

2. Project Description

Masonic Health System of Massachusetts, Inc. (the “Applicant”), a Massachusetts not for profit corporation with Section 501(c)(3) federal tax-exemption, and with a principal place of business at 88 Masonic Home Road, Charlton, Massachusetts 01507, is filing a Notice of Determination of Need (“DoN”) with the Massachusetts Department of Public Health for a substantial capital expenditure relating to Overlook Masonic Health Center (“Overlook” or the “Health Center”), a 167-bed skilled nursing facility located at the same address as the Applicant. The Health Center is an integral part of the Applicant’s Continuing Care Retirement Community (“CCRC”) and also provides long-term care and short-term rehabilitation beds to members of the surrounding community. The proposed project is for the re-design and renovation of its post-acute care unit to accommodate 40 short-term rehabilitation beds in private rooms as well as improvements to the dining room, nurse stations, therapy rooms, and additional clinical and ancillary services on the unit, and deferred maintenance to the facility (“Proposed Project”). Through the Proposed Project, the Applicant will close 21 Level II beds resulting in 146 beds, including 28 Level IV rest home beds¹ and 118 Level II beds, of which 78 beds will be for long-term care residents and 40 beds for short-term rehabilitation residents.

The Overlook was established in 1908 by the Grand Lodge of Masons in Massachusetts to provide nursing home care for Masonic brethren and their families while promoting quality health and services statewide. The Masons’ vision also included providing a continuum of housing, community, and healthcare as part of its mission. For over 100 years, the Applicant has grown and now provides a continuum of care to seniors, from independent living to custodial and companion care, geriatric care management, skilled nursing, short-term rehabilitation, a rest home, Medicare certified home health, hospice and palliative care, adult day care and assisted living memory care to Commonwealth residents.

The Proposed Project is necessary to better align the Health Center’s services to the needs of its Patient Panel and the community. The Proposed Project will right-size the number of long-term and short-term care beds in order to provide more timely access for its members and its Patient Panel among the community in need of rehabilitation and care following an acute hospitalization stay. In addition, the Proposed Project will provide much needed renovations to improve the delivery of care, including centralized dining, expanded therapy services, adequate storage, and a more hospitable environment to promote healing and emotional well-being.

The Proposed Project will meaningfully contribute to Massachusetts’ goals for cost containment through improved access to high quality rehabilitation and skilled nursing care, in turn improving health outcomes and reducing hospital re-admissions. Moreover, improved access to rehabilitation services will allow for better throughput both within the Health Center and for the acute care hospitals who will be able to discharge patients to the right care setting more timely, in turn freeing up medical surgical beds for patients waiting in the emergency department. Through improved health outcomes for not only individuals seeking admission to the Health Center, but also those awaiting an inpatient bed, the Proposed Project will positively impact the cost growth benchmark set for the Commonwealth in furtherance of its goals of containing the rate of growth of total medical expenses (“TME”) and total healthcare expenditures (“THCE”).

In conclusion, the Proposed Project is a cost-effective solution to provide the Applicant’s Patient Panel, both those who are members of the CCRC and those who come from the community at large, with improved access to high-quality, short-term rehabilitation and long-term skilled nursing care without increasing health care costs or spending. Accordingly, the Proposed Project meets the factors of review for Determination of Need approval.

¹ The Health Center is currently licensed for 28 Level IV beds and the Proposed Project will not impact the number of rest home beds available.

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.

The Applicant operates a Continuing Care Retirement Community located in Charlton, Massachusetts.² Its campus includes a 167-bed skilled nursing facility, an independent living community, assisted living memory care unit, and an adult day health program. The Applicant provides members the opportunity to age in place, moving through the care continuum while remaining in the same community. Members often enter through the Applicant's independent living community, which offers a wellness-focused lifestyle for older adults as well as a number of amenities including meals, housekeeping, utilities, and social activities. As members' needs progress, they have the option to move into Stonebrook Enhanced Living, the Applicant's Level IV Rest Home with 28 private suites, which provides residents with 24/7 support with activities of daily living. There is also a dedicated assisted living memory care unit, which offers 14 private suites in a secure neighborhood with an emphasis on staying active and engaged through specialized programming. Furthermore, following a hospitalization, members can receive post-acute care from The Overlook's short-term rehabilitation unit as well as higher levels of skilled nursing and long-term care when needed. The Applicant also provides in-home private companion and custodial services, Medicare certified home health, and hospice and palliative care wherever the individual calls home.

