



# Massachusetts Department of Public Health

## Determination of Need

### Application Form

Version: 11-8-17

Application Type: Long Term Care Substantial Capital Expenditure Application Date: 11/28/2017 10:14 am

Applicant Name: Marquis Health Services, LLC on behalf of NEB Operator LLC

Mailing Address: 70 Fulton Street

City: Boston State: Massachusetts Zip Code: 02109

Contact Person: Denise Soucy Title: Director

Mailing Address: 300 Crown Colony Drive, Suite 310

City: Quincy State: Massachusetts Zip Code: 02169

Phone: 6179848100 Ext: 8163 E-mail: denise.soucy@claconnect.com

## Facility Information

List each facility affected and or included in Proposed Project

1 Facility Name: North End Rehab & Nursing Center

Facility Address: 70 Fulton Street

City: Boston State: Massachusetts Zip Code: 02109

Facility type: Long Term Care Facility CMS Number:

## 1. About the Applicant

1.1 Type of organization (of the Applicant): for profit

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.

We write on behalf of Marquis Health Services, LLC, (the Applicant”) who is seeking a Determination of Need (“DoN”) approval to renovate their property at 70 Fulton Street, Boston, MA 02109. The application includes renovations to most areas of the facility including converting 50 resident rooms to private rooms, creating a state of the art gym and equipment upgrades. The estimated maximum capital expenditure associated with this project relating to work to be done is \$6,182,921 (July 2017 dollars)

#### Background

On March 3, 2017 the Applicant, Marquis Health Services, LLC, acquired the real estate associated with Spaulding Nursing and Therapy Center – North End. As part of the agreement, the acquisition of the license and the Nursing Home Operations occurred on November 1, 2017 after Spaulding completed construction and opened their Brighton facility. As a matter of background, Spaulding North End which was under the Partners system, has been the only post-acute and long term care option for the North End Boston Community since 1983. Spaulding states that in 1983, in response to the needs and requests of the community, the North End Community Health Center opened the North End Nursing Home (now called the Spaulding Nursing and Therapy Center North End) to ensure a continuum of care, allowing for the monitoring, coordination and access to culturally competent care by the same providers through a patient’s lifecycles and care needs. In partnership with the Health Center, Nursing Home patients continued to be provided with primary care, dental, podiatry, mental health, laboratory and vision services.

When Partners recently announced the intent to close both of their Skilled Nursing Facilities in the North End and in West Roxbury, and to open a new facility in Brighton, the North End Community petitioned Partners not to close the North End facility; and to rather work on finding a provider who would continue to operate and maintain the facility as a Skilled Nursing Facility for the North End community.

Marquis Health Services, with a solid presence of 10 Skilled Nursing Facilities in New England, and a reputation for being a leader in the industry and at the forefront of Healthcare Reform entered the picture. Upon multiple meetings with Partners management, Marquis Health Services was the provider that Partners chose to work with in this endeavor to transition the center to new management and ownership. Marquis Health Services is one of the Northeast’s leading providers in Subacute Rehabilitation & Skilled Nursing Facilities. As the healthcare subsidiary of the three-generation family-owned organization Tryko Partners, Marquis Health Services has been helping patients live the best possible lives within their facilities through a wide-range of exceptional rehabilitative services. Through their dedication to quality of care and unparalleled customer service, Marquis Health Services successfully transforms facilities into modern, impressive rehabilitation and long-term care centers that families can be proud to send their loved ones to.

#### Facility Information

Spaulding North End was a 140 bed Skilled Nursing Facility. Marquis Health Services will maintain the North End name for the North End Community, and will operate the facility as North End Rehabilitation and Healthcare Center. The constructed bed capacity will be reduced from 140 to 100 beds and Marquis sees the reduction of beds to 100 as an advantage, as this will offer them the ability to now create 50 Private rooms on all three floors, both for short and long term patients. Under Marquis, the property will be licensed for 100 patients, including 70 beds for long-term residents and 30 beds for short-term rehabilitation patients. The constructed bed capacity reduction from 140 to 100 beds was part of the Determination of Need Application filed by FRC, Inc. involving Spaulding Rehabilitation Network’s West Roxbury facility and their move to the Brighton facility. FRC requested and it was approved by the Department to add an additional 30 beds to the Brighton license in recognition of the Applicant’s voluntary surrender of 40 beds on the North End Facility license. This surrender of beds will result in a 100 bed North End Facility and an overall 10 bed reduction in possible bed capacity among the Brighton facility and the North End facility.

The increase in these private rooms will offer the community additional private room access and amenities for those in the community. In addition, it will also offer the opportunity to create an environment intended to enhance a higher quality of life for their patients with the following renovations;

Create a new rehab gym on the lower level, which will be 3,500 sq. feet, 5 times the size of the existing gym, along with state of the art therapy equipment.

