

REPORT OF THE HEALTH SERVICES COUNCIL  
ON THE APPLICATIONS OF

**BAYBERRY REHABILITATION & NURSING LLC D/B/A KADIMA  
REHABILITATION & NURSING AT BAYBERRY LLC AND BAYBERRY  
PROPERTY MANAGEMENT LLC**  
FOR A CHANGE IN EFFECTIVE CONTROL OF  
BAYBERRY COMMONS (LTC00651), A 110-BED  
SKILLED NURSING BED FACILITY LOCATED AT 181 DAVIS DRIVE,  
PASCOAG, RHODE ISLAND;

**EASTGATE REHABILITATION & NURSING LLC D/B/A KADIMA  
REHABILITATION & NURSING AT EASTGATE LLC AND EASTGATE  
PROPERTY MANAGEMENT LLC**  
FOR A CHANGE IN EFFECTIVE CONTROL OF  
EASTGATE NURSING & REHABILITATION CENTER (LTC00779),  
A 68-BED SKILLED NURSING BED FACILITY LOCATED AT  
198 WATERMAN AVENUE EAST PROVIDENCE, RHODE ISLAND;

**ELMWOOD REHABILITATION & NURSING LLC D/B/A KADIMA  
REHABILITATION & NURSING AT ELMWOOD LLC AND ELMWOOD  
PROPERTY MANAGEMENT LLC**  
FOR A CHANGE IN EFFECTIVE CONTROL OF  
ELMWOOD NURSING & REHABILITATION CENTER (LTC00611),  
A 70-BED SKILLED NURSING BED FACILITY LOCATED AT  
225 ELMWOOD AVENUE, PROVIDENCE RHODE ISLAND;

**SOUTH KINGSTOWN REHABILITATION & NURSING LLC D/B/A  
KADIMA REHABILITATION & NURSING AT SOUTH KINGSTOWN  
LLC AND SOUTH KINGSTOWN PROPERTY MANAGEMENT LLC**  
FOR A CHANGE IN EFFECTIVE CONTROL OF  
SOUTH KINGSTOWN NURSING & REHABILITATION CENTER  
(LTC00720), A 96-BED SKILLED NURSING BED FACILITY LOCATED AT  
2115 SOUTH COUNTY TRAIL,  
WEST KINGSTOWN, RHODE ISLAND;

**VILLAGE HOUSE REHABILITATION & NURSING LLC  
D/B/A KADIMA REHABILITATION & NURSING AT  
VILLAGE HOUSE LLC AND VILLAGE HOUSE PROPERTY  
MANAGEMENT LLC**

FOR A CHANGE IN EFFECTIVE CONTROL OF SOUTH KINGSTOWN  
NURSING & REHABILITATION CENTER (LTC00589), A 95-BED SKILLED  
NURSING BED FACILITY LOCATED AT  
2115 SOUTH COUNTY TRAIL, WEST KINGSTOWN,  
RHODE ISLAND; AND

**WEST SHORE REHABILITATION & NURSING LLC D/B/A KADIMA  
REHABILITATION & NURSING AT WEST SHORE LLC AND WEST SHORE  
PROPERTY MANAGEMENT LLC**

FOR A CHANGE IN EFFECTIVE CONTROL OF  
WEST SHORE HEALTH CENTER (LTC00719),  
A 145-BED SKILLED NURSING BED FACILITY LOCATED AT 109 WEST  
SHORE ROAD, WARWICK, RHODE ISLAND.