For purposes of determining its Patient Panel, the Applicant reviewed The Overlook's Level II and IV resident information for calendar years³ 2021, 2022, and 2023.

Table 1: Patient Panel Demographic Data

Demographic Measure	FY2021 Count	FY2022 Count	FY2023 Count
Total	403	405	433
Age: 18 to 64	<11 ⁴	<11	<11
Age: 65+	403	405	433
Gender: Male	135	134	153
Gender: Female	268	271	280
Payor: Commercial	50	47	61
Payor: Medicare FFS	121	138	126
Payor: Managed Medicare	39	39	59
Payor: Medicaid	82	76	84
Payor: Managed Medicaid	13	12	8
Payor: EAEDC	<11	<11	<11
Payor: Private Pay	98	93	95

In 2023, the most common diagnoses for short-term rehabilitation at the Health Center were fractures, orthopedic aftercare (including joint replacement), Congestive Heart Failure, Chronic Obstructive Pulmonary Disease, Dementia, and complications related to diabetes. Short-term rehabilitation residents

² The Town of Charlton is located in southern Worcester County and has a current population of approximately 13,000. 94% of residents identify as White, with 91% identifying as White/Non-Hispanic.

³ The Applicant's fiscal year runs on the calendar year. All years presented in this Application are calendar years.

⁴ To protect patient confidentiality, categories with less than 11 patients have been counted in another related category and noted with "<11".

had a total of 7,629 days in 2023, a 31% increase from 2020 (or 17% from 2021). Moreover, the Health Center's 2023 discharges rose by nearly 50% from 2021. The majority of short-term rehabilitation residents are female (64% in 2023), are aged 65 plus (100% in 2023), and are predominately White.⁵ Based on 2023 data, the Applicant's payor mix for the short-term rehabilitation unit consists of approximately 49% Medicare Fee-For-Service, 23% Managed Medicare, 7% private pay with the remaining share of residents using Medicaid.

Table 2: Short Term Rehabilitation – Historical Utilization

SHORT TERM	2020	2021	2022	2023	% Change
Patient Days	5,805	6,511	5,427 ⁶	7,629	31.42%
ALOS	30.23	26.36	22.71	20.79	-31.25%
ADC	15.86	17.84	14.87	20.90	60.87%
Discharges	192	247	239	367	91.15%

For residents admitted for long-term care, the Applicant had a total of 35,365 resident days in 2023, down from 38,656 days in 2020. Discharges increased 41% in 2023 from 2020, resulting in a total of 140 discharges. The majority of long-term care residents are female (69% in 2023), are aged 65 plus (98% in 2023), and are predominately White.⁷ Based on 2023 data, the Applicant's payor mix for the long-term care unit consists of approximately 45% Medicaid, 35% Private Pay, 13% Commercial as well as Medicare/Managed Medicare and Managed Medicaid.

Table 3: Long Term Care – Historical Utilization

LONG TERM	2020	2021	2022	2023	% Change
Patient Days	38,656	36,321	38,022	35,365	-8.51%
ALOS	390.46	313.11	216.03	252.61	-35.31%
ADC	105.62	99.51	104.17	96.89	-8.26%
Discharges	99	116	176	140	41.41%

For both short-term and long-term residents, the following towns represent more than 80% of admissions to the Health Center in 2023: Charlton (43%), Sturbridge (11%), Southbridge (8%), Dudley (7%), Webster (7%), Oxford (4%), and North Brookfield (3%).

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.

⁵ Due to HIPAA privacy rules surrounding low counts, the Applicant is unable to provide relevant percentages with respect to race/ethnicity information for the Applicant's patient panel.

⁶ The variance in utilization reflects significant impact due to the COVID-19 pandemic.

⁷ Due to HIPAA privacy rules surrounding low counts, the Applicant is unable to provide relevant percentages with respect to race/ethnicity information for the Applicant's patient panel.