Renovate all public and common areas, including hallways and day rooms.  
Renovate all resident rooms.  
Renovate all shower/tub rooms.  
Renovate the nursing stations and enhanced ability to accommodate Physician's needs.  
Renovate dining areas for a more enhanced dining experience.  
Install Piped-in- Oxygen for higher acuity resident needs.

## 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

### 4. Conservation Project

4.1 Are you submitting this Application as a Conservation Project? ☐ Yes ☒ No

### 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:** Long Term Care Substantial Capital Expenditure

12.1 Total Value of this project:

\$6,182,921.00

12.2 Total CHI commitment expressed in dollars: (calculated)

\$185,487.63

12.3 Filing Fee: (calculated)

\$12,365.84

12.4 Maximum Incremental Operating Expense resulting from the Proposed Project:

(\$9,474,790.00)

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 1: Applicant Patient Panel Need, Public Health Values and Operational Objectives

##### F1.a.i Patient Panel:

Describe your existing Patient Panel, including incidence or prevalence of disease or behavioral risk factors, acuity mix, noted health disparities, geographic breakdown expressed in zip codes or other appropriate measure, demographics including age, gender and sexual identity, race, ethnicity, socioeconomic status and other priority populations relevant to the Applicant's existing patient panel and payer mix.

1. The Northend facility currently serves the Northend of Boston post acute needs in a variety of ways:

a. Being the only post acute nursing center in the Northend, it serves the community for both short and long term care needs. They are currently operating approximately 50% short term and 50% long term patients in the facility.

b. Previously being affiliated with the Partner's Hospital system - they were one of their primary skilled nursing facility's that Partner's Hospitals referred to. Massachusetts General Hospital, a member of the Partners Health System was Spaulding Northend's primary referral source. Being 1 mile from Massachusetts General Hospital it allows patients who require follow-up appointments at Mass General, a facility close by to access their care rather than have to transport a much greater distance in other parts of the city or outside of the city.

c. They currently take very clinically complex patients that otherwise are not accepted at other skilled nursing facilities.

d. They also serve a need for Partner's as a location to care for those patients who are under insured or uninsured.

e. Operations of the facility were officially transferred to Marquis Health Services on October 28, 2017. With this transition, 32 residents chose to transfer to Spaulding's Brighton Facility. This creates an opportunity for Marquis to immediately enhance its patient programming. For example, it will introduce cardio-pulmonary and stroke recovery programs with the intent to strengthen clinical outcomes for both short- and long-term skilled nursing patients.

f. Several of the company's properties already maintain Accountable Care Organization partnerships with Partners' Mass General and Brigham and Women's hospitals and, separately, Beth Israel Deaconess Care Organization, Steward Health Care Network, UMass Memorial Health Care, South Shore Health System and Atrius Health.

2. Aside from currently being an option for care in the North End, Partners has utilized Spaulding North End as an option for the transition of the higher acuity patients due to clinical needs or financial barriers. In meetings with the local hospitals in the area, and with the partnership of Partners Health Care, Marquis will continue to accommodate higher acuity patients, but will also serve the needs of the long term care community with the split of the 100 beds of 70 long term and 30 short term. Therefore, in addition to the actual physical renovations that they plan on making, they enter this new facility with the following goals to help promote the rehabilitation of their residents back to their prior level of function. They intend to bring in Specialty Physicians, Clinicians, and a Subacute Medical Director, as Marquis Health Services standard model of care. Specialization is expected to include Specialty Programs such as a Cardiology program, a Pulmonary/Stroke Program, as well as the possibility of a Specialty Dementia Program in the future. The Applicant does not anticipate that these proposed changes will impact their patient panel negatively and does not anticipate a change in patient or payer mix nor do they anticipate any additional health care costs. Payers for the patient panel include Medicaid, Medicare, Private Pay, and third party payers and other than the increase in the capital portion of the Medicaid rate and the usual slight annual increase in private rates no other increases are expected.

##### F1.a.ii Need by Patient Panel:

Provide supporting data to demonstrate the need for the Proposed Project. Such data should demonstrate the disease burden, behavioral risk factors, acuity mix, health disparities, or other objective Patient Panel measures as noted in your response to Question F1.a.i that demonstrates the need that the Proposed Project is attempting to address. If an inequity or disparity is not identified as relating to the Proposed Project, provide information justifying the need. In your description of Need, consider the principles underlying Public Health Value (see instructions) and ensure that Need is addressed in that context as well.

Given that Partner's will be relocating 40 of the licensed beds to their Brighton location, there will be an immediate need to renovate the beds to the new operating license. Marquis' intends, through this process to create more private rooms on all three units. These private rooms will better serve both the short and long term patient population, providing a higher amenity for the local community, but also easier access to care from the acute care hospitals for patients requiring private rooms due to behaviors, medical equipment, or infection management.