Health Services Council

Victoria Almeida, Esq. (Chair)  
Raymond Coia, Esq. (Secretary)  
Anne Marie Johnson  
Lindsay Lang, Esq.  
Robert Mancini (Vice-Chair)  
Theresa Petisce  
Edward Quinlan  
James Riley  
John Sepe

Submitted to the  
Health Services Council  
to Review and Adopt  
August 30, 2022

Adopted by the  
Health Services Council  
August 30, 2022

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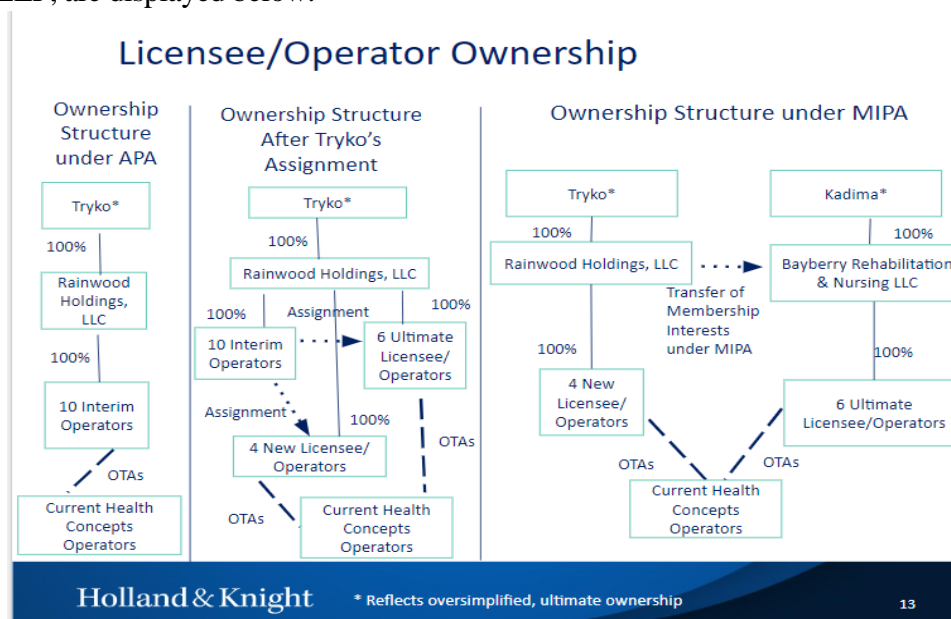
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## I. SYNOPSIS

