



Maple Springs Senior Living

Two 60-Bed Skilled Nursing Facilities

Maple Springs of Palmer

Maple Springs of Wasilla

Certificate of Need Application

June 20, 2016


Adopted December 9, 2005

Bill Walker
Governor

Valerie Davidson
Commissioner

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	CERTIFICATE OF NEED APPLICATION APPLICANT IDENTIFICATION AND CERTIFICATION OF ACCURACY	
1. Applicant Identification		
Facility Name Maple Springs, LLC (<i>Actual name of the facility is yet to be determined</i>)	Medicaid Provider Number To be obtained	
Facility Address (Street/City/State/Zip Code) Approximately 3331 East Meridian Park Loop / Wasilla / Alaska / 99654 Location in Palmer will be determined	Medicare Provider Number To be obtained	
Name and mailing address of organization that operates the facility (if different from above) Maple Springs Management, LLC / 1040 South Medical Drive / Brigham City / Utah / 84302		
Facility Administrator (<i>Name, title, mailing address, including City/State/Zip Code</i>) This is still yet to be determined.	Telephone TBD Facsimile TBD E-mail TBD	
Applicant (<i>Name, title, mailing address, including City/State/Zip Code</i>) Maple Springs Management, LLC 1040 South Medical Drive Brigham City, UT 84302	Telephone (435) 723-9100 Facsimile (435) 752-6602 E-mail Integrityhh@gmail.com	
Principal Contact Person (<i>Name, title, physical address, mailing address, including City/State/Zip Code</i>) Nicholas Larsen, President 1040 South Medical Drive Brigham City, UT 84302	Telephone Mobile Phone (435) 754-4034 Facsimile (435) 752-6602 E-mail Integrityhh@gmail.com	
2. Ownership Information		
A. Type of Ownership (<i>check applicable category</i>) For profit: individual Not for profit: government X For profit: <u>partnership</u> Not for profit: corporation For profit: corporation Other (specify): _____		
B. List of all Owners (<i>Part 2.B of application</i>)		
C. Accreditation Information (<i>Part 2.C of application</i>)		
3. Agreement to participate in the Uniform Statewide Reporting System		
I hereby agree to participate in the uniform statewide reporting system required under AS 18.07.101 when requested to do so under 7 AAC 07.105(c).		
4. Certification of Accuracy by Certifying Officer of the Organization		
I hereby certify that the information contained in this application, including all documents that form any part of it, is true, to the best of my knowledge and belief. I agree to provide, within 60 days from receipt of a request from the department under 7 AAC 07.050(b), any additional information needed by the department to make a decision.		
Name	Title	
Signature	Date	



Section I. General Applicant Information

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Part 2.B - Provide the following ownership information under each requirement, using as much space as necessary to provide complete information:

(1) For individual owners and partnerships, list the names, titles, organizational name, mailing and street addresses, and telephone and facsimile numbers of the owner or partners.

Maple Springs, LLC <i>Real Estate Holding Company</i>

<i>Brigham Commercial Properties, LLC</i> 482 Deer Hollow Circle Centerville, UT 84014 Phone (801) 660-9746 Fax (435) 752-6602	<i>Pistis Mercury, Inc.</i> Nicholas Larsen, Owner 6015 West 1800 South PO Box 485 Mendon, UT 84325 Phone (435) 754-4034 Fax (435) 752-6602	<i>DBMR Management, Inc.</i> Marc Dunn, Owner 14093 West 157 th Street Olathe, KS 66062 Phone (785) 341-3893 Fax (435) 752-6602
<i>Larmed, LLC</i> Bruce Larsen, President 482 Deer Hollow Circle Centerville, UT 84014 Phone (801) 660-9746 Fax (435) 752-6602	<i>Morpheus, Inc.</i> Greg Larsen, Owner 1406 East 1900 North North Logan, UT 84341 Phone (435) 714-9912 Fax (435) 752-6602	<i>Direct Communications, Inc.</i> 150 South Main Rockland, ID 83271 Phone (208) 548-2345 Fax (208) 548-9911
<i>Nicholas Larsen</i> 6015 West 1800 South Mendon, UT 84325 Phone (435) 754-4034 Fax (435) 752-6602	<i>Ryan Larsen</i> 1406 East 1900 North North Logan, UT 84341 Phone (435) 881-3707 Fax (435) 752-6602	<i>C. Richard Dunn</i> 1040 South Medical Drive Brigham City, UT 84302 Phone (435) 730-4117 Fax (435) 752-6602

Maple Springs Management, LLC <i>Operational / Management Company</i>

<i>Pistis Mercury, Inc.</i> Nicholas Larsen, Owner 6015 West 1800 South Mendon, UT 84325 Phone (435) 754-4034 Fax (435) 752-6602	<i>DBMR Management, Inc.</i> Marc Dunn, Owner 14093 West 157 th Street Olathe, KS 66062 Phone (785) 341-3893 Fax (435) 752-6602	<i>Morpheus, Inc.</i> Greg Larsen, Owner 1406 East 1900 North North Logan, UT 84341 Phone (435) 714-9912 Fax (435) 752-6602
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(2) For corporations, list the names, titles, and addresses of the corporate officers and Board of Directors. If the facility is a subsidiary of another company or has multiple owners, provide the names and addresses of all of the companies that have ownership in the facility.

Corporate Officers		
<i>Nicholas Larsen</i> President / Founder 1040 South Medical Drive Brigham City, UT 84302	<i>Marc Dunn</i> President / Founder 1040 South Medical Drive Brigham City, UT 84302	<i>Gregory Larsen</i> Chief Intelligence Officer / Founder 1040 South Medical Drive Brigham City, UT 84302
<i>Dr. Richard Dunn, MD</i> Chief Medical Officer 1040 South Medical Drive Brigham City, UT 84302	<i>Darin Christensen, CPA</i> Chief Financial Officer 1040 South Medical Drive Brigham City, UT 84302	<i>MarLyn McKinley</i> Chief Cultural Officer 1040 South Medical Drive Brigham City, UT 84302

Board of Directors		
<i>Dr. Ryan Larsen, MD</i> Chairman 1040 South Medical Drive Brigham City, UT 84302	<i>James Wakefield</i> Secretary 1040 South Medical Drive Brigham City, UT 84302	<i>Marilyn May, RN</i> Board Member 1040 South Medical Drive Brigham City, UT 84302
<i>Dr. Keith Nelson, MD</i> Board Member 1040 South Medical Drive Brigham City, UT 84302	<i>Dr. Gordon Wood, MD</i> Board Member 1040 South Medical Drive Brigham City, UT 84302	<i>Dr. Glenn Mortensen, MD</i> Board Member 1040 South Medical Drive Brigham City, UT 84302
<i>Jared Nielson</i> Board Member 1040 South Medical Drive Brigham City, UT 84302	<i>Timothy May</i> Board Member 1040 South Medical Drive Brigham City, UT 84302	<i>Garrin Bott</i> Board Member 1040 South Medical Drive Brigham City, UT 84302

(3) For governmental or other nonprofit owners, list the names and addresses of hospital board members.

Not Applicable

Part 2.C - Provide the following information:

Is this facility accredited or certified by a recognized national organization?

~~Yes~~ X No

Maple Springs will be seeking licensure and dual Medicare/Medicaid Certification for all beds.

If yes, identify the organization, the date of accreditation or certification, and attach as an appendix to this application a copy of the most current accreditation or certification.

Not Applicable



Section II. Summary Project Description

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Provide a one-page summary of the proposed project including:

- (1) A brief description of each proposed service, including whether equipment will be purchased or replaced and a list of that equipment.**
- (2) The number of square feet of construction/renovation.**
- (3) The number and type of beds/surgery suites/specialty rooms.**
- (4) Services to be expanded, added, replaced, or reduced.**
- (5) The total cost of the project.**
- (6) How the project will be financed.**
- (7) Estimated completion date.**

Summary of Proposed Project

Maple Springs Senior Living is proposing to construct two new Continuous Care Retirement Communities (CCRC's) in the Matanuska-Susitna Borough and specifically located in Wasilla and Palmer. These communities will consist of the following mix of units.

	<u>Wasilla Community</u>	<u>Palmer Community</u>
Skilled Nursing Facility Units	50 Private Units	60 Private Units
Hospice House SNF Units	10 Private Units	- None -
Assisted Living Units	50 Private Units	35 Private Units
Memory Care Units	15 Private Units	15 Private Units

The communities will be designed to look and feel like a residential development that would fit into a neighborhood. From our experience, this style of community is the best solution to senior living care as residents are able to live in a place that is very home-like in nature, but have all of the care, services and amenities available to them as their conditions either improve or continue to decline. It also tends to be received better by the surrounding community members when developed in this manner.

Two primary services will be offered in the Maple Springs Skilled Nursing Facilities. The first is Transitional/Post-Acute Care, which is focused on the rehabilitation of the residents and eventual discharge to home or a lower level of care such as an Assisted Living. The second is Long-Term Care, which is focused on residents with chronic health conditions and limited mobility. These residents are unable to live safely at home and exceed the acuity limits within the licensure of an Assisted Living Facility. Maple Springs will design the buildings in smaller "pods" that will allow residents to be cared for in more accommodating, group-type settings. However, all Skilled Nursing Facility beds within the buildings will be dual Medicare/Medicaid certified which will allow these beds to be used for all levels of care.

With the planning assistance of the Mat-Su Healthcare Community, we have identified two other critical services that are in dire need in the area. These include a hospice house and respiratory (ventilator/tracheostomy) care services. Maple Springs will design a small 10 bed pod in the Wasilla building that will be dedicated primarily to accommodate these hospice needs. Additionally, Maple Springs will provide 10 units in the Wasilla building that are fully equipped to provide Ventilator and Tracheostomy care to the residents of the Mat-Su Valley.

The hospice pod will be designed to provide a warm, peaceful atmosphere and be built with additional gathering areas for the friends and family of the hospice resident. The care will be centered on the pain and symptom management of the patient. This space will be equipped to provide exceptional, state-of-the-art care to the terminally ill patients of the Mat-Su Valley.

Every resident of Maple Springs will have their own private bedroom and private bathroom. Access to a Jacuzzi bathtub will be available for the residents who prefer or need a bath for their personal cares. The common areas of Maple Springs will be expansive, providing many

opportunities for activities and small gatherings for residents. The activities and outings will be constant, as it is of utmost importance for the elderly to stay active and motivated on a continual basis. Maple will provide large activity rooms, an art room, movie theatre, ice-cream/coffee bistro, puzzle rooms, computer rooms, outdoor walking paths, garden boxes and numerous other amenities designed to stimulate the residents' minds and engage them physically.

Contained in the other portion of our campuses will be Assisted Living and Memory Care services. This allows patients to be appropriately placed in a setting that meets their individual and unique care needs. For example, it is vitally important that a patient with progressed Alzheimer's be located within a community that is designed to care for them and this very specific disease. Our memory care programming contains life-stations to encourage residents to participate in activities to which they relate. It is designed in such a way that residents are able to be re-directed so they don't become frustrated and combative. Our continuum care boutique model has been organized, not to warehouse patients, but to support all types of residents to live the rest of their lives to the fullest. The Assisted Living portion will provide sliding scale insulin services so these residents will not need to be placed in Skilled Nursing simply due to diabetes. Having this service on campus will help save significant money for the State of Alaska as well as Maple Spring's residents.

The following are building and construction statistics for each community:

	<u>Wasilla Community</u>	<u>Palmer Community</u>
Total Square Footage	123,125 S.F.	108,350 S.F.
Skilled Nursing Footage	59,100 S.F.	59,100 S.F.
Assisted Living Footage	64,025 S.F.	49,250 S.F.
Construction Start Date	April 1 st , 2017	September 1 st , 2017
Construction Completion Date	September 1 st , 2018	December 1 st , 2018
Skilled Nursing Project Cost	\$18,100,345	\$18,003,360

<u>Skilled Nursing Combined Statistics:</u>	
Total Square Footage	118,200 S.F.
Total Project Cost	\$36,103,705
Total Beds/Units	120 Private Units

Upon completion, both buildings will begin taking patients. The Wasilla building will begin servicing patients on September 1st, 2018, and the Palmer building will begin servicing patients on December 1st, 2018. 30% of the project will be funded by capital from owners of Maple Springs. The remaining 70% of the cost of the project will be financed through debt acquired and secured by Maple Springs. The fixtures, furniture and equipment (FF&E) will be purchased for the project. A list of that FF&E is contained in *Appendix B – Equipment List*.



Section III. Description of Facilities and Capacity Indicators

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A. Proposed changes in service capacity. Provide either the number of beds, surgery suites, rooms, pieces of equipment, or other service.

Type of Service	Current Capacity	Added, Expanded, or Replacement Capacity	TOTAL PROPOSED CAPACITY
IN-PATIENT ACUTE CARE HOSPITALS			
Med/Surg Beds			
1-bed room/unit			
2-bed room/unit			
Other (list)			
ICU Beds			
Obstetrics Beds			
Pediatric Beds			
Acute Rehab Beds			
Obstetrics Beds			
Pediatric Beds			
Ancillary Services (list)			
BEHAVIORAL HEALTH CARE			
In-patient Acute Psychiatric Beds			
RPTC Beds			
In-patient Substance Abuse Beds			
LONG-TERM CARE			
Acute Beds			
1-bed room/unit	0	0	0
2-bed room/unit	0	0	0
Other (list)			
Nursing Beds			
1-bed room/unit	0	120	120
2-bed room/unit	0	0	0
Other (list)			
DIAGNOSTIC AND DIAGNOSTIC IMAGING SERVICES			
CT Scanner			
MRI			
PET or PET/CT			
Cardiac Catheterization			
Emerging Med. Tech. (list)			
SURGICAL CARE			

Type of Service	Current Capacity	Added, Expanded, or Replacement Capacity	TOTAL PROPOSED CAPACITY
Ambulatory Surgery or Dedicated OP Suites			
Suites for IP & OP			
Endoscopy Suites			
Open-Heart Surgery			
Organ Transplantation			
Other Services (list)			
THERAPEUTIC CARE			
Radiation Therapy			
Lithotripsy			
Renal Dialysis			
Other (List)			
Total Capacity			

B. Provide a detailed narrative description of each service identified in "A" above, including the type of change (addition, expansion, conversion, reduction, replacement, elimination). Include, as appropriate, detailed information relative to the scope and level of service.

The buildings will be new construction providing post-acute, transitional and nursing facility long-term care services. These beds will also be utilized to provide a hospice house “pod” within the Wasilla community to care for terminally ill patients. All beds contained in the communities will be dual Medicare/Medicaid certified. In addition, there will be 10 units equipped to care for respiratory patients in the Wasilla building. Please see the description in Section II above for additional information.

The Skilled Nursing Facilities in both Palmer and Wasilla communities will be located in a campus setting containing a CCRC model of care. This model with Assisted Living and Memory Care services available provides an environment that more accurately places residents inside the level of care they need. In a recent application for Certificate of Need from the “Alaska Providence Cottages”, it references an internal study that was performed, found in Section II of their report. They state, “at least 16 percent of PECC current residents could be cared for in a lower level of care, specifically Assisted Living Facility (ALFs) setting if the appropriate setting existed.” They went on to explain that the ALFs included were ones that provided sliding scale insulin. This service, along with many others mentioned in that application, is very difficult to provide for ALFs due to the level of staffing required to provide this service safely, unless it is located on a larger CCRC campus. Maple Springs will also be providing these services on its campus in the Assisted Living and Memory Care portion of the communities. This will provide tremendous financial savings not only for the State of Alaska but also the private paying residents utilizing these services. In addition, it is much better for residents to be placed in a setting that is designed for their specific needs and level of care.

Both communities will provide state of the art rehabilitation equipment and accommodations. This includes a physical therapy rehab gym along with equipment stations that one would typically expect. A list of all of the rehabilitation equipment that will be purchased can be seen in *Appendix B – Equipment List*. It is important to highlight some of the features Maple Springs will provide that are not typical. Both communities will provide an Occupational Therapy section that will contain fully functional standard household accommodations. For example, a residential kitchen complete with common household appliances will be available to re-train residents how to perform their daily kitchen activities such as preparing a meal or getting a glass of milk. A bathroom similar to one you would find in a personal residence will be available, so the therapists can re-train the residents on their personal care in settings similar to what they will be using at home. There will be an expansive Speech Therapy portion of the gym to provide rehabilitation to patients with swallowing, cognitive/impairment delays and much needed rehabilitation from strokes.



Example of an Occupational Therapy Station

Maple Springs will be providing Registered Nursing (RN) care 24 hours for their skilled interventions. Better and more consistent outcomes are a result of utilizing this type of employee with more experience and education in the nursing field. This is far above the standard contained in most facilities where Licensed Practical Nurses (LPNs) are provided 24 hours, and RNs are only available on a limited basis. Maple Springs Skilled Nursing will provide an array of skilled care ranging from post surgical wound care, pressure ulcers, IV therapy, pain and symptom management, ventilator and tracheostomy care, along with many other services. The needs of this population, both on an acute or long-term basis, are diverse. Maple Springs provides training internally for all of these interventions as well as numerous continuing education options for employees due to the myriad of interventions that we are able to provide.

Private money, Medicaid and other long-term care insurances will fund the long-term care portion of the communities. The long-term care residents will receive significant

programming through activities that cognitively and emotionally stimulate them. Physical activities will help them remain active and engaged. The Maple Springs activities program is vast and varied to accommodate many different preferences. Our philosophy behind our activity programming is to create an environment in which residents have so many opportunities to choose from that it encourages constant activity. A major reason for depression within certain Skilled Nursing resident populations has a lot to do with facilities that do not provide adequate levels of activities and socialization. This can also play a major role in stifling recovery. Perhaps the most important Maple Springs objective is to provide a stimulating environment that actually increases the resident's use of mind, body and spirit rather than just providing the physical and medical care alone. In our communities you will find residents folding their clothes, baking with one of our caregivers in our residential kitchen, utilizing one of our numerous life-stations located throughout the community, painting, or doing ceramics in our kiln, just to highlight a few. We take ultimate pride in ensuring that none of our residents are warehoused or simply placed in the hallway in a wheelchair every day as is seen in too many facilities across the United States.

C. Provide in the following table information regarding equipment to be purchased.

Please see *Appendix B – Equipment List* for a comprehensive list of equipment to be purchased for these facilities.

D. Provide in the following table information regarding equipment to be replaced or retired.

Not Applicable. This is new construction so no equipment will be replaced or retired.

E. Describe replacement or upgrading of utilities including the electrical, heating, ventilation, and air conditioning systems.

This is new construction, therefore nothing will be replaced or upgraded. However, the following is a very small synopsis of the utilities and descriptions for those systems.

Sewer: Both communities will be on site septic systems. They will be engineered and sized in accordance with Alaska Department of Environmental Conservation (ADEC).

Water: In Wasilla the water will be provided through the Country Field Water System, and in Palmer it will be provided through the City water system.

Electrical: Adequate electrical power will be supplied to the communities through their respective electrical service providers which are located on-site.

Heating and Air Conditioning: Heating will be provided through a four-pipe central boiler system. The temperature in each patient unit will be controlled individually. Core common areas will be tied into the generator system in case of power failure. Air conditioning will be provided by operable windows in the patient units; a stand-alone air conditioning system is not needed and will not be provided.

Ventilation: Ventilation will be provided at a rate of 2 air exchanges each hour in the individual patient units. This system will provide a heat exchanger with the incoming

outside makeup air. The air exchanges will be provided by a combination of continuously running bathroom fans and the heating system for the individual units.

Generator: An adequate diesel powered generator will be provided. This will have a number of outlets that it will service throughout the building dedicated for medical equipment as well as a back-up heating and ventilation system. Necessary kitchen and dietary accommodations for emergency situations will be wired into this generator. The rooms built to accommodate ventilator and tracheostomy patients will be wired to this back-up generator system as well.

Oxygen: In-wall oxygen will be provided in each patient unit in the Skilled Nursing building. This provides a safer environment for residents as opposed to oxygen tanks and concentrators throughout the building. This is also more efficient for electrical requirements for providing oxygen.

Data & Telecom: Internet, Television & Phone will be provided in each individual patient unit. The residents will also have access to the wireless Internet provided throughout the building. A dedicated T-1 circuit will provide the phone system utilized in the community, which is the most reliable means of providing telephones, with virtually no down time even in emergency situations and power failures.

F. Describe the structural framing, floor system, and number of floors (including the basement).

The Skilled Nursing Facility will be on a single level with no basement. The structural framing consists of primarily wood construction, with limited steel beam structures for long span load-bearing walls. The roofing will be an engineered wood roof truss structure. The floor is a slab-on-grade concrete floor with grade beams located beneath the load-bearing walls.

G. Total square footage in current facility/project.

Not Applicable, this application is for new facilities.

H. Total square footage of proposed facility/project.

Wasilla Building	Square Footages
Total Square Footage (including ALF/Memory Care)	123,125 S.F.
Assisted Living/Memory Care Portion	64,025 S.F.
Skilled Nursing Portion	59,100 S.F.

Palmer Building	Square Footages
Total Square Footage (including ALF/Memory Care)	108,350 S.F.
Assisted Living/Memory Care Portion	49,250 S.F.
Skilled Nursing Portion	59,100 S.F.