Health Trust Appraisal Analysis Statistics: December 6, 2016 (Market Summary)

	Boston, MA	Primary Markets	Secondary Markets
Annual Rate Growth	2.2 %	2.7 %	2.6 %
Majority NC			

Occupancy	90.1 %	87.4 %	86.8 %
Units Under Construction	125	4,090	2,245
Construction as % of Supply	0.4 %	0.7 %	0.7 %
Average Daily Rate	\$407	\$304	\$280
Annual Rate Growth	2.4 %	2.8 %	2.4 %

Key observations within the market include:

- Skilled nursing occupancies are higher compared to the primary and secondary markets.
- Construction as a percent of supply and units under construction for skilled nursing are significantly lower compared to both markets.
- Skilled nursing daily rates are higher compared to the 31 largest metro areas and the next 69 largest metro areas. However, we note the annual rate growth is lower compared to the primary market and similar to the secondary markets.

F1.a.iii **Competition:**

Provide evidence that the Proposed Project will compete on the basis of price, total medical expenses, provider costs, and other recognized measures of health care spending. When responding to this question, please consider Factor 4, Financial Feasibility and Reasonableness of Costs.

We will be the only SNF in the Northend. There are a number of other SNFs in the Greater Boston Area that do compete and have had significant renovations; including the new Brighton location that Spaulding is creating. And as the Applicant focuses on a higher acuity patient, they will continue to impact those patients that potentially have otherwise only gone to an LTACH – reducing medical costs of care.

PMA Supply Analysis from Health Trust: December 6, 2016

In terms of measuring the PMA supply, while the Applicant considered management’s opinion of primary competition, they have only included units in the PMA that house seniors that are comparable to the subject. Consequently, they have excluded those facilities considered to be “mom and pop”, generally containing less than 25 beds or operating out of a skilled nursing wing.

SNF Supply (PMA) Table - See Attachment #1

They have concluded the PMA as a polygon due to the unique surroundings and setting of the subject. They were unable to obtain information from the properties in the PMA due to nondisclosure reasons. Facilities in the PMA range from 89 beds to 344 with an average occupancy of 90.8%.

Characteristics of Pipeline Activity

Based on their discussions with market participants and local zoning officials, we are unaware of any proposed properties being considered within the subject’s PMA.

Competitive Market Supply - See Attachment #1

Additionally, they have more closely examined the following properties that they, have identified as being the subject’s primary competition:

- Chelsea Center
- The Bostonian Nursing Care & Rehabilitation
- Don Orione Skilled Nursing and Rehabilitation
- East Pointe Rehabilitation & Skilled Care Center
- Laurel Ridge Rehab and Nursing Center
- The Edgar P. Benjamin Healthcare Center

Competitive Market Supply Graph - See Attachment #1

The Applicant believes the project will compete on the basis of price, total medical expenses, provider costs and other recognized

measures of health care spending as indicated in Factor 4.

**F1.b.i Public Health Value /Evidence-Based:**

Provide information on the evidence-base for the Proposed Project. That is, how does the Proposed Project address the Need that Applicant has identified.

The public hearings forced Partner's to work with a provider to keep the facility open as a SNF is evident. Please see Attachment #4 which shows the numerous signatures of community support to keep the North End facility operating as a SNF.

In addition, the Applicant has had multiple meetings, with the Partner's system and there is a need for the North End center to continue to be a major referral site for the Partner's network, though it will not remain in the system.

Prior to making this agreement with Partner's to obtain ownership of the North End SNF, Marquis hired experts to evaluate the business proposal and the Health Trust Appraisal Analysis Conclusion: December 6, 2016

As Currently Improved:

Financially Feasible: Both physical and legal issues were discussed previously in the highest and best use, as if vacant scenario. Demand within the subject's market area is considered to be adequate for the existing units, as presented in the previous analysis. Hence, they feel that continued operation of the subject is economically feasible.

Maximally Productive: It is clearly apparent that the subject is worth more as an operational enterprise than it would be were the improvements demolished and the land sold separately. As previously discussed, no other uses were considered feasible. The subject's existing improvements do meet the first three criteria for highest and best use; hence, they are also considered to represent the maximally productive use of the site. Therefore, they conclude that the subject's highest and best use "as currently improved," is to continue operation of the Skilled Nursing Facility.

Revenue Summary

Overall, the upon completion analysis reflects significant capital upgrades that are to be taken by the buyer upon end of the lease period, the most significant for this premise being the change in operations having to do with the increase in Medicare and managed care census, both of which are viewed positively in the market.

The larger increase in revenues is set to result from the introduction of the new state of the art therapy gym. Operations are expected to stabilize in Year 3. The overall revenue will remain relatively the same due to reduction of 40 beds, but the revenue per resident day will increase substantially.

