

Masonic Health System of Massachusetts, Inc.
DoN # MHSM-24021310-LS

APPLICANT RESPONSES #3

Responses should be sent to DoN staff at DPH.DON@State.MA.US

While you may submit each answer as available, please

- List question number and question for each answer you provide
- Submit responses as a separate word document, using the above application title and number as a running header and page numbers in the footer
- When providing the answer to the final question, submit all questions and answers in one final document
- Submit responses in WORD or EXCEL; only use PDF's if absolutely necessary. If "cutting and pasting" charts, provide them in a PDF so they can be clearly seen
- **Whenever possible, include a table with the response**
- **For HIPAA compliance Do not include numbers <11.**

Factor 1a: Patient Panel Need

Summary of Applicant's Responses: *As discussed more thoroughly below and with supporting data, the Proposed Project is being requested to address three overlapping needs: (1) meeting the needs of its Continuing Care Retirement Community (CCRC) members for short-term rehabilitation and long-term care, (2) improving access to short-term rehabilitation in the community, including expanded clinical capabilities which requires additional capacity, and (3) consolidating its Level II nursing services under one roof and providing renovated space that includes rehabilitation-focused services*

Through the Proposed Project, the Applicant will address the future needs of its CCRC members as well as the community. The Proposed Project recognizes the increasing needs of older adults for short-term rehabilitation as more adults live longer, more active lives, as well as increasingly complex medical conditions that require more specialized care than the Facility can currently provide. In tandem with the Applicant's plan to expand services for complex medical conditions as discussed in the Application and in response to question #2 below, the Proposed Project will allow all of the Facility's Level II services to be centralized in one building, promoting more efficient staffing patterns.

While the Proposed Project will reduce the Facility's total number of Level II beds, the Facility can easily place a resident who needs long-term care in the short-term care unit, whereas placing a resident needing short-term care in a long-term care unit may lead to poorer outcomes for the resident.¹

In sum, the Applicant does not expect the Proposed Project to negatively impact access to long-term care, or diminish its ability to meet the needs of its members for long-term care.

¹ All of the beds are dually certified and can be used for both short and long-term care, however the short-term rehabilitation unit will have a specialized rehabilitation therapy area and be designed to serve short-term care residents. While someone needing a long-term care bed can easily live on this floor, residents needing rehabilitation services will have a harder time accessing those services from other units, likely leading to poorer outcomes.

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1. The application states discharges for long-term residents increased by 41% between 2020 and 2023 (pg.3). Why does the Applicant feel that long-term bed capacity should be reduced when long-term resident discharges have been increasing?

Response: Considering only the Facility's discharges is too narrow a scope to fully understand need. The Facility's discharges must be looked at alongside average length of stay, which, when accounting for the years prior to the COVID-19 pandemic, dramatically decreased from 2018-2023 due to the increase in significant medical circumstances of patients. The decrease in average length of stay contributed significantly to the increase in discharges.

The Applicant is seeking to reduce its long-term bed capacity because it can do so without substantively decreasing its Patient Panel's access to long-term care beds, and it is the most cost-effective way to increase its short-term care beds, which the Applicant's Patient Panel needs. It is important to recognize that as a CCRC, the Facility does not operate the same as traditional nursing homes. CCRCs provide their members guaranteed access to both short-term and long-term care services. The Overlook is unique because it provides the local community with greater access to its nursing facility beds than most CCRCs. As demonstrated in Table A below, historically the majority of the Applicant's long-term care beds have been occupied by residents from the community, but the percentage has been decreasing.

Table A: Long-Term Care Admissions to the Health Center

Year	Community Admits as a Percentage of Total Admission
2021	90%
2022	88%
2023	56%

As Table A also demonstrates, there is a growing need for long-term care by CCRC members, although not as much as its members' growing need for short-term care. This comports with the national trend that reflects the changing needs of older adults and the ability to offer more services in their homes.²

The Applicant reviewed its long-term care utilization by CCRC members and calculated the projected need for long-term care beds by its members is 14. All remaining long term care beds are available to others, whom the Applicant continues to serve in recognition of its duty to the Charlton community.

