

STATE OF ALASKA
DEPARTMENT OF HEALTH AND SOCIAL SERVICES



CERTIFICATE OF NEED APPLICATION PACKET

Adopted December 9, 2005

Sean Parnell
Governor

William Hogan
Commissioner

This Certificate of Need Application Packet has been adopted by reference in regulations of the Alaska Department of Health and Social Services. Only the version that has been adopted by reference will be accepted by the department for review. To ensure that you have the correct packet, please check the current version of 7 AAC 07.040 or contact the Certificate of Need Coordinator. Any questions may also be directed to the Coordinator:

The Certificate of Need Coordinator
Department of Health and Social Services
Division of Health Care Services
Health Planning & Systems Development

Department of Health and Social Services
P. O. Box 110660, Juneau, Alaska 99811-0660
Phone: (907) 465-8616 Fax: (907) 465-6861
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Additional information is available at the department's Internet web site:
http://www.hss.state.ak.us/dph/chems/cert_of_need/.

Table of Contents

General Instructions	
Applicable Statutes and Regulations	
Section I. General Applicant Information	
Section II. Summary Project Description	
Section III. Description of Facilities and Capacity Indicators	
Section IV. Narrative Review Questions.....	
Section V. Consideration of Quality, Effectiveness, Efficiency, and Benefits of the Applicant's Services	34
Section VI. Narrative Description of How Project Meets Applicable Review Standards	41
Section VII. Construction Data.....	
Section VIIIA. Financial Data - Acquisitions	
Section VIIIB. Financial Data – Construction Only	
Section IX. Financial Data – All Proposed Activities	
Schedule I. Facility Income Statement	49
Schedule II. Facility Balance Sheet	51
Schedule III. Average Patient Cost Per Day (Per Diem Rate if applicable) and Revenue Amounts	52
Schedule IV. Operating Budget.....	54
Schedule V-A. Debt Service Summary.....	55
Schedule V-B. New Project Debt Service Summary	56
Schedule VI. Reimbursement Sources	
Schedule VII. Depreciation Schedule.....	Error! Bookmark not def
FAIR MARKET VALUE – HOW TO CALCULATE.....	
APPLICATION FEE – DETERMINATION AND CERTIFICATION OF AMOUNT.....	61
REQUEST FOR MODIFICATION OF A CERTIFICATE OF NEED	
PERIODIC PROGRESS REPORT	

General Instructions

This document contains the information, instructions, and forms necessary to prepare a certificate of need application.

The department may schedule, or you may request, a pre-application conference before submission of the application [see 7 AAC 07.035].

Please read all the materials in this packet and closely follow these instructions in preparing an application for a certificate of need:

- Complete the application in the same order that is presented in this packet, retaining the section numbering. The department has prepared an electronic submission version of this packet (downloadable from the department's website) for each type of service for which review standards have been developed. The text of each requirement should be in a bold font, but please do not use a bold font for each response.

EXAMPLE

Section II. Summary Project Description

(1) A brief description of each proposed service, including whether equipment will be purchased or replaced and a list of that equipment.

Place response here

(2) The number of square feet of construction/renovation.

Place response here

(3) The number and type of beds/surgery suites/specialty rooms.

Place response here

etc.

- Number each page in the application.
- Answer all of the questions that apply to the proposed project. If an item of requested information does not apply, enter "Not Applicable". Well-written, complete answers will expedite review of the application.
- Attach and identify any documents necessary to complete sections or forms included in this packet.

- Describe (in Section VI of the application) how the proposed project meets each of the general review standards that are applicable to all activities, and how it meets each of the service-specific review standards applicable to each activity proposed. These standards are set out in the department's publication *Alaska Certificate of Need Review Standards and Methodologies*, adopted by reference in 7 AAC 07.025. For an application expected to be reviewed concurrently with another competing application, address how the project meets the review standards that are specific to concurrent reviews for activities of the type proposed. Retain the same order and numbering for each standard that is used in that publication. Complete this section of the application as shown in the above example. (Standards for each type of activity have been included in Section VI of the applicable electronic submission version of this packet that is downloadable from the department's website.)
- Provide references for each source (articles, statistics, quotations, strategic plans, etc.) of any factual data or information included in the application (for example, population projections). If a source is not readily available to the public, provide a copy of the source document in an appendix. The department may request copies of any source material not included with the application.
- All construction cost estimates must be "certified estimates" as that term is defined in 7 AAC 07.900.
- Carefully check all information, numbers, calculations, and other data presented in the application to ensure accuracy. If information is presented more than once, ensure that it is consistent throughout.
- Submit three (3) paper copies and one electronic copy of the application to the Certificate of Need Coordinator (see the inside cover of this packet for contact information). One copy must have an original signature of a certifying officer of the organization. Submit an additional copy in an electronic version, using the e-mail address set out on the inside cover of this packet.
- Retain at least two copies of the application: one that you make available at your place of business, and the other that you place at the public library in your community, for public review and comment after the application is declared complete. After determining that the application is complete, the department will place a copy on the department's website.
- If the application is for modification of an existing certificate of need, submit the request form provided in this packet.
- Submit the application fee required under 7 AAC 07.079, with a signed copy of the form used to determine the amount of the fee (see page 32 of this packet).

Applicable Statutes and Regulations

Applications for certificates of need are subject to the applicable provisions of Alaska statutes (AS 18.07.021 – 18.07.111), and Alaska regulations (7 AAC 07).

Other applicable regulations include but are not limited to: **(1)** 7 AAC 12 (Facilities and Local Units); **(2)** 7 AAC 43.686 (Allowable Reasonable Operating Costs (Medicaid Audits)); and **(3)** other applicable provisions in 7 AAC 43 relevant to the type of activity. The provisions of these regulations could affect the ability to be licensed or to receive Medicaid payments if a certificate of need was required, but was not obtained.

Section I. General Applicant Information

On the following page is a form that must be completed and signed for each application.



CERTIFICATE OF NEED APPLICATION

APPLICANT IDENTIFICATION AND CERTIFICATION OF ACCURACY

1. Applicant Identification

Facility Name Care Center Anchorage d/b/a Prestige Care & Rehabilitation Center of Anchorage	Medicaid Provider Number LT2009
Facility Address (Street/City/State/Zip Code) 9100 Centennial Circle Anchorage, AK 99504	Medicare Provider Number 025025
Name and mailing address of organization that operates the facility (if different from above) Prestige Care, 7700 NE Parkway Drive NE Suite 300 Vancouver, WA 98662	
Facility Administrator (Name, title, mailing address, including City/State/Zip Code) Laurie S Dotas 9100 Centennial Circle Anchorage, AK 99503	Telephone 907-333-8100 Facsimile 907-338-6789 E-mail ldotas@prestigecare.com
Applicant (Name, title, mailing address, including City/State/Zip Code) Laurie Dotas Administrator 9100 Centennial Circle Anchorage, AK 99504	Telephone 907-333-8100 Facsimile 907-338-6789 E-mail ldotas@prestigecare.com
Principal Contact Person (Name, title, physical address, mailing address, including City/State/Zip Code) Laurie Dotas Administrator 9100 Centennial Circle Anchorage, AK 99504	Telephone 907-333-8100 Facsimile 907-338-6789 E-mail ldotas@prestigecare.com

2. Ownership Information

A. Type of Ownership (check applicable category)

<input type="checkbox"/> For profit: individual	<input type="checkbox"/> Not for profit: government
<input type="checkbox"/> For profit: partnership	<input type="checkbox"/> Not for profit: corporation
<input checked="" type="checkbox"/> For profit: corporation	<input type="checkbox"/> Other (specify): _____

B. List of all Owners (Page 2 of application)

C. Accreditation Information (Page 2 of application)

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 Laurie S Dotas	Title Administrator
Signature	Date August 26, 2012

For Part 2.B. of the application form, 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.

This facility, Care Center Anchorage Inc dba Prestige Care and Rehabilitation of Anchorage is wholly owned by Prestige Care Inc. and is not individually owned.

(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 the all of companies that have ownership in the facility.

Title	Office Name	Address/Phone/Fax	Ownership
Chairman of the Board	Rick B Delamarter	444 South San Vicente Blvd, Suite 1102 Los Angeles, CA 90048 310-248-7389	41.67%
President/CEO	Harold G Delamarter	24411 NE 128 th St Brush Prairie, WA 98606 360-254-7001 360-735-9416 fax	28.33%
Secretary/Treasurer	Gregory Vislocky	5841 SE Columbia Way #203 Vancouver, WA 98662 360-816-8257 360-735-9416 fax	30%

This facility is not a subsidiary of another company.

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

n/a

For Part 2.C. of the application form, provide the following information:

Is this facility accredited or certified by a recognized national organization? ☒ **Yes** ☐ **No**

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.

Centers for Medicare and Medicaid Services

Section II. Summary Project Description

(1) A brief description of each proposed service, including whether equipment will be purchased or replaced and a list of that equipment.

Prestige Care of Anchorage is proposing to add twelve skilled/long term care beds to its facility. The area to be used is a portion of six underutilized sunrooms adjoining existing resident courts. These rooms will share a bathroom however the bedroom space will be private. The sunroom has an adjoining wall with rooms 110/210 on each court. Prestige proposes to enclose the front porch, provide a handicap accessible access to the new room, and build up the new wall to enclose. We will be installing a new facility wide nurse call system in order to add the new twelve beds. The other six beds will be the expansion of the private rooms at the end of each court area. Unused space exists at the end of the corridor (these are not exit corridors). Prestige Care of Anchorage proposes to enclose the unused space to increase to overall square feet of the room, providing separate sides for each resident.

Wireless call light system	IAAlert		\$51170.20
16- beds	Invacare	Hi Low beds	21711.69
12- panacea clinical mattresses with heel slope	Panacea		2890.88
12 wardrobe	Maxwell Thomas	Scottsdale	7280.04
24- 3 drawer bedside cabinets	Maxwell Thomas	Scottsdale	4480.08
24- overbed lights	Maxwell Thomas	Scottsdale	3878.40
24- armchairs	Maxwell Thomas	Remy	8502.00
24- Overbed tables	Maxwell Thomas	Hayward cherry	2040.00
Electrical Engineer			3000.00
Outland Construction rooms B113,B213,C113,C213,D113,D213			111,000
Outland Construction-sunroom resident room construction			120,000
12- TV with mounts	RCA		4306.68
Shipping			8315.46
Logistics			8046.67
Roller shades	Mecho	Black out	1978.20
Bedspreads	Standard Textile	caviar	8416.32
Installation			1343.02
TOTAL			\$368359.63

See Exhibit I

(2) The number of square feet of construction/renovation

For the six beds being constructed in the former sunrooms, the total square footage of the semi-private suite will be 372 square feet. For the beds being added to rooms B113, B213, C113, C213, D113, D213, the new square footage of the new semi-private resident room will be 360 square feet. This will add a total of 1797 square feet.

(3) The number and type of beds/surgery suites/specialty rooms.

Prestige Care of Anchorage is proposing to add twelve skilled/long term care beds to its facility.

(4) Services to be expanded, added, replaced, or reduced.

The addition of the twelve beds will not result in new programs however it will help accommodate the growing need for long term care beds in the Anchorage area, especially as the number of operating beds has declined in the last several of years. These additional beds will help get the residents in the right level care at the right time and assist local hospitals in placing patients freeing up acute care beds.

(5) The total cost of the project.

\$368,359.63 (\$30,696.63per bed)

(6) How the project will be financed.

Cash on hand

(7) Estimated completion date.

Once the CON is granted, estimated construction time is approximately six months. Equipment will be ordered at the time construction is started and will be stored on sight so as one area is completed we can move new beds into place.