These analyses are summarized on the following pages:

Summary or Revenue Projection Tables - See Attachment #2

Medicare Demand Analysis

Another important factor in analyzing the skilled nursing industry is the availability of Medicare payors within the market due to the impact of a facility's Medicare census on a property's bottom line. In order to analyze the availability of these payors, they have surveyed the number of discharges from the likely demand sources (Hospitals) within the subject's market, as follows:

Between the local hospitals, there are 159,317 Medicare days generated for skilled nursing facilities; they note that as a whole, the PMA captures 79,042 days (49.61%), which is appropriate for a larger MSA, such as the subject market.

Medicare Demand Analysis Table - See Attachment #3

Under the Partner's Operation, the business and operational model for Spaulding Northend was to focus primarily on Partner's system affiliated hospitals as their primary referral sources.

Based on CMS 2015 Medicare Claims Data, Spaulding Northend received the majority of their admissions and claims from Partner's affiliated hospitals:



Referring Hospital: Number of Claims: Number of Admissions: % of Volume:

(Partners Hospitals)	Number of Claims:	Number of Admissions:	% of Volume:
Massachusetts General Hospital	609	327	87.4%
Brigham and Women's	68	14	3.7%
(Non-Partners Hospitals)			
Boston Medical Center	Less than 11 claims – not quantified		
St Elizabeth's	Less than 11 claims – not quantified		
New England Baptist	Less than 11 claims – not quantified		
Tufts Medical Center	Less than 11 claims – not quantified		

The Marquis Business Model is to collaborate with all hospital systems and position the North End Rehabilitation Center as a provider of choice for the community and all major hospitals; specializing in clinical programming, determined through needs assessments, and partnering with hospital partners for clinical training, oversight, and program development.

Based on CMS 2015 Medicare Claims Data, there are 4 major hospitals that are targeted partners.

Hospital:	Specialty:	Rank in Admission Volume:	# of Admissions in Specialty:	% Volume:
Mass General (Partner's)	Oncology	1	588,047	18.4%
	Cardiology	5	153,900	4.8%
	Pulmonary	15	43,831	
Brigham (Partner's)	Internal Medicine	1	398,236	19%
	Cardiology	4	160,564	7.7%
	Pulmonary	12	43,191	2.1%
Tufts	Internal Medicine	1	142,638	15.5%
	Cardiology	3	72,963	7.9%
	Pulmonary	13	18,671	2%
Boston Medical	Internal Medicine	1	186,430	15.7%
	Cardiology	5	71,955	6.1%
	Pulmonary	12	25,163	2.1%

Complex Medical (Internal Medicine) is the overarching need in all the hospitals, and many of this patient population also carry secondary Cardiac and Pulmonary Diagnoses.

Discovery / Needs analysis meetings have been held with most of the major hospitals in Boston to discuss current use and access to Spaulding Northend and future needs to access at North End Rehabilitation and Healthcare Center, as well as, local community needs. (activity not exclusive to dates below)

5/20/17 - Dr O'Malley and Dr Vicki Jackson, MGH  
6/5/17 – Dr Foster – Northend Community Health Center  
6/28/17 – Spaulding Northend Family Meeting  
6/28/17 – Spaulding Charlestown  
7/18/17 – Northend Community Meeting  
7/28/17 – Spaulding Northend Family Meeting  
7/25/17 – Nazarro Center  
7/25/17 – ABCD Northend and Westend Council on Aging  
7/25/17 – Spaulding Cambridge  
8/2/17 – Mass General  
8/9/17 – Dr Pu – Partner's Population Health  
8/9/17 – Northend Steering Committee – which fought to keep the center operating as a skilled nursing facility  
8/10/17 - Brigham and Women's  
8/15/17 – Mass Eye and Ear  
8/30/17 – Tufts Medical Center  
9/6/17 – Mass General  
9/24/17 – Tufts Medical Center  
10/10/17 – Northend Waterfront Community Center Meeting – Nazarro Center

\*Note: There has been a market change that has impacted the access of higher acuity post acute beds with the closing of Curahealth Peabody and Curahealth Boston LTACH's



The meetings with Partner's system has recognized an ongoing need to utilize the Northend as a discharge disposition to geography, patient choice, and close access to the hospitals.

The meeting with Spaulding Charlestown identified a need for a skilled nursing facility to have an expansive Rehab Department and state of the art equipment that mimics their care and treatment, specifically suspended ambulation system, and weight supportive devices.

The meeting with Spaulding Cambridge on 7/25/17, identified a new need for a skilled nursing facility to take LVADs (cardiac), as they do not have a post acute option for discharge and they remain there longer than necessary.

Dr Bonnell from Spaulding Cambridge is joining the North End Rehabilitation Medical Team, as subacute Medical Director.

The meetings at Tufts Medical Center on 8/30/17 and 9/24/17 also identified a need for a skilled nursing facility to accommodate LVADs, due to Curahealth Boston closing and them having a care coordination partnership with that patient population, and also having limited access to get those patients to Spaulding Cambridge, and Spaulding prioritizes their system patients first. Coordination of education and service alignment with Tufts Medical Center is in process.