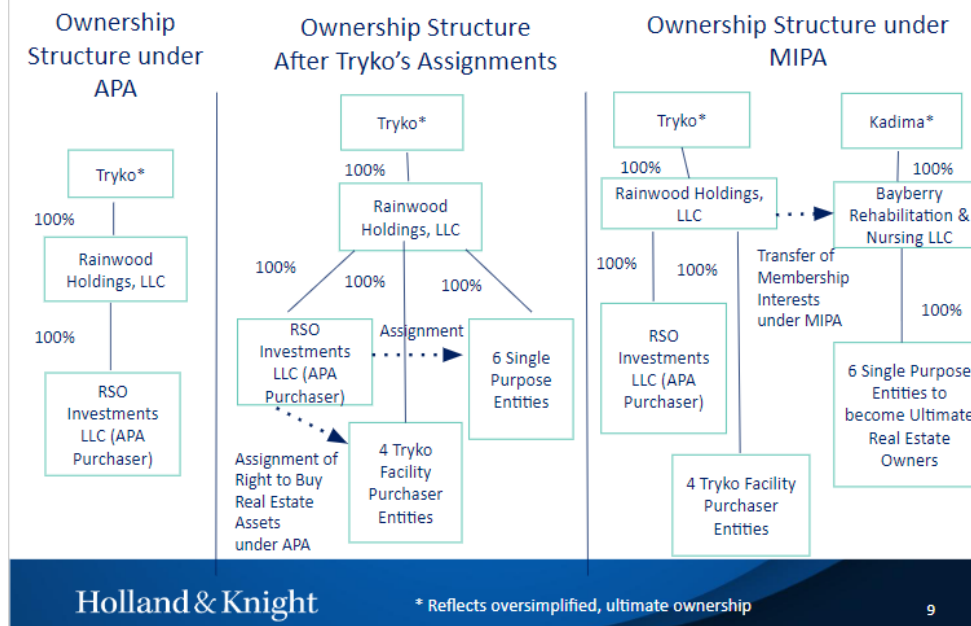
The Health Services Council (“Council”) recommends that the applications of Bayberry Rehabilitation & Nursing LLC d/b/a Kadima Rehabilitation & Nursing at Bayberry LLC and Bayberry Property Management LLC for a Change in Effective Control of Bayberry Commons (LTC00651), a 110-bed skilled nursing bed facility located at 181 Davis Drive, Pascoag; Eastgate Rehabilitation & Nursing LLC d/b/a Kadima Rehabilitation & Nursing at Eastgate LLC and Eastgate Property Management LLC for a Change in Effective Control of Eastgate Nursing & Rehabilitation Center (LTC00779), a 68-bed skilled nursing bed facility located at 198 Waterman Avenue East Providence; Elmwood Rehabilitation & Nursing LLC d/b/a Kadima Rehabilitation & Nursing at Elmwood LLC and Elmwood Property Management LLC for a Change in Effective Control of Elmwood Nursing & Rehabilitation Center (LTC00611), a 70-bed skilled nursing bed facility located at 225 Elmwood Avenue; South Kingstown Rehabilitation & Nursing LLC d/b/a Kadima Rehabilitation & Nursing at South Kingstown LLC and South Kingstown Property Management LLC for a Change in Effective Control of South Kingstown Nursing & Rehabilitation Center (LTC00720), a 96-bed skilled nursing bed facility located at 2115 South County Trail; West Kingstown, Village House Rehabilitation & Nursing LLC d/b/a Kadima Rehabilitation & Nursing at Village House LLC and Village House Property Management LLC for a Change in Effective Control of South Kingstown Nursing & Rehabilitation Center (LTC00589), a 95-bed skilled nursing bed facility located at 2115 South County Trail, West Kingstown; and West Shore Rehabilitation & Nursing LLC d/b/a Kadima Rehabilitation & Nursing at West Shore LLC and West Shore Property Management LLC for a Change in Effective Control of West Shore Health Center (LTC00719), a 145-bed skilled nursing bed facility located at 109 West Shore Road, (collectively the “Applicants”), be approved.

## II. PROPOSAL DESCRIPTION

As presented in the applications, the Applicants are newly formed entities. The licensee/operator ownership and real estate/facility ownership diagrams, presented by Holland & Knight LLP, are displayed below.



## Real Estate/Facility Ownership



As presented at the August 9, 2022 Health Services Council meeting, Health Concepts and Tryko entered into an Asset Purchase Agreement (“APA”) and Amendment thereto, effective October 15, 2021. Health Concepts agreed to sell the real estate for ten Health Concepts Facilities to Tryko and Kadima affiliated entities.

Also presented at the Health Services Council meeting, Health Concepts, Tryko, and Kadima entered into ten Operation Transfer Agreements (“OTA”) effective July 8, 2021. Health Concepts agreed to transfer to the Tryko affiliated entities all rights, title, and interest to the nursing home beds and accompanying operational rights at the time of closing for four of the ten facilities.

Tryko and the Kadima affiliated entities also entered into a Membership Interest Purchase Agreement (“MIPA”), effective October 15, 2021, pursuant to which Kadima will acquire Tryko’s membership interest in six Tryko operating entities at closing.

Change in effective control (“CEC”) applications for the six proposed Kadima facilities were filed simultaneously with the CEC applications for the proposed Tryko facilities, in November 2021.

Following execution of the original APA and OTAs, Tryko identified Kadima Healthcare Group, Inc. (“Kadima”) to own and operate the remaining six Health Concepts facilities. The applicants state that Kadima currently operates six facilities in Pennsylvania:

- Kadima Rehabilitation & Nursing at Campbelltown
- Kadima Rehabilitation & Nursing at Lakeside
- Kadima Rehabilitation & Nursing at Lititz
- Kadima Rehabilitation & Nursing at Luzerne

- Kadima Rehabilitation & Nursing at Palmyra
- Kadima Rehabilitation & Nursing at Pottstown

As presented, Daniel Morris and Jonathan Strauss each hold a 50% ownership interest in Kadima.