A. Overview of the Proposed Project

In order to meet its obligations to its CCRC members and the greater community, the Applicant requires sufficient capacity to provide timely access to long-term care and short-term rehabilitation. Accordingly, the Applicant has determined its current ratio of long-term and short-term beds does not adequately meet its Patient Panel needs. The Proposed Project primarily seeks to convert a space that currently houses 34 private rooms occupied by long-term care residents into a 40-bed short-term rehabilitation unit. The number of short-term rehabilitation beds will increase by 13 which is necessary to meet the need for post-acute care. This shift in bed designation is necessary to right-size the Applicant's services to address current and projected demand for short-term rehabilitation care. As a result, the Applicant will reduce the number of long-term care beds by 34, from 112 to 78 beds, as resident days and the need for long term care continue to decline. In addition, the Proposed Project will provide the Health Center with much needed renovations to improve the efficiency of care provided, the safety of the built environment, and quality of life for residents, who will call The Overlook home during their stay. Moreover, the additional bed capacity requested can be created within the Health Center's existing footprint, representing a minimally disruptive, low-cost solution that will dramatically improve the care and experience provided to and the health outcomes realized by the Health Center's residents. In sum, the Proposed Project will provide the Applicant's Patient Panel with a low-cost solution that expands access to high-quality short-term rehabilitation services in their community.

B. Need for Expanded Access to Short-Term Rehabilitation

As demonstrated in the previous section, the need for short-term rehabilitation care is outpacing the need for long term care at the facility. Over the past four years, resident days for long-term care has decreased by 8.5% while short-term resident days have increased by 31.4%. This shift will become more prominent as the population not only ages but also lives longer and seeks treatment to enable them to live independently. For example, the number of joint replacements performed annually in the United States continues to grow as the population ages and as quality of life improves as a result of the procedure.⁸ As a result of this trend, a downstream effect will be an increase in the number of individuals seeking post-acute rehabilitation to shorten their recovery and maximize their functionality to improve their overall health and quality of life. To that end, additional short-term rehabilitation capacity will be needed by the Applicant's community. The Proposed Project addresses this need by adding 13 private beds and creating a 40 bed, dedicated unit focused on the needs of residents requiring short-term rehabilitation and recovery.

With respect to the Applicant's historical and current Patient Panel, the number of CCRC members living in the Applicant's Independent Living and Assisted Living communities requiring short-term rehabilitation continues to grow. In 2022, a total of 38 members had at least one stay in the Health Center for short-term rehabilitation. The following year, the number rose to 41 and is projected to total 47 in 2024. Moreover, average daily census for the last quarter of 2023 was 23 of 27 total beds. Further demonstrating that current number of beds are not sufficient to meet the Applicant's Patient Panel, at the time of writing this application, the Health Center's census on the short-term rehabilitation unit is 25, resulting in an occupancy rate of 93%.

As discussed above, as the population ages and lives longer, more and more individuals will find themselves in need of short-term rehabilitation to recover from a hospitalization or surgery. As a result of the growing need for short-term rehabilitation, additional capacity is warranted to provide residents timely access to post-acute care in their community. Accordingly, the tables below provide projections for the first five years following the opening of the new rehabilitation unit at the Health Center.

⁸ "Significant gains in quality of life post-TJA1, an aging population, and an obesity epidemic with increasing osteoarthritis (OA) incidence are the key reasons for the rapidly increasing implementation of this procedure."
<https://www.jrheum.org/content/jrheum/early/2019/04/09/jrheum.170990.full-text.pdf>

Table 4: Short Term Rehabilitation – Projected Utilization

Short Term	Year 1	Year 2	Year 3	Year 4	Year 5
Designated Beds	40	40	40	40	40
Patient Days	11,680	13,140	13,140	13,140	13,140
Average Daily Census	32	36	36	36	36
Discharges	648	730	730	730	730

Table 5: Long Term Care – Projected Utilization

Long Term	Year 1	Year 2	Year 3	Year 4	Year 5
Designated Beds	78	78	78	78	78
Resident Days	27,010	27,010	27,010	27,010	27,010
Average Daily Census	74	74	74	74	74
Discharges	44	44	44	44	44