Total Project (Both Buildings Combined)	Square Footages
Total Square Footage (including ALF/Memory Care)	231,475 S.F.
Assisted Living/Memory Care Portion	113,275 S.F.
Skilled Nursing Portion	118,200 S.F.

I. Area per bed, service unit, or surgery suite (if applicable).

985 gross square feet per bed.

J. Percentage of total floor area used for direct service (non-bed activity).

Allocation of square footage (approximations):

	Square Feet Per Unit	Percentages
Patient Rooms	400	40.6%
Commons Areas	22	2.2%
Kitchen	17	1.7%
Administration	14	1.4%
Nursing Services	65	6.6%
Rehabilitation Services	467	47.5%
TOTALS	985	100%

K. Additional volume of service (non-bed activity) expected.

The expected Average Daily Census (ADC) of both buildings combined is expected to be 108 residents (90% Occupancy).

L. Provide a brief history of expansion and construction for the past five years, including new equipment purchases, additional beds, and new services. Describe how this project fits into the facility's long-range plans, including potential projects planned for development within the next five years.

Maple Springs Management (MSM) is a company that develops, owns and operates the full spectrum of Senior Housing and services. Even though the Maple Springs Company name and brand is fairly new to the industry, the operating and development history of the management team started well before the formation of the company. The founders/executives of Maple Springs have been in senior housing and services combined for over 30 years and have vast experience from Home Health & Hospice services to Assisted Living and Skilled Nursing.

Maple Spring Management was originally born from the experience between operators from Utah and Kansas. Our senior healthcare backgrounds include managerial and development history in the Independent Living, Assisted Living, Memory Care, Skilled Nursing & Rehab, Home Health, Hospice and Durable Medical Equipment fields. Our Skilled Nursing & Rehabilitation management division brings a lot of operating experience and performance history to our MSM team. Here are a few highlights:

- CEO, Executive, and Regional Vice President experience with Avalon Healthcare Group, Ensign Group, Azura Living Group, Coram Healthcare and Cardinal Health
- Executive Officer experience with Veritas Management Group

- Recognized as one of America's top nursing homes in America by the Consumer Research Council of America and US News and World Report
- Received the American College of Health Care Administrators Facility Leadership Award for meeting superior health care standards
- Most recently, executive leadership over the largest region in Utah as the highest provider of Nursing Home services in the state

Below are the states we have managed in directly and a list of senior housing buildings that were operated and/or developed by our founders/executive members before the Maple Springs executive team came together:

<u>Iowa</u>	<u>Nebraska</u>	<u>Colorado</u>	<u>Utah</u>
Sioux City (x2)	Lincoln	Lakewood	Bountiful (x2)
Des Moines (x2)	Grand Island	Colorado Springs	Salt Lake (x5)
Fort Dodge	Omaha Central	Parker	Payson
Marion	Omaha West	Westminister	Ogden
Iowa City		Lafayette	American Fork
Ames	<u>Missouri</u>	Denver	Nephi
Marshalltown	Raytown		Brigham City (x2)
Cedar Falls		<u>Illinois</u>	Richfield
Clinton	<u>Indiana</u>	Moline	Ivins
Burlington	Carmel	Quincy	
Muscantine	Greenwood	Macomb	<u>Kansas</u>
Davenport	Crown Point	Tinley Park	Overland Park
			Mission
<u>Hawaii</u>	<u>Virginia</u>	<u>Arizona</u>	<u>California</u>
Honolulu (x3)	Chesterfield	Tuscon	Oxnard
Hilo	Spotsylvania	Phoenix (x2)	

Additional responsibilities in these states include managing the Regional Directors in operations, marketing and nursing. Other responsibilities included overseeing the recruitment & retention initiative by implementing a recruiting program that includes screening tools, interview training and a specific personality type evaluation. As a part of this initiative, we were also responsible for building the culture of leadership and redefined performance in our most difficult regulatory states.

We also have acquisition experience, as we led an acquisition team into underperforming (financially and reputation) communities that a financial partner introduced with great success that led to a future partnership that enhanced our corporate finance capabilities that enabled company growth at that time.

Another important part of our previous history was developing an operating system that improved care delivery through individualized service plans. This translates into measureable care-giving tasks that could tangibly be managed at multiple levels of the

business resulting in increased acuity, staff production & satisfaction, operating margins and most importantly, the quality of care.

Additionally, we innovated the marketing drive and result analytics through a structured sales program. We conducted 2 sales seminars every year through bonding and relationship training and development with the entire company as well as others, which sometimes consisted of over 100 executive business leaders in certain locations.

Having Nursing Home Administrator and Executive Director building experience helps us relate to our local leadership teams as they go through the ups and downs of running a building.

It is also important to note that our prior experience includes the spectrum of post-acute services outside of congregate care as well. This consists of our founders starting four different Home Health and Hospice Companies in multiple states, which have all been operated with a large amount of reputation and financial success. Lastly, we have vast experience owning and operating a multi-state Durable Medical Equipment company that we have acquired and grown substantially.

Maple Springs Management is currently managing the following operations:

- Maple Springs of Brigham City, a 76 unit Assisted & Independent Living Facility located in Brigham City, Utah. This community opened in July, 2011. It is currently at 100% occupancy with a wait list.
- Maple Springs of North Logan, a 102 Bed Skilled Nursing Facility contained on a CCRC campus including 61 Assisted beds and 15 Memory Care beds. This community is currently under construction and will open October 1st of 2016.
- Integrity Home Health, which provides skilled services in patients' homes. Services Weber county, Cache county and Box Elder County in Utah.
- Integrity Hospice, which provides end of life care to patients. Services Weber county, Cache County and Box Elder County in Utah.
- Aegis Home Health, which provides skilled services in patients' homes. Services Maricopa County in Arizona.
- Aegis Hospice, which provides end of life care to patients. Services Maricopa County in Arizona.
- Advantage Durable Medical Equipment, a full-service DME Company specializing in Oxygen, CPAP and Ventilator patients. This company services all counties in Utah and parts of Idaho with offices from St. George, Utah to Preston, Idaho.

Maple Springs is currently in an expansion phase. We have two new communities that will undergo construction in Utah in the next 18 months, and one community that will be put in service in October. Alaska is a state that we are very excited about due to market similarities in which we have been operating for many years and tend to understand well. The residents of the Mat-Su Valley are in dire need of Skilled Nursing services. We have

a very strong belief after operating stand-alone facilities for a number of years that the best place to deliver senior living services is on a continuum of care type campus. This provides benefits to the residents that they simply cannot experience while in stand-alone facilities. You will find this critical point highlighted throughout this entire application. Residents will be able to age-in-place as their disease and conditions deteriorate as opposed to getting “shipped” to different locations just because their needs change. The residents get to live in an appropriate setting no matter what their condition may be. The resident won’t need to move to receive higher or lower levels of care; it is simply a move to a different part of their “home” with familiar faces they have come to know and trust. With the need of Skilled Services, the absence of Memory Care and limitations of the Assisted Living facilities in the Mat-Su Valley, it lends itself perfectly to the Maple Springs boutique CCRC model. We will be able to provide specialty services such as a hospice house within this campus due to the economies of scale. These important care services are not available in a stand-alone model.

These communities in the Mat-Su Valley will create the opportunity for Maple Springs to enter the Alaskan market and satisfy the overwhelming local desire for this service. With the construction of these two buildings our design will also allow opportunities for future expansion to meet the intense growing demand that already exists. Our philosophy as a company is to continue developing projects that we would place our family in because our own parents and grandparents have lived in our communities in the past. Developing a quality building that provides unparalleled care and service has become a personal endeavor for our company. We also strive to find underserved populations such as the Mat-Su Valley to be a part of so that we can bring these high-quality services to these secondary and tertiary markets. Our first Maple Springs building was developed in a similar area that was overlooked for years. This is one of the primary reasons that we exist today.



Section IV. Narrative Review Questions

Section IV. Narrative Review Questions

A. RELATIONSHIP TO APPLICABLE PLANS AND NATIONAL TRENDS

Indicate how the application relates to any relevant plans, including the applicant's long-range plans, appropriate local, regional, or state government plans, the current *Alaska Certificate of Need Review Standards and Methodologies*, adopted by reference in 7 AAC 07.025, and current planning guidelines of recognized national medical and health care groups. If the proposal is at variance with any of these documents, explain why. (See the department's website for state planning processes and materials and links to federal websites.)

The Maple Springs management team members have been serving senior residents for over 30 years in everything from Independent Living, Assisted Living, Memory Care & Dementia programming, Skilled Nursing, Home Health & Hospice to Durable Medical Equipment supply. Our longevity and commitment to the senior population goes beyond development and operations and deep into community involvement and support. Our history shows that partnerships with the local medical team, professional services, veteran population, city/state officials and the county members are invaluable to ensuring that the range of care and services seniors undoubtedly need are not only met, but organized before they know they need them. The proposed Maple Springs continuum serves our residents in a way that allows them to age in a dignified and comprehensive manner at this fragile phase of their life. Being able to provide a long spectrum of services under one roof not only allows for us to be able to meet their basic and care needs, but just as important, provide peace of mind. We have identified this exact need for these services in the great state of Alaska. Having researched a broad range within the elderly demographics, we have identified a need for expanded health care services that include mobility, dementia, medication management and a wide variety of health and behavioral service needs that Maple Springs is suited to deliver. Also, after a thorough review with the hospital and medical communities and some state and healthcare agencies, we found a real concern for enough access to not only be able to meet today's needs but also the burgeoning demand that is coming within the next few years and beyond. Maple Springs has already received tremendous support from all the aforementioned community members and more that are noted in attached *letters of support* for this project and services. Please keep in mind, our initial submission will only contain a few of the many letters that support our model and operational experience. We will continue to submit more letters throughout the state's evaluation process.

As part of obtaining approval from the state of Alaska, our proposed project will be consistent with Maple Spring's culture, leadership & core values, and operating commitments.

Steadfast with Maple's Culture

Commitment to Residents - At Maple Springs Senior Living, we come to work each day to love and serve the residents of our communities. This is evident in the services and the way in which our wonderful staff treat our residents in our senior living communities. The needs and wants of each person are unique, and by getting to know each of our residents intimately, we are able to meet each of their individual healthcare needs and life preferences. Our belief is that senior care is an opportunity to assist residents in living their life with dignity and not making each resident conform to a new life-style just to receive the medical services they require.

Meeting “Unrecognized Needs”. We take the time to get to know each and every person's unique life story so we can anticipate his or her desires and requests. Additionally, we provide an atmosphere of community, encouraging everyone to participate in the activities to provide life enrichment. Our Maple family visits continuously with each new resident and brings to life the ideas and inclinations that are of personal interest to them. At Maple Springs, quality care goes beyond meeting their basic and care needs, it is a focus on personalizing their stay so we can meet their “unrecognized” needs. It’s our job not only to deliver what our residents want, but also what they’d never think to ask for. Most of the time, these experiences are small, intimate moments that communicate we know who they are as a unique individual. We pride ourselves on knowing each and every resident personally, what their life’s stories are, who their families are, and what they like to do for enjoyment.

Inspiring Happiness. People have a strong desire to be valued, affirmed, and to have purpose. As we age, our bodies and minds don't respond like they used to; however, our desires to be happy and fulfilled do not change. Our happiness is still a result of how we allow our circumstances to affect us and how we choose to respond to our surroundings.

Power of Choice. Maple Springs Senior Living was created from a belief that the elderly should be able to remain as independent as possible and free to choose how they live their lives regardless of their circumstances. Because of all the service options and amenities that Maple Springs Senior Living provides, it allows the residents the freedom to choose to be happy. The choices we strive to make available every day serve as an important reminder to our resident family of who they are and more importantly, how they deserve to live and be honored.

Steadfast with Maple’s Leadership & Values

Organizing, Planning, & Decision Making: Maple leaders analyze problems and opportunities. They identify key tasks and critical sequential steps. They establish priorities, schedules, and contingency plans, analyze reasonable alternatives and take actions in a timely manner. They efficiently allocate and manage resources. They demonstrate sound judgment.

Enterpriser: Maple leaders have the ability to originate, develop and improve methods. They are self-starters who seize the opportunity to take constructive action without being directed to do so.

Efficiency: Maple leaders demonstrate high levels of contribution in accuracy, quality, completeness, and volume of work. They concentrate on important aspects of task objectives.

Eminence & Customer Service: Maple leaders assure that internal and external customer expectations are identified and all requirements are documented. They measure performance and make necessary improvements that positively impact residents. They propose ways to continually improve quality performance.

Professional Knowledge & Skills: Maple leaders possess required knowledge and skills in our functional field. They demonstrate the ability to effectively apply knowledge in accomplishing task objectives.

Communication: Maple leaders express ideas clearly, both verbally and in writing. They have the ability to both answer and ask questions skillfully. They transmit information to other Maple employees and their residents effectively. They are always patient and active listeners.

Principles & Integrity: Maple leaders comply with policies, regulations and codes of conduct governing all aspects of job responsibilities. They deal with others openly and in a straightforward manner. They protect confidential/proprietary information. They always take responsibility for their own actions and follow through on commitments.

Teamwork & Involvement: Maple leaders involve and support others to get the job done. They solicit and provide constructive feedback and exchange viewpoints openly and honestly. They share information freely and inform others on a timely basis.

Interpersonal Skills: Maple leaders exercise tact, courtesy, and flexibility in relationships with others. They recognize and deal effectively with interpersonal problems that inhibit task accomplishment. They compassionately give and take criticism constructively. They maintain composure under pressure at all times.

Adaptability: Maple leaders perform within established policies and procedures. They adjust to change in new tasks and priorities, especially as they relate to our residents. They are open-minded and try to understand others' points of view. They seek, accept and act on feedback.

Policy Sustenance: Maple leaders support and effectively carry out company policies and programs, including company objectives and Human Resources policies. They effect progress towards achieving the Affirmative Action goals of the company.

Recruitment/Development of Employees: Maple leaders demonstrate effectiveness in staffing selection. They provide opportunities for employees to develop and constructively evaluate their performance appraisals. They reward and recognize good performance and confront below standard performance.

Leadership, Efficacy, & Inclusive Management: Maple leaders achieve creativity, productivity, and cooperative teamwork among employees. They encourage and utilize associate input and suggestion. They effectively utilize resources to achieve maximum efficiency of operation.

Steadfast with Maple's Strategy & Future Developments

With the rapid growth of senior citizens needing more services around the country, Maple Springs decided to come together with a different vision in mind. We wanted to improve personalized and dignified services to the elderly population by constructing smaller and more home-like "boutique" CCRC communities. The overall concept of a CCRC is optimal for residents, the challenge is that most of them around the country are very impersonal and can be prohibitive for seniors due to loss of function, the enormous institutional size, and feeling like a number rather than a part of a family-type community. On the other hand, having worked in a lot of detached communities (i.e. stand-alone Assisted Living or Skilled Nursing buildings) around the country, we felt like residents and adult children were limited in their senior care options due to the inevitable aging process requiring the resident to keep moving from one location to the next to accommodate their growing care needs. By building smaller, home-like CCRC buildings

with multiple care options in ONE location, we provide our residents more choices as they continue to age without having to move each time their needs change. Perhaps more importantly, the executive leadership in each of our communities personally takes time to get to know all of the families, residents and their preferences specifically.

Steadfast with Maple's Code of Conduct

Honor. Be devoted to others, honoring each other above one self

Realization. If you realize that others are experiencing hardships in their relationships with one another, be encouraging to them with positive reflections that they have experienced in the past with each other.

Choice. Choose to look past faults in others, forgiving often, accepting them completely, and choose not to think about them negatively. Choose to address private issues privately.

Self-worth. Think enough of yourself that you don't take others' negativity into consideration and seek their approval for your own self-esteem. You are a crucial member of the Maple family.

Humility. Forget individual grandeur. Make all the people you are responsible to look good, both residents and employees. Focus on the team for the benefit of our resident family. Humble yourself for the sake of others and the Maple family.

Embrace. Embrace new members of the team and make a place for them in our Maple family. Embrace their uniqueness, without comparing them to others.

Remember. Remember to shield our good name and keep it honorable. Remember to judge the situation without judging others. Remember that our integrity is always at stake, particularly when no one is watching.

Commit. Commit to always take the high road. Commit to always doing what is right. At times you may feel lost by doing so, but many positive opportunities will follow.

The following reports were either reviewed and/or referenced for sections IV and V:

- "The Need for a Progressive Long Term Care Facility in the Matanuska-Susitna Valley and overall State of Alaska" March of 2016 - Statistics letter from the Director of Case Management, Mat-Su Regional Hospital
- "Alaska State Health Care Plan for Senior Services, FY2008-FY2011," State of Alaska. DHSS. Alaska Commission on Aging.
- "Healthy Alaskans 2010"
- "Healthy Alaskans 2020"
- "Mat-Su Regional Plan for Delivery of Senior Services". McDowell Group in association with Health Dimensions Group, February 2011
- <http://live.laborstats.alaska.gov/pop/projections/pub/popproj1242.pdf> Table 3.4, Table 3.5, Estimates for 2012; Projections for 2017, 2022, 2027
- laborstats.alaska.gov/pop/projections, Anchorage Tab, Mat-Su Tab, Estimates for 2015

- “Make Them ‘Feel at Home’ ”, American Seniors Housing Association, 2014
- US Department of Health & Human Services “NURSING HOME SELECTION: HOW DO CONSUMERS CHOOSE? VOLUME I: FINDINGS FROM FOCUS GROUPS OF CONSUMERS AND INFORMATION INTERMEDIARIES”
10/01/2006

State Formula & Projected Need

Consistent with Alaska Certificate of Need Review Standards and Methodologies below are specific Alaska Review Standards and Methodologies for long-term care bed need. The projected need for this project utilized the state's formula.

The state formula is as follows:

Step One: Determine the projected long-term nursing care caseload using the formula:

C=CASU

C(caseload)= the average daily census of long-term nursing care patients five years from the project implementation date **Average Daily Census**= patient days per year/365 **CASU** (composite age specific use)=defined as the cumulative average daily census of long-term nursing care patients per 1,000 persons for the age groups: 0-64 years, 65-74 years, 75 to 84 years, and 85 years and over, five-year implementation of the project, calculated as follows:

CASU=(UR₆₅xPP<65)+(UR_{65•74} xPP_{65•74})+(UR_{75•84}xPP_{75•84})+(UR>85xPP>85) where:

UR<65=average nursing home bed use rate of the service area population aged 0 to 64 years for the preceding three years **PP<65**= the projected population 0 to 64 years for the fifth year from the project implementation date

UR_{65•74} =average nursing home bed use rate of the service area population aged 65 to 74 years for the preceding three years **PP_{65•74}**= the projected population 65 to 74 years for the fifth year from the project implementation date

UR_{75•84} =average nursing home bed use rate of the service area population aged 75 to 84 years for the preceding three years **PP_{75•84}**= the projected population 75 to 84 years for the fifth year from the project implementation date

UR>85= average nursing home bed use rate of the service area population aged 85 years of age and older for the preceding three years **PP>85**= the projected population 85 years of age and older for the fifth year from the project implementation date

In conjunction with the State of Alaska, Maple Springs did a bed forecast for 2017 and 2023 using the specific methodology that shows an additional bed need of 120 beds in 2023 above the current supply of 248 available at this time. We believe that there is actually a need for an additional 233 SNF beds, but since we are only applying for the 120 calculated from the State Equation, we have not included that explanation here. If you would like to read this explanation, please see Section VI (Consistent with Alaska Certificate of Need Long-Term Care Review Standards and Methodologies).

In the Mat-Su Valley, there is a current bed count of 0, so these numbers focus on the Anchorage/Mat-Su area in order to start from a basis of beds in the Mat-Su Valley. Our targeted development area is in the Mat-Su Valley.

It is also important to note that this methodology for bed count need only takes into consideration future growth of the population. There is significant data to show that the current supply in the Anchorage/Mat-Su area is not adequate to meet the current demand. In short, by adding 120 beds of Skilled Nursing to this market by 2023, it will not cause the utilization rate to change so it will remain constant. The utilization rate will decrease each year if beds are not added to this market as the population continues to grow and the number of available beds is currently not adequate to meet the demand. We highlight this underutilization in great detail in Section IV - B – 5 subsection c of this application. It focuses on 2 major points surrounding this issue: first, utilization of nursing home beds in the State of Alaska is the lowest in the nation and second, there are currently no nursing home beds available in the Mat-Su Valley.