Section III. Description of Facilities and Capacity Indicators

- 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	Not applicable	Not applicable	Not applicable
1-bed room/unit	Not applicable	Not applicable	Not applicable
2-bed room/unit	Not applicable	Not applicable	Not applicable
Other (list)	Not applicable	Not applicable	Not applicable
ICU Beds	Not applicable	Not applicable	Not applicable
Obstetrics Beds	Not applicable	Not applicable	Not applicable
Pediatric Beds	Not applicable	Not applicable	Not applicable
Acute Rehab Beds	Not applicable	Not applicable	Not applicable
Obstetrics Beds	Not applicable	Not applicable	Not applicable
Pediatric Beds	Not applicable	Not applicable	Not applicable
Ancillary Services (list)	Not applicable	Not applicable	Not applicable
BEHAVIORAL HEALTH CARE			
In-patient Acute Psychiatric Beds	Not applicable	Not applicable	Not applicable
RPTC Beds	Not applicable	Not applicable	Not applicable
In-patient Substance Abuse Beds	Not applicable	Not applicable	Not applicable
LONG-TERM CARE			
Acute Beds	Not applicable	Not applicable	Not applicable
1-bed room/unit	Not applicable	Not applicable	Not applicable
2-bed room/unit	Not applicable	Not applicable	Not applicable
Other (list)	Not applicable	Not applicable	Not applicable
Nursing Beds			
1-bed room/unit	66	-12	54
2-bed room/unit	24	24	48
Other (list)	Not applicable	Not applicable	Not applicable
DIAGNOSTIC AND DIAGNOSTIC IMAGING SERVICES			
CT Scanner	Not applicable	Not applicable	Not applicable
MRI	Not applicable	Not applicable	Not applicable
PET or PET/CT	Not applicable	Not applicable	Not applicable
Cardiac Catheterization	Not applicable	Not applicable	Not applicable
Emerging Med. Tech. (list)	Not applicable	Not applicable	Not applicable

Type of Service	Current Capacity	Added, Expanded, or Replacement Capacity	TOTAL PROPOSED CAPACITY
SURGICAL CARE			
Ambulatory Surgery or Dedicated OP Suites	Not applicable	Not applicable	Not applicable
Suites for IP & OP	Not applicable	Not applicable	Not applicable
Endoscopy Suites	Not applicable	Not applicable	Not applicable
Open-Heart Surgery	Not applicable	Not applicable	Not applicable
Organ Transplantation	Not applicable	Not applicable	Not applicable
Other Services (list)	Not applicable	Not applicable	Not applicable
THERAPEUTIC CARE			
Radiation Therapy	Not applicable	Not applicable	Not applicable
Lithotripsy	Not applicable	Not applicable	Not applicable
Renal Dialysis	Not applicable	Not applicable	Not applicable
Other (List)	Not applicable	Not applicable	Not applicable
Total Capacity	90	24	102

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.

Prestige Care of Anchorage is a 90-bed skilled nursing center located in Anchorage, Alaska specializing in long-term and short-term post acute care. The additional twelve beds will increase the total capacity to 102 allowing for additional beds in community (248 total beds in Anchorage/MatSu).

Nursing & Rehabilitation

Rehabilitative Care

Even the routine daily living activities can be difficult after a hip fracture, knee replacement, stroke or lengthy illness. At Prestige Care, an experienced team of medical professionals utilize state-of-the-art equipment and innovative approaches to help individuals regain as much strength, balance and endurance as possible.

Our goal is optimal recovery. To make this happen, our highly skilled nurses, therapists and technicians work cooperatively with the individual's physician to implement a customized course of treatment that may include a combination of physical therapy, occupational therapy, speech/swallowing therapy or other skilled nursing care.

We also believe that rehabilitative care and treatment should be delivered throughout a resident's stay to help reduce the occurrence of injuries after they return home. That is why you will find a variety of uneven surfaces, including stairs, sand, gravel and more in the practice areas of every one of our rehabilitation centers. We want all of our residents to be ready when they go home.

Long-Term Care

Long-term care is for individuals who need assistance with the activities of daily living and periodic skilled nursing. Nourishing meals and therapeutic diets may be combined with restorative nursing and exercise to enhance physical abilities.

Activities and events planned in consideration of each resident's abilities and interests provide the mental stimulation that helps keep residents engaged in their own care.

Daily nursing services and rehabilitation therapies are provided according to the patient's treatment program, as prescribed by their personal physician. Skilled nursing services may include:

- Disease specific treatment and management
- IV therapy
- Ecternal therapy
- Rehabilitative therapies (physical, speech & occupational)
- Pulmonary care
- Wound management

Palliative Care

The end of life is a period in which every individual deserves compassion, dignity and respect. Our Hospice services provide each individual with the medical care and emotional support they need to make the most of the time they have left with the ones they love.

Our focus is to help relieve pain and other symptoms so residents can live comfortable and alert while maintaining a reasonable course of medical care 24 hours a day. We work cooperatively the resident and their family to coordinate the delivery of psychological, emotional and spiritual support consistent with each individual's beliefs and wishes.

We honor living wills or advance directives and welcome the involvement of outside counselors, therapists, social workers, aides and volunteers. Visitors of all ages are also welcome to visit residents under hospice care at any time during the day or night.

Sub-Acute Care

Individuals with an acute illness, injury or disease sometimes need one or more highly skilled medical services and frequent assessments without all the resources and overhead of a hospital environment. Sub-acute care is the delivery of those services in a setting that allows for a better quality of life.

Our sub-acute care program coordinates the delivery of specialized care and treatment through a team approach that involves the physician and other medical professionals all working together on a course of care designed specifically for them. A high tech, paperless charting system allows the team to maintain accurate and up-to-date assessments of every resident.

The individual's unique course of care may include special services, such as inhalation therapy, tracheotomy care, intravenous tube feeding or complex wound care management. These and other services are often combined with physical, occupational or speech therapy as well as dialysis, IV therapy, pain management and more for residents who require an extended period of care.

Since taking over the Anchorage based center in July 2009, the center has averaged a daily occupancy rate of 98%. With the increased focus of delivering care to patients in the right setting at the right time, adding twelve beds would increase our capacity provide the services already offered, reduce the number of administrative days in local hospitals and reduce the number of residents currently on our waitlist.

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

Equipment to be Purchased			
Equipment Description	Make	Model	Cost
Wireless call light system	IAAlert		\$51,170.20
16- hi low beds	Invacare		21,711.68
16- panacea clinical mattresses with heel slope	Panacea		2890.88
12 wardrobe	Maxwell Thomas	Scottsdale	7280.04
24- 3 drawer bedside cabinets	Maxwell Thomas	Scottsdale	4480.08
24- overbed lights	Maxwell Thomas	Scottsdale	3878.40
24- armchairs	Maxwell Thomas	Remy	8502.00
24- Overbed tables	Maxwell Thomas	Hayward cherry	2040.00
12 RCA 26 inch TV with mounts	RCA		4306.68
Shipping			8315.46
Logistics			8046.67
Roller shades	Mecho	Black out	1978.20
Bedspreads	Standard Textile	caviar	8416.32
Installation			1343.02

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

[illegible]

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

Upgraded electrical to support outlets and lighting. No additional heating or cooling, utilities are needed.

F. Describe the structural framing, floor system, and number of floors (including the basement). Demo of wall between rooms B110, B210, C110, C210, D110, D210 to create opening and establish semi-private room where bathroom can be shared. Construction of wall in sunroom to create resident room. Entry will be in already established front porch area however door will be moved out and front porch will be enclosed providing additional square footage to room. New non-skid laminate floors will be installed along with new roller shades and new furnishings. Privacy curtains will be installed in ensures resident privacy during care.

G. Total square footage in current facility/project.

Current utilized square footage is 63,803. The new total will be 64,443. Some of the square footage was already allocated in usable space.

H. Total square footage of proposed facility/project.

Prestige proposes to add 1797 square feet in usable square footage for the 12 proposed resident beds. However, no additional square footage is being added to the facility.

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

The average area per bed is 149.5; however the total square footage of the new semiprivate rooms will be 372 sq ft and 360 sq ft.

J. Percentage of total floor area used for direct service (non-bed activity).
100% is bed area

K. Additional volume of service (non-bed activity) expected.
The facility is expected to occupy 11 of 12 new beds after construction.

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.

There has not been any expansion in the last five years. In 2011, this center did undergo a \$250,000 remodel, mostly cosmetics including paint, new carpet, window coverings and common area furnishings. In 2012, as part of the plan of correction, we installed new carpet in the resident court areas totaling approximately \$100,000 in labor and supplies. In 2011, a high efficiency boiler was added as well as upgrades to the domestic water holding system. .

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.)

Review Standards

After reviewing the Alaska Certificate of Need Review Standards and methodologies, (Dec. 9, 2005) Section VI. Long-term Nursing Care Standard and Methodology," page 20:

1. Not applicable as Prestige is not seeking a certificate for a new freestanding facility.
2. Not applicable; Prestige is not co-located with a hospital.
3. Prestige Care has average 97% occupancy since taking over management in July 2009. For detailed data see B.2 (a).
4. The Anchorage area has two skilled nursing centers; Prestige and Providence Extended Care Center. The State of Alaska completed a bed forecast, prepared by Alice Rarig, Health Planning & Systems Development, HCS DHSS, for 2015 and 2020 using the specific methodology that Shows an additional bed need of 96 beds for 2015 above the current supply of 314 available in 2010. The bed need in 2020 showed an additional bed need of 194 beds above the current supply of 314 (see following table - *Anchorage – Matanuska Susitna Borough Long Term Care Bed Need Forecasts for 2015/2020*). At present PECC, has decreased their licensed beds an additional 54 beds since that 2010 study. Therefore, the addition of 12 beds at Prestige Care fits within the projected community need based on the estate's projections for population growth and utilization of long-term care beds.

Anchorage – Matanuska Susitna Borough Long Term Care Bed Need Forecasts for 2015/2020

Using CON Methodology with Age Specific Use Rates Taken into Consideration (3-year average)

	Bed Days for Calendar Year (Prestige (2007 estimated) and PECC)					July 1 Census Count
Year	Total	Age 0-64	Age 65-74	Age 75-84	Age 85+	(Patients)
2007	103155	32514.65	20165.16	30587.02	19888.18	283
2008	97153	31365	18897	25218	21673	276
2009	100433	34818	21035	23913	20669	271
2008 mid-period population	366,341	341,054	15,680	7,262	2,345	
Avg bed days per person per year	0.2736	0.0965	1.2776	3.6591	8.8458	

Population Projections (AK Dept of Labor, 2007, AKSubStatePopProj.xls)					
	All Ages	0-64	65-74	75-84	85+
Pop proj 2015	404,745	364887	26,993	9,403	3,462
Pop proj 2020	433,588	380224	36,308	12,956	4,100

Bed Day Projections						
2015	110756	35198	34486	34407	30624	
2020	118649	36678	46386	47408	36268	
Beds "Needed" Projections -- Days/365/90%						
	Total not Age Adj					Total Age Adjusted Need
2015	337.2	107.1	105.0	104.7	93.2	410.1
2020	361.2	111.7	141.2	144.3	110.4	507.6

over the 314 currently available in 2010:

2015	96
2020	194

Prepared by Alice Rarig, Health Planning & Systems Development, HCS DHSS

Prestige Care and Rehabilitation Center of Anchorage has reviewed the following reports to ensure the growth of 12-beds is consistent with the local, regional and state government plans.

- “Tribal Long Term Care Services Development Plan”- 2006
- “Alaska State Health Care Plan for Senior Services, FY2012-2015,” State of Alaska
- “Transforming Health Care in Alaska,” Alaska Health Care Commission. 2009 Report/2010-2014 Strategic Plan.

Prestige Care agrees with the current Commissioner’s vision of patients, and specifically, dual eligible’s, getting the right care at the right time at the right place. The shortage of long term care beds has unfortunately bottlenecked the hospitals causing administrative paid days or inappropriate community discharges due to lack of bed availability.