The meetings at Mass Eye and Ear, Tufts Medical Center, Mass General, Spaulding Cambridge, all identified the need to a skilled nursing facility down town for patients to remain close to the hospital for their follow-up appointments at the hospital prior to discharging closer to their home to provide easier access to follow-up and care.

The Community Meetings with the Family meetings, Community Centers, and Northend Community Health Center identified continued need for skilled nursing facility care and access within the Northend community.

**F1.b.ii Public Health Value /Outcome-Oriented:**

Describe the impact of the Proposed Project and how the Applicant will assess such impact. Provide projections demonstrating how the Proposed Project will improve health outcomes, quality of life, or health equity. Only measures that can be tracked and reported over time should be utilized.

Impact of the project will be assessed through referral and admission volume, conversion ratios, census occupancy and mix, Resident Admission Questionnaires, and Customer Satisfaction Surveys.

CMS STAR rating, and expansion of referral base to non Partner's affiliated systems, as well, as maintaining or growing referrals from the Partner's Health System

**F1.b.iii Public Health Value /Health Equity-Focused:**

For Proposed Projects addressing health inequities identified within the Applicant's description of the Proposed Project's need-base, please justify how the Proposed Project will reduce the health inequity, including the operational components (e.g. culturally competent staffing). For Proposed Projects not specifically addressing a health disparity or inequity, please provide information about specific actions the Applicant is and will take to ensure equal access to the health benefits created by the Proposed Project and how these actions will promote health equity.

As stated above, the creation of more private rooms in the center will allow for easier access to care at the center related to cohorting and infection management. The expansion of common space and a new Rehab gym will also offer an improved environment for social time and care delivery.

The Northend community has referenced patients in their families who have and are currently accessing care outside of the Northend in other communities because Spaulding Northend, either did not have long term care beds, or could not meet the care needs of their family members, like tracheotomy care.

Spaulding Northend currently does not have the capability of caring for new acute tracheotomies on their clinical grid. Implementing a Cardio Pulmonary Program is identified, under the care of the newly recruited Pulmonologist, Dr Ostrow to the medical team.

This will provide the opportunity to matriculate back Northend community members locally to be closer to their families. The Northend rehabilitation will prioritize care needs to local community members first.

The Nazarro Center serves all age groups of the Northend Community from Children to the elders.

The elders identified a need to have clinicians come in and offer health free health screenings. These will be offered to the community on a monthly basis, as will health care related education topics.

Intergenerational Activities will also be a key component to the community relationship in the Northend focusing on:

1. Adopt a Grandparent program
2. Educational event for children: "Understanding a Nursing Center"
3. Joint intergeneration activities
4. Activities and sponsorships to support NEAD (North End Against Drugs)
  - a. Trick or Treating Oct 2017

Implementation of Marquis' Care Navigation Program:

MARQUIS Care Navigator™ is a dedicated member of the Marquis staff who serves as the patients' main point of contact, helping them navigate the healthcare system as they transition through levels of care throughout the course of their rehabilitation.

This revolutionary patient-centered service begins at the patient's hospital bedside, with the Care Navigator remaining as the main point of contact throughout the patient's episode of care – including the first 4 weeks after the patient transitions back home.

This Program Is Designed To:

- Provide greater continuity of care for the patient, to and from different care settings
- Improve outcomes and key quality metrics
- Enhance the patients' overall care experience
- Increase communication and follow through with the patients' primary care provider
- Promote patient participation in care planning and goal setting
- Reduce medication errors
- Reduce readmissions

A Care Navigator™

- Is informed of the patient's condition(s) and rehab goals, the care updates and the options for best quality of care.
- Provides timely follow-up to patients as they return home.
- Answers the patients' calls at the first sign of post-discharge concerns.
- Explains confusing policies and helps navigate the healthcare system.
- Is responsible for maintaining the flow of vital communication among all clinicians involved in the patient's care.
- Keeps all the pieces of the patient's healthcare puzzle updated, and available to all members of the clinical team as well as the patients and their families.
- Is a responsive point of contact receiving, processing and directing feedback, questions and concerns from patients – from the initial contact at the hospital to the patients' post-rehab discharge and the first 4 weeks after transitioning back home

F1.b.iv Provide additional information to demonstrate that the Proposed Project will result in improved health outcomes and quality of life of the Applicant's existing Patient Panel, while providing reasonable assurances of health equity.

As stated above, the renovations in the center will allow for easier access to care at the center related to cohorting and infection management. The expansion of common space and a new rehab gym will also offer an improved environment for social time and care delivery, while continuing to care for residents in the community of varying acuity and socio-economic status.

F1.c Provide evidence that the Proposed Project will operate efficiently and effectively by furthering and improving continuity and coordination of care for the Applicant's Patient Panel, including, how the Proposed Project will create or ensure appropriate linkages to patients' primary care services.