The Applicants and Marquis Health Consulting Services LLC will enter into an Administrative Services Agreement pursuant to which Marquis will provide, among other things, consulting services for assistance with administrative services such as policy and procedure development. The Applicants will also enter into a consulting agreement with Clinical Care Consulting ("Clinical Care") for assistance with clinical planning and strategy.

Pursuant to R.I. Gen. Laws 23-1-53, the Office of Health Systems Development engaged an independent consultant, Holland and Knight LLP, to assist the Council and RIDOH with a legal review of the applications and present a PowerPoint to the Council.

Holland and Knight LLP's PowerPoint presentation may be accessed using the following link:

[Health Concepts Nursing Facilities Change of Ownership Deal Overview, Prepared by Holland & Knight](#)

### **Kadima Facilities Post-Transaction**

| <b>Current Facility</b>                         | <b>New Operator - Applicant</b>   | <b>New Property Owner</b>               |
|---|---|---|
| Bayberry Commons                                | Bayberry Rehabilitation & Nursing LLC d/b/a Kadima Rehabilitation & Nursing at Bayberry LLC             | Bayberry Property Management LLC        |
| Eastgate Nursing & Rehabilitation Center        | Eastgate Rehabilitation & Nursing LLC d/b/a Kadima Rehabilitation & Nursing at Eastgate LLC             | Eastgate Property Management LLC        |
| Elmwood Nursing & Rehabilitation Center         | Elmwood Rehabilitation & Nursing LLC d/b/a Kadima Rehabilitation & Nursing at Elmwood LLC               | Elmwood Property Management LLC         |
| South Kingstown Nursing & Rehabilitation Center | South Kingstown Rehabilitation & Nursing LLC d/b/a Kadima Rehabilitation & Nursing at Village House LLC | South Kingstown Property Management LLC |
| Village House Nursing & Rehabilitation Center   | Village House Rehabilitation & Nursing LLC d/b/a Kadima Rehabilitation & Nursing at Village House       | Village House Property Management LLC   |

West Shore Health  
Center

West Shore Rehabilitation & Nursing  
at West Shore LLC

West Shore Property  
Management LLC

2022.08.09 Kadima CEC Application Presentation by Patricia K. Rocha, Esq., Applicants' Legal Counsel

The total acquisition cost of **Bayberry Rehabilitation & Nursing LLC d/b/a Kadima Rehabilitation & Nursing at Bayberry LLC** is \$9,295,377.00 to be funded with \$1,859,075.00, 20% equity which will be funded by Daniel Morris and Jonathan Strauss's personal funds, and \$7,436,301.00, 80% debt loan.

The total acquisition cost of **Eastgate Rehabilitation & Nursing LLC d/b/a Kadima Rehabilitation & Nursing at Eastgate LLC** is \$5,746,233.00 to be funded with \$1,149,247.00, 20% equity which will be funded by Daniel Morris and Jonathan Strauss's personal funds, and \$4,596,986.00, 80% debt loan.

The total acquisition cost of **Elmwood Rehabilitation & Nursing LLC d/b/a Kadima Rehabilitation & Nursing at Elmwood LLC** is \$5,915,240.00 to be funded with \$1,183,048.00, 20% equity which will be funded by Daniel Morris and Jonathan Strauss's personal funds, and \$4,732,192.00, 80% debt loan.

The total acquisition cost of **South Kingstown Rehabilitation & Nursing LLC d/b/a Kadima Rehabilitation & Nursing at Village House LLC** is \$8,112,329.00 to be funded with \$1,622,466.00, 20% equity which will be funded by Daniel Morris and Jonathan Strauss's personal funds, and \$6,489,863.00, 80% debt loan.