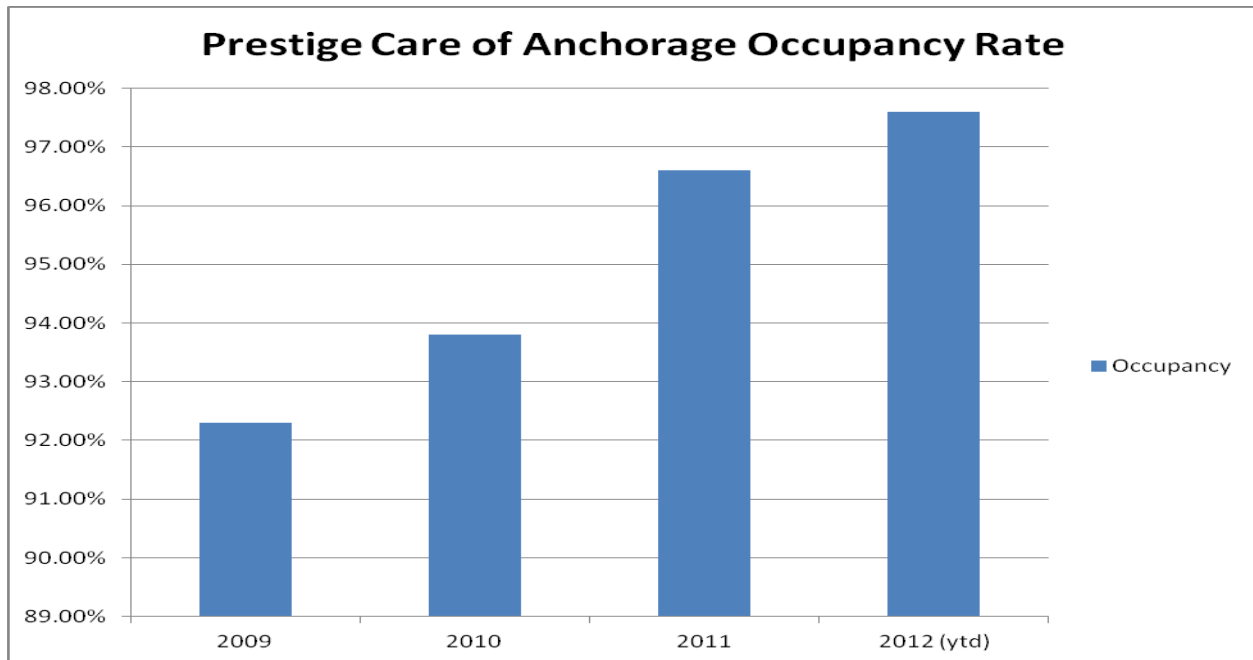
“While Alaska’s total senior population is expected to grow very rapidly in the next 20 years, the number of seniors age 85 and over will increase even more dramatically. Because this is the group most likely to need services, including home- and community-based services as well as long-term care, it is especially significant in terms of the need to plan for greater capacity and infrastructure.” *[Alaska State Health Care Plan for Senior Services, FY2012-2015]*

5. In the interest of serving individuals in the most cost-effective, least-restrictive setting possible, there assisted living beds in Anchorage. This exceeds the standard set forth of combination of at least one assisted living bed or adult day care slot for each existing and proposed new long-term nursing care bed

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.

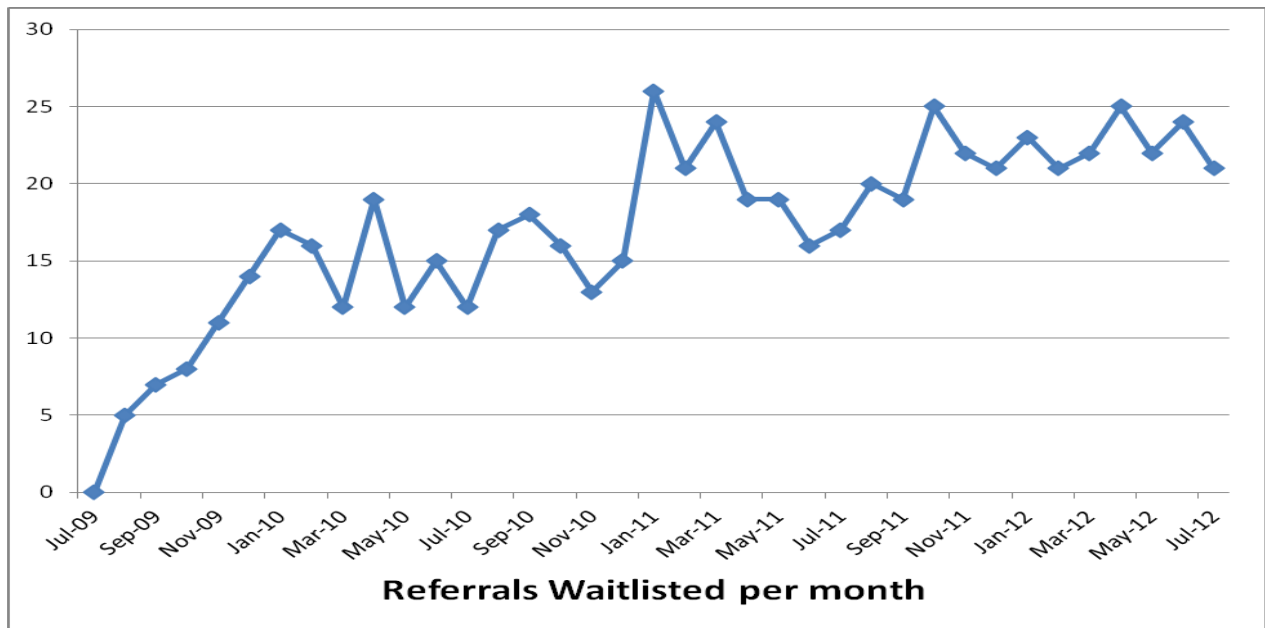
The proposed 12 bed addition is an expansion of the current services already being offered at Prestige Care of Anchorage. The center is currently licensed and operating 90 dually certified beds with an average occupancy rate of 97%. The Anchorage/Mat Su area has been and continues to be bed challenged and o. Local hospitals and agencies struggle in placing long term care residents in the appropriate setting in a timely fashion causing a back up in acute care.



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.

- (a) The state’s long-term care bed need methodology shows that there is a growing demand overall and the increase in the population age 65 and older that is having an impact on the supply of long-term care beds. In addition, Prestige Care’s increasing occupancy rate supports the addition of the 12 proposed beds.
- (b) The waitlist at Prestige Care continues to exceed fifteen referrals at any given time. Due to the limited and now decreasing number of skilled nursing facility beds, over the last three years of Prestige’s management and subsequent purchase of the center, the waitlist has grown and remained long. Increasing the center’s capacity by twelve beds would accommodate approximately 67% of the current referrals that are waitlisted at Prestige Care.

“Asked to identify the state with the fastest-growing senior population, most Americans would think of Florida, Nevada, or Arizona. Few would imagine that Alaska, land of frozen tundra and long winters where the sun is not seen for months in parts of the state, is that state. And yet according to the Administration on Aging’s “A Profile of Older Americans: 2010,” Alaska saw a 52.1% increase in its age 65 and older population in the decade from 1999 through 2009. This was the top growth rate in the U.S., more than 3-1/2 times the national growth rate of 14.6%.” [Alaska State Health Care Plan for Senior Services, FY2012-2015]



Prestige Care was built 25 years ago with resident centered neighborhoods that was and continues to be congruent with the national trend of patient centered care. Resident rooms surround a common area where residents can congregate for meals and social times. Smaller “neighborhoods” provide for quieter, home like areas versus the traditional long hall, institutional nursing homes that does not provide home-like environment.

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.

At this time, Prestige Care of Anchorage has just completed its annual survey and has submitted its plan of correction and request to dispute the scope and severity of ten deficiencies. While the number and severity exceed the state average, Prestige is confident that the plan of correction implementation has successfully remedied the cited deficiencies and that the facility will be in substantial compliance on the revisit the revisit. Prestige has alleged compliance as of September 11, 2012.

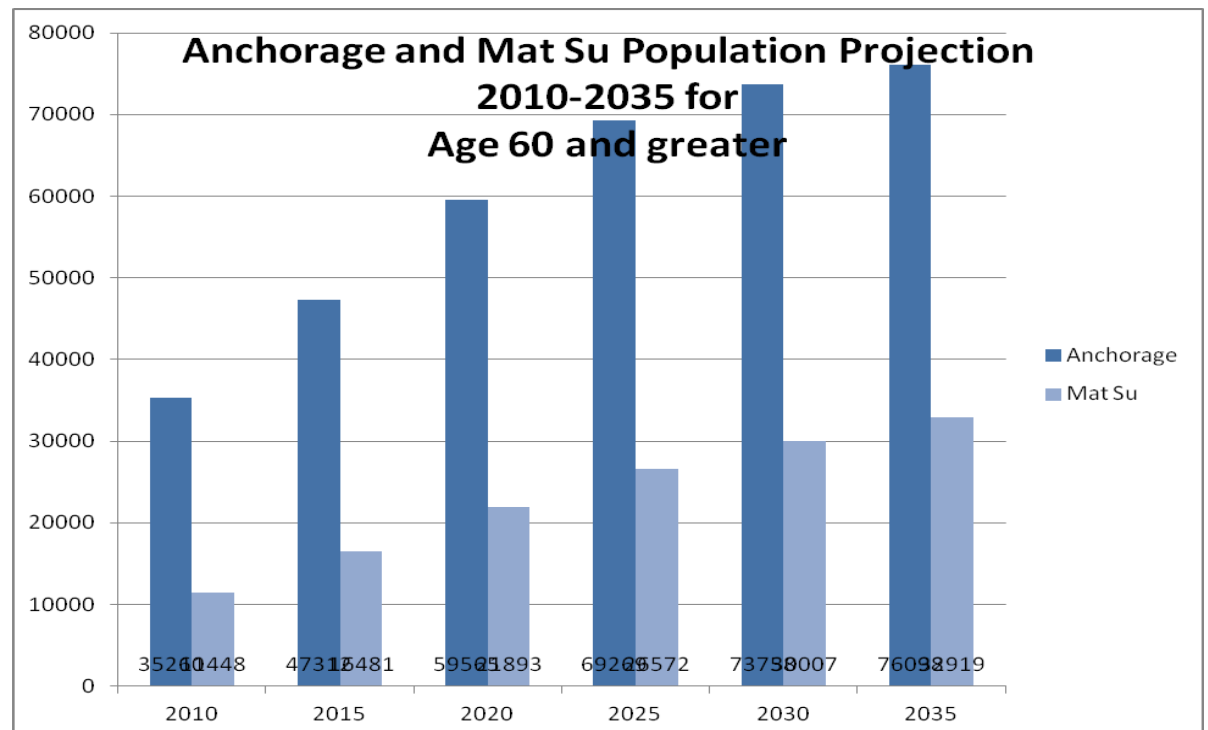
See Exhibit II

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:

- a. Document the service area by means of a patient origin analysis.
This proposed expansion as well as the current center; Prestige Care's service area is primarily the Anchorage Municipality and Matanuska Susitna Valley. Prestige does have residents from rural areas and for residents who have higher acuity chronic conditions whose needs cannot be met in their home communities (i.e. dialysis). These residents also resident in our center. An analysis of resident origin data covering January 2010 through July 2012 showed the following:

Anchorage	76%
Mat-Su	15%
Kenai Peninsula	2%
North Slope	1.75%
Interior	0.75%
Bethel	3.5%
Southeast	0.5%
Southwest	0.25%
Out of State	0.25%

Prestige anticipates a similar mix from the regions in the proposed 12 beds. Outlying areas utilize, specifically, Alaska Native Medical Center for patients with more complex medical needs. Those patients are then discharged to skilled nursing for continued stabilization before returning home to their communities and families. For elders in communities that do not have long term care options, placement in Anchorage nursing centers and/or assisted living continues to be the only option at this time.