The Applicant has met and continues to meet with the existing providers at the Northend location. They aim to ensure that all of the providers will continue to care for their patients at this center. They will continue to collaborate with these providers on care transitions and access to healthcare, as well as, working with the additional healthcare systems in the Boston area that are not currently affiliated.

F1.d Provide evidence of consultation, both prior to and after the Filing Date, with all Government Agencies with relevant licensure, certification, or other regulatory oversight of the Applicant or the Proposed Project.

The Applicant has met with local city and state officials throughout this planning process as well as individuals from the Department of Public Health.

F1.e.i Process for Determining Need/Evidence of Community Engagement: For assistance in responding to this portion of the Application, Applicant is encouraged to review *Community Engagement Standards for Community Health Planning Guideline*. With respect to the existing Patient Panel, please describe the process through which Applicant determined the need for the Proposed Project.

The Applicant has assessed the existing patient panel as well as conducting several meetings in a group setting in addition to one to one meetings. During these discussions the Applicant determined the need and desire from this patient panel to have renovations completed in this facility and to furthermore continue to operate in this community. Please see Attachment #4,

signed petition by the residents and the community at-large.

F1.e.ii Please provide evidence of sound Community Engagement and consultation throughout the development of the Proposed Project. A successful Applicant will, at a minimum, describe the process whereby the "Public Health Value" of the Proposed Project was considered, and will describe the Community Engagement process as it occurred and is occurring currently in, at least, the following contexts: Identification of Patient Panel Need; Design/selection of DoN Project in response to "Patient Panel" need; and Linking the Proposed Project to "Public Health Value".

The Applicant has conducted many meetings to capture Community Engagement, they have spoken with neighbors, local business people, church associations, civic groups as well as the local council on aging. See detailed listing in response to question F.1.b.i.

## Factor 2: Health Priorities

Addresses the impact of the Proposed Project on health more broadly (that is, beyond the Patient Panel) requiring that the Applicant demonstrate that the Proposed Project will meaningfully contribute to the Commonwealth's goals for cost containment, improved public health outcomes, and delivery system transformation.

### F2.a **Cost Containment:**

Using objective data, please describe, for each new or expanded service, how the Proposed Project will meaningfully contribute to the Commonwealth's goals for cost containment.

As the Applicant focuses on a higher acuity patient, they will continue to impact those patients that potentially have otherwise only gone to an LTACH - thus reducing medical costs of care. The reduction of LTACH beds in the state of Massachusetts and the continued focus of federal and state payors requires skilled nursing facilities to increase their clinical capabilities, improve their clinical outcomes, and reduce the cost of episodic care. By focusing on increasing clinical capabilities and being in downtown Boston, the applicant has access to all major hospitals and those hospitals have access to this center as a discharge disposition for higher acuity patients who may have otherwise remained in the hospital longer, or discharged to an LTACH as an additional intermediate stay. Partnering with Health Systems and ACO's also requires focus on reducing length of stay, reducing hospital readmission rates, and improving quality of care, thus reducing total cost of care. The applicant will coordinate quarterly and annual data review with ACO partners and comparing the applicant's own internal cost data as a means to validate cost containment and improve patient outcomes.

### F2.b **Public Health Outcomes:**

Describe, as relevant, for each new or expanded service, how the Proposed Project will improve public health outcomes.

The creation of more private rooms in the center will allow for easier access to care at the center but also easier access to care from the acute care hospitals for patients requiring private rooms due to behaviors, medical equipment, or infection management. The expansion of common space and a new rehab gym will also offer an improved environment for social time and care delivery. Building and relocating a new Rehabilitation Gym will allow for more patients to be treated in the proposed Rehabilitation Gym, tripling the size of the existing space allocated for Rehab. The space will allow for new state of the art Rehabilitation equipment and will include Assisted Weight Bearing Supportive devices, as requested from Spaulding Hospital Charlestown.

The addition of piped in oxygen to the beds on the fourth floor, allows for access to care for higher acuity Pulmonary patients in a skilled nursing facility in Boston.

Being close to all the major Boston Hospitals, having access to newly renovated private rooms also allows for short term accommodations for patients requiring follow-up appointments at the major Boston Hospitals, will limit transportation costs, reduced travel, and transportation trauma; improving on recovering time and effects.

As the healthcare subsidiary of the three-generation family-owned organization Tryko Partners, Marquis Health Services® has been helping patients live the best possible lives within their facilities through a wide-range of exceptional rehabilitative services. Because Rehabbing Care™ is who we are and what we do, our rapidly growing organization has distinguished itself in revolutionizing Healthcare Facilities throughout the Northeast all the while building upon the existing relationships within the local community. This includes but is not limited to area hospitals with whom we assist in revitalizing what is currently there, while leveraging our facilities' intrinsic strength and impact.