The total acquisition cost of **Village House Rehabilitation & Nursing LLC d/b/a Kadima Rehabilitation & Nursing at Village House** is \$8,027,825.00 to be funded with \$1,606,565.00, 20% equity which will be funded by Daniel Morris and Jonathan Strauss's personal funds, and \$6,422,260.00, 80% debt loan.

The total acquisition cost of **West Shore Rehabilitation & Nursing at West Shore LLC** is \$12,252,996.58 to be funded with \$2,450,599.32, 20% equity which will be funded by Daniel Morris and Jonathan Strauss's personal funds, and \$9,802,397.26, 80% debt loan.

### III. INTRODUCTION

Pursuant to the requirements of Chapter 23-17 of the General Laws of Rhode Island titled "Licensing of Health Care Facilities," the Applicants filed six CEC applications of the subject-licensed facilities. These requests are made because the statute requires that any proposed change in owner, operator or lessee of a licensed health care facility be reviewed by the Council and approved by the state-licensing agency prior to implementation.

Staff reviewed the applications, found them to be acceptable in form, and notified the Applicants and the general public by a notice on the Rhode Island Department of Health's website and e-mail that the reviews would commence on July 2, 2022. The notice also advised that all persons

wishing to comment on the applications submit their comments to the state agency by August 1, 2022, when practicable. There were no written public comments.

Pursuant to R.I. Gen. Laws 23-1-53, the Office of Health Systems Development engaged an independent consultant, Holland and Knight LLP, to assist the Council and RIDOH with a legal review of the applications and present a PowerPoint to the Council.

Holland and Knight LLP's PowerPoint presentations may be accessed using the following links:

[Health Concepts Nursing Facilities Change of Ownership Deal Overview, Prepared by Holland & Knight LLP](#)

[CMS Star Ratings of Pennsylvania Kadima Facilities, Prepared by Holland & Knight LLP](#)

Six Kadima CEC Applications are included in the following link:

[6 Kadima CEC Applications](#)

The Council met on August 9, 2022, to review this proposal with the Applicants and their legal counsel in attendance at the meeting. At the August 9, 2022, meeting, the Applicants presented a PowerPoint which may be accessed using the following link:

[Presentations of the 6 Kadima CEC Applications](#)

The audio recording of the virtual meeting of the Council on the six Kadima CEC Applications may be accessed using the following link:

[Audio recording of the August 9, 2022, meeting of the Council](#)

A transcript of the August 9, 2022 meeting of the Council on the six Kadima CEC Applications can be accessed using the following link:

[Transcript of the August 9, 2022, meeting of the Council](#)

A roll call was taken, and the vote was four in favor, and none opposed (4-0) to recommend that the applications be approved, subject to the standard conditions of approval.

#### **IV. FINDINGS**

Section 23-17-14.3 of the licensing statute requires the Council to consider specific review criteria in formulating a recommendation for a change in effective control. The Council's comments and findings on each of the criteria follow:

- 1. The character, competence, commitment, and standing in the community of the proposed owners, operators or directors of the health care facility.**



Holland & Knight LLP presented that Kadima Rehabilitation & Nursing at Luzerne, Pottstown, Lakeside, and Palymra each have an overall CMS rating of one star. In addition, Kadima Rehabilitation & Nursing at Lititz has an overall CMS rating of two stars and Kadima Rehabilitation & Nursing at Campbelltown has an overall rating of three stars.

Holland & Knight LLP described the CMS overall quality rating methodology and provided the following link:

[Care Compare Nursing Home Five-Star Quality Rating Technical Users' Guide \(cms.gov\)](https://www.cms.gov/Regulatory-and-Enforcement/Reporting-Requirements/2018/07/care-compare-nursing-home-five-star-quality-rating-technical-users-guide)

Despite Holland & Knight LLP's presentation, the Applicants commented on the Pennsylvania licensing offices and, among other things, stated the following:

*"I think 'draconian' is an understatement. Specifically referring to that field office..."* (Daniel Morris, Principal of the Applicants); and

*"...that's field office that we're dealing with for at least two of the buildings. One of our other buildings that is also 1 star is also a notorious difficult field office. So I think that that lends itself to the overall star rating involved."* (Tiffany Perna, LNHA, Kadima Regional Director of Operations for Pennsylvania).