The following tables illustrate the Beds Needed in this area of focus:

Beds Needed in Anchorage / Mat-Su Areas **State of Alaska Bed Forecast*
Methodology
-- Using CON Methodology with Age Specific Use Rates Taken into
Consideration

Home Bed Use Rate (Bed Days Per Person)				
	2013	2014	2015	Average
0-64	0.063	0.071	0.068	0.067
65-74	0.818	0.842	0.881	0.847
75-84	2.299	2.272	2.114	2.228
85+	5.363	5.176	4.101	4.880

Population Projection					
	2017	2018	2022	2023	2027
0-64	373,802	375,964	384,610	386,866	395,892
65-74	30,767	32,586	39,864	40,693	44,007
75-84	10,775	11,754	15,672	17,112	22,874
85+	3,621	3,759	4,311	4,557	5,540
Total	418,965	424,063	444,457	449,228	468,313

Bed Day Projection (Average Bed Days Per Person * Projected Population)					
	2017	2018	2022	2023	2027
0-64	25,187	25,333	25,916	26,068	26,676
65-74	26,059	27,600	33,763	34,465	37,272
75-84	24,009	26,191	34,921	38,130	50,968
85+	17,670	18,343	21,037	22,236	27,034
Total	92,925	97,467	115,637	120,900	141,951

Beds Needed (Bed Day Projection / 365 Days / 90% Occupancy)					
	2017	2018	2022	2023	2027
0-64	77	77	79	79	81
65-74	79	84	103	105	113
75-84	73	80	106	116	155
85+	54	56	64	68	82
Total	283	297	352	368	432

Beds Needed in 2023 Over the 248 Available in 2016	
=	120

SNF Bed Days in Anchorage / Mat-Su Areas *State of Alaska Bed Forecast
Methodology

Prestige (102 Bed Capacity)				
Age	2013	2014	2015	Average
0-64	4,317	5,660	6,598	5,525
65-74	5,855	7,043	6,672	6,523
75-84	10,793	11,866	11,694	11,451
85+	8,883	9,065	6,762	8,237
Total	29,848	33,634	31,726	31,736

Providence-EXT (96 Bed Capacity)				
Age	2013	2014	2015	Average
0-64	11,355	14,671	13,367	13,131
65-74	7,067	8,981	11,534	9,194
75-84	5,885	6,930	5,543	6,119
85+	4,115	4,260	4,334	4,236
Total	28,422	34,842	34,778	32,681

Providence-TRA (50 Bed Capacity)				
Age	2013	2014	2015	Average
0-64	7,117	5,138	4,576	5,610
65-74	5,819	4,514	4,562	4,965
75-84	3,948	2,320	3,098	3,122
85+	3,111	2,890	2,283	2,761
Total	19,995	14,862	14,519	16,459

All Buildings Combined (248 Bed Capacity)				
Age	2013	2014	2015	Average
0-64	22,789	25,469	24,541	24,266
65-74	18,741	20,538	22,768	20,682
75-84	20,626	21,116	20,335	20,692
85+	16,109	16,215	13,379	15,234
Total	78,265	83,338	81,023	80,875

Anchorage Municipality									
	Anchorage Estimate	Linearly Interpolated	Linearly Interpolated	Estimate	Projected	Projected & Linearly Interpolated	Projected	Projected & Linearly Interpolated	Projected
Age	2012	2013	2014	2015	2017	2018	2022	2023	2027
0-4	21,950	21,737	21,523	21,310	23,966	23,979	24,031	23,973	23,741
5-9	20,975	21,024	21,074	21,123	22,182	22,580	24,170	24,185	24,244
10-14	20,609	20,405	20,200	19,996	21,197	21,438	22,403	22,802	24,400
15-19	20,172	19,808	19,444	19,080	20,980	21,098	21,569	21,815	22,800
20-24	24,878	24,571	24,263	23,956	21,376	21,550	22,247	22,373	22,877
25-29	25,403	25,516	25,630	25,743	25,608	24,928	22,208	22,392	23,130
30-34	22,647	23,323	23,999	24,675	25,869	25,918	26,114	25,445	22,770
35-39	18,903	19,247	19,591	19,935	22,791	23,432	25,996	26,048	26,254
40-44	19,806	19,272	18,739	18,205	18,488	19,255	22,324	22,959	25,498
45-49	20,471	19,736	19,000	18,265	19,244	18,982	17,934	18,690	21,712
50-54	22,227	21,772	21,318	20,863	19,174	18,926	17,934	17,673	16,629
55-59	20,648	20,520	20,393	20,265	20,487	19,880	17,454	17,198	16,175
60-64	15,469	15,994	16,518	17,043	18,627	18,585	18,416	17,821	15,441
65-69	10,152	10,710	11,267	11,825	13,867	14,463	16,847	16,804	16,632
70-74	5,749	6,156	6,564	6,971	8,881	9,566	12,307	12,855	15,049
75-79	3,828	3,988	4,149	4,309	4,848	5,397	7,595	8,202	10,630
80-84	2,711	2,749	2,788	2,826	2,990	3,159	3,837	4,283	6,066
85-89	1,435	1,474	1,513	1,552	1,778	1,819	1,983	2,101	2,575
90+	809	861	914	966	995	1,045	1,243	1,282	1,436
Total	298,842	298,864	298,886	298,908	313,348	316,001	326,612	328,901	338,059
	Estimate	Linearly Interpolated	Linearly Interpolated	Estimate	Projected	Projected & Linearly Interpolated	Projected	Projected & Linearly Interpolated	Projected
Age	2012	2013	2014	2015	2017	2018	2022	2023	2027
0-64	274,158	272,925	271,692	270,459	279,989	280,551	282,800	283,374	285,671
65-74	15,901	16,866	17,831	18,796	22,748	24,029	29,154	29,659	31,681
75-84	6,539	6,738	6,936	7,135	7,838	8,557	11,432	12,485	16,696
85+	2,244	2,335	2,427	2,518	2,773	2,864	3,226	3,383	4,011
Total	298,842	298,864	298,886	298,908	313,348	316,001	326,612	328,901	338,059

Matanuska-Susitna Borough									
	Estimate	Linearly Interpolated	Linearly Interpolated	Estimate	Projected	Projected & Linearly Interpolated	Projected	Projected & Linearly Interpolated	Projected
Age	2012	2013	2014	2015	2017	2018	2022	2023	2027
0-4	7018	7,171	7,325	7,478	8,109	8,313	9,130	9,326	10,108
5-9	7686	7,899	8,111	8,324	8,004	8,226	9,114	9,327	10,179
10-14	7367	7,542	7,718	7,893	8,604	8,678	8,973	9,198	10,097
15-19	7057	7,064	7,071	7,078	7,392	7,630	8,584	8,637	8,851
20-24	5385	5,447	5,508	5,570	6,873	6,912	7,070	7,280	8,122
25-29	6158	6,235	6,311	6,388	6,511	6,819	8,052	8,109	8,336
30-34	6294	6,618	6,943	7,267	7,157	7,240	7,570	7,890	9,168
35-39	5957	6,173	6,390	6,606	7,221	7,403	8,133	8,224	8,589
40-44	6396	6,355	6,315	6,274	6,550	6,808	7,840	8,025	8,767
45-49	6579	6,510	6,441	6,372	6,753	6,785	6,912	7,169	8,196
50-54	7511	7,396	7,280	7,165	6,638	6,669	6,791	6,818	6,928
55-59	6832	6,966	7,100	7,234	7,390	7,216	6,518	6,540	6,627
60-64	5277	5,600	5,922	6,245	6,611	6,713	7,123	6,949	6,253
65-69	3380	3,691	4,002	4,313	4,952	5,202	6,203	6,297	6,672
70-74	2160	2,355	2,550	2,745	3,067	3,355	4,507	4,736	5,654
75-79	1282	1,367	1,451	1,536	1,896	2,057	2,701	2,956	3,976
80-84	831	869	908	946	1,041	1,141	1,539	1,672	2,202
85-89	461	483	505	527	550	579	695	763	1,033
90+	170	186	201	217	298	316	390	411	496
Total	93,801	95,927	98,052	100,178	105,617	108,063	117,845	120,327	130,254

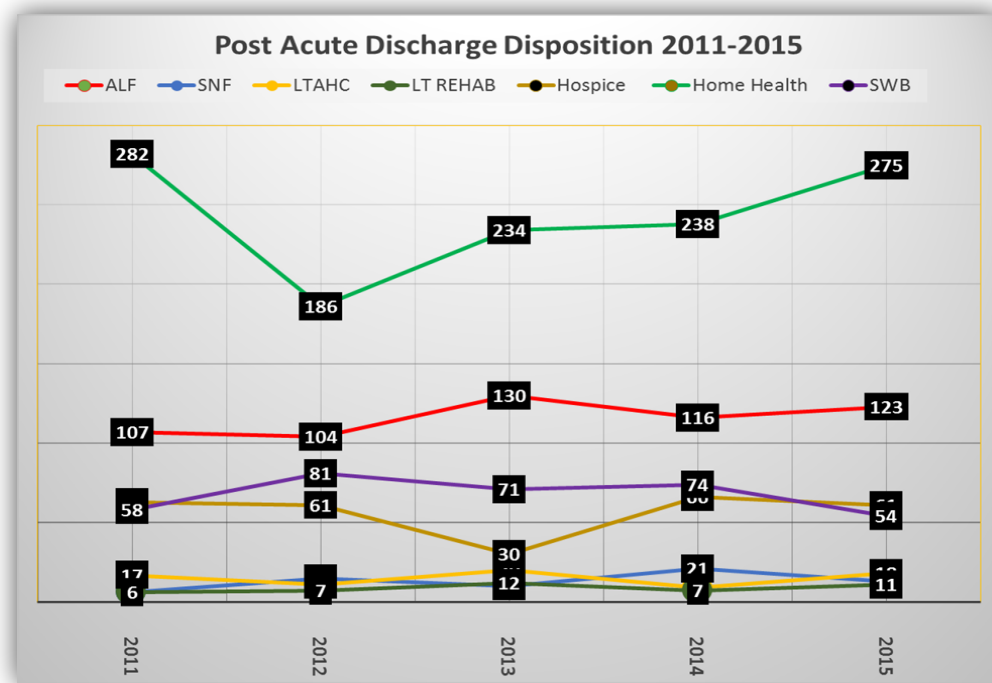
	Estimate	Linearly Interpolated	Linearly Interpolated	Estimate	Projected	Projected & Linearly Interpolated	Projected	Projected & Linearly Interpolated	Projected
Age	2012	2013	2014	2015	2017	2018	2022	2023	2027
0-64	85,517	86,976	88,435	89,894	93,813	95,412	101,810	103,492	110,221
65-74	5,540	6,046	6,552	7,058	8,019	8,557	10,710	11,033	12,326
75-84	2,113	2,236	2,359	2,482	2,937	3,198	4,240	4,628	6,178
85+	631	669	706	744	848	895	1,085	1,174	1,529
Total	93,801	95,927	98,052	100,178	105,617	108,063	117,845	120,327	130,254

** The numbers derived from this formulaic analysis reflected in the above tables stem from the Alaska Labor and Statistics Report reference*

Our proposed Maple Springs project for 120 additional beds is within the demand projections for 2015 and 2020, particularly in the Mat-Su Borough. As evidenced, the current beds available in the Matanuska Susitna Valley is 0, and the population of Senior Citizens ages 75+ is at 3,785 and 85+ is 848. The projected growth in those combined age categories between 2017 and 2023 is over 100%. If you focus on just the 85+ group, the growth is anticipated to be over 80%. The proposed Maple Springs project would fill a dire need right away in the Mat-Su Valley.

Anchorage & Matanuska-Susitna Borough Combined									
Age	Estimate 2012	Linearly Interpolated 2013	Linearly Interpolated 2014	Estimate 2015	Projected 2017	Projected & Linearly Interpolated 2018	Projected 2022	Projected & Linearly Interpolated 2023	Projected 2027
0-64	359,675	359,901	360,127	360,353	373,802	375,964	384,610	386,866	395,892
65-74	21,441	22,912	24,383	25,854	30,767	32,586	39,864	40,693	44,007
75-84	8,652	8,974	9,295	9,617	10,775	11,754	15,672	17,112	22,874
85+	2,875	3,004	3,133	3,262	3,621	3,759	4,311	4,557	5,540
Total	392,643	394,791	396,938	399,086	418,965	424,063	444,457	449,228	468,313

Additionally, Denise Plano, Director of Case Management of the Mat-Su Valley Regional Medical Center reports that the current healthcare services in the Mat-Su region are over-burdened from a lack of options in the Valley. She provides the following information:



Home Health: Discharges to home health remain high because of the complexity of patients discharged to their home due to lack of funding or their refusal to be placed in an Assisted Living Facility. In 2014, 2015 there was a shortage of Physical Therapists at Mat-Su Regional Home Health and Hospice causing a three-week delay in order for

patients to be seen. There are no other Certified Home Health Agencies (CHHA) that accept Medicare and Medicaid that provide services to the catchment area.

Assisted Living Facility: Discharges to Assisted Living Facilities have remained high, but beds are difficult to find with the limited number of facilities in the Mat-Su Valley.

Swing Bed: Because of the continued challenges related to funding and long-term bed availability, swing bed utilization was decreased in 2015 due to the longer length of stay. The Swing Beds remain full with a waiting list due to the lack of SNF beds in the state.

Hospice: Discharges to Hospice have increased from 2013. Several Assisted Livings do not take Hospice patients. Note: Maple Springs will evaluate Hospice admissions and also plans to build a Hospice dedicated wing in the proposed SNF portion of the facility.

Long Term Acute Care: Only one LTACH in the state (Anchorage), with waiting list. New Medicare regulations are making placement increasingly challenging related to criteria.

Skilled Nursing Facility: Although the number of patients discharged to Skilled Nursing Facilities increased in 2014, there were still several patients who were unable to get a bed at either facility. Referrals are being done early in admission if there is any indication that a patient may need a bed. Patients who require a skilled level of care who are not able to be placed in ALF have a substantially long hospitalization.

After Maple Springs opens, Maple will make 120 skilled beds available to provide transitional care, reducing the number of Anchorage discharges substantially, and will provide the remaining scope of Assisted Living, Memory Care and Hospice services to the area.

B. DEMONSTRATION OF NEED

- 1. Identify the problems being addressed by the project. For example, identify whether this project is for (a) a new service; (b) an expanded service; or (c) an upgrade of an existing service.**

The Maple Springs project will be new construction that will include Skilled Nursing & Rehabilitation, Assisted Living, Memory Care and Hospice services. Our Wasilla and Palmer buildings will be on undeveloped land and provide a service “spectrum” that is new to the area all under one roof. Our building design meets the fundamental care needs of our residents, but just as important, it has a very homelike feel that is critical in providing the much-needed emotional care component.

Our Skilled portion of the community will consist of private suite options in most rooms with the configuration to have some semi-private accommodations available at the same time. Bathrooms will be provided respectively in each room setting. The layout of this new community will encourage ambulation, socialization, desirable dining accommodations and engagement that is critical to care and recovery. At the same time, they will have the comfort and privacy to maintain their dignity upon receiving such services.

Our care model and customized philosophy is built into each area to promote function and stimulate action. This allows us to serve a wide range of the diverse population that will need our services.

- 2. Describe whether (and how) this project (a) addresses an unmet community need; (b) satisfies an increasing demand for services; (c) follows a national trend in providing this type of service; or (d) meets a higher quality or efficiency standard.**

Specific to the community. Based upon the figures from the state, it shows there is a need for the growing demand for seniors aged 55+. Not only does it show the need today specifically but also highlights the demand coming that current supply cannot meet. The above methodology in Section IV - A shows the need for 120 additional beds by 2023 in the Anchorage area alone. More specifically, the data also supports the glaring fact that due to having 0 beds available in the Mat-Su valley, there is an extreme demand with over 3,700 residents above the age of 75 without skilled nursing and rehabilitation services. Nearly 23% of that number are Alaskans aged 85 or above.

Current service provisions are not sufficient to support future demand in Mat-Su. A separate report (Mat-Su Regional Plan for Delivery of Services, 2011) indicates that the projected rate of senior growth in the Mat-Su and the increased need for services and programs accessed by seniors, program offerings and opportunities must grow or evolve to support increased demand. By 2030, total population for the borough will grow by 63.3 percent – a net increase of 53,354 persons. Senior population, including individuals age 65 and older, will expand at an even more accelerated rate. The age 65 to 74 group will more than double (159.2 percent), while the age 75 to 84 group will triple (247.0 percent). While this issue is not unique to Mat-Su, the projected rate of senior population growth in Mat-Su is roughly five times that of the nation as a whole.

Nationally, the need for quality nursing homes continues to grow. The ongoing challenge with current supply nationwide is the aging buildings prohibit care models that can adequately meet the needs of our growing population demands. Because these facilities are very similar to hospital and institutional type settings, they provide challenges to deliver some of the most basic needs which are essential to residents. Maple Springs builds communities that encourage ambulation with wider and functional hallways, common areas for socialization of many kinds, a homelike yet restaurant dining atmosphere and in some cases a better venue for living than their current home/alternatives. Nursing home reports currently focus on a care model that better engages residents and allows them to retain the desire for independence and control for as long as possible. One of the many reasons Maple Springs was formed was to meet this very purpose and provide services to our own family in addition to the others that we are privileged to serve.

- 3. Describe any internal deficiencies of the facility that will be corrected, and document which of these deficiencies have been noted by regulatory authorities. Note any deficiencies that will not be corrected by this project, what efforts have been taken to correct the deficiencies, and how this project will affect the deficiencies. Attach any pertinent inspection records and other relevant reports as an appendix to the application.**

This does not apply to a new facility.

4. Identify the target population to be served by this project. The "target population" is the population that is or may reasonably be expected to be served by a specific service at a particular site. Explain whether this is a local program, or a program that serves a population outside of the proposed service area. Use the most recent Alaska Department of Labor and Workforce Development statistics for population data and projections. Explain and document any variances from those projections. The population may be defined in one or more ways:

The Maple Springs Project will serve residents that have Skilled Nursing, Assisted Living, and Memory Care needs.

Skilled Nursing residents typically have intermediary care needs which can include many chronic health conditions that effect mobility and beyond. It will consist of patients who have skilled and rehabilitation needs. It is also pretty typical for residents to have some mental health conditions. This care spectrum allows residents, when no longer appropriate or able to live in our Assisted Living or Memory Care, to be able to stay on campus and receive the additional services they need in a skilled and nursing environment. The reverse is also true--when a resident patient is to a point in their rehabilitation where they are ready to transition out, they have our Assisted Living or Memory Care services available to them in house led by the same administrative leadership. This is a significant cost saving benefit to state and federal funds by placing residents and patients in the appropriate care situation.

Assisted Living residents needs include, but are not limited to, meal preparation, daily grooming both morning and night, reminders for meals and activities, medication management, transportation, socialization and activities, bathing and toileting. It also has secure entrances/exits to provide additional safety measures.

Memory Care would entail all of these services but also a specific dementia program that includes detailed and constant activity levels to meet the individual resident disease process or mental capacities where they are and serve their "unrecognized needs" in such a way, they live with personal dignity and affection.

The new Maple community will serve the majority of residents from the Mat-Su county, specifically in the Wasilla/Palmer area. Below is a breakdown that was taken from the 2011 Mat-Su Regional Plan for Delivery of Senior Services. It illustrates the growing target population and burgeoning need that exists in the Borough.

Summary of Population Trends by Age Cohort for the Mat-Su Borough

Age Cohort	2010	2015	2020	2025	2030	Change 2010-2030	% Change 2010-2030
0-9	13,191	15,777	17,993	19,891	22,255	+9,064	+68.7%
10-19	13,296	14,363	16,791	19,868	22,693	+9,397	+70.7
20-29	11,726	13,745	13,994	14,910	16,914	+5,188	+44.2
30-39	10,892	13,823	17,689	19,343	19,146	+8,254	+75.8
40-49	12,224	12,696	14,414	16,463	19,040	+6,816	+55.8
50-54	6,624	6,430	5,762	6,261	7,269	+645	+9.7
55-64	9,794	11,957	12,315	11,508	11,459	+1,665	+17.0
65-74	4,152	5,964	8,451	10,330	10,762	+6,610	+159.2
75-84	1,852	2,290	3,088	4,470	6,426	+4,574	+247.0
85+	577	798	1,004	1,255	1,718	+1,141	+197.7
Total	84,328	97,843	111,501	124,299	137,682	+53,354	+63.3%

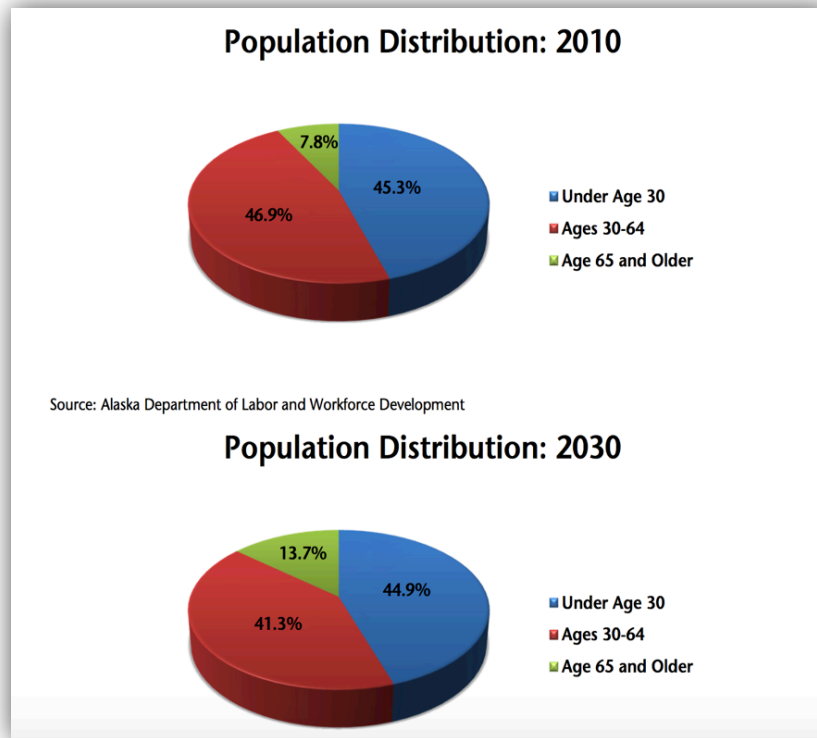
Source: Alaska Department of Labor and Workforce Development.

