about Massachusetts nursing homes from recertification and complaint surveys. The tool evaluates 132 items that have been reviewed during the last 3 standard surveys (44 selected items on each survey).

⁶ Overall Performance Summary: This nursing facility met 129 out of the 132 key requirements in all five categories in its last three surveys. The number of deficiencies not met as a result of complaint investigations is: 0. The facility's score is 129 after adjustment for scope and severity. 92% of all facilities had a score of 129 or lower. The statewide average facility score is 117. [Accessed on December 21, 2020]

⁷ Nursing Home Compare is a federal resource of the Centers for Medicare and Medicaid (CMS) that contains detailed information about nursing homes nationwide. It presents publicly available standardized quality information and provides information on how well Medicare- and Medicaid-certified nursing homes provide care to their residents.

Analysis: Health Equity and SDoH

The DoN Staff's review assessed the Proposed Project's impact on equitable access to care. Staff finds that the Applicant has sufficiently outlined a case for improved health outcomes and health equity at a high level.

Factor 1: c) Efficiency, Continuity of Care, Coordination of Care

Continuity and Coordination of Care

The priests who make up the Applicant's Patient Panel generally receive fragmented care before coming to Campion. The medical director at Campion serves as the primary care physician for a majority of the residents, though some residents may choose to have an outside primary care provider. Campion provides both rest home and skilled nursing care and is committed to providing a continuum of care in a facility that promotes optimal functional ability and interdisciplinary care. Priests who come for a low level of care may be served in the rest home unit, and as they age, or their needs increase, can be transferred to the skilled nursing unit.

For short-term residents and those residents who go offsite for treatment, the Applicant states it will ensure continuity and coordination of care through its discharge process in coordination with healthcare services at Jesuit academic institutions or, if required, with a hospital or community-based specialty provider. For Campion residents who require hospital level care, the Applicant's medical director or the nurse practitioner will coordinate with the hospital, including any community-based specialist (e.g., cardiologist, neurologists, surgeons) required and implement their recommendations into the resident's care plan. For short-term residents receiving rehabilitation who serve as priests at Jesuit academic institutions, the Applicant will coordinate with nurses or health services at the resident's Jesuit college or university where the resident will return upon discharge.

Efficiencies in Care

The Applicant states that updating to a modern, skilled nursing facility will increase efficiency resulting in improved health outcomes and quality of life for priests. Increased access to needed skilled care, which includes intravenous therapy, wound care, skilled observation, and assessment, will allow Campion to provide a high standard of medical and nursing care to its residents with chronic conditions or higher acuity, more serious medical conditions, or post-operative care. The Applicant is committed to ensuring that it foster an environment that promotes optimal functional ability and interdisciplinary care.

Analysis

Staff finds that the Applicant's care coordination and discharge processes will contribute positively to efficiency, continuity, and coordination of care. Care coordination needs for residents in long-term care facilities are particularly important. This care often involves points of transition where residents, their families, and other informal caregivers are vulnerable to failures in coordination.^e These moves are particularly difficult for residents with dementia.^f Providing support for transitions to multiple facilities for a patient population with mental and memory disorders and physical conditions is critical.^g

Staff concurs that the facility's collaboration with medical directors and nurses at academic institutions on care transitions and other supports for residents discharged back to the community is appropriate.

Factor 1: d) Consultation

The Applicant has provided evidence of consultation, both prior to and after the Filing Date, with all government agencies that have licensure, certification, or other regulatory oversight, which has been done and will not be addressed further in this report.

Factor 1: e) Evidence of Sound Community Engagement through the Patient Panel

The Department's Guideline⁸ for community engagement defines "community" as the Patient Panel and requires that, at minimum, the Applicant must "consult" with groups representative of the Applicant's Patient Panel. Regulations state that efforts in such consultation should consist of engaging "community coalitions statistically representative of the Patient Panel."⁹ Campion's community and Patient Panel focuses only on priests, specifically those who are part of the USA East Province.