C. Improved Provision of Care

All of the Level II long-term care beds at the Health Center are dually certified for Medicare and Medicaid and can also be utilized interchangeably for long-term skilled nursing care or for short-term rehabilitation. By focusing individual units on either long-term or short-term care beds, staff can more efficiently and effectively serve the needs of the residents on each type of unit. As part of the redesigned and reconfigured post-acute care unit, the Applicant is focusing on creating and optimizing a resident-centered space, with a safer, more efficient environment for residents. The Proposed Project includes a full renovation of the floor to maximize the efficiency of care delivery, improve resident safety, including better visibility of resident areas, and to expand and enhance the services available to residents, including therapy, dining, and social programming. The current building was built in 1998 and has received minimal structural and cosmetic improvements in the past 25+ years. The result is a built environment that is dated and disjointed. For example, there are two dining rooms which are each in effect divided into two separate spaces, which often leads to more residents eating in their rooms, rather than sitting alone in one of the dining spaces. The renovations seek to centralize and consolidate the resident care areas and services provided, resulting in more efficient care delivery, increased safety, as well as improved quality of life and resident outcomes. In turn, the Proposed Project will provide greater throughput, further expanding access to needed short-term rehabilitation in the community. Therefore, the Proposed Project represents a cost-effective solution to expand access to high-quality short-term rehabilitation.

The new short-term rehabilitation unit will be located on the second floor of the Health Center in a space that currently houses 34 private rooms occupied by long-term care residents. In addition to expanding short-term bed capacity, the Proposed Project will feature a number of age-friendly renovations that will meaningfully improve the physical environment for residents during their stay. Such features include frosted finish lights to minimize glare, slip resistance flooring choices, contrasting color choices for walls and flooring, and ADA-accessible countertops and bathrooms.

While resident safety is the main function of the design of the new floor, the renovated unit will also create a more home-like environment to promote a sense of warmth and relaxation that will aid in each resident's recovery. Another resident-centered design is the creation of a dedicated space for residents to meet with their families privately or for families to meet with staff. Moreover, by designing and enhancing the space to mimic home and day-to-day environments, residents will be better equipped to transition home safely because of their experience at the Health Center.

A number of other design choices will be featured in the Proposed Project to further improve resident safety, care coordination and efficiency, and resident satisfaction. First, the existing space currently has one prominent nurse's station that doubles as the lobby. Due to its placement, the nurse's station only provides a view of one resident room. Moreover, its size tends to feel overwhelming to residents, limiting interactions

initiated by residents. The redesigned unit will move the nurse's station to a smaller, more personalized space across from dining, where it will invite engagement from residents who are in the area to eat and socialize. It will also include a private office for staff to discuss resident care as well as a designated medication room only accessible by key card access. Additionally, the unit will include two new resident lounges at the midpoint of each wing with adjacent nurse landing stations, which better positions staff to both see and hear residents, for enhanced safety.

Another highlight of the Proposed Project is the new rehabilitation therapy area. The existing rehabilitation room is 512 square feet and does not provide sufficient space for residents or the necessary equipment for therapy sessions. The redesigned unit will add 363 square feet to the therapy room in order to accommodate four (4) concurrent resident sessions. The rooms will also include recumbent bikes, a larger space for balance and obstacle training, and general strengthening equipment. In addition to the indoor therapy area, an outdoor space will be available for working with residents on their uneven surface mobility. Through the therapy rooms expansion and renovation, the Health Center will be able to serve a wider range of clinical conditions and therefore serve a greater number of residents.

Lastly, the new unit will centralize dining through the creation of a consolidated kitchen, dining room, and common area. The goal of this feature is multi-pronged. First, the current use of multiple small dining spaces limits the ability of residents to socialize. By centralizing dining, residents are more likely to choose to eat with others, not only increasing socialization, but also increasing a resident's daily movement as they walk to and from the dining room. Moreover, the central dining space has been designed to promote safety. The current design makes it difficult for staff to see the entire space, limiting staff interaction with residents. The new design will ensure staff can see and assist residents using the space. Lastly, the new space will include a kitchen with windows that will provide two-way visibility to residents (and staff), enabling them to watch their food being prepared and creating a restaurant-like atmosphere, promoting a sense of participation and engagement in the culinary experience. In addition, by designing the space to also host enrichment activities, such as games, movies, and music, more people are likely to congregate and socialize, leading to increased resident well-being, satisfaction, and safety.

D. Conclusion

In summary, the Proposed Project will meaningfully contribute to the availability of high-quality short-term rehabilitation services in the community. Not only will the Health Center be able to accept more residents seeking their services, improving timeliness, but also the proposed renovations will dramatically enhance the provision of services and the resident experience. The combined effect of these results is improved health outcomes such as improved functionality and mobility, decreased hospital admissions, and more adults successfully living independently in the community.

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.