Through our dedication to quality of care and unparalleled customer service, Marquis Health Services® successfully transforms facilities into modern, impressive rehabilitation and long-term care centers that families can be proud to send their loved ones to.

### F2.c **Delivery System Transformation:**

Because the integration of social services and community-based expertise is central to goal of delivery system transformation, discuss how the needs of their patient panel have been assessed and linkages to social services organizations have been created and how the social determinants of health have been incorporated into care planning.

This facility has been operational for many years and has many linkages to provide care for their long term residents internally and for their short term patients as they discharge them back to the community. Failure to sustain the linkage to the community already established would be detrimental to delivery system as whole and disrupt overall coordination of care in the community. Every individual admitted to the SNF is assessed and services are set up as needed. The interdisciplinary care planning process includes all aspects of the patient's care including, but not limited to the, social, psychosocial, and spiritual wellbeing of each individual. Many patients may experience an illness, and may not already have services connected to their local community. Whether the individual is already service connected, or not, our seasoned care coordinators and social workers have access and relationships with local resources and supports to ensure adequate services are set up prior to discharging back to the community. In addition to existing relationships, new leadership has been integrating into the community with the Steering Committee that fought to keep the North End Nursing Center to continue operating as a skilled nursing facility in their community. Leadership has also been working with the Nazaro Center, the local community center that serves all age ranges, and the local Health Center to collaborate to support the community's needs. MARQUIS Care Navigator™ is a dedicated member of the Marquis staff who serves as the patients' main point of contact, helping them

navigate the healthcare system as they transition through levels of care throughout the course of their rehabilitation.

This revolutionary patient-centered service begins at the patient's hospital bedside, with the Care Navigator remaining as the main point of contact throughout the patient's episode of care – including the first 4 weeks after the patient transitions back home.

THIS PROGRAM IS DESIGNED TO:

- Provide greater continuity of care for the patient, to and from different care settings
- Improve outcomes and key quality metrics
- Enhance the patients' overall care experience
- Increase communication and follow through with the patients' primary care provider
- Promote patient participation in care planning and goal setting
- Reduce medication errors
- Reduce readmissions

A CARE NAVIGATOR™

- Is informed of the patient's condition(s) and rehab goals, the care updates and the options for best quality of care.
- Provides timely follow-up to patients as they return home.
- Answers the patients' calls at the first sign of post-discharge concerns.
- Explains confusing policies and helps navigate the healthcare system.
- Is responsible for maintaining the flow of vital communication among all clinicians involved in the patient's care.
- Keeps all the pieces of the patient's healthcare puzzle updated, and available to all members of the clinical team as well as the patients and their families.
- Is a responsive point of contact receiving, processing and directing feedback, questions and concerns from patients – from the initial contact at the hospital to the patients' post-rehab discharge and the first 4 weeks after transitioning back home.

### 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"/>	5-1302	09/26/1995	Conservation Long Term Care Project	Webster Park Rehabilitation & Healthcare Center
<input type="checkbox"/> <input type="checkbox"/>	6-1578	07/25/2014	Conservation Long Term Care Project	Brentwood Rehabilitation & Healthcare Center
<input type="checkbox"/> <input type="checkbox"/>	6-1595	09/29/2015	Conservation Long Term Care Project	Chestnut Woods Rehabilitation & Healthcare Center
<input type="checkbox"/> <input type="checkbox"/>	2-1594	06/04/2015	Conservation Long Term Care Project	Valley Stream Rehabilitation & Healthcare Center
<input type="checkbox"/> <input type="checkbox"/>	2-1591	03/13/2015	Conservation Long Term Care Project	River Terrace Rehabilitation & Healthcare Center
<input type="checkbox"/> <input type="checkbox"/>	3-1605	01/23/2017	Conservation Long Term Care Project	Cedar View Rehabilitation & Healthcare Center





F4.a.ii For each Category of Expenditure document New Construction and/or Renovation Costs.

	Category of Expenditure	New Construction	Renovation	Total (calculated)
<b>Land Costs</b>				
	Land Acquisition Cost			
	Site Survey and Soil Investigation			
	Other Non-Depreciable Land Development			
	<b>Total Land Costs</b>			
<b>Construction Contract (including bonding cost)</b>				
	Depreciable Land Development Cost		\$35000.	\$35000.
	Building Acquisition Cost			
	Construction Contract (including bonding cost)		\$5169528.	\$5169528.
	Fixed Equipment Not in Contract			
	Architectural Cost (Including fee, Printing, supervision etc.) and Engineering Cost		\$136000.	\$136000.
	Pre-filing Planning and Development Costs		\$65000.	\$65000.
	Post-filing Planning and Development Costs		\$43000.	\$43000.
Add/Del Rows	Other (specify)			
<input type="button" value="+"/> <input type="button" value="-"/>				
	Net Interest Expensed During Construction		\$149093.	\$149093.
	Major Movable Equipment		\$565300.	\$565300.
	<b>Total Construction Costs</b>		<b>\$6162921.</b>	<b>\$6162921.</b>
<b>Financing Costs:</b>				
	Cost of Securing Financing (legal, administrative, feasibility studies, mortgage insurance, printing, etc			
	Bond Discount			
Add/Del Rows	Other (specify)			
<input type="button" value="+"/> <input type="button" value="-"/>				
	<b>Total Financing Costs</b>			
	<b>Estimated Total Capital Expenditure</b>		<b>\$6162921.</b>	<b>\$6162921.</b>