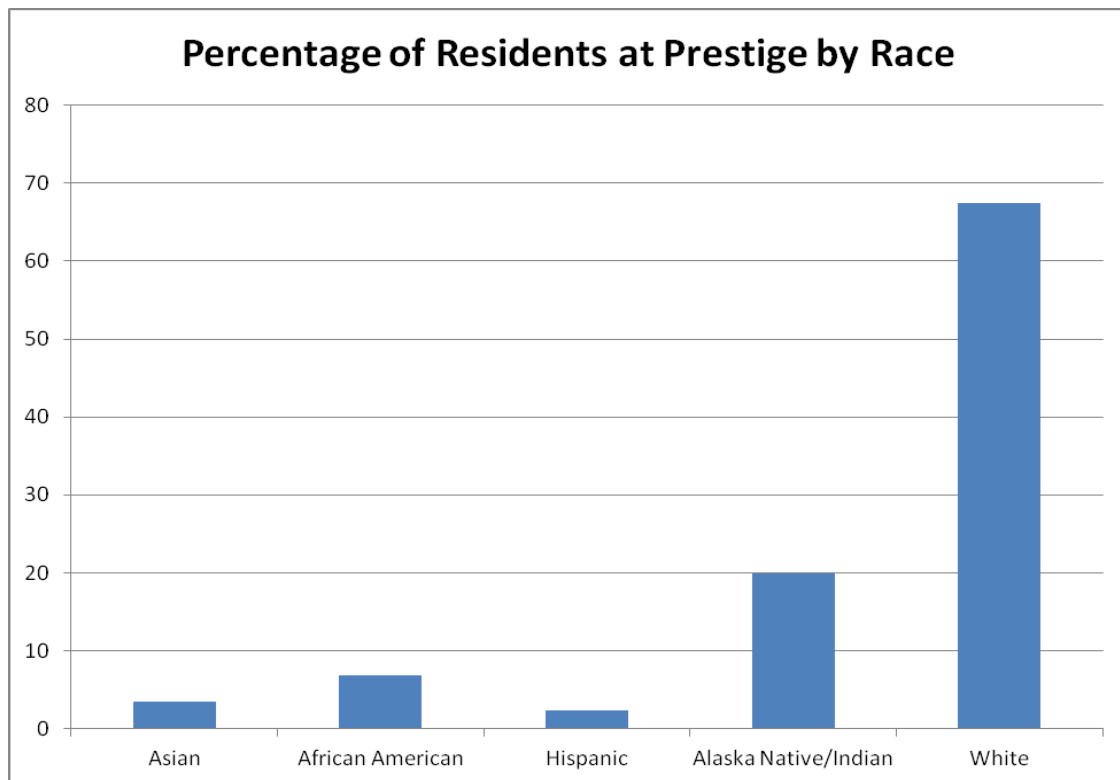
Source: Alaska Population Projections 2010-2035. Alaska Department of labor

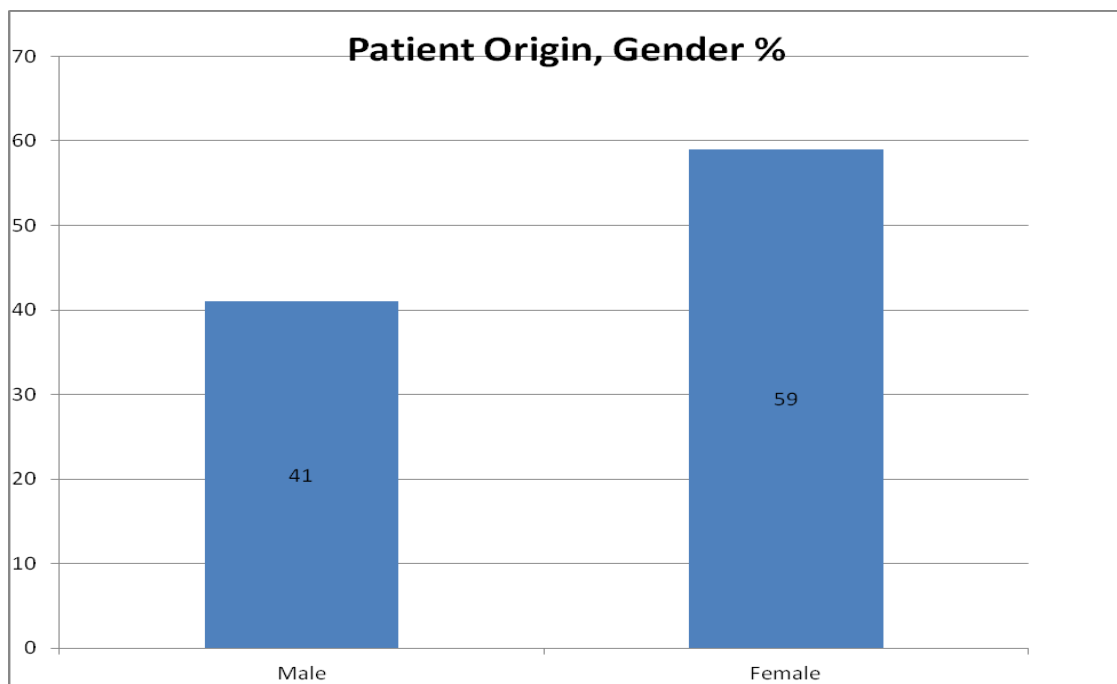
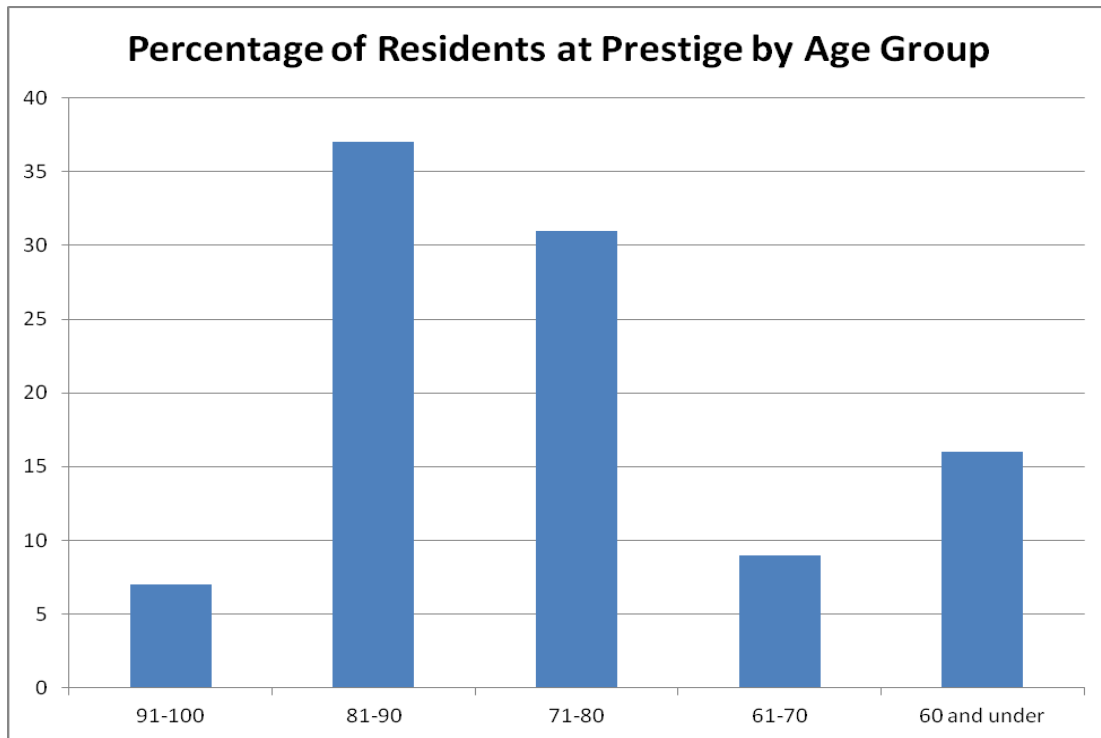
- b. Justify the customary geographical area served by the facility using trade and travel pattern information. Indicate the number and location of individuals using services who live out of the primary service area.

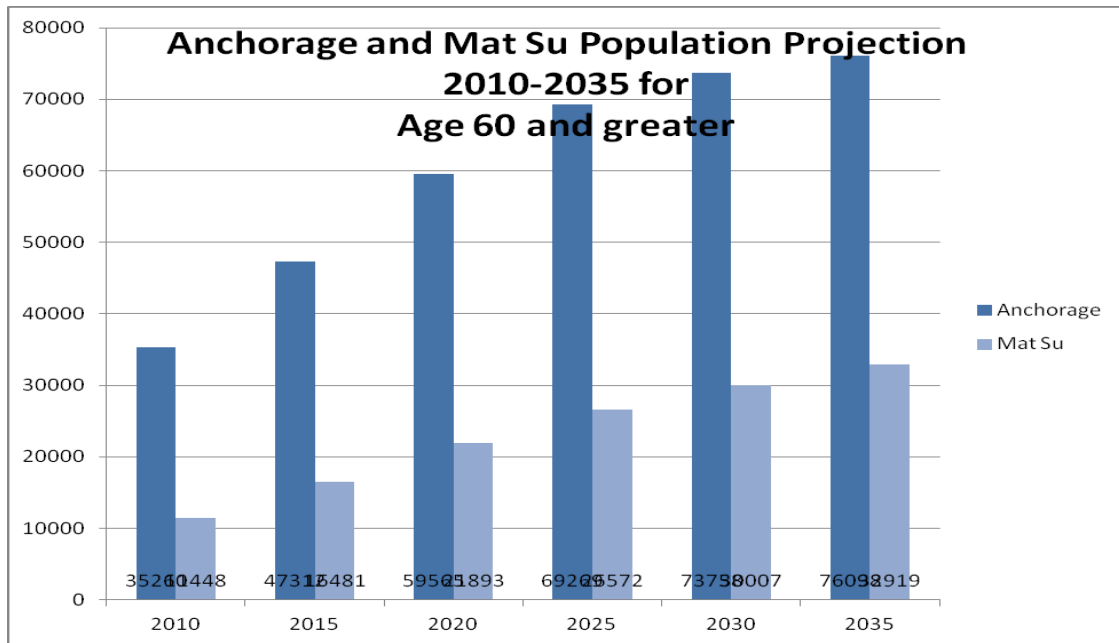
As seen in 4a. approximately 91% of the residents served at Prestige are from the Anchorage/Matsu area.

- 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.

The proposed 12 bed expansion is expected to have a similar mix of race, gender, sex and age as the current center. The following data is for the time period of January 2010 to July 2012.



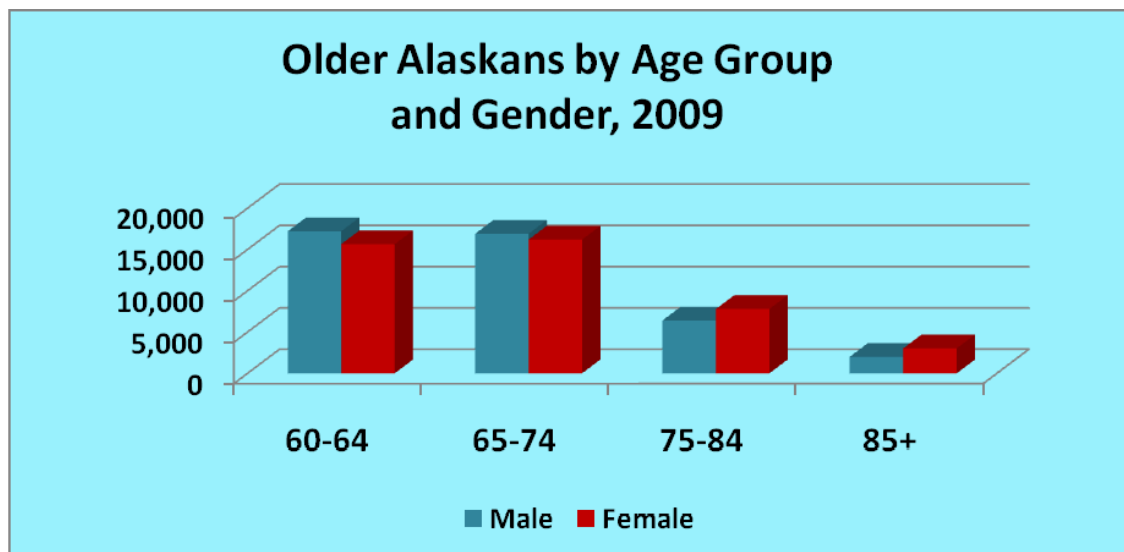




Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section



Source: **The Alaska State Plan for Senior Services, FY 2012 – FY 2015**
Alaska Commission on Aging



Source: **The Alaska State Plan for Senior Services, FY 2012 – FY 2015**
Alaska Commission on Aging

- 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.
 Prestige Care of Anchorage currently serves a patient population that is primarily over the age of 65, dual eligible (having both Medicare and Medicaid) who typically experience an acute event that leads to admission to the skilled nursing facility. Approximately 95% of our current residents were discharged from an acute care hospital to our center after an acute event such as a fracture, CVA, cardiac event, surgical procedure, and health issues related to diabetes, infection requiring long term treatment or other chronic medical conditions. Prestige Care anticipates that the proposed 12 beds will experience the same trends as the existing beds.

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; Prestige Care is currently licensed and operating 90 beds. The below table illustrates the total patient days, average census as well as how many admissions per year Prestige admitted.

Year	Total Patient Days	Average Census	Total number of new admissions
2010	31,403	86.04	79
2011	31,664	86.75	100
2012 *	21,333*	87.43*	45*

YTD (August 2012)

- 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.

The proposal is for the expansion of existing services. No new services or specialty programs will be added. However, an anticipated census growth, consistent with the centers current 97-98% occupancy rate is anticipated. A conservative census projection is 99 occupied beds of the proposed 102. Empty beds account for residents on LOA, in the hospital and empty bed days post discharge and pending admission of new resident.

- 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

Prestige Care assumed operation of the center in July 2009, thus not having five years of data. The following table shows the total patient days for 2010-present with total occupancy. Providence Extended Care, the only other competitor, is reducing its total beds from current operating of 170 to 146, per Certificate of Need Application dated November 2011.

- 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.

