

## **Project Description**

Sherrill House, Inc. (the “Applicant” or “Sherrill House”) operates a 182-bed tax-exempt, not-for-profit skilled nursing facility that serves a historically urban under-bedded area in Boston (the “SNF”). The SNF is accredited by The Joint Commission and is the recipient of the 2025 American Healthcare Association Silver Quality Award. The SNF provides multiple levels of care of skilled nursing, long-term care, short-term rehabilitation services, and memory care. Sherrill House’s mission is to achieve, sustain, and exceed standards of excellence in skilled nursing and rehabilitation to aging adults and their families in the Greater Boston community that it has been serving since 1907. To meet this mission, Sherrill House is committed to meeting the evolving needs of its community and offers specialized clinical skilled nursing programs including palliative and end of life services, onsite dialysis, care for patients with a left ventricular assistive device (LVAD), and complex wound care. Sherrill House envisions a diverse Greater Boston community where all aging adults and their families will experience being known, comforted, and cared for with skill, dignity, and respect.

### **The SNF:**

The SNF is a seven story, 117,770 gross square foot facility that has been operating at its current location on Huntington Avenue since 1970. The SNF operates three 45-bed skilled nursing units and one 47-bed rehabilitation unit, several dining and activity spaces, a family room, an exterior courtyard, and a large outdoor garden for residents, family members, and other visitors. The SNF last undertook renovation work in 2003.

As identified in the below chart, approximately 84% of Sherrill House’s residents are covered by government payors with the majority being Medicaid beneficiaries. While the Proposed Project will better service Sherrill House residents as detailed below, there are no anticipated changes to the patient panel or payor mix.

<b>Payer</b>	<b>CY2022</b>	<b>CY2023</b>	<b>CY2024</b>	<b>Year 1 Post-Project Operation</b>	<b>Year 2 Post-Project Operation</b>	<b>Year 3 Post-Project Operation</b>
Medicaid (including managed care)	74.47%	70.37%	70.88%	70%	70%	70%
Medicare (including managed care)	11.82%	16.04%	13.62%	14%	14%	14%
Commercial / Other	7.54%	6.88%	7.05%	7%	7%	7%
Private Pay	6.17%	6.71%	8.45%	9%	9%	9%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

**The Proposed LTCF Conservation Project:**

The Proposed Project would maintain the facility for current and future residents by sustaining and repairing critical infrastructure and programmatic spaces with no impact to the facility's gross square footage. The Proposed Project includes renovation of the SNF's rehabilitation gym and maintaining the building envelop by replacing the roof and rooftop HVAC units, the elevator flooring, fire panel motherboard, and windows. The Applicant's overall goal for the Proposed Project is to ensure that the facility can continue to deliver excellent patient and resident health outcomes and retain patient and resident satisfaction. The Proposed Project does not involve any updates that would accommodate new or increased functionality.

**Rehabilitation Gym**

The rehabilitation gym is currently located in 2,339 gross square feet of space at the back of the ground level (i.e. basement) of the SNF and is being relocated to what is currently storage space on the top floor of the facility. The relocated gym space is located closer to the resident care units. The basement location is inconvenient for patients and staff as it takes approximately 20 minutes each way to travel between the nursing units and the gym. The space is also showing significant wear and tear and is dark and drab in comparison to spaces that adjoin resident floors. The entire top floor, 2,490 gross square feet, would be designated for rehabilitation services. The new location is geographically more efficient and will be immediately accessible from the elevator, improving efficiency, and patients will step into a freshly maintained environment. The relocation of this programmatic space will increase productivity and time spent directly on treatment, provide for a better patient experience, and improve patient outcomes. As part of this relocation, the rehabilitation program will maintain much of its existing equipment. The employee breakroom will be relocated from a small space off the ground floor next to the business office to a refreshed space in the basement that will enhance employee morale. The cost associated with relocating the rehabilitation gym is projected to be \$1,990,250

**Building Envelop Upgrades**

All of Sherrill House's building systems are more than 20 years old and are past their useful life. To sustain the facility in good working order and ensure that the facility continues to operate in the normal course, the Applicant will be replacing the roof, the rooftop HVAC systems, elevator flooring, and fire panel motherboards.

**Roof:** The roof was evaluated and will require replacement as it is past its useful life. Replacing the membrane roofing and flashing will make it weather tight. This is also an energy conservation measure, which will reduce operational costs.

**Rooftop HVAC Units:** Existing rooftop units are past their useful life and will be replaced with more energy-efficient units. Staff and residents have identified heating and cooling inefficiencies in corridors, sitting areas, resident rooms, and ground floor areas. Residents and employee satisfaction surveys have noted temperatures can be uncomfortable to perform necessary treatments and rehabilitation therapy. Upgrading the rooftop units will correct this problem.

**Elevator Flooring:** The flooring in the facility elevators will be replaced due to standard wear and tear.

**Fire Panel Motherboard:** The motherboard on the facility fire panel has become obsolete and requires an upgrade to ensure compliance with the fire code.

**Windows:** Based on field observation, the windows in the SNF need replacement. Once done, this will contribute to energy conservation of the facility.

The total expenditure associated with maintaining the building envelope is \$2,299,750 that is allocated as follows:

Project Components	Associated Costs
Roof	\$675,000
Rooftop HVAC Units	\$564,000
Elevator Flooring	\$25,000
Fire Panel Motherboard	\$125,000
Windows	\$910,750

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