This report shows us that the senior population, including individuals age 65 and older, will expand at an even more accelerated rate. The age 65 to 74 group will more than double (159.2 percent), while the age 75 to 84 group will triple (247.0 percent). The senior population estimate accounts for 23.1 percent of the total population growth by 2030.

Senior (Age 65+) Population in Mat-Su

Back in 2010, seniors accounted for 7.8 percent of the Mat-Su's population (6,581 persons). According to this Regional Report, by 2030, seniors will comprise 13.7 percent of the total population (18,906 persons). The age 30 to 64 group, which accounts for available workforce, will experience an overall percentage reduction by 2030, but the total size of this group will grow from 39,534 to 56,914 persons – a net increase of 43.9 percent.

The following pie chart is another exhibit illustrating how the age brackets will shift over time.



a. Document the service area by means of a patient origin analysis.

The Mat-Su Borough is made up of six US Postal ZIP codes, which represents the target population & data segmentation when analyzing the senior market. As indicated in the table below, future growth on a percentage basis, among those age 65 and older is projected to be the most pronounced in Wasilla and Talkeetna. On a gross number basis, the largest growth will take place in the Wasilla and Palmer locations.

Age 65 and Older Growth by Zip Code, 2010 - 2015

Zip Code – City	2010	2015	Change	% Change
99654 – Wasilla	3,731	5,512	+1,781	+47.7%
99645 – Palmer	2,344	3,330	+986	+42.1
99688 – Willow	624	880	+256	+41.0
99676 – Talkeetna	295	434	+139	+47.1
99667 – Skwentna	7	7	0	0.0
99683 – Trapper Creek	-	-	-	0.0
Mat-Su Zip Code Total	7,001	10,163	+3,162	+45.2%

Source: Claritas, Inc.

As evidenced through all of the above data, Maple Springs has concluded that there is a significant need for the proposed services, particularly in the Skilled Nursing and Rehabilitation sector due to not having a single unit available to the aging and growing senior population need in the Mat-Su Valley. The largest chunk of the target population we have identified inside of this scope is located in both Wasilla and Palmer, the destination sites for our projects. Based on the research, national trends and senior preferences, having separate locations in the valley with continuum services captures the essence of staying close to home while providing a needed service in Mat-Su at the same time.

b. Justify the customary geographical area served by the facility using trade and travel pattern information. Indicate the number and location of individuals using services who live out of the primary service area.

As seen in the Zip Code table above (subsection a), approximately 13 percent of the Mat-Su target residents live outside of the Wasilla/Palmer service area.

c. Use Alaska Department of Labor and Workforce Development information, including current census data on cities, municipalities, census areas, or census sub-areas, to describe trends, age/sex breakdowns, and other characteristics pertinent to the determination of need.

From the Alaska Department of Labor Report April 2014:

Most growth in Anchorage, Mat-Su

While the projections show no change in the size-ordering of region populations over the projection period, the strongest growth by far is projected for Anchorage/Mat-Su. Altogether, projections show Anchorage/Mat-Su growing by nearly 140,000 people, a 35 percent increase, from roughly 390,000 in 2012 to more than 530,000 in 2042. Projected gains for the region are split pretty evenly between the two areas numerically, although the percent increase will be noticeably larger for the Mat-Su Valley.

Projections for the Mat-Su Borough alone show an increase of more than 75 percent, starting at just over 93,000 in 2012 and reaching more than 165,000 people by 2042. Though net-migration gains have tapered some for the borough over the last decade, Mat-Su remains the one area with consistent gains through both natural increase and net migration, and that's projected to continue.

In addition to the Claritas report above (subsection a), we have other supporting references from the Regional Delivery of Services report and Alaska Labor & Statistics that include the following exhibits describing the trends, age/sex breakdowns, and other characteristics relevant to the determination of need:

Geriatric Care Management Demand Analysis, Age and Household-Qualified 2010, 2020, and 2030			
	2010	2020	2030
75 to 84 Year Cohort			
Female Population	953	1,503	3,272
Female Non-Family Household	51.5%	51.5%	51.5%
Est. Female Non-Family Household	491	775	1,686
Male Population	899	1,585	3,154
Male Non-Family Household	29.6%	29.6%	29.6%
Est. Male Non-Family Household	266	470	935
75 to 84 Year Cohort Total Non-Family Households	758	1,244	2,621

**Geriatric Care Management Demand Analysis, Age and Household-Qualified (Cont'd)
2010, 2020, and 2030**

	2010	2020	2030
85+ Year Cohort			
Female Population	344	551	897
Female Non-Family Household	51.5%	51.5%	51.5%
Est. Female Non-Family Household	177	284	462
Male Population	233	453	821
Male Non-Family Household	29.6%	29.6%	29.6%
Est. Male Non-Family Household	69	134	243
85+ Year Cohort Total Non-Family Households	246	418	706

Source: Claritas, Inc., HDG Methodology.

Note: Due to rounding, columns may not add up to the total.

Geriatric Care Management Demand Analysis, Income-Qualified, 2010, 2020 and 2030

	2010	2020	2030
75-84 Year Cohort Total Non-Family Households, \$75K+	206	339	714
85+ Year Total Non-Family Households, \$75K+	54	92	155
Total, 75+ Year Cohort Non-Family Households, 75K+	260	431	869

Source: Claritas, Inc., HDG Methodology.

Note: Due to rounding, columns may not add up to the total.

Ethnic Breakdown in Mat-Su Borough	Percentage
White	87.27%
American Indian and Alaska Native	5.66%
Hispanic or Latino	3.81%
Asian	1.27%
Black or African American	0.99%
Pacific Islander	0.26%
Other	0.74%

Gender	Percentage
Population 65 years + Male	50.45%
Population 65 years + Female	49.55%

**Demographic Profile for Matanuska-Susitna Borough from the 2010 Census from live.laborstats.alaska.gov page*

The proposed new facility is expected to have similar distribution of race, gender, and demographics as the above data presents. At this time, there isn't any other data for skilled services for patients in the area.

- d. The population to be served can be defined according to the unique needs of patients requiring specialized or tertiary care (e.g. heart, cancer, kidney, alcoholism, etc.) or the needs of under-served groups.

Maple Spring's future residents will have health care needs and services consisting of a wide variety of ages, conditions that include health, mental and emotional needs and compromised mobility & functionality. Residents in this environment typically need these types of services for up to 100 days, and in unique circumstances even longer. Upon improvement, they will usually be able to return home or have the option to stay in our assisted living/memory care environment with leadership and nursing staff that have become familiar to them.

5. Describe the projected utilization of the proposed services and the method by which this projection was derived. Do not annualize utilization data. It must include the last complete year of operation (indicate if it is a calendar year or fiscal year) and as many prior years as is feasible to show trends. If graphs are used to depict this information, and they do not include the actual utilization numbers, numerical charts must be included. In providing this information:

a. Include evidence of the number of persons from the target population who are currently using these services and who are expected to continue to use the service, including individuals served out of the service area or out of state;

There are currently no services available in the proposed area of development. From the table in Section IV - A titled "SNF Bed Days in Anchorage / Mat-Su Areas **State of Alaska Bed Forecast Methodology*" we can see that there is enough population to support a 250 Bed capacity with an average population of 80,875 people. In the proposed area of the Mat-Su valley there is an estimated population of 100,178 in 2015 that has 0 SNF beds available to them at this time. These statistics come from the Labor and Statistics website, Alaska. Estimates for 2012; Projections for 2017, 2022, 2027.

b. Include evidence of the number of persons who will begin to use any new services that are not now available, accessible, or acceptable to the target population.

Since there currently are not skilled nursing buildings in the Mat-Su area to evaluate, we have included information from the Mat-Su regional hospital that discusses discharge statistics, needs and lack of availability. Denise Plano, Director of Case Management for Mat-Su regional hospital sent us the following information from her report letter titled "Need for a Progressive Long Term Care Facility in the Matanuska-Susitna Valley and overall State of Alaska". It overviews the focus that Mat-Su regional places on the safety and appropriate discharge for their patients. They tracked "avoidable days" that defines when patients are ready for discharge and no longer meet inpatient criteria. These patients are ready for discharge to home or to post-acute providers/placement. The following information comes directly out of her report:

The Patients Reviewed in 2015 includes:

- 4468 Inpatient Admissions
- 712 Observation Patients
- 262 Surgical Outpatients in a Bed
- 767 Emergency Department Transfers

Reasons for Avoidable Days: (when the patient no longer meets inpatient criteria)

The major cause of avoidable days is a lack of Skilled Nursing Facilities (SNF's) in Mat-Su community. There is also a lack of Assisted Living Facilities (ALF's) and the beds are dictated by the need for private pay funds or state provided General Relief. These three account for 60% of avoidable days for 2015.

- The average wait time to get a patient into a Skilled Nursing Facility bed is six weeks.
- Application to securing funding for General Relief takes up to 6 weeks, long term Medicaid waiver can take up to 8 weeks.
- Guardianship decisions need to be made prior to placing patients that do not have capacity or health care proxy.

The only two inpatient rehab facilities in the Anchorage area have waiting lists.

The patients placed on hold by Adult Protective Services also need to be placed in an Assisted Living.

Ms. Plano goes on to explain that there are multiple patient related issues of concern for patients hospitalized beyond their acute phase. These include the increased incidence of hospital acquired conditions, lack of socialization and proximity to family and friends, and the ability for the patient to attain specialty services which are only provided by Inpatient Rehabilitation, Long-term Acute Care Hospitals, Inpatient Behavioral Health Facilities and Skilled Nursing Facilities.

c. Provide annual utilization data and demand trends for the five most recent years and monthly utilization data for the most recent incomplete year prior to the application for each existing facility offering a similar service in the service area. Provide projections for utilization for three years (or the appropriate planning horizon set out in the review standards related to this project) after construction, and show methodology used to determine use, including the math.

Not applicable due to the Mat-Su area not having this data yet. That said, we have some experiential data from the Mat-Su Regional plan (McDowell Group) that continues to illustrate the demand trends starting back from 2010.

Long-Term Nursing Home Bed Demand

The demand for nursing home beds was calculated using the utilization of nursing home beds in Alaska by age group. It is assumed the utilization will remain consistent into the future, given the limited number of nursing home beds in Alaska. It is important to note the following:

- Utilization of nursing home beds in Alaska is the lowest in the nation
- There are currently no nursing homes in the Mat-Su Borough

The tables below summarize the demand for nursing home beds in Mat-Su in 2010, 2020, and 2030. This demand only concerns the population 65 years and older.

Nursing Home Bed Demand for the Mat-Su, 2010, 2020, and 2030

2010	Population	Utilization	Bed Demand
Age 65-74 years	4,152	0.0043007	18
Age 75-84 years	1,852	0.0145029	27
Age 85+ years	577	0.0356557	21
Bed Demand	6,581		66
Existing Beds in Market Area			0
Unmet Demand (Excess)			66
2020			
Age 65-74 years	8,451	0.0043007	36
Age 75-84 years	3,088	0.0145029	45
Age 85+ years	1,004	0.0356557	36
Bed Demand	12,543		117
Existing Beds in Market Area			0
Unmet Demand (Excess)			117
2030			
Age 65-74 years	10,762	0.0043007	46
Age 75-84 years	6,426	0.0145029	93
Age 85+ years	1,718	0.0356557	61
Bed Demand	18,906		201
Existing Beds in Market Area			0
Unmet Demand (Excess)			201

Source: PMD Advisory Services, Claritas, Inc., Cowles Research Group's 2008 Nursing Home Statistical Yearbook, 2008 Nursing Home Compendium, and HDG Methodology.

Note: Due to rounding, columns may not add up to the total.

Based on the nursing home bed demand from this report, there was an undersupply of 66 beds in Mat-Su back in 2010. They estimate that by 2030, the undersupply will rise to 201 beds. We have concluded through our research, combined with these statistics, recent growth in the area, and diligence with the state of Alaska, that the supply is 120 in 2016. Lastly, on page 47 of the Providence Alaska Cottages application submitted in December of 2010 it states that the need estimates at that time were 216 by 2020. It is important to note that Providence retired 44 Skilled Nursing Facility beds in the market as a part of their process. As a result, the utilization rate actually decreased after this transition because the beds simply weren't available. So now in 2015, after performing the state mandated calculation, it effectively lowers the estimates from what they were in 2010. See Section VI for more details on this.

d. If the project is an acquisition of a new piece of major equipment or a new service, provide utilization data for similar services, existing equipment, or older technology. Indicate whether similar existing equipment will continue to be used and the project's effect on utilization of similar services. If this service or equipment was not in place in the service area, compare the expected utilization with other similar communities in Alaska or in other states.

Since this is new to the Mat-Su area, and based on the information received from the hospital, we anticipate the skilled building to fill up within the first 6-9 months of operation. Denise Plano MHA MSN RN, Director of Case Management for Mat-Su Regional Hospital continues to tell us in her report that there are multiple issues related to the availability of sub-acute services for patients in the Mat-Su area. Without the provision and availability of a progressive long term care option, many patients are admitted to services that are unable to care for their post-hospitalization needs, thereby increasing the hospital readmission rates and possibly influencing poor healthcare outcomes. We also have found the consolidated demand for most senior care options are as follows per the Deliver of Services Report (McDowell Group):

**Consolidated Senior Service Need Projections in the Mat-Su Borough,
2010, 2020, and 2030**

	Current Beds/Service	2010	2020	2030
Assisted Living	245	318	541	1,031
Alzheimer's Assisted Living	26	190	329	590
Private pay Geriatric Chronic Management \$75k+	n/a	130	266	341
Skilled Nursing Facility Bed Need	0	66	117	201
Adult Day Services	35-45	49	94	142
Medicare Certified Home Health ADC	n/a	33	63	95
Hospice Beds	n/a	11	19	32

Note: n/a denotes "not applicable."6

Maple Springs intends to meet the primary need of skilled nursing care and rehabilitation services in the area, but we will also continue to serve their Assisted Living, Memory Care and In-patient Hospice needs. We will be able to decrease the number of poor healthcare outcomes by providing the corresponding services needed. This will also reduce the cost of equipment and services to the residents of Mat-Su and the hospital and care service sector. It is also important to mention that it will also save the State of Alaska money by lowering utilization of the hospital when the patient's real need is only a Skilled Nursing Facility or an Assisted Living/Memory Care option.

e. If an increase in utilization is projected, list the factors that will affect the increase. Provide annual utilization projections for three to five years in the future, as applicable, for each specific service in the

proposal (in general, equipment projections are for three years, and new beds and facility construction are for five years). Include each of the following data when applicable:

Utilizing the most recent full-year CMS Cost Report Data available, we have projected the data contained below. Namely, 2014 Providence Transitional Care Center, 2014 Providence Extended Care and 2012 Prestige Care & Rehab Center of Anchorage were used to extrapolate projections. It is important to note a few assumptions and estimates that were made to come up with the projections we are presenting below.

Notes:

- Title XVIII days for this project were adjusted up by double the utilization rate seen in the CMS Cost Reports. This was done due to the feedback received from stakeholders in the community and data that we received from Mat-Su Regional Hospital which supported higher utilization of rehabilitation.
- For ease of calculation Title XIX was limited to 70 occupied units in 2023 by way of Average Daily Census (ADC).
- Occupancy in 2023 is limited to 90% due to un-billable days. These occur due to patients transitioning into and out of the community. Another significant cause is holding a unit for a patient that has transitioned to an acute level of care for a time-period such as a hospital. This is supported by noting the occupancy rates of the combined available beds in Anchorage for 2012 Prestige data and 2014 Providence data is 87% overall.
- Absorption rates were mitigated by utilization rate being the limiting factor for the first five years. To explain further, we maintained a constant utilization rate for all years of absorption and operation. We believe that utilization rate in the Anchorage/Matsu area is significantly understated due to services not being available. However, we have maintained a constant utilization rate throughout for our projections.
- We have provided the data as totals as well as the projections for Title XVIII, Title XIX and Other Services.
- For 2018 there were only 9,180 available days as the Wasilla building will open on September 1st and the Palmer building will open on December 1st.
- Average Length of Stay (LOS) was obtained by simply calculating the average of the facilities currently in operation in Anchorage. The most recent CMS Cost Report Data was utilized. LOS data for “Other” services was not available. We have made the assumption that since most of these are long-term residents, LOS would be similar to Title XIX services.

(1) Number of admissions/discharges

ADMISSIONS				
	Title XVIII	Title XIX	Other	Total
Providence Transitional 2014 (SNF)	175	35	55	265
Providence Extended Care 2014 (NF)	0	57	7	64
Prestige Care & Rehab 2012 (SNF/NF)	93	62	30	185
TOTALS	268	154	92	514
Maple Springs 2018	24	25	5	54
Maple Springs 2019	122	61	25	209
Maple Springs 2020	145	59	28	232
Maple Springs 2021	173	69	34	275
Maple Springs 2022	201	79	39	318
Maple Springs 2023	200	71	44	315

DISCHARGES				
	Title XVIII	Title XIX	Other	Total
Providence Transitional 2014 (SNF)	143	42	39	224
Providence Extended Care 2014 (NF)	0	36	5	41
Prestige Care & Rehab 2012 (SNF/NF)	61	93	34	188
TOTALS	204	171	78	453
Maple Springs 2018	18	7	3	29
Maple Springs 2019	113	40	22	174
Maple Springs 2020	141	49	27	217
Maple Springs 2021	169	59	32	260
Maple Springs 2022	197	69	38	303
Maple Springs 2023	200	70	43	313

(2) Number of patient days

PATIENT DAYS				
	Title XVIII	Title XIX	Other	Total
Providence Transitional 2014 (SNF)	6,276	4,714	3,872	14,862
Providence Extended Care 2014 (NF)	-	32,520	2,322	34,842
Prestige Care & Rehab 2012 (SNF/NF)	3,963	25,393	755	30,111
TOTALS	10,239	62,627	6,949	79,815
Maple Springs 2018	889	2,719	302	3,909
Maple Springs 2019	5,655	14,468	1,919	22,042
Maple Springs 2020	7,069	18,085	2,399	27,553
Maple Springs 2021	8,475	21,680	2,876	33,031
Maple Springs 2022	9,880	25,275	3,353	38,508
Maple Springs 2023	10,040	25,550	3,830	39,420

(3) Average length of stay

AVERAGE LENGTH OF STAY			
	Title XVIII	Title XIX	Other
Providence Transitional 2014 (SNF)	43.89	112.24	Not Available
Providence Extended Care 2014 (NF)	0	903.33	Not Available
Prestige Care & Rehab 2012 (SNF/NF)	64.97	273.04	Not Available
TOTALS			
Maple Springs 2018	54	430	430
Maple Springs 2019	54	430	430
Maple Springs 2020	54	430	430
Maple Springs 2021	54	430	430
Maple Springs 2022	54	430	430
Maple Springs 2023	54	430	430

(4) Percent occupancy

OCCUPANCY RATES			
	Number of Beds	Bed Days Available	Occupancy Rate
Providence Transitional 2014 (SNF)	50	19,690	75.5%
Providence Extended Care 2014 (NF)	96	35,040	99.4%
Prestige Care & Rehab 2012 (SNF/NF)	102	37,230	80.9%
TOTALS	248	91,960	86.8%
Maple Springs 2018	120	9,180	42.6%
Maple Springs 2019	120	43,800	50.3%
Maple Springs 2020	120	43,920	62.9%
Maple Springs 2021	120	43,800	75.4%
Maple Springs 2022	120	43,800	87.9%
Maple Springs 2023	120	43,800	90.0%

(5) Average daily census

AVERAGE DAILY CENSUS (ADC)				
	Title XVIII	Title XIX	Other	Total
Providence Transitional 2014 (SNF)	17.2	12.9	10.6	40.7
Providence Extended Care 2014 (NF)	0.0	89.1	6.4	95.5
Prestige Care & Rehab 2012 (SNF/NF)	10.9	69.6	2.1	82.5
TOTALS	28.1	171.6	19.0	218.7
Maple Springs 2018	5.8	17.8	2.0	25.6
Maple Springs 2019	15.5	39.6	5.3	60.4
Maple Springs 2020	19.4	49.5	6.6	75.5
Maple Springs 2021	23.2	59.4	7.9	90.5
Maple Springs 2022	27.1	69.2	9.2	105.5
Maple Springs 2023	27.5	70.0	10.5	108.0

(6) Number of licensed beds

There will be 120 licensed beds. The first 60 beds will be put into service on September 1st, 2018, and the remaining 60 will be put into service on December 1st, 2018.

(7) Number of beds set up

There will be 120 beds set up. Again, see above for timing for the beds being put into service. All proposed licensed beds will be setup and put into service.