Not applicable

- 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:

Data	2010	2011	2012	2013	2014	2015
1. Admissions	79	100	76*	112*	85*	85*
2. Discharges	77	108	74*	114*	85*	85*
3. Residents Days	31403	31664	31912*	36317*	36317*	36317*
4. Avg. Length of Stay (long term and short term combined)	302	300	372	311	300	300
5. Occupancy	93.8%	96.6%	97.6%	97.6%	97.6%	97.6%%
6. Avg. Daily Census	84.42	86.94	87.84	99.55	99.55	99.55
7. Licensed Beds	90	90	90	102	102	102
8. Beds Set Up	90	90	90	102	102	102
9. Number of Patients Served	165	186	163	200	185	185

*projected data

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. None available

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

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.

This project proposes addition of 12 beds to the existing center. Bed need using the state's methodology with age specific use rates (three year average), taking into consideration the reduction in beds to 146 at Providence Extended Care Center, the adjusted projection shows a need for an additional 174.1 bed in the Anchorage/Mat-Su area by 2015 and by 2020 over 271 additional beds. This proposed project fits within the need projection.

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.

The proposed 12 bed expansion is highly cost effective given the low capital cost of adding the proposed beds in comparison to securing and building another separate facility. The twelve beds will fall under the same administration and ancillary services thus spreading the cost and additional costs besides initial construction and equipment will be limited.

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.

Not applicable

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 Anchorage, there are two skilled nursing centers, Prestige Care and Providence Extended Care. PECC offers skilled nursing and rehabilitation services and is the process of building a new cottage style facility. Their current residents will move to those beds. They are proposing to reduce their total beds from 170 to 146 by the end of the transition.

Prestige Care offers skilled nursing and rehabilitation services. It is a 90-bed for profit facility owned and operated by Prestige Care, Inc based in Vancouver, Washington.

Both centers are Medicare and Medicaid certified and operates at near capacity.

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

Prestige Care of Anchorage and the proposed 12 bed expansion will enhance the already existing continuum of care that includes acute care, long term acute care, skilled nursing centers, assisted livings, home health and adult day care. The shortage of nursing home beds has caused an interruption in this continuum as it is nearly impossible to seamlessly transition patients from one level of care due to no available beds within skilled nursing center community. Adding the twelve beds will assist the entire continuum better serve the patients of Anchorage.

- b. provide an alternative or unique service

This is an expansion of an already existing service.

- c. provide a service for a specific target population

Long-Term Care

Long-term care is for individuals who need assistance with the activities of daily living and periodic skilled nursing. Nourishing meals and therapeutic diets may be combined with restorative nursing and exercise to enhance physical abilities.

Activities and events planned in consideration of each resident's abilities and interests provide the mental stimulation that helps keep residents engaged in their own care.

Daily nursing services and rehabilitation therapies are provided according to the patient's treatment program, as prescribed by their personal physician. Skilled nursing services may include:

- Disease specific treatment and management
- IV therapy
- Eternal therapy
- Rehabilitative therapies (physical, speech & occupational)
- Pulmonary care
- Wound management

Palliative Care

The end of life is a period in which every individual deserves compassion, dignity and respect. Our Hospice services provide each individual with the medical care and emotional support they need to make the most of the time they have left with the ones they love.

Our focus is to help relieve pain and other symptoms so residents can live comfortable and alert while maintaining a reasonable course of medical care 24 hours a day. We work cooperatively the resident and their family to coordinate the delivery of psychological, emotional and spiritual support consistent with each individual's beliefs and wishes.

We honor living wills or advance directives and welcome the involvement of outside counselors, therapists, social workers, aides and volunteers. Visitors of all ages are also welcome to visit residents under hospice care at any time during the day or night.

Sub-Acute Care

Individuals with an acute illness, injury or disease sometimes need one or more highly skilled medical services and frequent assessments without all the resources and overhead of a hospital environment. Sub-acute care is the delivery of those services in a setting that allows for a better quality of life.

Our sub-acute care program coordinates the delivery of specialized care and treatment through a team approach that involves the physician and other medical professionals all working together on a course of care designed specifically for them. A high tech, paperless charting system allows the team to maintain accurate and up-to-date assessments of every resident.

The individual's unique course of care may include special services, such as inhalation therapy, tracheotomy care, intravenous tube feeding or complex wound care management. These and other services are often combined with physical, occupational or speech therapy as well as dialysis, IV therapy, pain management and more for residents who require an extended period of care.

The proposed beds will not affect the competition as they are decreasing their beds and already run at near capacity.

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.

The facility currently has transfer agreement with Alaska Regional Hospital. The center accepts admissions from all hospitals. Alaska Regional is also contracted for laboratory services.

See Exhibit IV

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.

The centers current fund balance is \$1.43 million and last year revenues exceeded total expenses by \$991,900. For the 2012 ytd, the center has revenue exceeding expenses totaling \$701,000.

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.

The proposed project will be funded by cash reserves by Prestige Care, Inc. and not financed through debt issuance.

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;

There will be a reduction of administrative days in acute care hospital and long term acute care hospital, more effective use of the continuum of care. Patients will be able to be placed in the right level of care at the right time better using state and federal resources.

- 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);

Prestige Care of Anchorage's proposed 12 bed expansion would add an estimated 3285 Medicaid patients days per year totaling \$1,198,269 in Medicaid revenue (based on the center's current Medicaid rate of \$364.77). Medicare days would increase by approximately 700 days per year. However, the shortage of nursing facility beds is leaving patients who could be served at a SNF level of care in the acute care hospital. By opening these additional beds, a less costly alternative to patients sitting in acute care is available.

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

Prestige Care of Anchorage's financial feasibility analysis projects net income of \$1.19 million 2013 and \$1.287 million in 2014. The projection assumes only inflation increases in the Medicaid per diem until the next rate setting year. Existing administrative and ancillary costs will be spread of the total beds (102) and additional

staffing will be minimal.

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.

The Facility welcomes all persons in need of its services and does not discriminate on the basis of age, handicap, financial counseling to resident and families needing assistance with applying for Medicaid.

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.

	2010	2011	2012 YTD
Charity Care (bad debt)	85,446.00	40,889.00	27,340.00
Contractual Allowances	1,959,144.00	1,842,620.00	1,757,985.00
Total	2,044,590.00	1,883,509.00	1,785,325.00

3. Address the following access issues:

- a. transportation and travel time to the facility
Prestige Care of Anchorage is located on the bus line in northeast Anchorage. The center utilizes emergency and non-emergent wheelchair and gurney transport and has its own 9 passenger, wheelchair accessible bus.
- b. special architectural provisions for the aged and persons with a disability;
Prestige Care of Anchorage is handicapped accessible and designed to accommodate persons with disabilities.
- c. hours of operation; and

Prestige Care of Anchorage is open 24 hours a day, 365 days per year.
- d. the institution's policies for nondiscrimination in patient services.

NONDISCRIMINATION

The Facility welcomes all persons in need of its services and does not discriminate on the basis of age, handicap, race, color, national origin, ancestry, religion or sex. While the Facility must receive payment for its services, the Facility does not discriminate among persons based on the source of that payment.

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.

Prestige Care and Rehabilitation Center of Anchorage has been licensed and certified by the State of Alaska and CMS since July 1, 2009 when Prestige assumed management of the former Mary Conrad Center.

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

It is the policy for all Prestige Nursing Centers to have a full functioning QA Program. The Quality Assurance process will consist of pre-determined monthly audits, which are automatically, populated using the Check Up Computer System.

QA TEAM PARTICIPANTS:

Administrator, DON, ADON, BOM, Medical Records, Maintenance Director, Dietary Supervisor, Social Service Director, Activity Director, Infection Control Nurse, Staff Development Coordinator, Medical Director, Consultant Pharmacist, RCM's (if requested by team), others as deemed appropriate by Administrator or DON.

Conduct resident interviews, once your center is in their 3 months survey window, interview as many residents as you feel appropriate. Interviews should be rotated from all over the center, and should be conducted on those residents that are interviewable. The interviews will also be conducted by the regional nurse team, once your center's systems review is scheduled.

Enter interview responses for each resident into the Checkup Tool, after all information has been entered into the tool, the program will clearly show critical elements that should be audited. If critical elements are triggered other than the pre-determined (Calendar scheduled audits) audit tool has outlined, these too, may need to be audited.

Conduct family interviews, once your center is in their 3 month survey window, interview as many families as you feel appropriate. Be sure to interview only family members that are frequent visitors or knowledgeable of the residents likes/dislikes or resident wishes. The family names should be entered on the Check Up System.

Negative family responses that need follow up by facility personnel should be logged on the QA Worksheet to ensure appropriate follow up occurs.

Conduct Licensed staff interviews once your center is in their 3 month survey window, interview as many staff members as you feel appropriate.

Negative Licensed Staff responses that need follow up by nurse educator should be logged in the Check Up System to ensure appropriate follow up occurs.

Mandatory tasks are surveyed every year during annual survey, regardless of interview results. Prestige will complete these mandatory audits on a pre-determined schedule, per the Check Up System. If audits reveal negative or no responses, center will need to correct immediately, and, if audit reveals system failure, may result in the development of a QA Subcommittee to correct and maintain the system on an ongoing basis. The audits include, The Check Up System, will automatically pull up these audits when they are due:

- A. Infection Control/Immunizations – Quarterly Audit
- B. Kitchen Sanitation – Monthly Audit – Rotated between 3 Staff Members
- C. Dining Observation – Quarterly Audit
- D. Dining Safety – Quarterly Audit
- E. Liability Notice & Beneficiary Appeal Review – Quarterly
- F. Medication Observation – Quarterly
- G. Quality Assessment & Assurance – 3 months prior to survey
- H. Rs Council President Interview – Quarterly

Triggered tasks are reviewed as a result of interviews, reviews and observations. Prestige centers will conduct audits on these areas based on a pre-determined schedule, and includes the following audits, The Check Up System will automatically pull up these audits when they are due:

- A. Abuse Prohibition – Quarterly
- B. Admission/Transfer/Discharge – Quarterly
- C. Environmental Observation – Monthly
- D. Personal Funds Review – Monthly
- E. Sufficient Staffing – Completed every month once survey window is opened
- F. Infection Control – Quarterly

Critical Element Pathways are audited on a pre-determined calendar, but, may be triggered as a part of interviews, observation & chart review. The critical elements are as follows, the Check Up System will automatically pull up these audits when they are due:

- A. Activities – Quarterly
- B. ADL/ROM/Grooming/Positioning – Quarterly
- C. Behavioral & Emotional Status – Quarterly
- D. Bowel & Bladder/Catheter – Quarterly
- E. Communication & Sensory – Quarterly
- F. Dental – Quarterly
- G. General – Quarterly
- H. Hospice and or Palliative – Quarterly
- I. Hospitalization or Death – Quarterly
- J. Nutrition/Hydration & Tube Feeding – Quarterly
- K. Pain Management – Quarterly
- L. Pressure Ulcer – Quarterly
- M. Psychotropic Medication – Quarterly
- N. Rehabilitation & Community Discharge – Quarterly
- O. Dialysis – Quarterly
- P. Unnecessary Drug Review – Monthly
- Q. Use of Physical Restraints – Quarterly

R. Ventilator - NA

Each critical element lists the number of residents to be audited, as does the Check up System, the month of the audit and items to be reviewed for each audit. Any item that is answered no during the audit, should be corrected immediately, if there are multiple no's during any audit, may be the indication of system failure and the need for the development of a QA The QA Director will enter the dates of the month for the audit, an example would be , 7/1/2011-7/31/2011 into the Check Up System, the system will automatically pull all audits for the month to be completed.

Any areas, interviews, mandatory tasks, triggered audits, or critical elements that indicate system failure (multiple no's) will be reviewed in depth during the quarterly QA meeting, all of these no's will be pulled over to the QA Worksheet, which makes it very easy to complete this review at the QA Meeting, also allowing for tasks for follow up, etc.

If a Prestige Center is within the survey window (3 months since last annual survey) the Survey worksheets should be filled out to ensure that the center is ready for all information surveyors will ask for during the entrance for annual survey.