The Proposed Project will compete on the basis of price, total medical expenses ("TME"), provider costs, and other recognized measures of health care spending by expanding access to short-term rehabilitation to the CCRC's members and the surrounding community. The Applicant will not increase its insurance rates for short-term and long-term care as a result of the Proposed Project. Moreover, the Proposed Project seeks to right-size the Health Center's services to match the needs within the community with the greater need for short-term rehabilitation. The Health Center anticipates greater future need for short-term rehabilitation from both its CCRC members and the community which the Proposed Project will serve to address. Lastly, through the Proposed Project's expanded access to post-acute care, hospitals will be able to discharge patients to the appropriate care setting in a more timely manner, freeing up desperately needed medical/surgical beds, and in turn reducing health care spending across the health care continuum.

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 Proposed Project will create additional short-term rehabilitation capacity in a care setting designed to promote and optimize clinical care delivery, quality of life, and health outcomes. The newly designated short-term rehabilitation beds will allow The Overlook to meet the needs of its community by providing high-quality rehabilitation services to more individuals. Because there is unmet need from the Applicant's Patient Panel for short-term rehabilitation, the Proposed Project seeks to match the Health Center's services to the needs of the community. With the 13 beds to be re-designated for short-term rehabilitation residents, the Health Center will deny admission to fewer individuals due to a lack of bed availability. Moreover, the Proposed Project's renovations will provide the necessary space and amenities for the Health Center to expand its clinical capabilities to further increase access and improve health outcomes. Lastly, the proposed changes to the floor's layout will increase resident safety by through resident-centered, age-friendly design choices. Specifically, the renovated layout will reduce redundancies and promote efficiency through the centralization of dining services, provide dedicated space for equipment storage, further reducing the placement of unused items in the corridors, create additional staff touch-down desks near the staff lounges for added engagement, security and safety. To that end, the Proposed Project will provide the community with improved access to high-quality short-term rehabilitation services in an environment designed around their needs.

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.

The Applicant anticipates that through the Proposed Project's renovations and right-sizing, it will improve health outcomes, resident safety and care, as well as quality of life.

To assess the impact of the Proposed Project, the Applicant developed the following quality metrics to measure overall satisfaction and quality of care of the short-term rehabilitation unit:

- 1. Rehospitalizations:** High quality care coupled with a safe environment reduce the risk of rehospitalization.

Measure: The Applicant will measure the rate of hospital readmissions.⁹

$$\frac{\# \text{ of rehospitalization per year}}{\# \text{ of residents}}$$

Quality Measure #1	2023	Year 1	Year 2	Year 3
Rehospitalizations	27%	24%	22%	20%

- 2. Infection Prevention and Control:** Due to risks associated with increased age, skilled nursing facility residents are more susceptible to poor outcomes when faced with infections. In a post-COVID-19 environment, infection control is at the forefront of concerns at skilled nursing facilities.

Measure: The Applicant will measure the incidence rate of new nosocomial infections.

$$\frac{\# \text{ of new nosocomial infection occurring per year}}{\# \text{ of resident days per year}} \quad * 1000 = \text{incidence rate}$$

⁹ Please note these are the Applicant's internal metrics and may not match Medicare's Value-Based Purchasing program values.

Quality Measure #2	2023	Year 1	Year 2	Year 3
Infection Rate	4.17%	4%	3.9%	3.75%

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.

The Applicant continually strives to promote health equity as both a provider of care and as an employer. The Proposed Project will increase access to short-term rehabilitation services without discriminating or limiting access based on payer source. As detailed throughout this application, by right-sizing the facility, the Proposed Project will increase access to high quality skilled nursing care for clinically appropriate residents in the community and beyond. A vital component of such access is through the provision of culturally and linguistically competent care to all residents. First, the Applicant makes interpreter services available for residents and family members through BoostLingo Phone Interpreters. Additionally, in recognition of the linguistic needs of its workforce, The Overlook provides many of its internal communications in both Spanish and English. The Applicant also provides cultural competency training for all staff on hire and annually.