Although the Applicant's CCRC members have limited need for long term care beds, there is a growing need by its members for short-term rehabilitation. As previously discussed in the Applicant's narrative and supplemental questions, the number of CCRC members living in the

² "Between 2015 and 2023, the number of residents living in nursing facilities decreased by 12%, from 1.37 million in July 2015 to approximately 1.2 million in July 2023 (Figure 2). Decreasing resident counts reflect longer-term trends as people increasingly opt to receive care in home and community-based settings (HCBS) over institutional settings, and the increased availability of HCBS resulting from the Supreme Court's Olmstead decision, which ruled that people with disabilities are to be served in the most integrated setting that is appropriate."

<https://www.kff.org/medicaid/issue-brief/a-look-at-nursing-facility-characteristics/>

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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. To determine the need for short-term rehabilitation from the community, the Applicant first reviewed referrals for admission and the number of denials. In addition, it considered the rising number of independent living, assisted living, and rest home residents requiring short-term rehabilitation. Based on the rising number of referrals, the Applicant determined that the Facility would need to increase short-term rehabilitation capacity by at least 50% to meet projected need, requiring an additional 13 beds.

The most cost-efficient way to meet the need for short term rehabilitation services is through this Proposed Project. The Applicant is unable to retain its current number of long-term care beds while also expanding its short-term care beds to the required number without cost-prohibitive additional construction. The Proposed Project is not being contemplated to the detriment of long-term care. The shift in bed allocation is necessary to meet the need for short-term care rehabilitation by the Applicant's CCRC members and the community, while also retaining sufficient long-term care capacity for CCRC members, with additional capacity available for the community. In conclusion, the Proposed Project will provide CCRC members and the community with a complement of Level II beds in proportion to their current and future needs.

a. How have community admissions impacted historical utilization of long-term care beds and decreasing need for such beds?

Response: Historically, community admissions have comprised the majority of long-term care admissions as previously shown in Table A. However, The Overlook, as a CCRC, is obligated to ensure that it provides access to beds to its members first and foremost. The proposed project is focused on ensuring that the Applicant has the appropriate beds for its members, with an ongoing commitment to accept as many community admissions as capacity allows. Further, community admissions have been decreasing, reflective of the national trend referenced above.

2. The responses to DoN Questions #1 provided denied admissions to The Overlook in CY2023 (pg.5). Please provide number of denied admissions and reasons for denial, for CY2022 and 2021, if possible.

Response: Denied admissions for the short rehabilitation unit were not tracked in 2021. 165 individuals were denied admission for a short-term rehabilitation stay in 2022, including 108 who were denied admission due to lack of availability.

The Applicant notes that patients are more medically complex than in prior years and the number of patients denied for clinical reasons continues to increase. Accordingly, there is an increasing need to provide specialty services. Recognizing this need, the Applicant is currently working to strengthen its clinical capabilities to provide the level of care provided to those populations (i.e. Parkinsons, Transitional Care, Speech and Respiratory Therapy).

a. Are there any data on denials concerning long-term care beds?

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Long-term care denials are not tracked but the majority of denials are due to the individual having a clinical need that cannot be accommodated or The Overlook does not accept the individual's insurance.

3. The responses to DoN questions #1 state the Applicant determined that it would need to increase short-term rehabilitation capacity by at least 50% based on the rising number of referrals (pg.5)
- a. Please provide data to demonstrate the rising number of referrals reflecting increasing need for short-term rehabilitation capacity.

Response: In CY2023, referrals for short-term rehabilitation rose by almost 40% (CY22 = 611, CY23 = 846)

4. The application provides ADC for the last quarter in 2023 (pg.4). Please provide ADC for each the first three quarters of 2023, for long-term and short-term beds.

Response: Please see the tables below.

Table B: Average daily census

Quarter	Short-Term ADC	Long-Term ADC
First	23	87
Second	21	93
Third	19	96
Fourth	23	91

5. The responses to DoN Questions #1 provide occupancy rate in March 2024 (pg.6). Please provide occupancy rate for the short-term rehabilitation unit and for long-term beds for CY2021, CY2022, and CY2023.

Response: Please see the tables below.

Table C: Occupancy

Year	Short-Term Occupancy	Long-Term Occupancy
2021	66%	89%
2022	55%	93%
2023	79%	82%