## Factor 5: Relative Merit

F5.a.i Describe the process of analysis and the conclusion that the Proposed Project, on balance, is superior to alternative and substitute methods for meeting the existing Patient Panel needs as those have been identified by the Applicant pursuant to 105 CMR 100.210(A)(1). When conducting this evaluation and articulating the relative merit determination, Applicant shall take into account, at a minimum, the quality, efficiency, and capital and operating costs of the Proposed Project relative to potential alternatives or substitutes, including alternative evidence-based strategies and public health interventions.

### Proposal:

Maintain the North End Center operating as a skilled nursing facility in the North End section of downtown Boston.  
40 licensed beds transferred to Spaulding's Brighton location.  
North End center will operate at 100 beds.  
Renovate existing rooms and redistribute beds throughout the 3 floors of the nursing center creating 40 private rooms throughout the nursing center.  
Create addition common areas for patient and family use with the reallocation of space.  
Create an expansive Rehabilitation gymnasium.  
Create a roof-top courtyard for outdoor recreational and leisure use.  
The Applicant anticipates these changes will increase the quality of life for the residents/patients they are serving now and those they will serve in the future.

### Quality:

The Steering Committee and local community supported keeping this location operating to meet the needs of the community.  
The medical community has identified areas of opportunity for increasing clinical capabilities to care for more patients in the community that have had to go elsewhere for care.  
Feedback from local families at the community center has identified a need to matriculate people back to the North End community who are receiving care outside of the area.  
Improve on Care delivery for existing long and short term patients and clientele.  
Improve the experience for families and their loved ones.  
Improve and expand the clinical services and offerings for short and long term patients.  
Improve the environmental and amenities offerings.  
Monitor effectiveness through Satisfaction Survey results and Resident Admission Questionnaires.

### Efficiency:

Keep care in the city, close to local hospitals.  
Minimize need for excessive transportation for follow-up appointments by keeping patients local.  
Keep existing building structure versus new build.  
Monitor effectiveness through referral and conversion patterns and census trends.  
Monitor effectiveness through Medicare utilization and cost reports.

### Capital Expense:

\$6,162,921

### Operating Costs:

-\$9,474,790 - because there will be a reduction of beds in this facility and, under new ownership who will closely monitor all costs, the overall operating costs will be reduced from the previous operating costs. See Factor 5 financial statement.

List alternative options for the Proposed Project:

### Alternative Proposal:

The only alternative proposal would be to either do nothing or close the facility and neither option is ideal. To do nothing would not make the continued operation of this facility viable as it now needs to meet the needs of the market.

### Alternative Quality:

There would be no alternative quality, if the Applicant is unable to complete renovations they are unable to provide the quality of services they are proposing in this application.

### Alternative Efficiency:

There is no alternative efficiency, alterations are necessary to align this facility with the identified healthcare needs of this community as identified in this application.

**Alternative Capital Expense:**

N/A

**Alternative Operating Costs:**

N/A

[Add additional Alternative Project](#)[Delete this Alternative Project](#)

F5.a.ii Describe the process of analysis and the conclusion that the Proposed Project, on balance, is superior to alternative and substitute methods for meeting the existing Patient Panel needs as those have been identified by the Applicant pursuant to 105 CMR 100.210(A)(1). When conducting this evaluation and articulating the relative merit determination, Applicant shall take into account, at a minimum, the quality, efficiency, and capital and operating costs of the Proposed Project relative to potential alternatives or substitutes, including alternative evidence-based strategies and public health interventions.

In consideration of this project the Applicant, with its Management Team and other advisory parties considered many options to meet the existing patient panel needs, the needs of future patients and the needs of the community at large. Renovating the existing building to update the structure was found to be the only acceptable move. The only other alternative would be replacement of the existing facility but this could only be accomplished via new construction at a different site and the cost would have been more expensive and would not meet the immediate needs of the North End Community. Renovating the existing building and site is the best alternative, since it was cheaper than the total replacement, as cost effective and efficient as a new facility and the quality of life for the residents will be improved.

## 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](mailto: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
- ☐ Partnership 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: 11/28/2017 10:14 am

E-mail submission to  
Determination of Need

**Application Number: -17112810-LE**

**Use this number on all communications regarding this application.**

☐ Community Engagement-Self Assessment form