The Applicant also recognizes that health equity goes beyond language and cultural competency. Each month, The Overlook hosts a number of activities to not only meet the needs of each resident but offer new opportunities of education and engagement with the broader community. A great example of this is The Overlook's partnership with a childcare center located within the same building as the Health Center. The residents and children benefit from daily exposure across generations, including walks through the building and outside in the garden. Additionally, the childcare center and Health Center organize programs including performances, parades, and seasonal activities, such as trick-or-treating. These multigenerational interactions provide meaningful enrichment for both the children and the residents that promotes emotional, social, and physical well-being

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

Through expanded capacity to high-quality short-term rehabilitation services, the Proposed Project will result in improved health outcomes and quality of life for the Applicant's existing Patient Panel. As a result of the Proposed Projection's expansion of the Health Center's short-term rehabilitation service, the Health Center will have greater opportunities to expand the clinical capabilities it offers to residents. Currently, the Applicant is exploring options to provide specialized rehabilitation care for residents seeking post-acute care for wound and infection, chronic tracheotomy, and substance use disorder. Moreover, the renovated space will improve safety, efficiency, and resident satisfaction, further promoting the physical, social, and mental well-being of the Applicant's residents. The Proposed Project will provide the Health Center with the resources to more broadly meet the post-acute needs of the community.

F.1.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 is committed to facilitating effective care coordination and integration through its own continuum of care as well as with external care providers following a resident's discharge from the Facility's short-term unit. The care coordination pathways the Applicant has implemented ensure residents are receiving the right level of care as soon as their needs change. These efforts emphasize the Applicant's commitment to ongoing and open communications to promote team-based care and resident-centered care delivery. The Proposed Project's focus on supporting access to the appropriate care setting ensures that the Applicant will continue to operate efficiently and effectively.

First, the Applicant maintains close relationships with Harrington Hospital, UMASS Memorial, St. Vincent's, and several other hospitals in the surrounding area, which helps the Applicant to continually understand the post-acute needs of the greater community. With this information constantly being updated, the Health Center can anticipate and plan for new admissions with better efficiency. More importantly, these relations foster open and ongoing communications between the Health Center and the hospital to better facilitate the sharing of information in furtherance of care continuity. Additionally, the Health Center's Case Manager continually coordinates the work of Social Services, Rehabilitation, and Nursing to ensure each resident is receiving the right care at the right time during his or her stay, in order to ensure the resident's treatment plan is tailored to his or her recovery. In addition to coordinating day-to-day treatments, the Case Manager works to facilitate successful discharge planning from the start of a resident's admission to the Facility. This includes scheduling a post-stay appointment with the resident's primary care provider and coordinating services once the resident is discharged home, such as home health, meal delivery, and other community-based services that the resident may need for a successful transition and long-term recovery.

Furthermore, the Applicant hosts continuum of care meetings with representatives from each level of care provided by the Applicant. This enables the Health Center to address changes in residents quickly and help ensure a plan can be implemented to add or increase services, or move a resident to a more appropriate level of care for his or her changing needs. The Proposed Project provides the Health Center with sufficient short-term rehabilitation capacity to move residents to the right setting at the right time, further supporting the Applicant's mission to caring for residents across the care continuum.

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 consulted with individuals at various regulatory agencies regarding the Proposed Project to obtain a broad range of input. The following individuals are some of those consulted regarding this Project:

- Dennis Renaud, Director, Determination of Need Program, Department of Public Health
- Massachusetts Executive Office of Health and Human Services
- Health Policy Commission
- Center for Health Information and Analysis
- The Centers for Medicare & Medicaid Services

F1.e. 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 held numerous open dialogue meetings regarding the Proposed Project with current residents, family members, staff, and the community to ensure the community's diverse voices contributed to the Health Center's renovations. In addition to providing the community with information about the

Proposed Project and its ongoing developments, these engagements also provided an opportunity for the Applicant to answer questions and obtain feedback that will be incorporated into the Health Center's redesign.

To that end, the Applicant hosted the following events:

- Eight (8) Focus Groups were conducted with Health Center and community stakeholders on January 23 and 24, 2024
- A town hall for Overlook residents on January 17, 2024
- Family night for family members of Overlook residents on January 23, 2024
- A public meeting on January 30, 2024

Between these events, more than 200 residents, staff, and community members contributed to the vision and design of the Proposed Project. Feedback regarding the use of clinical and common space, lighting and outlet placement, flooring choices, and resident flow is currently being incorporated into final design plans. Specifically, a need for resident engagement space was identified. The new dining area is designed for flexibility that accommodates resident engagement activities. Additionally, new satellite lounge spaces are being provided at the end of wings to engage residents who may have mobility challenges at the ends of the hall. These resident lounge spaces are paired with staff touch-down desks to provide for additional staff-resident touchpoints for engagement and safety. Through the Applicant's continuous involvement of the community in the planning process, the Proposed Project seeks to be truly reflective of the needs of the Applicant's Patient Panel.