Based on the information in the applications and the presentations by the Applicants and Holland & Knight LLP, the Council finds that the applicants satisfy this criterion.

**Finding: The Council finds that the Applicants satisfy this criterion at the time, place, and circumstances as proposed.**

- 2. The extent to which the facility will provide, without material effect on its viability, safe and adequate treatment for those individuals receiving the facility's services.**

The following information is projected for the **Bayberry Rehabilitation & Nursing LLC d/b/a Kadima Rehabilitation & Nursing at Bayberry LLC** in FY 2023:

|                  |             |
|------------------|-------------|
| Total Revenues   | \$8,745,337 |
| Total Expenses   | \$8,535,691 |
| Operating Profit | \$ 209,646  |

As presented in the application, the total acquisition cost is \$9,295,377.00 to be funded with \$1,859,075.00, 20% equity which will be funded by Daniel Morris and Jonathan Strauss's personal funds, and \$7,436,301.00, 80% debt loan.

The following information is projected for the **Eastgate Rehabilitation & Nursing LLC d/b/a Kadima Rehabilitation & Nursing at Eastgate LLC** in FY 2023:

|                  |             |
|------------------|-------------|
| Total Revenues   | \$6,376,330 |
| Total Expenses   | \$6,197,169 |
| Operating Profit | \$ 179,160  |

As presented in the application, the total acquisition cost is \$5,746,233.00 to be funded with \$1,149,247.00, 20% equity which will be funded by Daniel Morris and Jonathan Strauss’s personal funds, and \$4,596,986.00, 80% debt loan.

The following information is projected for the **Elmwood Rehabilitation & Nursing LLC d/b/a Kadima Rehabilitation & Nursing at Elmwood LLC** in FY 2023:

|                  |             |
|------------------|-------------|
| Total Revenues   | \$6,099,158 |
| Total Expenses   | \$6,006,552 |
| Operating Profit | \$ 92,606   |

As presented in the application, the total acquisition cost is \$5,915,240.00 to be funded with \$1,183,048.00, 20% equity which will be funded by Daniel Morris and Jonathan Strauss’s personal funds, and \$4,732,192.00, 80% debt loan.

The following information is projected for the **South Kingstown Rehabilitation & Nursing LLC d/b/a Kadima Rehabilitation & Nursing at South Kingstown LLC** in FY 2023:

|                  |             |
|------------------|-------------|
| Total Revenues   | \$9,394,572 |
| Total Expenses   | \$9,102,827 |
| Operating Profit | \$ 291,745  |

As presented in the application, the total acquisition cost is \$8,112,329.00 to be funded with \$1,622,466.00, 20% equity which will be funded by Daniel Morris and Jonathan Strauss’s personal funds, and \$6,489,863.00, 80% debt loan.

The following information is projected for the **Village House Rehabilitation & Nursing LLC d/b/a Kadima Rehabilitation & Nursing at Village House LLC** in FY 2023:

|                  |             |
|------------------|-------------|
| Total Revenues   | \$8,781,642 |
| Total Expenses   | \$8,609,240 |
| Operating Profit | \$ 172,402  |

As presented in the application, the total acquisition cost is \$8,027,825.00 to be funded with \$1,606,565.00, 20% equity which will be funded by Daniel Morris and Jonathan Strauss’s personal funds, and \$6,422,260.00, 80% debt loan.