- A. Current Census (Available in Matrix)
- B. New Admissions in the last 30 days (Available in Matrix)
- C. Facility Floor Plan
- D. RN/Licensed Staff Schedule for the last 5 days
- E. Key Personnel at time of survey
- F. Name of Resident Council President
- G. Meal Times & Dining Room Locations
- H. Major Medication Pass Times
- I. Center will be asked for a list of Closed Records
- J. List of any residents with Ventilator Care, Dialysis, Hospice (Will also need the name of the providers for Dialysis & Hospice Provider – Be sure Center has a contract)
- K. Influenza/Pneumococcal Immunization P&P – Prestige has provided
- L. Any Waiver requirements (Less than square footage, more than 4 residents, below ground level, no window to the outside, no direct access to an exit corridor)
- M. QA Committee Members
- N. Location of PASRR information
- O. Any residents on experimental research
- P. Person responsible for: Abuse Prohibition, Complaints & Grievance Information
- Q. List of residents requesting a demand bill in last 6 months
- R. List of Medicare beneficiaries discharged from the Center in the past 6 months
- S. Medicare/Medicaid Application – CMS 671
- T. Resident Census & Conditions – CMS 672

Audit status will be reviewed on the monthly Clinical Monthly Operational Review call at the discretion of your Regional Nurse Consultant.

Infection Control Nurse/Designee, will still need to bring Infection Control Trends and tracking to the QA Meeting.

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

Prestige Care and Rehabilitation Center Staffs will staff direct care licensed staff on days and evenings one nurse per fourteen residents and night shift one nurse per thirty at night. The center has 24 hour RN staffing. The center will be staffed with Certified Nursing Assistants and Restorative Aides with a one C.N.A. per 7 residents for days and evenings and one C.N.A. Per fourteen residents on the night shift.

Prestige Care promotes consistent assignments consistent with the AHCA Advancing Excellence standard set forth in 2007. It evaluates staffing and assignments based on the caregivers assessment. **See Exhibit V**

The state of Alaska does not set staffing guidelines however according the CMS, Prestige Care has a five star ranking for staffing based on the staffing data reported to CMS during the annual licensing survey.

Ancillary services are in place an operating at Prestige Care and will require minimal changes. Services offered are:

- Activities and Spiritual Care seven days per week- Prestige employ a full-time Chaplain and three full-time activities personnel to assess and
- Social Work Services- Prestige employs two full-time Master prepared social workers to meet the psycho-social needs of the residents.
- Physical, Occupational and Speech therapy is staffed at minimum six days per week to meet the needs of both the subacute population and long term care residents that may experience a functional decline. Approximately 17% of Prestige Care's census is Medicare short term rehab patients who were admitted from the acute hospital after an acute event such as a stroke, fracture, cardiac or infectious disease. These patients require more intensive therapy services to restore their prior level of function.

Long term care resident are frequently referred to therapy for functional declines in their Activities of Daily living, to enhance safety awareness, seating evaluations for wheelchairs.

- Dietary and Nutritional Services- Prestige employees a full time Certified Dietary manager and offers a selective menu to all residents The facility offers one main dining room that is open for three meals. Residents order restaurant style from two main entrees or everyday entrees that include sandwiches, salads, hamburger, hot dog, chicken, grilled cheese. This provides the residents with optimum choice. Residents may also choose to eat on their court (neighborhood) they choose their meal prior to service and it is delivered on trays in insulated carts to the court. The staff assists the residents in setting up their meal on the courts.

A contracted Registered Dietician assess all residents to ensure the nutritional needs are met and is an integral part of our At Risk committee evaluating residents with weight loss, residents on tube feedings, wounds and residents at risk due to diagnosis such as diabetes, CHF and renal failure.

- Prestige Care provides laundry and housekeeping services to maintain a sanitary environment. The laundry runs sixteen hours a day, seven days a week to ensure adequate linen is available. The laundry labels residents personal clothing and mends and presses residents clothing to promote resident dignity.

Prestige Care employees seven full time housekeepers that maintain the resident areas as well as office and ancillary areas. One employee is responsible for floor and carpet cleaning. Staff is educated on infection control practices by the Infection Control Nurse

See Exhibit VI

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.

This facility will provide services to adults that require sub-acute and long term care services. Residents who no longer require skilled nursing center level of care are assisted in planning a safe discharge to home, assisted living or other living arrangements. Use of SNF beds does reduce inappropriate use of acute care bed days. Opening additional SNF beds in Anchorage will help the continuum of care better utilize its services as patients will be getting the right services at the right time.

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. Not applicable

The facility uses Achieve Matrix for electronic medical records and billing. This system eliminates the majority of the paper medical records. Medication and treatment records are still on paper however all assessment, progress notes and MDS's are all completed within the system. This makes for a seamless billing transition as the information automatically pulls to the billing program of Matrix.

iAlert call light system is the new, state of the art wireless call light system Prestige proposes to install. This eliminates the hard wire call systems of the past making maintenance of the equipment easy. The iAlert system provides caregivers with an ipod to carry on their person so that when a resident calls for assistance, the caregiver is alerted immediately and staff is able to triage via text on the ipod. **See Exhibit VII**

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

Resident centered courts provide for more efficient staffing and labor savings. Each court has a full complement of equipment including lifts, vitals equipment, shower chairs. Disposable supplies are delivered directly to the court five days per week to enhance staff efficiency.

Resident rooms all have a private bathroom in addition to larger shower/tub rooms on each court.

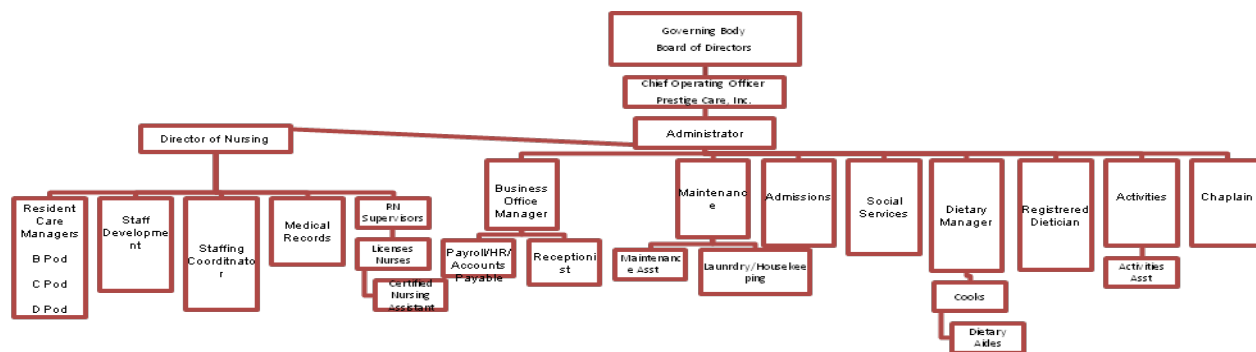
Each resident court and dining room is equipped with two touch screen computers for C.N.A. documentation. Documentation can be done throughout the shift at any terminal in the center. Each nurses station is equipped with a desktop for the nurse to use exclusively for her documentation needs as well as each court has a printer so that the nurse can print any necessary documents.

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

The center will incorporate the services of the twelve proposed beds into its existing QA program to ensure that the expectations and benefits outlined were achieved. Monthly review of financials with the governing body will occur to ensure sound fiscal management and that the newly acquired beds are being used as planned.

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

Prestige Care of Anchorage is owned and operated by Prestige Care, Inc., a privately owned long term care company based out of Vancouver, Washington. The administrator is appointed by the governing body and business and clinical results are reported to the governing body by way the corporate structure and reporting guidelines. As this company is a privately held entity, community members do not serve on the board of directors.



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.

Existing positions key to the operation of the center are included in Exhibit

- Nursing Home Administrator
- Director of Nursing
- Business Office Manager
- Dietary Services Manager
- Activities
- Social Work
- Resident Care Manager
- Charge Nurse
- Certified Nurses Assistant
- Maintenance
- Housekeeping
- Laundry
- Cooks
- Dietary Aide
- Receptionist
- Payroll/HR
- Central Supply
- Medical Records
- Medical Director (contract)

See Exhibit VIII-Job descriptions

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.

The addition of the proposed 12 beds adds only two beds per court so it will not significantly disrupt the staffing or the milieu of the resident neighborhood environment. The administrative costs are spread out over the entire center thus not adding any additional cost to administrative and ancillary services.

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.*

The Anchorage area has two skilled nursing centers; Prestige and Providence Extended Care Center. The State of Alaska completed a bed forecast, prepared by Alice Rarig, Health Planning & Systems Development, HCS DHSS, for 2015 and 2020 using the specific methodology that showed an additional bed need of 96 beds for 2015 above the current supply of 314 available in 2010. The bed need in 2020 showed an additional bed need of 194 beds above the current supply of 314 (see following table - *Anchorage – Matanuska Susitna Borough Long Term Care Bed Need Forecasts for 2015/2020*). At present PECC, has decreased their licensed beds an additional 54 beds since that 2010 study. Therefore, the addition of 12 beds at Prestige Care fits within the projected community need based on the state's projections for population growth and utilization of long-term care beds.

Anchorage – Matanuska Susitna Borough Long Term Care Bed Need Forecasts for 2015/2020

Using CON Methodology with Age Specific Use Rates Taken into Consideration (3-year average)

Year	Bed Days for Calendar Year (Prestige (2007 estimated) and PECC)					July 1 Census Count
	Total	Age 0-64	Age 65-74	Age 75-84	Age 85+	(Patients)
2007	103155	32514.65	20165.16	30587.02	19888.18	283
2008	97153	31365	18897	25218	21673	276
2009	100433	34818	21035	23913	20669	271
2008 mid-period population	366,341	341,054	15,680	7,262	2,345	
Avg bed days per person per year	0.2736	0.0965	1.2776	3.6591	8.8458	

Population Projections (AK Dept of Labor, 2007, AKSubStatePopProj.xls)					
	All Ages	0-64	65-74	75-84	85+
Pop proj 2015	404,745	364887	26,993	9,403	3,462
Pop proj 2020	433,588	380224	36,308	12,956	4,100

Bed Day Projections						
2015	110756	35198	34486	34407	30624	
2020	118649	36678	46386	47408	36268	
Beds "Needed" Projections -- Days/365/90%						
	Total not Age Adj					Total Age Adjusted Need
2015	337.2	107.1	105.0	104.7	93.2	410.1
2020	361.2	111.7	141.2	144.3	110.4	507.6

over the 314 currently available in 2010:

2015	96
2020	194

Prepared by Alice Rarig, Health Planning & Systems Development, HCS DHSS

Section VII. Construction Data

A. Please check appropriate boxes:

- | | | | |
|----------------------|-------------------------------|------------------------------------|--|
| 1. Construction type | <input type="checkbox"/> New | <input type="checkbox"/> Expansion | <input checked="" type="checkbox"/> Renovation |
| 2. Basement | <input type="checkbox"/> Full | <input type="checkbox"/> Partial | <input type="checkbox"/> None |

B. Project Development Schedule

Date

1. Estimated completion of final drawings and specifications
2. Estimated construction begun by fourth quarter of 2012
3. Estimated construction complete by end of first quarter 2013
4. Estimated opening of proposed services Second quarter 2013

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?

This site and center is currently owned by Prestige Care, Inc.
The legal description is parcel 074 071 19 000 10 Glenn Heights TR B-3 Rude/Conrad Senior Housing 9100 Centennial Circle, Anchorage, Alaska.

See Exhibit VI

2. Diagrammatic plan showing:
 - a. dimensions and location of structures, easements, rights-of-way or encroachments;
 - b. location of all utility services available to the site; and
 - c. Location of service roads, parking facilities, and walkways within site boundaries.