The Applicant stated that those consulted are from the same community from which the Patient Panel originates and thus represents the facility's Patient Panel. The Applicant:

- Engaged with the Jesuits in residence at Campion; and
- Held discussions with the USA East Province, Jesuit leadership, including the Provincial and the Provincial Assistant who oversees the Jesuits health care administration.

Analysis

Staff reviewed the information on the Applicant's community engagement and finds that the Applicant has met the minimum required community engagement standard of Consult in the planning phase of the Proposed Project.

Factor 1: f) Competition on price, total medical expenses (TME), costs and other measures of health care spending

The Applicant asserts that the Proposed Project will compete on the basis of price, total medical expenses (TME), provider costs, and other recognized measures of healthcare spending. As mentioned earlier, the Applicant provides services to a unique population, Jesuit priests, and is the only skilled nursing facility serving the priests who are part of the USA East Province community. The Applicant's goal is to ensure the priests have access to the skilled nursing services they need in an apostolic community setting. Through access to these services, Campion will be able to improve health outcomes, thus reducing hospitalization. It is noted that the Applicant receives a province subsidy from the Society of Jesus annually in an amount necessary to offset the excess of budgeted expenses over revenue, and the Society intends to continue this support to sustain the Applicant, as long as needed.

Analysis

The Proposed Project has the potential to improve health outcome of the Patient Panel, which can help to reduce the total costs of care.

Description of Suggested Conditions, FACTOR 1

As a result of the information provided by the Applicant and additional analysis, staff finds that the Applicant has demonstrated that the Proposed Project meets Factors 1(a-f).

Factor 2: Cost containment, Improved Public Health Outcomes and Delivery System Transformation

Cost Containment

The applicant states they will provide person-centered care and allow their residents, the Jesuit priests, to receive a full continuum of care at Campion's skilled nursing facility. At Campion their priest-residents can

⁸ Community Engagement Standards for Community Health Planning Guideline. <https://www.mass.gov/doc/community-engagement-guidelines-for-community-health-planning-pdf/download>

⁹ DoN Regulation 100.210 (A)(1)(e). <https://www.mass.gov/files/documents/2018/12/31/jud-lib-105cmr100.pdf>

receive the necessary rehabilitation, medical care and psychosocial supports that improve health outcomes. With the addition of 12 Level II beds, Campion will be able to provide their residents appropriate higher level of care that otherwise would have led to residents receiving care in a hospital setting or another facility that may not be able to address the spiritual and social needs of this unique population. The Proposed Project will enable Campion to continue to align with the cost containment goals of Massachusetts by contributing to residents' improved health outcomes resulting in reduced hospitalization and burden on the health care system by retaining their residents on campus and not occupying beds in other skilled nursing facilities that are open to the public.

Analysis: Cost Containment

Staff finds that the Applicant has adequately explained how it aligns with cost containment goals. According to the American Geriatrics Society (AGS), using a person-centered care model for adults with complex health and daily living needs can improve healthcare effectiveness and efficiency.^h A study demonstrated that costs of care for patients with chronic heart failure who received person-center care was lower than conventional care.ⁱ Staff notes that Medicaid is the most important payer for nursing homes, covering a greater proportion of costs than individuals and families pay out-of-pocket.^j In CY 2017, Medicaid financed 30% of all nursing home care nationwide;^k this rate is slightly higher for Campion, 36% for CY 2019.

Improved Public Health Outcomes

The applicant stated that upon completion of this Proposed Project, aging residents will have increased access to a skilled nursing facility and will thus receive care across the continuum at Campion. Additionally, the Proposed Project has been designed to increase infection control. As the facility has not had any renovations in 25 years, the Proposed Project will allow for building system upgrades enhancing infection control measures. Further, the new single-occupancy rooms will help Campion meet the standards of care and infection control implemented in Executive Office of Health and Human Services' (EOHHS) Nursing Facility Accountability and Support Package 2.0.