(8) Number of inpatient and outpatient surgeries and surgery minutes

Not Applicable

(9) Number of existing surgery suites in the service area

Not Applicable

(10) Number of procedures

Not Applicable

(11) Number of treatment rooms

Not Applicable

(12) Number of patients served

NUMBER OF PATIENTS SERVED				
	Title XVIII	Title XIX	Other	Total
Maple Springs 2018	29.3	43.0	7.3	79.6
Maple Springs 2019	137.9	101.0	30.1	268.9
Maple Springs 2020	164.1	108.8	34.8	307.7
Maple Springs 2021	195.9	128.4	41.5	365.8
Maple Springs 2022	227.8	148.1	48.1	424.0
Maple Springs 2023	228.0	140.5	54.8	423.3

(13) Number of outpatient visits

Not Applicable

(14) Number of laboratory tests

Not Applicable

(15) Number of x-rays

Not Applicable

(16) Number of ER visits

Not Applicable

(17) Number of CT, MRI, PET or PET/CT scanners

Not Applicable

f. If any services will be reduced, indicate how the proposed reduction will affect the service area needs and patient access.

Not Applicable

g. Provide any other information that may be pertinent to establishing the need for this project.

Highlighted in the above sections of demographic need, Maple has designed a building that has industry-leading quality customized for resident preferences. The homelike design of the entire care continuum will promote a higher standard of living, even considering their current living circumstances. Each bedroom suite on campus is built for privacy and to ensure dignity for our residents. The socialization programs will stimulate independence and provide life enrichment based on the personalized approach to their care plans. The transitional care residents will have a qualitative yet temporary stay and upon discharge will have the opportunity to stay on site with friends and leadership that they already know through their transitional experience. Having Assisted Living and Memory Care on site promotes a community of health and wellbeing. It also provides opportunities for their respective family and friends to visit often and become part of the Maple family. As highlighted through much literature in this document, the continuum approach, when done right, provides the opportunity to age in place, which will provide solutions to resident care and family needs in the senior healthcare sector.

It is also important to continue to highlight that the continuum model meets the important physiological and emotional needs of each resident. In the American Seniors Housing Association Report published in 2014 titled *Make Them "Feel at Home"*, it emphasizes the impact that the change in environment can have on the elderly. Even though this report focuses primarily on Independent Living, it provides great insight on how, when mostly independent in decision-making, residents remain secure and confident with themselves. It tells us that when the routine living of an individual changes from a smaller residence to communal living, that all of the basics of life change in an instant. The need for this population to find life rhythm is paramount, and that is found in the following areas:

- Homelike apartments that provide a "sacred" yet manageable area that promotes familiarity
- A sense of safety and security in their great spaces of living
- A sense of belonging due to great socialization and staff
- Consistency of faces. In other words, having familiar leadership at every stop during changing conditions
- After the conditions of life change, having an array of options to choose from builds self esteem. Again, having daily reliability of services and people knowing their preferences and their life story... changing from one stand alone building to the next triggers decline and discontent as they continue change in the care leadership, services and identity. Our boutique CCRC mitigates this huge issue

- Promoting an environment of living longer better. As themed throughout this document, we will build a very homelike building in a very homelike location that is a platform for this type of living condition.

Even though the typical length of stay in the SNF building is only a few weeks, there are many scenarios that could extend their stay for a few months. Having this Skilled Nursing building in a residential location, with multiple service levels available (Assisted Living, Memory Care & In-Patient Hospice), will promote healthy living longer and lead to happiness for our residents. In the case that they need a lesser service but continue to need support for daily living, we will be able to provide it with a staff and leadership group that has become more than familiar. They will be involved in choosing from more care options, which allow for more independence. Maple Springs supports, promotes and inspires this kind of living through our building models and culture.

h. Attach letters of support from local and regional agencies, other health care facilities, individuals, governmental bodies, etc.

See attached letters of support. In addition, we will be submitting additional letters of support as they are received.

6. Include your calculations of numerical need for each proposed activity for your service area. If the proposed project is expected to have a larger capacity than that projected by (and available from) the department, explain the rationale and provide documentation to support the larger capacity.

See the CON Bed Calculation located in Section IV (A). It supports the need for these services now (doesn't currently exist) and also support the growing need in the next 20-30 years.

C. AVAILABILITY OF LESS COSTLY OR MORE EFFECTIVE ALTERNATIVES

1. Describe the different alternatives considered in developing this project. Explain why the particular alternative for providing the services proposed by this application was selected. Include as an alternative a discussion of the effect of doing nothing.

Alternative 1: Status Quo: Do nothing. From our long and extensive conversations and research with Mat-Su Regional Hospital CEO, John Lee and its administration, physicians in Orthopedics, family practice and beyond, we decided against developing elsewhere because the need is so overwhelming in the Wasilla/Palmer areas. Currently there are not skilled buildings in the borough and we have data that reveals undesirable care and placement outcomes for the seniors who need these services there. The continued lack of skilled services also has put a strain on other senior healthcare providers and has caused increased costs to both providers and the State of Alaska in those service areas due to the lack of adequate options available.

Alternative 2: Build separate stand-alone buildings. Developing a more homelike continuum of care model in the area leads to an environment where residents can age peacefully and dignified in a homelike place. We explored a stand-alone skilled transitional care building, but both the data and experience leads us to believe that it can be a much more difficult discharge process for residents post acute care. It can also lead to a more rapid decline in health, and in some cases, accelerate dementia symptoms. A solid percentage of patients in transitional care need Assisted Living or Memory Care

services and the additive stress to both the patient and adult children/decision makers can prove very detrimental to the resident, which can lead to higher health care costs and readmission rates to hospital systems. Consistent leadership tends to make residents more comfortable at an already difficult phase of life. Although the need for skilled services certainly exists in the borough, we believe that this need can be satisfied and enhanced by a different model.

Alternative 3: Build a boutique spectrum of care. Maple decided to go with this model. A mix of Skilled Nursing, In-Patient Hospice, Assisted Living and Memory Care allows for a lot of advantages to the resident who resides there. The need for a building in both Palmer and Wasilla comes from two driving forces. First, we have found that the elderly do much better in manageable sized communities, and because of the large need in Mat-Su Valley, an oversized single-serviced building could simply prove to be too large for a qualitative and comfortable experience. Second, according to the US Department of Health & Human services in their 2006 report *Nursing Home Selection: How Do Consumers Choose*, the number one priority in selecting a Nursing home for resident consumers and family members and information intermediaries (discharge planners etc.) was proximity to family and/or home. In other words, a large majority of seniors and adult children want to choose a community that is close to their home or place of residence if possible. The CCRC model provides more care options and provides a desired alternative to consumers by placing the communities in 2 separate locations in the valley, therefore closer to home. It would be important to note that our building will be within minutes of the Mat-Su Regional Medical Center as well. We feel strongly that this will provide comprehensive peace of mind for the residents and families. Another reality is that seniors do not choose to live in senior housing until they need it. Residents benefit by finding a location that is properly placed in the community, proximate to services needed. They benefit by living in a location that can meet all of their needs given the variety of outcomes that can take place with the aging process. Having a community that can have an Executive Administrator, Director of Nursing and corresponding management departments be a familiar face of leadership at all phases of care brings a certain harmony and confidence to residents and families. The land and design of the building is developed to meet specific basic and care needs. The location, services, and socialization and programming are implemented to meet the “unrecognized needs” of our residents. This is led and united by the same leadership team so that the appropriate culture can be maintained. This part, in addition to the (current non existent skilled) burgeoning need of healthcare services in the borough, makes the decision to build this model evident. By providing a community in both Palmer and Wasilla we have created smaller communities as well as placed them much closer to their loved ones’ homes where they will be much more likely to visit on a consistent basis while they are in the long-term care setting.

2. Describe any special needs and circumstances. Special needs may include special training, research, Health Maintenance Organizations (HMOs), managed care, access issues, or other needs.

There are no other issues or needs that haven’t been described at this time.

D. THE RELATIONSHIP OF THE PROPOSED PROJECT TO EXISTING HEALTH CARE SYSTEM AND TO ANCILLARY OR SUPPORT SERVICES

1. Identify any existing comparable services within the service area and describe any significant differences in population served or service delivery. If there are no existing comparable services in the area, describe the unmet need and how the target population currently accesses the services. Describe significant factors affecting utilization, including cost, accessibility, and acceptability.

In the Wasilla/Palmer area there are currently no skilled nursing/long term care facilities.

There are multiple small assisted living repurposed residential homes sprinkled throughout the borough. Secure entrances, socialization programming and resources and limited levels of labor expertise are a few of the major differences between what they can provide versus what Maple Springs will be including in the community.

2. Describe the probable effect on other community resources, including any anticipated impact on existing facilities offering the same/similar services or alternatives locally or statewide if applicable. Describe how each proposed new or expanded service will:

- a. complement existing services
- b. provide an alternative or unique service
- c. provide a service for a specific target population
- d. provide needed competition

a. Complement existing services – The Maple building will be a good partner and a new source of business to local Home Health, Hospice and DME services in the area. The Hospice House that will be located in the Wasilla building will contract with local Hospice Agencies to perform end-of-life care in our in-patient unit. It will also be a resource relationship for the Senior Center community and many of the kidney, heart, etc. foundations that currently exist. Another primary partnership will be with Mat-Su regional hospital and local medical community services spread throughout the Wasilla/Palmer area.

b. Unique Service – The Maple continuum of Skilled Nursing, Hospice, Assisted Living, and Memory Care services will be the first of it's kind in the Wasilla/Palmer area, not to mention the state of Alaska. As stated in other sections, it's ability to care for a variety of senior needs coupled with its homelike/community feel make it an ideal option for both prospective residents and employees. The area has a few stand-alone buildings that provide part of these services but no skilled nursing buildings at this point. Additionally, the In-Patient Hospice unit that we have proposed in Wasilla will be the first of it's kind to our knowledge in the State of Alaska. We will also have 10 units available for respiratory patients to care for Ventilator and Tracheostomy patients who are long-term acute type residents.

c. Target Population – Our community is designed for adults needing home assistance, health, social and emotional services, dementia & Alzheimer's care and skilled nursing/intermediate services.

d. Competition – There are currently no Skilled Nursing Home options at this time.

3. Identify existing working relationships the applicant has with hospitals, nursing homes, and other resources serving the target population in the service area. Include a discussion of cooperative planning activities, shared services (i.e. agreements assigning services such as emergency or obstetrics), and patient transfer agreements. If other organizations provide ancillary or support services to your facility, describe the relationship. Attach copies of relevant agreements in an appendix in the application. If a service requires support from another agency but does not have an agreement, explain why.

Maple Springs Management has been in very consistent contact with Mat-Su regional hospital ownership, board members, physicians and CEO John Lee. We have met with these key partners on numerous occasions building the appropriate rapport necessary to provide optimal services. This fundamental partnership will be vital in streamlining the total scope of care services available that Maple residents will need before, during and occasionally after their stay in Maple Springs. We have been treated very well and welcomed by these key medical, professional and community members. We look forward to a long and prosperous relationship with them over the years. The proposed new facility will develop transfer, lab, X-ray, etc. agreements with Mat-Su Regional Medical Center and other facilities as needed. These agreements have already been discussed with CEO John Lee.

E. FINANCIAL FEASIBILITY

1. Demonstrate how the project will ensure financial feasibility, including long-term viability, and what the financial effect will be on consumers and the state, region, or community served.

Maple Springs has consistently reinvested much of its earnings back into their communities to improve resident services and amenities and to stimulate growth. Part of the requirements with financial partnerships is to set aside every month an account that is used for capital expenditures and improvement. Maple has traditionally reinvested more than this required amount from its financial partners. Additional specifics regarding financial feasibility is included in Section IX. Typically we anticipate a lease up period of 24-36 months, although we routinely exceed that benchmark. We have both rent up reserves arranged with our financial partnerships to offset these initial losses. Maple fully expects, based on the demand and lack of supply in the area, to be well ahead of the projected fill up schedule.

The Maple continuum also provides a variety of income sources to help offset gains and losses throughout the campus. This is another major advantage to our spectrum of services. Assisted living and memory revenues will come from a large portion of private pay options coupled with Alaska sponsored subsidies. The skilled nursing revenues largely consist of Medicare, Private-Insurance and Medicaid dollars intermixed with some private payers as well. Having an expanded payer mix has proven successful at many levels and helps diversify operating risks.

The transitional skilled section of the building with residents who are somewhat medically unstable usually discharge within 30-100 days. A large portion of those residents need Assisted Living or Memory Care services, which Maple provides, therefore mitigating occupancy risks but more importantly providing a care continuum

that can continue to meet their needs in a dignified and caring manner. It will be cheaper for the consumers not to have to travel out of state to receive these services.

2. Discuss how the project construction and operation is expected to be financed. Demonstrate access to sufficient financial resources and the financial stability to build and operate this project.

Maple will finance this project with traditional debt financing and an equity infusion. We have had no difficulty up to this point procuring the necessary financing for our previous projects and other companies and don't anticipate a challenge with this community. We have seed investors who remain involved with us, and we also include local medical and professional investors who share the same vision and cultural goals.

3. Provide a description and estimate of:

a. the probable impact of the proposal on the annual increase on the overall costs of the health services to the target population to be served;

The current overall costs to residents in the Mat-Su Valley to receive these services are particularly high. Each person in the targeted area who requires skilled rehabilitation or long-term nursing care is either commuting to Anchorage or relocating down to the lower 48 states to receive these services. This cost is very onerous to the resident, the hospital systems and the state of Alaska as detailed in Section IV - 5 subsection b. Consequently, the residents are currently residing in these hospitals longer than necessary due to the lack of SNF beds available. The cost to maintain someone in a hospital is significantly more for Medicaid, Medicare and private insurance in addition to the burden on the patient financially. Lowering these costs is one of the many ways these projects will be a major benefit to resident, medical community, city and state.

b. If applying to build a residential psychiatric treatment centers, nursing homes, or additional nursing home beds the annual increase to Medicaid required to support the new project, and the projected cost of and charges for providing the health care services in the first year of operation (per diem rate, scan, surgery etc);

There is an anticipated change in the pricing of services on a per bed basis, beginning after 2 years of operating history. Since there this history is not available to draw from, Maple will utilize the average of swing bed rates for all providers for the state of Alaska. For further information please see the Medicaid cost estimates and impact in Schedule III of Section IX.

In an email from Christine Goetz, Audit and Review Analyst III, for the State of Alaska on 6/3/16 we received the following rate and CON budget submittal information:

For new long term care facilities, per policy 7 AAC 150.160(g)(3) our rate is the sum of the swing-bed rate in effect at the start of the facility's rate year, less the average capital costs contained in the swing-bed rate and the capital costs identified by the new facility, subject to the limitations described in policy 7 AAC 150.170, using the greater of occupancy rates approved in the certificate of need or 80 percent of licensed beds. What this would mean to Medicaid increases is that if this project was providing services in 2016, the rate would be \$550.06 plus the capital portion that would be calculated based on the CON budget submittal. A projected Capital rate from the state of Alaska has estimated to be in the \$88 range.

For our second and subsequent year rates, our CON budget submittal would be due to the Alaska DHS office no less than 60 days before the beginning of the facilities fiscal year per policy 7 AAC 150.130(b).

c. the immediate and long-term financial feasibility of continuing operations of the proposal.

Our proposed project will undoubtedly expand Maple's network and portfolio of business by allowing us to care for residents in the Wasilla/Palmer area. Our past and projected performance, noted in our organizational structure, will be representative of our company solvency and financial feasibility going forward. We believe that the opening losses projected will be manageable through our financing, and will eventually be overcome by the need of the market and quality and standards of care we have a history of providing. For complete information on the financial projections please see Section IX.

F. ACCESS TO SERVICE BY THE GENERAL POPULATION AND UNDER-SERVED GROUPS

1. Provide information on service needs and access of under-served groups of people such as low-income persons, racial and ethnic minorities, women, and persons with a disability. Discuss any plans to overcome language and cultural barriers of groups to be served.

Maple Springs has a philosophy of care that extends to people of all backgrounds and ranges of socioeconomic status. Residents needing payment assistance will be assisted with Medicare and Medicaid dollars in our skilled nursing/long term care section of the community. Even though many of our residents will be able to pay privately where applicable, we feel strongly that we need to have an array of services in our communities which provide opportunities for those who need resource assistance.

2. Indicate the annual amount of charity care provided in each of the last five years with projections for the next three years. Include columns for revenue deductions, contractual allowances, and charity care.

Since this application is for a new facility this is Not Applicable. However, it is an important part of being a Healthcare provider to understand the importance of providing care to all patients regardless of their ability to pay for services. Charity care is something that we routinely do and have a vast history of providing within other operations that we have owned and managed. Our projected care for the first 5 year of operation is as follows:

Maple Springs Charity Care Projections					
FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
\$137,071	\$755,280	\$932,354	\$1,128,259	\$1,313,868	\$1,337,794

3. Address the following access issues:

- a. transportation and travel time to the facility;**
- b. special architectural provisions for the aged and persons with a disability;**
- c. hours of operation; and**
- d. the institution's policies for nondiscrimination in patient services.**

- a. Transportation and travel time to the facility;**

The new facility will be located near Wasilla Lake and approximately 5 miles from the Mat-Su regional hospital. In addition to the fact that our location has a residential feel close to homes, schools, etc., our location is also in the middle of a medical plaza that nears a Surgery center, pharmacy, family practice office, multiple specialty medical practices and a few miles from Wasilla town center. Transportation to these locations and more can be provided privately, utilizing the public transportation system, our own Maple Springs bus program, medical transport and local community transport businesses. We have identified a strong lead on a Palmer site that has similar characteristics to our Wasilla location and its close proximity to the Mat-Su regional hospital.

Here is a picture of one of the buses we utilize at a different Maple community. As you can see, we aim to exude personality and culture in everything that we do.



b. Special Architectural provisions for the handicapped and aged

Maple complies and is consistent with the rules and regulations of the Federal Register Nondiscrimination on the Basis of Disability by Public Accommodations and in Commercial Facilities. Maple will also work closely with and be compliant with the Alaska State Department of Health & Social Services, which oversees licensing and certification. Maple develops communities that comply with standards set forth in the Americans with Disabilities Act (ADA).

c. Service Hours of Operation

Maple operates 24 hours a day, 7 days a week, 365 days a year

d. Institutional Policies for non-discrimination in resident services

Maple Springs has training on resident rights upon hire. This practice is implemented at all levels of the community. Maple also has ongoing training each month in the form of structured in-services that require mandatory attendance. These meetings have many

goals, not the least of which is an ongoing emphasis on resident rights, preferences and standards being provided to all.

Maple will not discriminate against any resident based on race/ethnicity, creed or religious preference, color or origin.



Section V. Consideration of Quality, Effectiveness, Efficiency, and Benefits of the Applicant's Services

Section V. Consideration of Quality, Effectiveness, Efficiency, and Benefits of the Applicant's Services

Please discuss the following in narrative form:

- 1. ACCREDITATION AND LICENSURE: The current status, source, date, length, etc., of the applicant's license and certification. Include information on Medicaid and Medicare Certification.**

We plan to become state licensed in Alaska and Medicare/Medicaid certified.

- 2. QUALITY CONTROL: How the applicant plans to ensure high quality service.**

Maple Springs has a very structured quality control program. It consists of the following items:

Quality Assurance Checks are done monthly, quarterly and annually by the building management for each categories of the operation: Nursing, Housekeeping/Laundry, Kitchen/Dining, Marketing, Administrative, Life Enrichment and Maintenance. A specified list of equipment and safety standards are incorporated in these checks as well. They consist of many checkpoints that range from onsite observations to document review and checklists that are in conjunction with Maple Policies and Procedures. State Regulations are included into Maple P&P and typically Maple has a higher standard for the community.

Quality Core Operation Checks are conducted quarterly by Maple Springs Management (Executive Company Team), where all of the key categories are reviewed thoroughly with building management. A system has been created to have all levels of the business transparent to the owners at any time.

Performance/Culture Improvement Process is a program structured to always allow Maple employees an understanding of their status. For the building management team, it corresponds directly with the quarterly owners meetings that are held by Maple Springs Management. Maple is of the philosophy that annual reviews for all hourly workers do not cultivate the appropriate culture of employee development and retention required for an enriching culture. Consistent feedback is built into the review process that is done throughout the year at least formally every 4 months. The annual review confirms what the manager and employee already should know about how performance is going, and financial incentives (or lack thereof) are not a surprise if the program has been managed properly. Knowing where you stand and what items are going well versus what needs to be improved is discussed formally more than once a year. This model certainly has benefitted the Maple employee through better retention of the right employee, resulting in better care for our residents.

Recruiting & Training Process is structured around finding individuals who have the appropriate healthcare certificates and licensure but also goes into a specific measured analysis of character traits that we feel are most important to meeting resident needs emotionally. Prospective employees have job AND characteristic requirements that are measured and assessed. It streamlines into having these same prospective caregivers, etc.

shadow current Maple caregivers before they are officially hired, then an onboarding and training program that graduates them into working without training oversight. Ongoing In-Services parallel all training and educational materials and are reviewed at each in-service. Consequently, the Maple reward system is directly correlated with this entire process to ensure consistency and encourage the right behaviors going forward.