Not applicable

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)

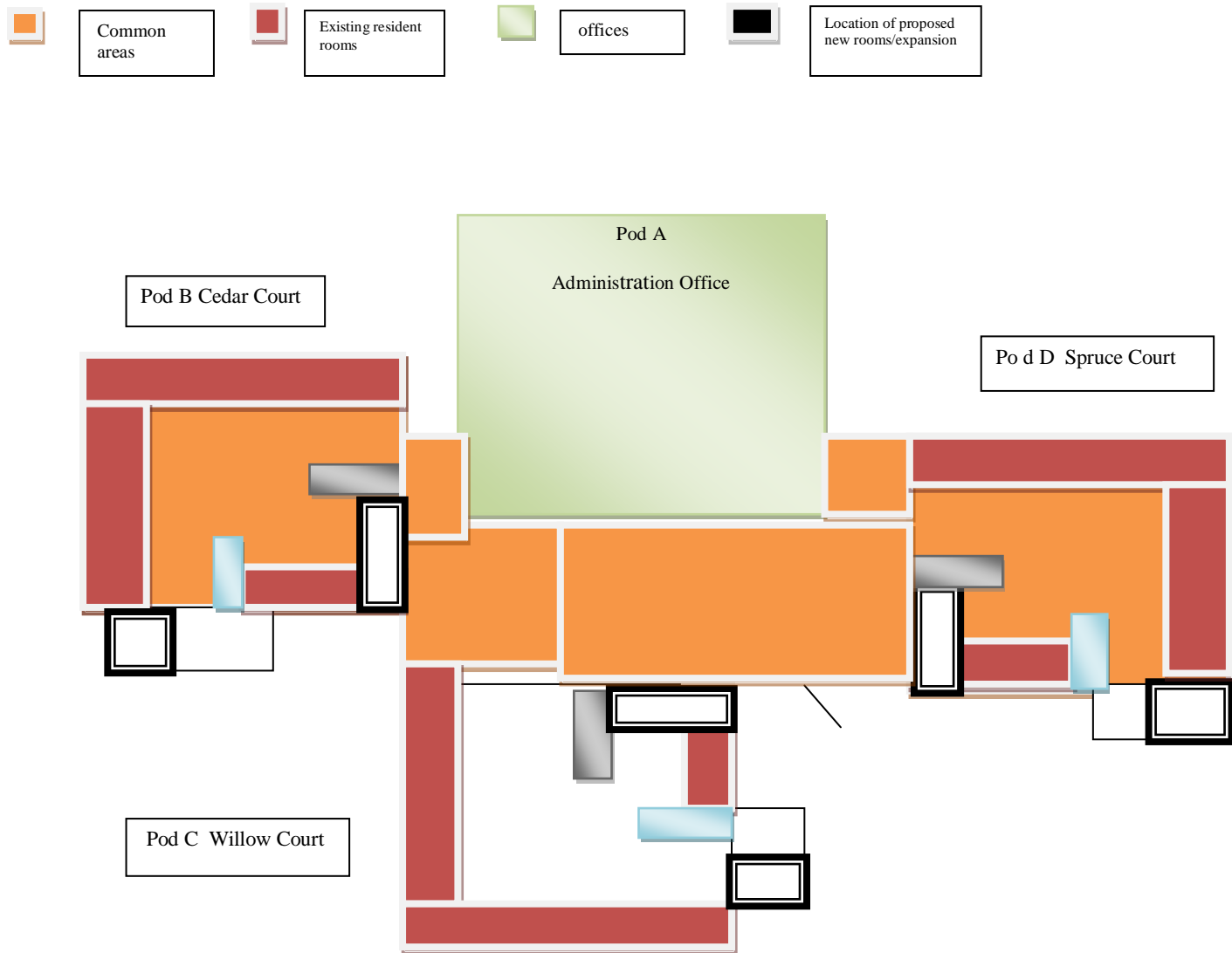
The space to be used already exists within the center. There will be not be a need for disposal or zone restrictions. Building permits will be secured by the contractor for the scope of work being done within the center.

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

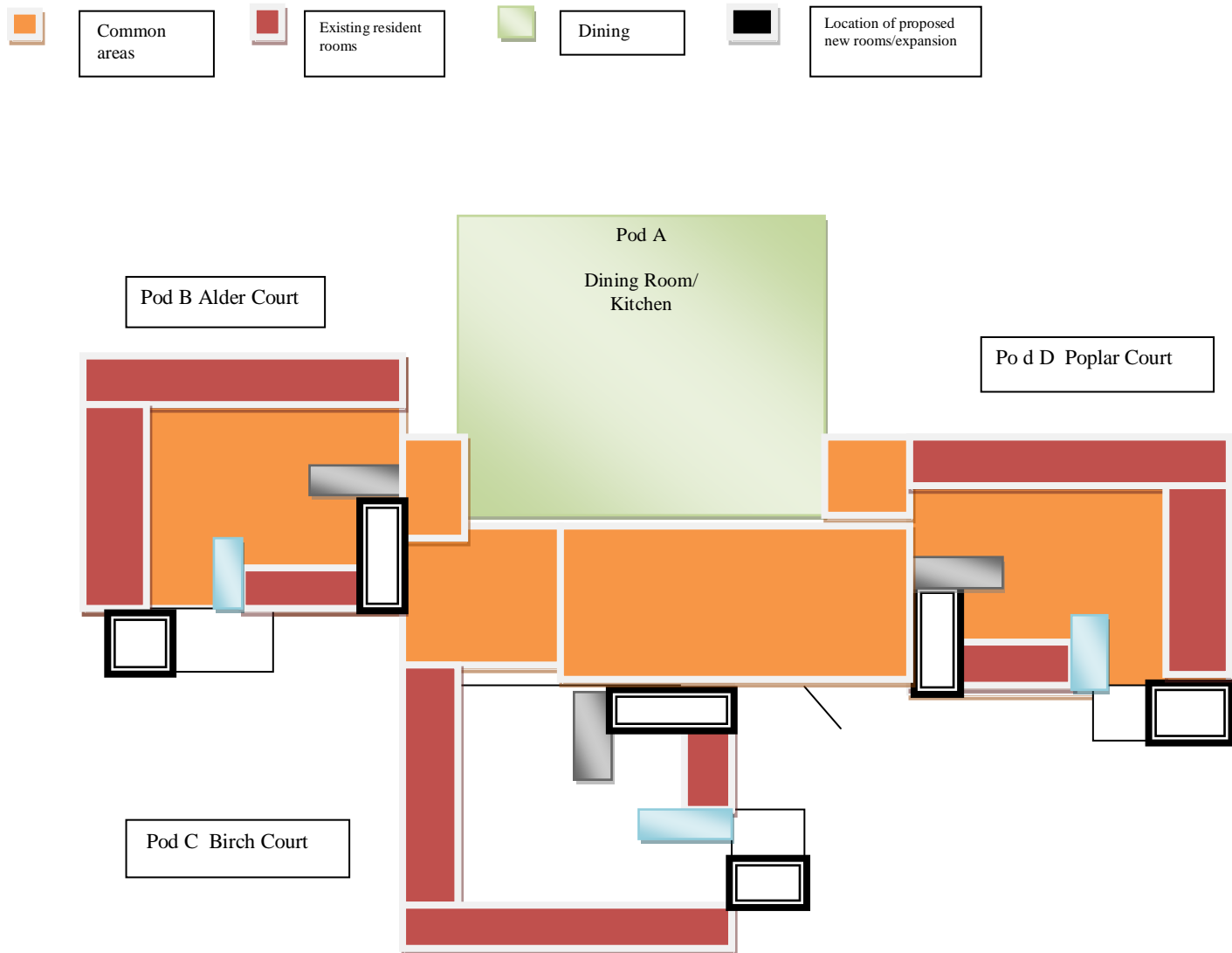
Not applicable

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

First Floor



Second Floor



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

Residents in existing rooms that will be affected will be given a 30-day notice to move to an alternate room within the center so that construction and renovations do not interrupt the provision of care. After completion of the resident's individual room, the resident may return to their original room.

Section VIIIA. Financial Data - Acquisitions

1. Acquisition type: (Please check applicable boxes) not applicable

☐ Lease ☐ Rent ☐ Donation ☐ Purchase ☐ Stock Transaction

Not applicable

2. Cost data

(Omit cents)

- | | |
|---|------|
| a. Total acquisition cost* | \$ 0 |
| 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.) | \$ 0 |
| d. Anticipated interest rate ____% , term ____ years. | |
| e. Total anticipated interest amount | \$0 |
| f. Total of (a) and (e) | \$ 0 |
| g. Estimated annual debt service requirements | \$ 0 |

3. Describe how you expect to finance the project.

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

1. Construction Method (Please check)

- a. ☐ Conventional bid ☐ Contract management ☐ Design and build
b. ☐ Phased x ☒ Single project ☐ Fast Track

2. Construction Cost (New Activity)

(Omit cents)

- a. Site acquisition (Section VIIIA.2.f) \$
b. Estimated general construction** \$231,000 Exhibit I
d. Total construction costs (sum of items a, b, and c)** \$
e. Major movable equipment** \$
f. Other cost:**
 (1) Administration expense \$
 (2) Site survey, soils investigation, and materials testing \$0
 (3) Architects and engineering fees \$3000 Exhibit I
 (4) Other consultation fees (preparation of application included) \$
 (5) Legal fees \$
 (6) Land development and landscaping \$
 (7) Building permits and utility assessments (including water, sewer, electrical, phones, etc.) \$
 (8) Additional inspection fees (clerk of the works) \$
 (9) Insurance (required during construction period) \$
g. Total project cost (sum of items d, e, f) \$234,000 Exhibit 1
h. Amount to be financed \$0
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.) \$234,000.00
j. Anticipated long-term interest rate _____ %
k. Anticipated interim (construction) interest rate _____ %
l. Anticipated long-term interest amount \$
m. Anticipated interim interest amount \$
n. Total items g, l, and m \$234,000.00
o. Estimated annual debt service requirement \$
p. Construction cost per sq. ft. \$130.21
q. Construction cost per bed \$19,500.00
r. Project cost per sq. ft. \$130.21
s. Project cost per bed (if applicable) \$19,500.00

*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

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
2. Projections during construction or implementation period (if applicable)
3. Projection for three years following completion of construction, or implementation of the proposed activity.

B. Attach Schedule II - Facility Balance Sheet

1. For the most recent five prior fiscal or calendar years.
2. Current fiscal or calendar year to date

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)
2. Current fiscal or calendar year to date
3. Projection for five years following completion of construction or implementation.

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.

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.

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.

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.

Schedule I. Facility Income Statement

Provide Last Five Years Actual and
Projections For Three Years Beyond Project Completion

Gross Patient Revenue:	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
Inpatient Routine	13,944,869	14,347,577	14,114,087	16,366,911	16,817,001
Inpatient Ancillary	191,739	322,062	300,452	308,714	317,204
Outpatient					
Long-Term Care					
Swing Beds					
Other	-16,441	-25,530	-25,895	-26,608	-27,340
Total Patient Revenue	14,120,167	14,644,109	14,388,644	16,649,017	17,106,865
Less Deductions					
Charity Care					
Contractual Allowances	-1,959,144	-1,842,620	-1,757,985	-2,127,698	-2,186,210
Bad Debts	-85,446	-41,078	-29,824	-20,282	-12,250
Total Deductions					
Net Operating Revenues	12,075,577	12,760,411	12,600,835	14,501,037	14,908,405
All Other Revenues					
EXPENSES:					
Salaries	5,207,763	5,267,282	5,373,140	6,080,375	6,201,982
Benefits	2,073,403	2,232,613	2,172,218	2,519,073	2,569,455
Supplies	935,560	977,322	1,026,628	1,190,558	1,214,370
Utilities	301,751	318,218	320,546	330,162	340,067
Property Tax	112,131	111,347	108,888	112,155	115,519
Rent	918,198	913,215	963,370	992,271	1,022,039
Lease	13,864	10,696	10,133	10,437	10,750
Other Expenses	2,591,007	1,894,987	1,725,783	2,015,657	2,084,767
Depreciation	25,082	38,445	54,422	56,055	57,736
Interest	3,185	4,386	3,936	4,054	4,176
Total Expenses	12,181,944	11,768,511	11,759,064	13,310,797	13,620,861
Excess (Shortage) of Revenue	-106,367	991,900	841,771	1,190,240	1,287,544
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

Schedule I. Facility Income Statement					
Provide Last Five Years Actual and Projections For Three Years Beyond Project Completion					
Gross Patient Revenue:	FY 2015				
Inpatient Routine	17,321,511				
Inpatient Ancillary	326,720				
Outpatient					
Long-Term Care					
Swing Beds					
Other	-28,160				
Total Patient Revenue	17,620,071				
Less Deductions					
Charity Care					
Contractual Allowances	-2,251,796				
Bad Debts	-7,399				
Total Deductions	-2,259,195				
Net Operating Revenues	15,360,876				
All Other Revenues					
EXPENSES:					
Salaries	6,326,022				
Benefits	2,620,844				
Supplies	1,238,657				
Utilities	346,868				
Property Tax	117,829				
Rent	1,042,480				
Lease	10,965				
Other Expenses	2,126,462				
Depreciation	58,887				
Interest	4,260				
Total Expenses	13,893,274				
Excess (Shortage) of Revenue	1,467,602				
Over Expenditures					
<p>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</p>					