Analysis: Public Health Outcomes

The 2020 Report of Massachusetts Nursing Home Task Force^l noted the importance of:

- Having quality nursing facilities and rest homes available for those who need these levels of care, and
- Promoting high quality care in nursing and rest homes.

It is clear that the Applicant intends to continue its quality care through increased access to a skilled nursing facility. Further, creating new private rooms will enhance infection control at Campion.

It is important to note that as the population ages, there will be an increasing reliance on all types of Long-Term Services and Supports (LTSS).^{m,10} As a part of the continuum of LTSS, it is critical to continue to support high quality nursing facilities. This Proposed Project will ensure that appropriate LTSS are accessible for priests, the specific population the Applicant serves.

Delivery System Transformation

Campion and the greater Jesuit community on campus foster a space for priests and serve the necessary social and mental needs. The Applicant notes that for discharged short-term residents, it will coordinate with a nurse at the college or university where the priest serves for any needed follow-up care or social determinants of health. The Applicant will also coordinate with a hospital or community-based specialty provider if the residents require such services.

¹⁰ Long-term services and supports (LTSS) encompass a variety of health, health-related, and social services that assist individuals with functional limitations due to physical, cognitive, or mental conditions or disabilities.

Analysis: Delivery System Transformation

Central to the goal of Delivery System Transformation is the integration of social services and community-based expertise. The Applicant described how residents will be linked to care at Jesuit academic institutions. This has the potential to improve the continuity of care when shorter-term residents are discharged back to the community or receive care in other settings. As a majority of Campion's residents are long-term, with the Proposed Project, Campion can provide the appropriate psychosocial support and address social determinant of health needs, including nutrition and stable housing on campus. Further, Campion provides an atmosphere for priests to retire and age in a community with their fellow brothers and carry out their spirituality, preventing isolation and contributing to improved mental and physical well-being.

Summary, FACTOR 2

As a result of information provided by the Applicant, staff finds that the Applicant has demonstrated that the Proposed Project meets Factor 2.

Factor 3: Relevant Licensure/Oversight Compliance

The Applicant has provided evidence of compliance and good standing with federal, state, and local laws and regulations and will not be addressed further in this report.

Factor 4: Demonstration of Sufficient Funds as Supported by an Independent CPA Analysis

Under factor 4, the Applicant must demonstrate that it has sufficient funds available for capital and operating costs necessary to support the Proposed Project without negative effects or consequences to the existing Patient Panel. Documentation sufficient to make such finding must be supported by an analysis by an independent CPA. The Applicant submitted a CPA report compiled by Clifton Larson Allen.

The USA East Province of the Society of Jesus is committed to funding the conversion of the 12 Level IV rest home beds to Level II skilled nursing beds and subsidizing the Applicant's operations at levels consistent with previous subsidy. The subsidy offsets the excess of budgeted expenses over revenues from operations and funding for capital expenditures. The Society of Jesus provided a letter of support in the application.

The CPA analysis included a review of numerous documents, including underlying assumptions prepared by management, in order to form an opinion as to the feasibility of the Proposed Project included reports:¹¹

- Independent Accountant's Compilation Report and Projected Financial Statements¹²
 - Years ending December 31, 2020 through December 31, 2024
- Benchmarking Management's Projected Financial Analysis
 - Years ending December 31, 2020 through December 31, 2024

The CPA report projected revenue is based on interim financial data and historical operations¹³ with adjustments made for additional COVID-19 expenditures,¹⁴ known changes, and governmental reimbursement rates.¹⁵ Projected payer-mix remain consistent with historical performance. The projected

¹¹ The Applicant stated that it provided to reports in order to comply with the requirements at is outlined in Factor 4 of the DON Regulation (compilation performed in accordance with the attestation standards established by the American Institute of Certified Public Accountants (AICPA) and various financial information which may not be addressed in the compilation) and to provide the Department with a complete financial picture of the Proposed Project.

¹² Financial Statements: Projected Statements of Financial Position, Projected Statements of Activities, Projected Statements of Changes in Net Assets, Projected Statements of Cash Flows, and Summary of Significant Projection Assumptions and Accounting Policies.