The education, training and proficiencies of physicians and other independent licensed practitioners go through a credentialing process, which leads to only privileging qualified candidates to be recommended. Continuing education through the proper training and staying current with new practice developments is required in their respective specialties.

3. PERSONNEL: Plans for optimum utilization and appropriate ratios of professional, sub-professional and ancillary personnel.

General Leadership for Campus

At the building management level Maple will have an Executive Director/Nursing Home Administrator, Director of Nursing, and Marketing Director who lead all of the building practices, services and accountability.

Housekeeping and laundry employees' hours are figured through how many apartments each maple community develops. With our daily and rotational cleaning schedules, it takes roughly 30 minutes per room, plus a little extra time for common areas. Their hours depend on these figures combined with overall occupancy. Maple will have a lead Chef for the community and assistant cooks to provide quality food 3 meals per day, 7 days a week for all residents. Maple believes that the dining experience is also an opportunity to provide service and cares (allergies, diet, accommodations etc.), and so caregivers have heavy participation in this service to ensure safety and intimate preference practices are in place. Dietary aides will occasionally be hired upon unique need. A full-time maintenance person will be hired to meet specific resident request needs, lead/manage a preventative maintenance process for the building and ensure that safety standards and regulations are consistently in place.

Skilled Nursing

In addition to the management level building managers, our skilled building will be staffed with an assistant director, assistant DON, social services director, business office manager, staff development director, and dietary services manager (registered dietician). There will be other key positions considered as well. Typically the caregiver to resident ratio nears 1 to 6-8 during the day shift, 1 to 10-12 evenings and 1 to 20-25 on nights. LPN resident ratios are typically 1 to 20-25 during the day/evening and during the night may be more depending on the care profile of the building.

Assisted Living

The Assisted Living building will vary depending on the AL overall level of care that is assessed by the RN. Typically the caregiver to resident ratio nears 1 to 10 during the day

shift, 1 to 15 evenings and 1 to 20 on nights. We will have activities 7 days of the week scheduled throughout day and evening shifts.

Memory Care

Memory Care staffing ratios are more fixed in the 1 caregiver to 7 resident range. The dementia engagement programming that Maple structures calls for activities to be running constantly from the time between breakfast up until they go to bed each night. These constant activities are designed for small groups with similar levels of cognition and mobility.

Maple Springs designs their buildings to meet a variety of resident needs. They are homelike and beautiful, but more importantly designed for function and accommodation. It is particularly important to us to have a smaller community to create better proximity to areas of the building that residents frequent such as activity, medication and dining rooms. It also makes available our care services when there is the appropriate care space immediacy built into each of our communities.

4. APPROPRIATE UTILIZATION: Development of programs such as ambulatory care, assisted living, home health services, and preventive health care that will eliminate or reduce inappropriate use of inpatient services

Our Skilled nursing area is designed and aimed to care for residents experiencing a variety of behavioral, mobility and chronic health conditions. They would be residents that are not able to be cared for in our Assisted Living or Memory Care portions of the building. A lot of them need a higher level of nursing care and may not improve. In the case that they do, the other options available to them. The overall design of our building is to be able to make it their final home as a part of the Maple family. We will also have a wing of rooms designed specifically for hospice care situations. Even though a resident in assisted living or memory care may choose to bring hospice services to their specific room, they will also have the choice to utilize that wing. We also will have the ability to accommodate residents coming from the outside directly to our hospice care wing if they so desire.

Another critically important utilization in our memory care community is our dementia programming model that is specifically designed to meet residents where they are in the cognitive experience. It will be very different for all of them, and our small group activities are designed for the emotional care that is needed and to improve dignity by taming wandering/elopement tendencies, incontinent challenges and trigger memories of personal joy by reminding them of their unique capabilities. This intense level of programming was created specifically for memory care needs and is unique to that portion of Maple Springs.

5. NEW TECHNOLOGY AND TREATMENT MODES: Plans to use modern diagnostic and treatment devices to enhance the accuracy and reliability of diagnostic and treatment procedures.

The balance in designing and building a community that has a homelike culture has come from years of previous experience. The key in this area is to have all appropriate communication and safety measures in place in a seamless manner that keeps the

homelike atmosphere as comfortable as possible. Maple will have great technological infrastructure for their employees that make their jobs efficient and accommodating in order to complete their care responsibilities thoroughly. A major part of this infrastructure includes, but is not limited to:

A wireless nurse call system

Caregivers will be carrying pagers/radios on them at all times in order to respond to pull cords, pendants and resident emergencies. It will help them communicate and also know where the residents are at all times. This system increases resident response times (monitored by leadership daily). It also provides us the information to better analyze busy trends throughout the day in order to better manage staff efficiencies.

The other benefit to this type of a call system is that it significantly reduces noise and distraction that detracts from the homelike atmosphere. This system is utilized heavily in each of our residents' specific care and service plans.

Another feature of this call system is the pendants that are typically placed around our residents' necks. It allows are residents to utilize the full scope of their home but also be able to reach the caregivers at any time in the case that an unexpected need arises.

The documentation system that we will be using in Alaska is called Point, Click, Care.

6. LABOR SAVING DEVICES AND EFFICIENCY: The employment of labor-saving equipment and programs to provide operating economies.

As themed throughout this application, Maple's building and infrastructure design is centered around a personalized resident model of care. This also applies to our valued employees. Question 3 above highlights some of the specifics on how we staff our building for resident care and safety. Some of the technology that we have in place for both resident and employee benefit would include:

- Private Baths – resident dignity
- Spas containing whirlpool baths
- Plumbed in oxygen outlets in each room (also in AL and Memory care)
- Dynamic lift systems
- Proximity to congregate areas – for both safety, response time and mobility factors
- Personal medication storage
- Medication carts – has all the required safety & lock features but resembles a homelike furniture piece
- Personalized task sheets – all caregivers have frequently updated task sheets that stem from individualized care and service plans. Great for new employee orientation and PRN staff
- Nurse call system/Dynamic Exit & Entrance security system

7. PROGRAM EVALUATION: Future plans for evaluation of the proposed activity to ensure that it fulfills present expectations and benefits.

As mentioned in question 2 above (section V), Maple Springs has a very specific operation model that has built in accountability at every level. Quality control is measured frequently by those specifically providing the services, regional management, and owners. Maple believes that many mistakes made in service delivery come from lack of knowledge at the community level and/or accountability from the building management. From our experience, a flatter organization keeps the original intent and vision of why this company was created as the owners are directly involved with day to day happenings. Maple Springs Management (owners & operators) travel to each of their communities quarterly, at a minimum. Weekly calls are conducted with each executive director to cover certain care and performance metrics. Through the system transparency, each category of the business is assessed in great detail. The reporting system allows for easy access to critical information.

Many of the specific objectives that come from Maple expectations are met through isolating difficulties, reconciling to policy or procedure, establishing criteria and confirming/validating execution. Plans of action are developed when necessary and then monitored to ensure that the problem or behavior has been corrected. The process begins at the building level and is reported regularly to Maple Spring Management.

Each building has a special goal schedule to be met every quarter. Action plans and/or performance improvement is measured much more frequently to ensure that quarterly initiatives and objectives stay within focus.

8. ORGANIZATIONAL STRUCTURE: Include an organizational chart, descriptions of major position requirements and board representation; show representation from community economic and ethnic groups.

Maple Organization chart for both Wasilla and Palmer locations will be similar and can be found in *Appendix E*. Rosters for Maple Springs Management executive team, officers and Directors can be found in Section I.

9. STAFF SKILLS: Provide descriptions of major position requirements, appropriate staff-to-patient ratios to maintain quality, and the minimal level of utilization that must be maintained to ensure that staff skills are maintained. Provide a source for the staffing standards.

The following positions have been projected:

- Executive Director, Administrator
- Director of Nursing & Resident Services
- Assistant DON
- Director of Community Relations
- Social Services Director
- Business Office Manager
- Primary Care Nurse, RN

- Primary Care Nurse, LPN
- Certified Nursing Assistant, CNA
- Kitchen Manager/Dietary Manager (certified dietician)
- Assistant Cook, Dietary Aides
- Maintenance Director
- Housekeeping/Laundry
- Activity/Life Enrichment Director
- Assistant Manager of Operations
- MDS Coordinator

The staffing ratios and utilization methods are outlined above in question 3 (section V). At this time there is no set staffing guidelines from the State of Alaska or other governing bodies. As a part of the annual survey process conducted by the State, Maple will report and collaborate all staffing ratio information.

10. ECONOMIES OF SCALE: The minimum and maximum size of facility or unit required to ensure optimum efficiency. If the planned project is significantly smaller or larger, explain the effect and why the size was chosen.

Both buildings located in Wasilla and Palmer will have the maximum capacity of 125 and 110 apartments, respectively. Each community will have 60 skilled units for a total of 120 Skilled units in the Mat-Su valley. It will be designed in such a way that a homelike culture can be maintained while providing a full spectrum of senior services to comprehensively meet the variety of needs in the industry. The unit mix was selected for this primary reason and also allows staff efficiency to be maximized yet reasonable.



Section VI. Narrative Description of How Project Meets Applicable Review Standards

Section VI. Narrative Description of How Project Meets Applicable Review Standards

Describe in this section of the application how the proposed project meets each review standard applicable to all activities, and each specific review standard applicable to the proposed activity. *Some of this information will duplicate information required elsewhere in the application packet; that duplication is intentional.*

Consistency with Alaska General Review Standards

The department will apply the following general review standards, the applicable service-specific review standards set out in this document, the standards set out in AS 18.07.043, and the requirements of 7 AAC 07 in its evaluation of each certificate of need application:

1. The applicant documents need for the project by the population served, or to be served, including, but not limited to, the needs of rural populations in areas having distinct or unique geographic, socioeconomic, cultural, transportation, and other barriers to care.

Please see Section IV - B - 4 subsections a, b, and c. It has exhibits and information broken down on how we will serve the pressing need in the Mat-Su area. Even though the primary development locations (serving 87% of the population within the targeted area zip codes) of Wasilla and Palmer will have this unmet need satisfied, the remaining 13% will have the same resources at their disposal and upon development, closer access to critical care services. Another pivotal reason why we wanted to spread out the skilled developments into 2 locations versus 1 is that it allows us to cover more geography in the densest part of the targeted area, personalize the care areas (closer to home and local services they are familiar with) and give opportunities to accommodate the relatively large borough needs outside of Wasilla and Palmer.

2. The applicant demonstrates that the project, including the applicant's long-range development plans, augments and integrates with relevant community, regional, state, and federal health planning, and incorporates or reflects evidence-based planning and service delivery. A demonstration under this standard should show that the applicant has checked with the department regarding any relevant state plan, with appropriate federal agencies for relevant federal plans, and with appropriate communities regarding community or regional plans.

Please see the following sections:

- Section III - K
- Section IV - A
- Section VI - D - 3

These outline our past experience and how it has shaped our long term plans for the future, specifically in Alaska. I think it is important to mention here that one of our executives has plans to personally move his family to Alaska to ensure that our long-range plans integrate and are rooted deep within the community, region, and state. Proper health planning is something that provides the most value when locally based (county and state). Having a presence in Alaska is important to us both professionally and personally to accomplish this initiative.

3. The applicant demonstrates evidence of stakeholder participation in planning for the project and in the design and execution of services.

In the development of this project, it was important for us to understand the specific needs of the Mat-Su Valley. We have met with dozens of physicians and hospital board members both in group settings and individually to learn and understand the needs that they have for their patients. We have had numerous meetings with the administration of the Mat-Su Regional Hospital, which led us to meeting with Denise Plano, Director of Case Management. The Executive Director of the Mat-Su Health Foundation, Elizabeth Ripley and Mat-Su Regional Hospital CEO John Lee both have been valuable supporters and have assisted us greatly in networking in the local community with key officials. We have had a few different opportunities to meet with the Mat-Su Senior Services and Council on Aging. There are many others that have been very supportive as we have been well received by the community at large in the Mat-Su valley.

The Maple development, strategy and planning team has been active in development and design for over 12 years. The most important part of our research has been building senior communities in multiple locations (in multiple states), and learning from this process over the years. In addition to extensive experience in this category, we have done intensive research to continue learning about the most recent and innovative designs along with the most successful models in caring for the overall well being of residents. The lead architect and our design team of our Wasilla and Palmer communities have designed over 50 senior housing buildings in 17 different states. You will notice that everything from hallway widths to accommodate additional sitting areas, to accent walls painted to soothe, stimulate, orient for depth perception and strategically positioning dining room locations as a few of the many signature pieces of Maple Springs developments. These critical details matter to the psychology AND convenience of care that each resident deserves. Another example of this is that our rehab center will be state of the art in function and restorative features but will have views that motivate and promote resident improvement. These small, seemingly coincidental qualities to each part of our building are intentional and serve a purpose.

Our management team has visited multiple models and designs across the country to provide perspective. Our Chief Cultural Officer started out as a caregiver and grew into providing life enrichment and socialization services in our first building. This foundational experience has led her to doing all interior design work to ensure that the function of the each new building interacts deliberately with the mental, physical, social and emotional needs of our residents. We have also used pertinent information taken from resident surveys along with resident and family discussions that has been instrumental in improving our care services.

Our Chief Medical Officer has been a physician for over 40 years. He has been working closely with Maple Springs Management for over 5 years. His experience has been vital in monitoring the execution of services as he has been integral in medically directing our care programs and as a result has an enhanced perspective in our Medical Director selection process of each skilled building. We have bolstered our project prototypes to

include these perspectives as it relates to a medical director room (location, function and layout), organizational practices and proximity to resident care spaces.

Maple Springs takes the opportunity to select local contractors to build our buildings. We do this for multiple reasons because it benefits the community immensely. We will definitely work closely with them to maintain our standards as owners, particularly with our development experience. But we find it far more valuable short and long term to engage local labor and knowledge for this service. This local expertise will be essential in Alaska due to its unique location relative to the lower 48. We understand this primarily because we have experience developing and operating in Hawaii, another uniquely located state in our union. We mention this because we consider the local community and medical service sector vital participants in each of our communities. Some of the benefits of having a local General Contractor (GC) are as follows:

- Being able to stimulate local employment by creating local labor opportunities. Provides essential goodwill.
- Specific local knowledge of materials and services. This point is critical for the state of Alaska in particular. Having a specific Alaska knowledge of furniture, fixtures, equipment, storage, delivery of materials & goods will be critical to the development and construction of these healthcare communities.
- Plays a vital part in our relationship with the culture of the county and state prior to opening. The relationships gained from enlisting this service locally provide vital introductions to community members that undoubtedly provide services to our seniors upon completion. Maple does not view this process as a real estate development opportunity, rather a formal integration into the community and service sector to continue to build favorable relationships. It is much different than developing hospitality such as hotels and restaurants.
- We estimate employing over 100 people throughout the construction process. Their family and/or friend network will at some point have needs. We had inadvertently overlooked this fact in past developments and there is a glaring disparity, particularly in rural areas, when we didn't partner up with a local GC.

4. The applicant demonstrates that they have assessed alternative methods of providing the proposed services and demonstrates that the proposed services are the most suitable approach.

One of the alternatives is to continue to do nothing in the Mat-Su valley. We specifically break down why we think that is an irresponsible solution for the area in Section IV - C - 1.

We have spent a great deal of time analyzing and understanding the Mat-Su Regional Plan for Delivery of Senior Services put out by McDowell Group and funded by the collaboration of 5 different stakeholders in the community. Elizabeth Ripley delivered this to us from the Mat-Su Foundation. The development of this project will begin to address a lot of the fundamental care needs that are listed in this report, as we noted in Section IV - C - 1. A stand-alone skilled facility will be able to meet certain post acute needs but remains an incomprehensive solution to a community like Mat-Su. It will apply unintended pressure back on the medical hospital and services community due to the lack

of senior care options that currently are not available in the Borough. Section IV - B - 4 subsection d outlines the lack or undersupply of these options. The need for senior services in the Mat-Su Valley is vast, and the area is a perfect fit for the CCRC concept that we are proposing. This concept helps satisfy not only the Skilled Nursing/Long Term Nursing Facility needs highlighted in the Regional Plan but also the glaring demands in Assisted Living, Alzheimer's/Dementia (of which there are currently no beds available) and In-Patient Hospice. The Hospice pod initiative came from the collaboration with the Hospital Administration and community members.

Developing and constructing a building is only a small part of the solution. Long-term success comes from knowing what to do after the certificate of occupancy has been issued. It also requires building long-term relationships of trust within the community one operates. It is imperative that there is direct involvement on the development AND operational side as this creates a long-term solution for the residents of the Mat-Su Valley. This is why we firmly believe that Stakeholders go well beyond just corporate officers and board members.

5. The applicant briefly describes the anticipated impact on existing health care systems within the project's service area that serve the target population in the service area, and the anticipated impact on the statewide health care system.

Please see Section IV - E - 3 subsection a. The targeted population that requires skilled rehabilitation or long-term nursing care is either commuting to Anchorage or relocating down to the lower 48 states to receive these services. In some cases where they are not, residents are currently residing in hospitals longer than necessary due to the lack of Skilled Nursing beds available. In certain circumstances they are even trying to go home with services under extreme conditions. The cost to maintain someone in a hospital is significantly more for Medicaid, Medicare and private insurance in addition to the burden on the patient financially. Section IV - A - 5 subsection b describes what the Director of Case Management of Mat-Su Regional Medical Center calls "avoidable days". By her definition they are patients who are ready for discharge and no longer meet inpatient criteria. These statistics she shares are dischargeable patients in particular who are either ready to go home or to post-acute providers/placement (SNF/AL/MC etc). There were over 6,000 patients reviewed in her analysis from the Mat-Su Valley alone. She tells us that the major cause of avoidable days is a lack of Skilled Nursing Facilities, Assisted Living Facilities/Memory Care, and the beds are dictated by the need for private pay funds or state provided General Relief. These account for 60% of avoidable days for 2015 or an undersupply of services available to meet patient needs. Part of the issue is that the average wait time to get a patient into a Skilled Nursing Facility bed is six weeks. Another issue is that the application process to secure funding for general relief takes up to 6 weeks; a long-term Medicaid waiver can take up to 8 weeks. It is also important to note that the only two in-patient rehabilitation facilities in the Anchorage area have waiting lists.

The impact on the existing healthcare systems in the targeted area will be greatly benefitted by our proposed project. As evidenced, both the patient and health care providers are currently suffering due to the lack of options and availability, respectively. Skilled Nursing is an important service that is needed. Assisted Living and Memory Care

services are in great need as well. This underscores the importance for these services in more than just one area in the valley. We believe that serving both Wasilla and Palmer will be critical to both the current and long term need.

6. The applicant demonstrates that the project's location is accessible to patients and clients, their immediate and extended families and community members, and to ancillary services. This includes the relocation of existing services or facilities.

Please see Section IV - F - 3. It was essential for us to find locations that are easy to access, convenient for family and proximate to ancillary services needed. We looked at dozens of sites in both Wasilla and Palmer and we believe that we have located them. Some of the surrounding community focal points include lakes, residential neighborhoods, schools, churches, retail shopping, and parks to name a few. On the medical services side the locations near a surgery center, pharmacy, family practice office, pain clinic, spine clinic, eye clinic and other specialty medical practices. It is also important to note that Mat-Su Regional Medical Center is only a few miles away from each location as well. In Section IV - C - 1 it discusses why being close to home/children's place of residence is such a priority for residents and adult children and the impact it has on their recovery, motivation and peace of mind during this phase of their life.

Consistency with Alaska Certificate of Need Review Long Term Care Review Standards and Methodologies

1. A new freestanding long term nursing facility will not be approved unless the applicant has demonstrated a need for a minimum of 40 beds.

The proposed new facility is larger than 40 beds. This standard has been met.

2. New long term care nursing units co-located with hospitals will not be approved unless the applicant has demonstrated a need for a minimum of 15 beds. The department may approve a smaller number of beds if the applicant documents use patterns, and submits data and analysis that justify a smaller unit.

This project is not co-located with a hospital. This standard is not applicable.

3. To be considered for approval to expand licensed capacity, a freestanding long-term nursing care facility must have an average annual occupancy of at least 90%, and co-located long-term nursing care units must have an average annual occupancy rate of at least 80%, during the preceding three years.

This project is not increasing capacity for an existing facility. This standard is not applicable.

4. In a service area with more than one long term nursing care facility, all facilities must have had an average annual occupancy of at least 90% during the preceding three years before additional beds are approved.

There are not any Skilled Nursing Facilities in the area. This standard is not applicable.

5. In the interest of serving individuals in the most cost-effective, least-restrictive setting possible, there must be a combination of at least one assisted living beds or adult day care slot for each existing and proposed new long term nursing care bed. For a community with a population of 10,000 or less, the department may approve beds on a case-by-case basis.

In Section IV - B - 5 subsection d per the Regional Delivery of Services Report it states that there are currently 245 Assisted Living Beds in service as recent as 2010. Thus meeting the required AL/SNF bed ratio standard for this area.