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.

The Commonwealth's goals for cost containment focus on providing high quality care at the lowest reasonable cost. The Proposed Project will meaningfully contribute to Massachusetts' goals for cost containment by improving access to high quality post-acute care and improving health outcomes. As noted previously, the Proposed Project will not increase the insurance rates of the services provided by the Applicant and will not impact residents insurance costs. Further, by expanding access to needed short-term rehabilitation beds in the Charlton area, the Proposed Project will allow The Overlook to meet existing resident demand in the community, rather than requiring residents to find facilities further from home. Providing this resource in Charlton will limit health care spending through the improved health outcomes resulting from increased access to short-term rehabilitation, allowing residents to fully recover and successfully return to their lives in the community following an inpatient hospitalization. Further, the Applicant anticipates the Proposed Project will reduce hospital spending by improving hospital throughput, allowing residents to be discharged to post-acute care in a more timely manner. Accordingly, the improved health outcomes and operational efficiencies resulting from the Proposed Project will reduce overall health care spending, positively contributing to the Commonwealth's cost containment goals.

F2.b Public Health Outcomes:

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

The Proposed Project will improve public health outcomes through timely access to high-quality short-term rehabilitation. Better health outcomes will be achieved through lower rates of hospital re-admissions, fewer infections, and less functional decline, resulting in improved resident satisfaction, quality of life, and slower rate of health decline. Moreover, research has shown that nursing homes with a balance of short- and long-term residents have better quality outcomes for both resident populations and in turn, health outcomes.¹⁰ By shifting the proportion of short-term beds to account for a larger portion of the Health Center's beds, the Health Center will meet the need of the community for short-term rehabilitation and as a result, promote better public health outcomes.

F2.c Delivery System Transformation:

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

The Health Center's Interdisciplinary Team oversees and coordinates each resident's care using a resident-centered, holistic approach. The Interdisciplinary Team is comprised of the Health Center's Case Manager and representatives from Nursing, Social Services, Rehabilitation, Activities, and MDS¹¹. The group meets daily to ensure each resident has the resources necessary for his or her recovery, both during a stay at the Health Center and upon discharge home. This might include setting up private duty nursing or home health, meal delivery options, or addiction services. The Health Center is committed to a holistic approach to caring for the whole of each resident and facilitating a successful transition back into the community.

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.

The Proposed Project: The Proposed Project seeks to improve access to short-term rehabilitation beds in the community through the expansion and renovation of the Health Center's Post-Acute Care Unit.

Quality: The Proposed Project is a superior option to promote quality of care and quality of life as a result of expanded access to high-quality short-term rehabilitation. First, as a result of the Unit's expanded footprint, the Health Center will be able to expand its clinical capabilities as well as improve the functional design of the Unit, resulting in improved efficiency, safety, and resident satisfaction. Moreover, the additional capacity will ensure more residents can receive timely access to post-acute care in their community, in turn improving health outcomes.

Efficiency: The Proposed Project represents an efficient option because it leverages an existing healthcare area and requires minimal construction to increase the number of beds as well as improve the functionality of the Unit's clinical, functional, and administrative spaces.

¹⁰ <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC5369416/>

¹¹ Minimum Data Set coordinators.

Capital Expense: The Applicant anticipates a maximum capital expenditure of \$2,995,285 to implement the Proposed Project.

Operating Costs: First year incremental operating costs resulting from the Proposed Project are estimated to be approximately \$22,695,717. This represents a significant cost savings from the Health Center's current operating expenses.

Alternate Option 1

Alternative Proposal: An alternative to the Proposed Project would be to forego the Proposed Project and continue operation of The Overlook with no renovations.

Alternative Quality: Under this alternative, the Applicant cannot expand access to short-term rehabilitation care in the community and the building will remain in its current and declining physical state that does not adequately meet the needs of the Applicant's residents. Renovations to address service delivery and efficiency would not be done, hindering the Health Center's ability to expand clinical capabilities, further limiting the Health Center's ability to serve the community.

Alternative Efficiency: The existing facility is aging and needs renovations to modernize its service offerings. Without these updates, the Health Center will continue to operate with inefficiencies, such as insufficient storage and multiple unused dining rooms.

Alternative Capital Expenses: There would be no capital expense associated with this alternative. However, a larger capital expense would be required at a later date to address deferred maintenance.

Alternative Operating Costs: There would be no change to the current operating costs.