¹³ Operating revenue from skill nursing and residential care facilities

¹⁴ 2020 and 2021 (Jan-Aug 2021)

¹⁵ 2% general inflation.

occupancy rate remains consistent with historical data and accounts for higher occupancy after the Proposed Project completion. Results of the project may be significantly impacted if they are unable to achieve their current criteria.

The CPA also reviewed the Applicant's projected operating expenses and states that those projections are based on financial data and historical experiences. Overall, the majority of expenses are projected to increase 2% annually, except for property rent and COVID-19 adjustments.¹⁶ Since the Applicant expects a larger patient volume at Campion after the Proposed Project completion there are anticipated increased costs attributed to additional nursing staff and increased dietary and housekeeping costs.

The CPA reported on Campion's actual and projected Earnings before Interest, Depreciation, and Amortization (EBIDA).¹⁷ The projected EBIDA is "consistent with management's intention to operate with a similar structure and maintain performance levels consistent or slightly improved from prior years, thus not impacting care of the patient panel." Further, "management has no significant plans to materially alter the operating structure or impact the care of the patient panel."

With the CPA analysis, staff has determined that the Applicant has provided sufficient documentation of 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 Patient Panel.

Factor 5: Assessment of the Proposed Project's Relative Merit

The Applicant considered two alternatives to the Proposed Project: maintain the status quo or complete the Proposed Project and license the 12-level II beds for a new Dementia Special Care Unit (DSCU).

- The Applicant states that forgoing the Proposed Project and continuing to operate as it currently does would not meet the existing demand for skilled nursing services for the patient panel. It would cause operational inefficiencies and impact access to and quality of care.
- The Applicant states that pursuing the second alternative is more expensive as it would require the hiring of additional clinical staff to manage the DSCU. As per state regulations for long-term care facilities, DSCU are required to be equipped with electronic locks on the doors located on its perimeter.¹⁸ The Applicant noted that residents would not be receptive to a locked unit, and believe that Campion would no longer feel like home. The Applicant also determined that the need for general long-term and short-term skilled care outweighs the need for a dementia care unit.

Staff agrees that the above alternative of creating a Dementia Special Care Unit will not adequately and appropriately address Patient Panel needs. Campion has multiple mechanisms in place to ensure residents with dementia receive appropriate care including developing a behavioral health care plan working in collaboration with neuropsychiatrists, dementia training for all staff, and maintaining higher than average staff ratios. Further, the Applicant states they will be able to meet the needs of all residents, including those with dementia. As a result of information provided by the Applicant and additional analysis, staff finds the Applicant has reasonably met the standards of Factor 5.

Factor 6: Fulfillment of DPH Community-based Health Initiatives Guideline

The CHI contribution will be \$112,165.59 paid in two equal payments with the first payment due at the time of receipt of a duly-approved Notice of Determination of Need (or upon receipt of a payment letter from DPH), and the second, on the first anniversary of the Notice.

¹⁶ Including increases in salaries.

¹⁷ EBIDA is a measure of a company's operating performance.

¹⁸ 105 CMR 150.000: Standards For Long-Term Care Facilities. <https://www.mass.gov/files/documents/2018/03/27/105cmr150.pdf>

Contact for submitting contribution to the Massachusetts Healthy Aging Fund:

To comply with the obligation to contribute to the Massachusetts Healthy Aging Fund, please submit a check for \$56,082.80 to Health Resources in Action (the fiscal agent for the Massachusetts Healthy Aging Fund) within 30 days from the date of this Notice of Approval. Please notify DPH (CHI contact staff) when the payment has been made. Payment should be sent to:

Health Resources in Action, Inc., (HRiA)
2 Boylston Street, 4th Floor
Boston, MA 02116
Attn: Ms. Bora Toro

Findings and Recommendations

Based upon a review of the materials submitted, Staff finds that the Applicant has met each DoN Factor for the Proposed Project and recommends that the Department approve this Determination of Need, subject to all applicable Standard Conditions.

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