On a final interesting note regarding the bed need for the area; we spoke with Jared Kosin and Alexandria Hicks from the state of Alaska (Executive Director for Office of Rate Review and Coordinator for Certificate of Need departments, respectively) about the bed demand calculations and what the formula tells us. Here is the outline of that discussion and the math associated:

Overview

This information is provided to show that there is a need for an additional 113 SNF beds along with the 120 beds that Maple is applying for.

We are going to start from the year 2000 and assume that the Utilization Rate of 0.33 Bed Days/Person was correct in that year. We have normalized the data from the year 2000 in order to compare the different data types.

Occupancy Rates

The Occupancy Rates for Skilled Nursing Facilities have stayed constant for 15 years regardless of Utilization Rates.

From 2000 - 2009, there were 314 beds available in the market. The Occupancy Rate of those facilities was 92%. In 2010, 34 beds were taken off the market. The Occupancy Rate of the remaining 280 beds stayed at 92% for that year.

In 2011, 20 more beds were taken off the market. The Occupancy Rate of the remaining 260 beds went to 93% in 2011, 88% in 2012, and 82% in 2013. The decrease in the Occupancy Rate in 2012 & 2013 was most likely due to Providence opening a brand new building of 96 beds and reducing the number of beds at their existing building from 170 down to 62. This change in the market place resulted in vacant beds for 2012 & 2013.

In 2014, Providence's new Cottages filled up and the Occupancy Rate for the entire market went back up to 92%. The Occupancy Rate for 2015 was 90%.

65+ Population vs. Utilization Rate (Bed Days per Person)

The 65+ Population has increased steadily in the last 15 years in the Anchorage/Mat-Su Borough areas, going from 319,605 in 2000 to 399,086 in 2015. This growth has caused the Utilization Rate to go down because the number of beds in the market has not increased.

Up through 2009, the need for more beds was brought on purely from the increase in population. Since 66 beds were removed from the market from 2010 to 2014, the need for more beds to replace the ones removed adds to the demand due to the population increase.

Keep in mind that the existing SNFs were at 92% Occupancy Rate in 2000. If we were to revert back to the Utilization Rate in that year, which was 0.33 Bed Days/Person, we would need 361 beds in the Market today. We currently have 248, which leaves us 113 short. That does not include the need for beds in the future, it only covers the number of beds needed right now.

Formula Provided by the State

The equation provided by the state depends on 2 variables: (1) The Utilization Rate averaged over the previous 3 years and (2) The Projected Population. It provides the number of Bed Days required to accommodate for a growing population. The equation does not include the limiting factor, which is the Occupancy Rate of the facilities.

Since SNFs are considered to be full at 90% occupancy due to resident turnover and wait times on new move-ins, they have a hard time going much over the 90% Occupancy Rate. There are currently 90,520 Bed Days available per year in the Anchorage/Mat-Su areas. Only about 81,500 (~90%) of those will be used. Even if 200,000 Bed Days were needed, the facilities could only accommodate around 81,500. Since there is no room at the facilities, those people who need the services can't get in and since these people are not using Bed Days, the Utilization Rate goes down. When these lowered Utilization Rates are plugged into the equation, it shows that less beds are needed.

This point can be shown by comparing the year 2000 to 2014. In 2000, the Occupancy Rate of the SNFs was 92% and the Utilization Rate was 0.33 Bed Days/Person. In 2014, the Occupancy Rate was still at 92%, but the Utilization Rate went down to 0.21 Bed Days/Person. Since the Utilization Rate of the 3 previous years is used in the equation, the total number of Bed Days calculated will be less than what they should be. When Providence Health & Services Alaska applied for a CON in 2010, they calculated that 410 beds would be needed in 2015 (there are currently 248 now in 2016) and 508 would be needed in 2020. Since that application, we have lost 66 beds. Doing the equation today, we come up with a total of 324 beds needed for 2020. Again, due to the fact that beds were taken out of the market, there were no beds for many people to use their bed days on. This caused the Utilization Rates to go down, which then pushed the number of beds needed in the future down when plugged into the equation.

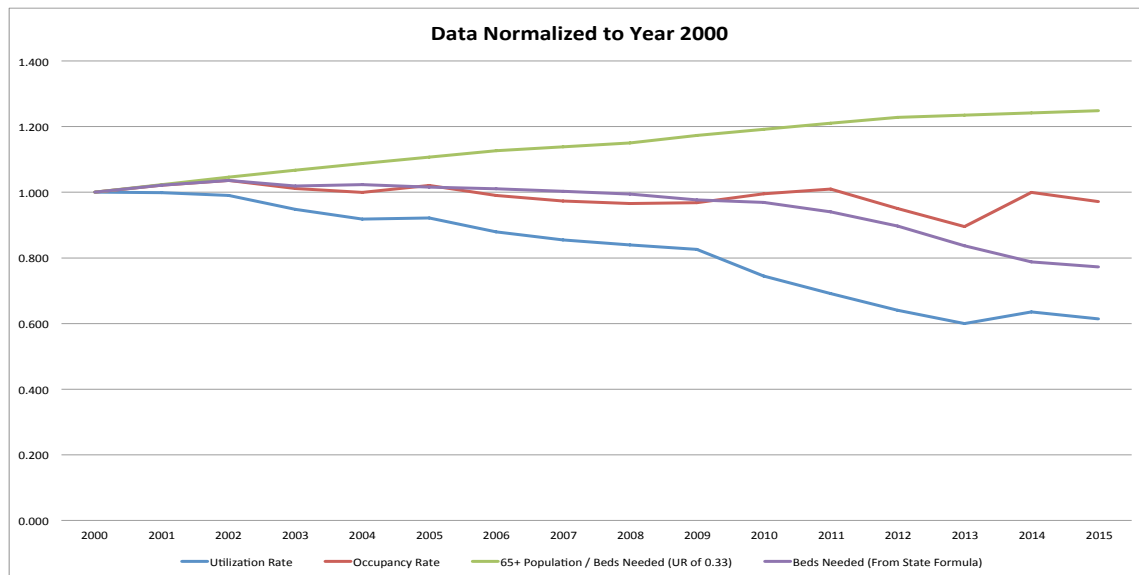
Summary

In summary, there is a dire need for more SNF beds in the Anchorage/Mat-Su marketplace. Using the State's formula, there is room for 120 beds. We believe that the market place could utilize at least another 113 beds on top of this. Our application is applying for 120 and specifically goes through the formula and outcome in Section IV - A. This information is provided as an FYI. We can look at the following graph and see that the Beds Needed from the State's formula follows the Utilization Rate down, even though the 65+ Population is rising. The beds needed should have increased at the same rate as the 65+ population. Both Jared and Alex seemed appreciative that we brought it to

their attention at the time and so we thought we would provide this information to be helpful for future projects in the state.

Occupancy Rates											
Year	Prestige			Providence EXT			Providence TRA			Total	
	Beds	Bed Days	Bed Days Available	Beds	Bed Days	Bed Days Available	Beds	Bed Days	Bed Days Available	Beds	Bed Days Available
2000	90	32081					224	73531		314	105612
2001	90	32231					224	75633		314	107864
2002	90	32129					224	77257		314	109386
2003	90	31936					224	74884		314	106820
2004	90	32057					224	73463		314	105520
2005	90	32266					224	75529		314	107795
2006	90	31700					224	72859		314	104559
2007	90	30787					224	71992		314	102779
2008	90	30718					224	71263		314	101981
2009	90	30768					224	71506		314	102274
2010	90	30819					190	62913		280	93732
2011	90	31728					170	56593		260	88321
2012	90	31835					170	51299		260	83134
2013	102	29848	96	28422			62	19995		260	78265
2014	102	33634	96	34842			50	14862		248	83338
2015	102	31726	96	34778			50	14519		248	81023

Data Normalized to Year 2000											
Year	Occupancy Rate		65+ Population		Beds Needed (From State Formula)		Beds Needed (From UR of 0.33)		Utilization Rate		UR Normalized
	OR	OR Normalized	Pop	Pop Normalized	Beds	Beds Normalized	Beds	Beds Normalized	UR	UR Normalized	
2000	92%	1.000	319,605	1.000	289	1.000	289	1.000	0.330	1.000	
2001	94%	1.021	326,958	1.023	296	1.021	296	1.023	0.330	0.998	
2002	95%	1.036	334,311	1.046	300	1.036	303	1.046	0.327	0.990	
2003	93%	1.011	340,979	1.067	295	1.019	309	1.067	0.313	0.948	
2004	92%	0.999	347,646	1.088	296	1.023	315	1.088	0.304	0.919	
2005	94%	1.021	353,817	1.107	294	1.015	320	1.107	0.305	0.922	
2006	91%	0.990	359,987	1.126	292	1.010	326	1.126	0.290	0.879	
2007	90%	0.973	363,748	1.138	290	1.003	329	1.138	0.283	0.855	
2008	89%	0.966	367,509	1.150	288	0.995	333	1.150	0.277	0.840	
2009	89%	0.968	374,902	1.173	282	0.976	339	1.173	0.273	0.826	
2010	92%	0.995	380,821	1.192	280	0.969	345	1.192	0.246	0.745	
2011	93%	1.010	386,732	1.210	272	0.941	350	1.210	0.228	0.691	
2012	88%	0.951	392,643	1.229	260	0.897	355	1.229	0.212	0.641	
2013	82%	0.895	394,791	1.235	242	0.837	357	1.235	0.198	0.600	
2014	92%	0.999	396,938	1.242	228	0.788	359	1.242	0.210	0.635	
2015	90%	0.971	399,086	1.249	224	0.772	361	1.249	0.203	0.614	





Section VII. Construction Data

Section VII. Construction Data

A. Please check appropriate boxes:

- | | | | |
|----------------------|-----------------|----------------------|-----------------------|
| 1. Construction type | <u>X New</u> | Expansion | Renovation |
| 2. Basement | Full | Partial | <u>X None</u> |

B. Project Development Schedule

Date

- | | |
|--|-------------------------|
| 1. Estimated completion of final drawings and specifications | <u>October 1, 2016*</u> |
| 2. Estimated construction begun by | <u>April 1, 2017*</u> |
| 3. Estimated construction complete by | <u>August 1, 2018*</u> |
| 4. Estimated opening of proposed services | <u>August 1, 2018*</u> |

*These date estimations are contingent upon the Certificate of Need approval. If this process were quicker than a 6 month anticipation for this process these dates will be moved forward appropriately.

C. Facility site data: Provide the following as attachments (referenced by the subsection and item number):

1. A legal description and area of the proposed site. Is the site now owned by the facility? If not, how secure are the arrangements to acquire the site?

Wasilla Location

Legal Description: Tract A Block 1 Meridian Park I – Wasilla, Alaska 6.49 Acres

Ownership: Maple Springs, LLC closing prior to February 15th, 2017

Site Description: The site we have selected is located in Wasilla and on some land overlooking Wasilla Lake. The project will be a beautiful setting with dining rooms and courtyards that overlook Wasilla Lake. This is a great area for this project; in the adjacent complex there are numerous physicians including Orthopedic Surgeons, Internal Medicine Physicians, Family Practice Physicians and numerous other healthcare providers. Shopping and other services utilized by our residents and their families are a very short distance away.

The site is located on the Seward Meridian Highway with easy access from the Palmer-Wasilla Highway. This is ideally located for all residents in the Mat-Su Valley.

Maple Springs currently has the site under contract with the contingency that the Certificate of Need is granted for this project. This contract is very secure and the only contingency that would impede this from going forward is the Certificate of Need approval.

Palmer Location

Site Address: The site address is approximately 12921 East Palmer, Moose Drive, Palmer, Alaska 99645. This site is approximately 10 acres of land with a house located on it's premises.

Ownership: Maple Springs, LLC closing prior to February 15th, 2017

Site Description: The site we have chosen in Palmer is located in the heart of Palmer in close proximity to the many amenities such as grocery stores, restaurants, shopping centers, churches and residential neighborhoods surrounding it.

Maple Springs currently has permission to use this site for purposes of this application and upon approval of the Certificate of Need from the State of Alaska we will enter into a Real Estate Purchase Contract with the landowners. This arrangement is something we feel very secure with and the only contingency at this point would be the Certificate of Need process.

2. Diagrammatic plan showing:

The recorded plat map for the Wasilla site has been provided as *Appendix G*. The future site for Maple Springs is on Tract A, Block 1, Meridian Park I.

a. Dimensions and location of structures, easements, rights-of-way or encroachments;

Please See *Appendix G*

b. Location of all utility services available to the site; and

Please See *Appendix G*

c. Location of service roads, parking facilities, and walkways within site boundaries.

Please see *Appendix H*

3. Document clearances regarding zone restrictions, fire protection, sewage, and other waste disposal arrangements (under special circumstances, it is acceptable to present evidence of conditional approvals from local government and regulatory agencies).

The site drains into ditches along E. Meridian Park Loop. These ditches outfall into ponds that have been constructed on the north side of the project. Electricity, telecommunications, natural gas and community water are all available to the site. There is no public sewer system to the site, so an on-site septic system will be constructed on the site.

Please see *Appendix H* for more information.

These items are not yet available for the Palmer location.

4. An architectural master plan including long-range concept and development of total facility.

Please see *Appendix H*

The building architecture will be utilized for both communities.

5. Schematic floor plan drawings (or conceptual drawings) of proposed activity, including functional use of various rooms.

Please see *Appendix H*

The building floor plan will be utilized for both communities.

D. Describe the plan for completing construction and the effect (disruption) construction activities will have on existing services.

The construction will begin with the Wasilla building on April 1st, 2017. The Palmer building will begin construction approximately 4-6 months after beginning construction on the Wasilla building. The complete construction of both buildings will be done by August 1st, 2018. The reason that the Palmer building will begin construction later is so that the workers and contractors who are building these buildings are able to phase their work accordingly, which will make the overall construction more efficient and more cost effective. As there are no current services on this site, there will be no effect or disruption to any services.



Section VIIIA. Financial Data - Acquisitions

Section VIIIA. Financial Data - Acquisitions

1. Acquisition type: (Please check applicable boxes)

☐ Lease
 ☐ Rent
 ☐ Donation
 ☒ X Purchase
 ☐ ~~Stock Transaction~~

2. Cost data

(Omit cents)

- | | |
|---|--------------|
| a. Total acquisition cost* | \$1,376,157 |
| b. Amount to be financed | \$ 0 |
| c. Difference between items (a) and (b) (list available resources to be used, e.g. available cash, investments, grants, etc.) | \$ 1,376,157 |
| d. Anticipated interest rate <u>N/A</u> % , term <u>N/A</u> years. | \$ N/A |
| e. Total anticipated interest amount | \$ N/A |
| f. Total of (a) and (e) | \$ 1,376,157 |
| g. Estimated annual debt service requirements | \$ N/A |

3. Describe how you expect to finance the project.

Will be paid with Cash.

Note: Acquisition costs must include (as appropriate):

- **Total purchase price of land and improvements (if donated, the fair market value**)**
- **"Goodwill" or "purchase of business" costs**
- **The net present value of the lease calculated on the total lease payments over the useful life of the asset as set out in the 2004 version of *Estimated Useful Lives of Depreciable Hospital Assets*, published by the American Hospital Association.**
- **Consultant or brokers fees paid by person acquiring the facility**
- **Other pre-development costs to date.**

*Site acquisition should be stated as "book" value, i.e. actual purchase price plus costs of development. If desired, the applicant may elect to state the acquisition as "fair market value" (in which case, give reason and basis).

** A form for use in calculating fair market value is included on page 31 of this packet. Include your calculations as part of this section of your application.



Section VIIIB. Financial Data - Construction Only

Section VIIIB. Financial Data – Construction Only

1. Construction Method (Please check)

a. Conventional bid X Contract management Design and build

b.	Phased	Single project	X Fast Track
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2. Construction Cost (New Activity)

(Omit cents)

a. Site acquisition (Section VIIIA.2.f)	\$ 1,376,157
b. Estimated general construction**	\$ 19,021,890
c. Fixed equipment, not included in a**	\$ 2,679,520
d. Total construction costs (sum of items a, b, and c)**	\$ 23,077,567
e. Major movable equipment**	\$ 2,112,321
f. Other cost:**	
(1) Administration expense	\$ 4,370,900
(2) Site survey, soils investigation, and materials testing	\$ 59,100
(3) Architects and engineering fees	\$ 1,701,607
(4) Other consultation fees (preparation of application included)	\$ 376,495
(5) Legal fees	\$ 10,255
(6) Land development and landscaping	\$ 2,250,000
(7) Building permits and utility assessments (including water, sewer, electrical, phones, etc.)	\$ 295,500
(8) Additional inspection fees (clerk of the works)	\$ 76,909
(9) Insurance (required during construction period)	\$ 51,273
g. Total project cost (sum of items d, e, f)	\$ 34,381,927
h. Amount to be financed	\$ 25,329,205
i. Difference between 2.g and 2.h (list, as Schedule 1, available resources to be used, e.g., available cash, investments, grants funds, community contributions, etc.)	\$ 9,052,722
j. Anticipated long-term interest rate	<u>4.25%</u>
k. Anticipated interim (construction) interest rate	<u>4.25%</u>
l. Anticipated long-term interest amount	\$ 19,528,402
m. Anticipated interim interest amount	\$ 545,258
n. Total items g, l, and m	\$ 54,455,587
o. Estimated annual debt service requirement	\$ 1,495,254
p. Construction cost per sq. ft.	\$ 195.24
q. Construction cost per bed	\$ 192,313
r. Project cost per sq. ft.	\$ 290.88
s. Project cost per bed (if applicable)	\$ 286,516

**Site acquisition should be stated as "book" value, i.e., actual purchase price (or estimate of value if donated) plus costs of development. If desired, the applicant may elect to state as "fair market value" (in which case, so indicate). A form for use in calculating fair market value is included on page 31 of this packet. Include your calculations as part of this section of your application.*

*** Items must be certified estimates from an architect or other professional. Major medical equipment may be documented by bid quotes from suppliers.*



Section IX. Financial Data - All Proposed Activities

Section IX. Financial Data – All Proposed Activities

Provide an accompanying narrative explanation for each of the schedules below if there are any significant trends or significant changes in any item or group of items from year to year.

Note: Indicate whether you are using a calendar year or other fiscal year period.

A. Attach Schedule I - Facility Income Statement

1. For the most recent five prior full fiscal or calendar years

Not Applicable as this is new construction.

2. Projections during construction or implementation period (if applicable)

Please see the attached Schedule I. for FY2016 - FY2018 the construction time period.

3. Projection for three years following completion of construction, or implementation of the proposed activity.

Please see the attached schedule I.

B. Attach Schedule II - Facility Balance Sheet

1. For the most recent five prior fiscal or calendar years.

Not Applicable as this is new construction. However, we have included projected Balance Sheets for FY2016 - FY2018 the construction time period.

2. Current fiscal or calendar year to date

Not Applicable as this is new construction

C. Attach Schedule III - Average Patient Cost Per Day (Per Diem Rate if applicable) and Revenue Amounts

Provide revenue and expense data FOR EACH SERVICE THAT IS IDENTIFIED AS CHANGING.

1. For the most recent five prior full fiscal or calendar years (information may be obtained on total patient load, directly from your respective years' Medicare Cost Reports)

Not Applicable as this is new construction.

2. Current fiscal or calendar year to date

Not Applicable as this is new construction.

3. Projection for five years following completion of construction or implementation.

Please see attached Schedule III for FY2018 - FY2023

D. Attach Schedule IV – Operating Budget

Current and projected line item capital and operating budgets for the proposed activity. Describe what alternative plans have been made if deficits occur.

Please see attached Schedule IV for projected Operating Budgets for FY2018 – FY2021

E. Attach Schedule V – A. Debt Service Summary, and B. New Project Debt Service Summary

A debt service cash flow schedule over the life of the debt, if applicable, for all long-term debt of the facility. Identify each debt, including the proposed activity, and break out interest, principal, and other costs.

Please see the attached Schedule V – A and Schedule V – B for the project.

F. Attach Schedule VI - Reimbursement Sources

Showing reimbursement sources for the facility for the previous five full years and projected for three years after implementation.

The previous five full years is not applicable as this is a new facility. The projected three years for FY2018 – FY2021 are provided. It is important to note that the most recent CMS Cost Report data available was utilized to produce these projections. The data utilized was from facilities located in Anchorage.

G. Attach Schedule VII – Depreciation Schedule

Showing a depreciation schedule for all items acquired through the proposed project. Note that the straight-line method must be used. Indicate on the depreciation schedule or separately which major movable equipment is being purchased for the project (see Section VIIIB, Item 2e). Also, on a separate page, include a list of all equipment to be purchased through this project and the costs.

Please see the attached Schedule VII.



Schedule I. Facility Income Statement

Schedule I. Facility Income Statement			
Provide Last Five Years Actual and Projections for Three Years Beyond Project Completion			
Gross Patient Revenue:	FY 2016	FY 2017	FY 2018
Inpatient Routine			
Inpatient Ancillary			
Outpatient			
Long-Term Care			
Swing Beds			
Other			
Total Patient Revenue			
Less Deductions			
Charity Care			
Contractual Allowances			
Bad Debts			
Total Deductions			
Net Operating Revenues			
All Other Revenues			
EXPENSES:			
Salaries			\$568,490
Benefits			\$70,002
Supplies			\$138,000
Utilities			\$259,333
Property Tax			
Rent			
Lease			
Other Expenses	\$650,364	\$819,418	\$188,000
Depreciation			
Interest		\$327,155	\$218,104
Total Expenses	\$650,364	\$1,146,573	\$1,441,928
Excess (Shortage) of Revenue	\$(650,364)	\$(1,146,573)	\$(1,441,928)
Over Expenditures			
Note: Use one copy of this form for the previous five years, another for the construction or development period, and five years after the project opens.			