Schedule II. Facility Balance Sheet					
Provide Last Five Years Actual and Projections For Three Years Beyond Project Completion					
CURRENT ASSETS	FY 2010	FY 2011	FYTD 2012		
Cash & Cash Equivalent	29,270	36,575	36,575		
Net Patient Accounts Receivable	1,098,629	1,317,889	1,290,760		
Other Accounts Receivable	64,094	558,032	850,134		
Inventories	6,096	11,006	21,834		
Prepaid Expenses	191,114	168,100	6,525		
Other					
Total Current Assets	1,389,203	2,091,602	2,205,828		
Property and Equipment					
Land & Improvements					
Building/Fixed Equipment	29,572	278,973	403,033		
Major Movable Equipment	154,294	298,267	319,652		
Accumulated Depreciation	-28,233	-66,415	-111,767		
Net Property & Equipment	155,633	510,825	610,918		
Other Assets	1,016	8,516	1,017		
TOTAL ASSETS	1,545,852	2,610,943	2,817,763		
LIABILITIES/FUND BALANCE					
Current Liabilities					
Accounts Payable	228,651	345,491	332,166		
Accrued Expenses	126,281	117,500	-196,671		
Accrued Compensation	250,873	261,219	222,274		
Other Accruals	308,446	271,438	223,836		
Total Current Liabilities	914,251	995,648	581,605		
Long Term Liabilities					
Long Term Debt	76,072	53,966	34,681		
Other	835,447	849,347	768,201		
Total Long Term Liabilities	911,519	903,313	802,882		
Fund Balance	-279,818	711,982	1,433,276		
Total Liabilities & Fund Balance	1,545,852	2,610,943	2,817,763		
<p>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</p>					

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 2010	FY 2011	FYTD 2012	FY 2012	FY 2013
Revenues	12,161,023	12,801,489	10,525,550	12,630,659	14,521,319
Expenses	12,267,390	11,809,589	8,962,718	11,788,888	13,331,079
Patient Days	30,819	31,728	26,647	31,976	35,968
Revenue Per Patient Day	394.59	403.48	394.99	395.00	403.73
Operating & Capital Budget Summary:					
Gross Revenues	14,120,167	14,644,109	12,054,737	14,388,644	16,649,017
Deductions from Revenue	1,959,144	1,842,620	1,529,187	1,757,985	2,127,698
Net Revenue	12,161,023	12,801,489	10,525,550	12,630,659	14,521,319
Direct Expense	12,267,390	11,809,589	8,962,718	11,788,888	13,331,079
Indirect Expense	27,652	30,399	21,579	29,051	33,399
Net Income Projected	-134.09	961,501	1,541,253	812,720	1,156,841
Rate Computation					
Annual Medicaid Rate	362.09	359.94	362.03	364.69	373.06
Base Year Cost	7,857,677				
Less Ancillary	99,470				
Plus Admin. Overhead					
Cost Basis for Rate	7,758,206				
Base Year Patient Days	22,504				
Cost per Patient Day	344.75				
Years 1 and 2 are equivalent to State of Alaska swing-bed rate. Facility Medicaid Rate is figured from Year 3 onward.					

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 2014	FY 2015	FY 2016	FY 2017	
Revenues	14,920,655	15,368,275	15,831,629	16,306,519	
Expenses	13,633,111	13,900,673	14,179,050	14,462,710	
Patient Days	36,128	36,128	36,128	36,128	
Revenue Per Patient Day	412.99	425.38	438.21	451.35	
Operating & Capital Budget Summary:					
Gross Revenues	17,106,865	17,620,071	18,148,673	18,693,133	
Deductions from Revenue	2,186,210	2,251,796	2,317,044	2,386,614	
Net Revenue	14,920,655	15,368,275	15,831,629	16,306,519	
Direct Expense	13,633,111	13,900,673	14,179,050	14,462,710	
Indirect Expense	34,318	35,347	36,413	37,505	
Net Income Projected	1,253,226	1,432,255	1,616,166	1,806,304	
Rate Computation					
Annual Medicaid Rate	382.49	394.89	403.97	413.26	
Base Year Cost					
Less Ancillary					
Plus Admin. Overhead					
Cost Basis for Rate					
Base Year Patient Days					
Cost per Patient Day					
Years 1 and 2 are equivalent to State of Alaska swing-bed rate. Facility Medicaid Rate is figured from Year 3 onward.					

Schedule IV. Operating Budget					
Provide Last Five Years Actual and Projections For Three Years Beyond Project Completion					
Description:	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
Number of Beds	90	90	90	101	101
Days in a year	365	365	366	365	365
Available bed days	32,850	32,850	32,940	36,865	36,865
Resident bed days	30,819	31,728	31,976	35,968	36,128
Percent growth	1.4%	2.9%	0.8%	12.5%	0.4%
Occupancy	93.8%	96.6%	97.0%	97.6%	98.0%
Average length of stay	129.54	173.21	158.02	177.69	199.82
Patient Bed Days					
Number of Residents	84.44	86.93	87.60	98.54	98.98
Daily Room and Board Rate*	385.60	392.03	384.68	394.58	403.88
Nursing Revenue					
Nursing Services	11,883,838	12,438,349	12,300,383	14,192,323	14,591,201
Payer Mix:					
Medicaid	61.68	65.78	68.65	79.32	81.66
Medicare	13.25	11.62	8.85	8.83	6.63
Other	9.51	9.53	10.10	10.39	10.69
Ancillary Revenue	191,739	322,062	300,452	308,714	317,204
Total Revenue	12,075,577	12,760,411	12,600,835	14,501,037	14,908,405
Rate Computation					
Annual Medicaid Rate	362.09	359.94	364.69	373.06	382.49
Base Year Cost	7,857,677				
Less Ancillary	99,470				
Plus Admin. Overhead					
Cost Basis for Rate	7,758,206				
Base Year Patient Days	22,504				
Cost per Patient Day	344.75				
Years 1 and 2 are equivalent to State of Alaska swing-bed rate. Facility Medicaid Rate is figured from Year 3 onward.					

Schedule V-A. Debt Service Summary					
Provide Current Debt Data and Projections For the Next Three Years					
Existing Debt:	FYTD 2012	FY 2012	FY 2013	FY 2014	FY 2015
Wells Fargo – Equipment Financing	34,681	30,727	6,300	0	
Principal	19,284	23,238	24,427	6,300	
Interest	1,890	2,171	982	53	
(Identify)					
Principal					
Interest					
(Identify)					
Principal					
Interest					
(Identify)					
Principal					
Interest					
(Identify)					
Principal					
Interest					
(Identify)					
Principal					
Interest					
(Identify)					
Principal					
Interest					
Total Existing Debt					
Principal					
Interest					
Estimated Debt – New Project					
Principal					
Interest					

Schedule V-B. New Project Debt Service Summary

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

[illegible]

Schedule VI. Reimbursement Sources

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

Fiscal Year 2010				
Reimbursement Source	Number of Patients	Gross Patient Charges	Deductions	Net Patient Revenues
Medicaid	22,514	10,342,264	2,190,086	8,152,178
Medicare	4,838	4,290,347	1,955,573	2,334,774
Private Insurance	1,999	927,186	15	927,171
Self Pay				
Charity				
Other – MGD Care/Veterans	1,468	1,185,995	422,655	763,341
Total	30,819	16,745,792	4,568,329	12,177,463

Fiscal Year 2011				
Reimbursement Source	Number of Patients	Gross Patient Charges	Deductions	Net Patient Revenues
Medicaid	24,008	11,042,652	2,401,275	8,641,377
Medicare	4,243	4,266,481	1,949,152	2,317,329
Private Insurance	900	602,310	8,472	593,838
Self Pay				
Charity				
Other – MGD Care/Veterans	2,577	1,967,512	693,037	1,274,475
Total	31,728	17,878,955	5,051,936	12,827,019

Fiscal Year 2012				
Reimbursement Source	Number of Patients	Gross Patient Charges	Deductions	Net Patient Revenues
Medicaid	25,127	11,562,132	2,398,460	9,163,672
Medicare	3,238	3,180,173	1,406,946	1,773,227
Private Insurance	811	445,440	4,506	440,934
Self Pay				
Charity				
Other	2,800	1,319,161	40,440	1,278,721
Total	31,976	16,506,906	3,850,352	12,656,554

Fiscal Year 2013				
Reimbursement Source	Number of Patients	Gross Patient Charges	Deductions	Net Patient Revenues
Medicaid	28,376	13,294,659	2,708,588	10,586,071
Medicare	3,953	3,882,876	1,717,621	2,165,255
Private Insurance	823	458,920	4,572	454,348
Self Pay				
Charity				
Other	2,816	1,382,924	40,671	1,342,253
Total	35,968	19,019,379	4,471,452	14,547,927

Fiscal Year 2014				
Reimbursement Source	Number of Patients	Gross Patient Charges	Deductions	Net Patient Revenues
Medicaid	28,502	13,707,083	2,805,495	10,901,588
Medicare	3,971	3,940,336	1,731,122	2,209,214
Private Insurance	827	471,004	7,370	463,634
Self Pay				
Charity				
Other	2,828	1,423,845	50,286	1,373,559
Total	36,128	19,542,151	4,594,273	14,947,995

Fiscal Year 2015				
Reimbursement Source	Number of Patients	Gross Patient Charges	Deductions	Net Patient Revenues
Medicaid	28,502	14,169,385	2,914,088	11,255,297
Medicare	3,971	4,004,746	1,746,314	2,258,432
Private Insurance	827	484,418	10,521	473,897
Self Pay				
Charity				
Other	2,828	1,469,870	61,061	1,408,809
Total	36,128	20,128,419		15,396,435

Schedule VII. Depreciation Schedule

Use the straight-line method.

Provide a separate schedule for any pieces of major moveable equipment.

[illegible]

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.

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

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): \$_____

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): \$_____

Estimated Value of the Activity for (1)
(sum of A & B above) \$_____

(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): \$_____2500_____

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:

Facility Name and Address:

Name and Title of Person Determining Application Fee:

Signature of Certifying Officer of the Organization

REQUEST FOR MODIFICATION OF A CERTIFICATE OF NEED

Name of Facility

Mailing Address

Street Address

Project Authorized in Certificate of Need dated:

APPLICANT INFORMATION

If the owner, applicant organization, or contact person has changed since the certificate of need was issued, please provide the new name, title, and address.

REASON FOR MODIFICATION (Describe each applicable reason in detail)

- ☐ Change in scope of authorized activity
- ☐ Change in cost of authorized activity
- ☐ Change in time schedule of authorized activity

CERTIFICATION

I certify that all of the information contained in this request, including any supporting documents, is true to the best of my knowledge and belief.

Name

Title:

Date:

Signature:

NOTE: A current periodic progress report must be submitted with this request.

PERIODIC PROGRESS REPORT

Name and Address of Applicant or Certificate Holder:

Project Description:

Date Certificate of Need Issued:

Approved Cost:

All persons who have requested an exemption or have been issued a certificate of need are required to submit periodic reports until the project has been completed or terminated, as required under 7 AAC 07.105. Submittal dates are on or before January 1 and July 1 each year.

Please respond to the following questions. If the question is not applicable, please state why.

1. Is the project fully obligated? (An obligation is defined as an enforceable contract for acquisition, construction, or lease of a capital asset; or, in the case of donated property, the date on which the gift is completed in accordance with applicable state law.) If not, explain. If yes, indicate the nature and date of all obligations incurred to date. If the project is not fully obligated, indicate the cost and the date those obligations will be incurred.
2. What are all expenditures by category (e.g., land fees, construction, etc.) made to date on the project? Attach an expense sheet that compares the proposed costs to the expenses for the reporting period, as well as all expenses since the certificate of need was issued.
3. What is the anticipated completion date (operational date)? How does this differ from the project schedule submitted in the certificate of need application? Please explain any significant differences in the schedules. How will future milestones in the schedule be affected?
4. In the case of construction projects, has the construction started and what has been completed to date (e.g., footings, foundations, etc.)? What percentage of total construction is complete?
5. Are construction/project activities progressing in conformance with the scope of the project approved by the Commissioner? Explain any variations (e.g., in size or type of construction).
6. Is the projected final project cost currently within the limits approved by the Commissioner? If the project is complete, please submit a final capital budget. Include a documentation of expenses that has been certified by a general contractor, equipment supplier, and/or other authorized representative who can objectively confirm the expenses.

7. Are there any changes in the services or programs from those that were originally proposed and approved? If so, please indicate those changes.

I hereby certify that the statements made in this report are correct to the best of my knowledge and belief.

Signature of Certifying Officer:

Title:

Telephone:

Date:

Send to:

Certificate of Need Program
Health Planning and Systems Development
Department of Health and Social Services
P.O. Box 110660
Juneau, Alaska. 99811-0660