Please note the following:

- 1) FY 2018 is operations previous to opening the Wasilla building in August. This includes pre-opening costs.
- 2) Since this is a new facility no historical information is available. Thus, the figures above reflect cost prior to opening in 2018.

Schedule I. Facility Income Statement				
Provide Last Five Years Actual and Projections for Three Years Beyond Project Completion				
Gross Patient Revenue:	FY 2018	FY 2019	FY 2020	FY 2021
Inpatient Routine	\$563,940	\$3,166,740	\$3,770,807	\$4,552,189
Inpatient Ancillary	\$67,600	\$379,600	\$452,010	\$545,675
Outpatient				
Long-Term Care	\$2,109,872	\$11,559,258	\$14,424,265	\$17,467,323
Swing Beds				
Other				
Total Patient Revenue	\$2,741,412	\$15,105,598	\$18,647,081	\$22,565,187
Less Deductions				
Charity Care	\$137,071	\$755,280	\$932,354	\$1,128,259
Contractual Allowances	\$328,969	\$1,812,672	\$2,237,650	\$2,707,822
Bad Debts	\$41,121	\$226,584	\$279,706	\$338,478
Total Deductions	\$507,161	\$2,794,536	\$3,449,710	\$4,174,560
Net Operating Revenues	\$2,234,251	\$12,311,062	\$15,197,371	\$18,390,627
All Other Revenues				
EXPENSES:				
Salaries	\$1,407,690	\$7,285,901	\$7,965,764	\$9,941,997
Benefits	\$292,309	\$1,549,393	\$1,793,166	\$2,202,558
Supplies	\$174,089	\$834,294	\$972,166	\$1,133,700
Utilities	\$135,739	\$422,672	\$430,400	\$439,232
Property Tax	\$50,000	\$150,000	\$150,000	\$150,000
Rent				
Lease				
Other Expenses	\$153,730	\$853,938	\$1,006,899	\$1,204,002
Depreciation	\$1,199,066	\$1,199,066	\$1,199,066	\$1,199,066
Interest	\$119,362	\$1,062,155	\$1,043,386	\$1,023,803
Total Expenses	\$3,531,985	\$13,357,420	\$14,560,847	\$17,294,359
Excess (Shortage) of Revenue	\$(1,297,734)	\$(1,046,357)	\$636,524	\$1,096,269
Over Expenditures				
Note: Use one copy of this form for the previous five years, another for the construction or development period, and five years after the project opens.				

Please note the following:

- 1) FY 2018 is operations when the Wasilla building opens in September to December 31st.



Schedule II. Facility Balance Sheet

Schedule II. Facility Balance Sheet			
Provide Last Five Years Actual and Projections for Three Years Beyond Project Completion			
CURRENT ASSETS	FY 2016	FY 2017	
Cash & Cash Equivalent	\$8,188,899	\$7,042,326	
Net Patient Accounts Receivable			
Other Accounts Receivable			
Inventories			
Prepaid Expenses			
Other			
Total Current Assets	\$8,188,899	\$7,042,326	
Property and Equipment			
Land & improvements	\$1,376,157	\$1,376,157	
Building/Fixed Equipment			
Major Moveable Equipment			
Construction Un-Finished		\$11,486,749	
Accumulated Depreciation			
Net Property & Equipment	\$1,376,157	\$12,862,906	
Other Assets			
TOTAL ASSETS	\$9,565,056	\$19,905,231	
LIABILITIES/FUND BALANCE			
Current Liabilities			
Accounts Payable			
Accrued Expenses			
Accrued Compensation			
Other Accruals			
Total Current Liabilities			
Long Term Liabilities			
Long Term Debt		\$11,486,749	
Other			
Total Long Term Liabilities		\$11,486,749	
Fund Balance	\$9,565,056	\$8,418,483	
Total Liabilities & Fund Balance	\$9,565,056	\$19,905,231	
Note: Use one copy of this form for the previous five years, another for the construction or development period, and five years after the project opens.			

Please note the following:

- 1) Since this is a new facility no historical information is available. Thus, the figures above reflect balances prior to opening in 2018.
- 2) Balance Sheet for FY 2018 including pre-opening balances are found on the Balance Sheet for post-opening.
- 3) Cash & Cash Equivalent is capital and equivalent raised from shareholders of the company.

Schedule II. Facility Balance Sheet				
Provide Last Five Years Actual and Projections for Three Years Beyond Project Completion				
CURRENT ASSETS	FY 2018	FY 2019	FY 2020	FY 2021
Cash & Cash Equivalent	\$5,501,729	\$5,654,438	\$7,490,029	\$9,785,364
Net Patient Accounts Receivable				
Other Accounts Receivable				
Inventories				
Prepaid Expenses				
Other				
Total Current Assets	\$5,501,729	\$5,654,438	\$7,490,029	\$9,785,364
Property and Equipment				
Land & improvements	\$1,376,157	\$1,376,157	\$1,376,157	\$1,376,157
Building/Fixed Equipment	\$25,653,017	\$25,653,017	\$25,653,017	\$25,653,017
Major Moveable Equipment	\$2,112,321	\$2,112,321	\$2,112,321	\$2,112,321
Accumulated Depreciation	\$1,199,066	\$2,398,133	\$3,597,199	\$4,796,265
Net Property & Equipment	\$27,942,429	\$26,743,363	\$25,544,297	\$24,345,230
Other Assets				
TOTAL ASSETS	\$33,444,159	\$32,397,801	\$33,034,325	\$34,130,594
LIABILITIES/FUND BALANCE				
Current Liabilities				
Accounts Payable	\$26,007	\$69,524	\$81,014	\$94,475
Accrued Expenses				
Accrued Compensation	\$164,682	\$607,158	\$663,814	\$828,500
Other Accruals				
Total Current Liabilities	\$190,689	\$676,683	\$744,827	\$922,975
Long Term Liabilities				
Long Term Debt	\$25,188,874	\$24,902,188	\$24,303,908	\$23,832,457
Other				
Total Long Term Liabilities	\$25,188,874	\$24,902,188	\$24,303,908	\$23,832,457
Fund Balance	\$8,064,596	\$6,818,931	\$7,985,590	\$9,375,162
Total Liabilities & Fund Balance	\$33,444,159	\$32,397,801	\$33,034,325	\$34,130,594
Note: Use one copy of this form for the previous five years, another for the construction or development period, and five years after the project opens.				

Please note the following:

- 1) Straight line depreciation was used for the building and equipment.
- 2) Cash & Cash Equivalent is capital and equivalent raised from shareholders of the company.
- 3) Current Liabilities showing are estimates of end of year account balances. Approximated at 1/12 of the total years cost.



Schedule III. Average Patient Cost Per Day
(Per Diem Rate if applicable)
and Revenue Amounts

Schedule III. Average Patient Cost Per Day (Per Diem Rate if Applicable) and Revenue Amounts Provide Last Five Years Actual and Projections for Three Years Beyond Project Completion			
	FY 2018	FY 2019	FY 2020
Revenues	\$2,741,412	\$15,105,598	\$18,647,081
Expenses	\$3,531,985	\$13,357,420	\$14,560,847
Patient Days	3,909	22,042	27,553
Revenue Per Patient Day	\$701	\$685	\$677
Operating & Capital Budget Summary:			
Gross Revenues	\$2,741,412	\$15,105,598	\$18,647,081
Deductions from Revenue	\$507,161	\$2,794,536	\$3,449,710
Net Revenue	\$2,234,251	\$12,311,062	\$15,197,371
Direct Expense	\$3,531,985	\$13,357,420	\$14,560,847
Indirect Expense			
Net Income Projected	\$(1,297,734)	\$(1,046,357)	\$636,524
Rate Computation			
Annual Medicaid Rate	\$638.76	\$638.76	\$638.76
Base Year Cost	\$3,531,985	\$13,357,420	\$14,560,847
Less Ancillary			
Plus Admin. Overhead			
Cost Basis for Rate			
Base Year Patient Days	3,909	22,042	27,553
Cost Per Patient Day	\$903	\$606	\$528
Years 1 and 2 are equivalent to State of Alaska swing-bed rate. Facility Medicaid Rate is figures from Year 3 onward.			

Please note the following:

- 1) Since this is a new facility no historical data is available. Thus, no spreadsheet for previous years is needed since there are no patients in previous years
- 2) The Swing Bed Rate was used that was obtained through Jared C. Kosin at the State. The Memorandum is attached as an *Appendix J*.

Schedule III. Average Patient Cost Per Day (Per Diem Rate if Applicable) and Revenue Amounts Provide Last Five Years Actual and Projections for Three Years Beyond Project Completion			
	FY 2021	FY 2022	FY 2023
Revenues	\$22,565,187	\$26,277,368	\$26,755,887
Expenses	\$17,294,359	\$18,925,994	\$18,981,177
Patient Days	33,031	\$38,508	\$39,420
Revenue Per Patient Day	\$683	\$682	\$679
Operating & Capital Budget Summary:			
Gross Revenues	\$22,565,187	\$26,277,368	\$26,755,887
Deductions from Revenue	\$4,174,560	\$4,335,766	\$4,414,721
Net Revenue	\$18,390,627	\$21,941,603	\$22,341,166
Direct Expense	\$17,294,359	\$18,925,994	\$18,981,177
Indirect Expense			
Net Income Projected	\$1,096,269	\$3,015,608	\$3,359,989
Rate Computation			
Annual Medicaid Rate	\$638.76	\$639	\$639
Base Year Cost	\$17,294,359	\$18,925,994	\$18,981,177
Less Ancillary			
Plus Admin. Overhead			
Cost Basis for Rate			
Base Year Patient Days	33,031	\$38,508	\$39,420
Cost Per Patient Day	\$524	\$491	\$482
Years 1 and 2 are equivalent to State of Alaska swing-bed rate. Facility Medicaid Rate is figures from Year 3 onward.			

Please note the following:

- 1) Since this is a new facility no historical data is available. Thus, no spreadsheet for previous years is needed since there are no patients in previous years
- 2) The Swing Bed Rate was used that was obtained through Jared C. Kosin at the State. The Memorandum is attached as an *Appendix J*.



Schedule IV. Operating Budget

Schedule IV. Operating Budget				
Provide Last Five Years Actual and Projections for Three Years Beyond Project Completion				
	FY 2018	FY 2019	FY 2020	FY 2021
	Jan. - Aug. - 0			
	Sept. - Nov. - 60			
Number of Beds	Dec. - 120	120	120	120
Days in a year	122	365	366	365
Available bed days	9,180	43,800	43,920	43,800
Resident bed days	3,909	22,042	27,553	33,031
Percent growth	N/A	463.8%	25.0%	19.9%
Patient Bed Days	N/A	N/A	N/A	N/A
Number of Residents	26	60	75	90
Daily Room and Board Rate*	\$650.00	\$663.00	\$676.26	\$689.79
Nursing Revenue	\$2,541,084	\$14,614,057	\$18,632,922	\$22,783,954
Nursing Services				
Payer Mix:				
Medicaid	2,719	14,468	18,085	21,680
Medicare	889	5,655	7,069	8,475
Other	302	1,919	2,399	2,876
Ancillary Revenue	\$376,080	\$2,162,880	\$2,757,672	\$3,372,025
Total Revenue	\$2,917,164	\$16,776,937	\$21,390,595	\$26,155,980
Rate Computation				
Annual Medicaid Rate	\$638.76	\$638.76	\$638.76	\$638.76
Base Year Cost	\$3,531,985	\$13,357,420	\$14,560,847	\$17,294,359
Less Ancillary				
Plus Admin. Overhead				
Cost Basis for Rate				
Base Year Patient Days	3,909	22,042	27,553	33,031
Cost per Patient Day	\$903	\$606	\$528	\$524
Years 1 and 2 are equivalent to State of Alaska swing-bed rate. Facility Medicaid Rate is figures from Year 3 onward.				

Please note the following:

- 1) Since this is a new facility no historical data is available.



Schedule V-A. Debt Service Summary

Schedule V-A Debt Service Summary				
Provide Current Debt Data and Projections for the Next Three Years				
	FY 2018	FY 2019	FY 2020	FY 2021
NONE - SEE NOTE #1				
Principal				
Interest				
Estimated Debt - New Project				
Principal	\$160,951.98	\$433,098.17	\$451,867.65	\$471,450.57
Interest	\$337,466	\$1,062,155	\$1,043,386	\$1,023,803

Please note the following:

- 1) Since this is a new facility, there is no existing debt.



Schedule V-B. New Project Debt Service Summary

Schedule V-B Debt Service Summary

Attach a debt service cash flow schedule over the life of the debt for the new project. Break out principal, interest, and other.

Year	Item	Principal	Interest	Other	Total
2018	Payment	\$160,952	\$337,466		\$498,418
2019	Payment	\$433,098	\$1,062,155		\$1,495,254
2020	Payment	\$451,868	\$1,043,386		\$1,495,254
2021	Payment	\$471,451	\$1,023,803		\$1,495,254
2022	Payment	\$491,882	\$1,003,371		\$1,495,254
2023	Payment	\$513,199	\$982,054		\$1,495,254
2024	Payment	\$535,440	\$959,813		\$1,495,254
2025	Payment	\$558,645	\$936,609		\$1,495,254
2026	Payment	\$582,855	\$912,398		\$1,495,254
2027	Payment	\$608,115	\$887,139		\$1,495,254
2028	Payment	\$634,469	\$860,784		\$1,495,254
2029	Payment	\$661,966	\$833,288		\$1,495,254
2030	Payment	\$690,654	\$804,600		\$1,495,254
2031	Payment	\$720,585	\$774,669		\$1,495,254
2032	Payment	\$751,814	\$743,440		\$1,495,254
2033	Payment	\$784,395	\$710,858		\$1,495,254
2034	Payment	\$818,389	\$676,864		\$1,495,254
2035	Payment	\$853,856	\$641,397		\$1,495,254
2036	Payment	\$890,861	\$604,393		\$1,495,254
2037	Payment	\$929,469	\$565,785		\$1,495,254
2038	Payment	\$969,750	\$525,504		\$1,495,254
2039	Payment	\$1,011,776	\$483,477		\$1,495,254
2040	Payment	\$1,055,624	\$439,629		\$1,495,254
2041	Payment	\$1,101,373	\$393,881		\$1,495,254
2042	Payment	\$1,149,104	\$346,150		\$1,495,254
2043	Payment	\$1,198,903	\$296,350		\$1,495,254
2044	Payment	\$1,250,861	\$244,393		\$1,495,254
2045	Payment	\$1,305,070	\$190,183		\$1,495,254
2046	Payment	\$1,361,629	\$133,624		\$1,495,254
2047	Payment	\$1,420,639	\$74,614		\$1,495,254
2048	Payment	\$981,134	\$15,701		\$996,836



Schedule VI. Reimbursement Sources

Schedule VI. Reimbursement Sources

Show reimbursement sources for the previous five years and projections for three years after the new project opens.

Fiscal Year 2018				
Reimbursement Source	Number of Patients	Gross Patient Charges	Deductions	Net Patient Revenues
Medicaid	25	\$1,624,602	\$246,727	\$1,377,875
Medicare	24	\$631,540	\$65,794	\$565,746
Private Insurance	4	\$316,481	\$16,448	\$300,032
Self Pay	1	\$168,790		\$168,790
Charity			\$137,071	\$(137,071)
Other				\$-
Total	54	\$2,741,412	\$466,040	\$2,275,372

Fiscal Year 2019				
Reimbursement Source	Number of Patients	Gross Patient Charges	Deductions	Net Patient Revenues
Medicaid	61	\$8,900,629	\$1,359,504	\$7,541,125
Medicare	122	\$3,546,340	\$362,534	\$3,183,806
Private Insurance	20	\$1,733,889	\$90,634	\$1,643,255
Self Pay	5	\$924,741		\$924,741
Charity			\$755,280	\$(755,280)
Other				\$-
Total	209	\$15,105,598	\$2,567,952	\$12,537,646

Fiscal Year 2020				
Reimbursement Source	Number of Patients	Gross Patient Charges	Deductions	Net Patient Revenues
Medicaid	59	\$11,106,684	\$1,678,237	\$9,428,447
Medicare	145	\$4,222,817	\$447,530	\$3,775,287
Private Insurance	23	\$2,163,640	\$111,882	\$2,051,757
Self Pay	6	\$1,153,941		\$1,153,941
Charity			\$932,354	\$(932,354)
Other				\$-
Total	232	\$18,647,081	\$3,170,004	\$15,477,078

Fiscal Year 2021				
Reimbursement Source	Number of Patients	Gross Patient Charges	Deductions	Net Patient Revenues
Medicaid	69	\$13,449,839	\$2,030,867	\$11,418,972
Medicare	173	\$5,097,864	\$541,564	\$4,556,299
Private Insurance	27	\$2,620,098	\$135,391	\$2,484,707
Self Pay	7	\$1,397,386		\$1,397,386
Charity			\$1,128,259	\$(1,128,259)
Other				\$-
Total	275	\$22,565,187	\$3,836,082	\$18,729,105



Schedule VII. Depreciation Schedule

Schedule VII. Depreciation Schedule

Use the straight-line method. Provide a separate schedule for any pieces of major moveable equipment.

Equipment Description	Cost	Useful Life	Depreciation Per Year
Appliances	\$299,630	12	\$24,969
Automobile	\$298,216	5	\$59,643
Electronics	\$400,389	5	\$80,078
Furniture	\$1,299,568	7	\$185,653
Gym Equipment	\$407,334	12	\$33,944
Kitchen Equipment	\$508,646	15	\$33,910
Low Voltage Equipment	\$1,010,942	7	\$144,420
Medical Equipment	\$472,753	15	\$31,517
Salon Equipment	\$52,580	7	\$7,511
Total Depreciable Equipment Purchased	\$ 4,750,057		\$ 601,645

Please note the following:

- 1) For a detailed list of the equipment in each depreciation bucket please see the *Appendix B – Equipment List*
- 2) Useful life was determined using MACRS depreciation
- 3) Straight line method was used for all depreciation.
- 4) The building and construction costs were depreciated using a 39-year straight line method.



FAIR MARKET VALUE - HOW TO CALCULATE

Fair Market Value – How to Calculate

Fair market value is the price that the property would sell for on the open market. It is the price that would be agreed on between a willing buyer and a willing seller, with neither being required to act, and both having reasonable knowledge of the relevant facts.

THIS PAGE IS NOT APPLICABLE TO THIS APPLICATION.

To determine the fair market value of equipment, using the formula below, first determine the number of years of estimated useful life of the equipment, as described in the AHA publication *Estimated Useful Lives of Depreciable Hospital Assets* to achieve an annual depreciation amount. Include your calculations as part of this section of your application.

Determining Fair Market Value of Equipment		
1	Purchase price of equipment (round to nearest dollar)	\$
2	AHA estimated useful life of equipment (in years)	
3	Annual Depreciation Expense (ADE) [Divide #1 by #2]	\$
4	Multiply ADE by age of equipment (new = 0)	\$
5	Fair Market Value (Subtract #4 from #1)	\$

The fair market value of land or buildings is the value contained in a current appraisal of the land or building from a licensed real estate appraiser who has no financial or other interest in the transaction. Attach the appraisal as an appendix to the application.



APPLICATION FEE - DETERMINATION AND CERTIFICATION OF AMOUNT

APPLICATION FEE – DETERMINATION AND CERTIFICATION OF AMOUNT

How to Determine the Amount of the Application Fee Required Under 7 AAC 07.079

(1) For a project that does not include a lease of a facility or equipment, the value of the project is:

A. the amount listed on page 20 of this packet under Section VIIIA, Financial Data – Acquisitions, subsection (2), item “a” (total acquisition cost of land and buildings): \$1,376,157

plus

B. the amount listed on page 21 of this packet under Section VIIIB, Financial Data – Construction Only, item “g” (total project cost, which is the sum of items d, e, and f): \$ 34,381,926

Estimated Value of the Activity for (1)
(sum of A & B above) \$35,758,083

(2) For a project that has a component that is leased, the fair market value of the leased equipment, facility, or land must be considered in addition to the acquisition cost. See the form on page 31 of this packet for how to determine fair market value.

Estimated Fair Market Value for (2): \$ _____

Estimated Value for (1) from above: \$ _____

Total Estimated Value of the Activity
(sum of (1) and (2): \$ _____

Amount of Application Fee submitted with this application
(see 7 AAC 07.079 to calculate amount due): \$35,758.08

Certification of Individual Determining Application Fee

I certify that, to the best of my knowledge, as of this date, the estimated value and fee for this certificate of need activity are accurate.

Date: 06/20/2016

Facility Name and Address: Maple Springs Management, LLC

Name and Title of Person Determining Application Fee: Nicholas Larsen, President

Signature of Certifying Officer of the Organization