The following information is projected for the **West Shore Rehabilitation & Nursing LLC d/b/a Kadima Rehabilitation & Nursing at West Shore LLC** in FY 2023:

|                  |              |
|------------------|--------------|
| Total Revenues   | \$11,873,181 |
| Total Expenses   | \$11,669,107 |
| Operating Profit | \$ 204,074   |

As presented in the application, the total acquisition cost is \$12,252,996.58 to be funded with \$2,450,599.32, 20% equity which will be funded by Daniel Morris and Jonathan Strauss’s personal funds, and \$9,802,397.26, 80% debt loan.

**Finding: The Council finds that the Applicants satisfy this criterion at the time, place and circumstances as proposed.**

**3. The extent to which the facility will provide safe and adequate treatment for individuals receiving the health care facility's services.**

As presented by the Applicants at the August 9, 2022 Health Services Council meeting, the Applicants state they will continue to provide high quality care previously offered by Health Concepts and the approval of the CEC applications will allow for expansion of services currently provided, including significant renovations and necessary building upgrades.

The Applicants further state they will maintain an ongoing facility-wide Quality Assurance and Performance Improvement (“QAPI”) Committee to oversee the QAPI Plan.

The Applicants state the QAPI Plan details the facility’s activities and objectives designed to monitor and evaluate the quality of resident care, pursue methods to improve care quality, and resolve identified problems.

As noted in section A, Holland & Knight LLP presented that Kadima Rehabilitation & Nursing at Luzerne, Pottstown, Lakeside, and Palymra each have an overall CMS rating of one star. In addition, Kadima Rehabilitation & Nursing at Lititz has an overall CMS rating of two stars and Kadima Rehabilitation & Nursing at Campbelltown has an overall rating of three stars.

Holland & Knight LLP described the CMS overall quality rating methodology and provided the following link:

[Care Compare Nursing Home Five-Star Quality Rating Technical Users’ Guide \(cms.gov\)](https://www.cms.gov/medicare/quality/quality-ratings-and-inspection/quality-ratings-and-inspection-qaia/qaia-technical-users-guide)

Despite Holland & Knight LLP’s presentation, the Applicants commented on the Pennsylvania licensing offices and, among other things, stated the following:

*“I think ‘draconian’ is an understatement. Specifically referring to that field office...”* (Daniel Morris, Principal of the Applicants); and

*“...that's field office that we're dealing with for at least two of the buildings. One of our other buildings that is also 1 star is also a notorious difficult field office. So I*

*think that that lends itself to the overall star rating involved.” (Tiffany Perna, LNHA, Kadima Regional Director of Operations for Pennsylvania).*

Based on the information in the applications and the presentations by the Applicants and Holland & Knight LLP, the Council finds that the applicants satisfy this criterion.

**Finding: The Council finds that the Applicants satisfy this criterion at the time, place and circumstances as proposed.**

**4. The extent to which the facility will provide appropriate access to traditionally under-served populations.**

The following payor mix was projected for the **Bayberry Rehabilitation & Nursing LLC d/b/a Kadima Rehabilitation & Nursing at Bayberry LLC** if the proposal is approved for FY 2023:

| Payor          | Percent     |
|----------------|-------------|
| Medicare       | 4%          |
| Medicaid       | 68%         |
| Blue Cross     | 0%          |
| Commercial     | 8%          |
| HMOs           | 0%          |
| Self-Pay       | 10%         |
| Other: Hospice | 0%          |
| <b>Total</b>   | <b>100%</b> |

The following payor mix was projected for the **Eastgate Rehabilitation & Nursing LLC d/b/a Kadima Rehabilitation & Nursing at Eastgate LLC** if the proposal is approved for FY 2023:

| Payor          | Percent     |
|----------------|-------------|
| Medicare       | 15%         |
| Medicaid       | 58%         |
| Blue Cross     | 0%          |
| Commercial     | 14%         |
| HMOs           | 0%          |
| Self-Pay       | 9%          |
| Other: Hospice | 0%          |
| <b>Total</b>   | <b>100%</b> |

The following payor mix was projected for the **Elmwood Rehabilitation & Nursing LLC d/b/a Kadima Rehabilitation & Nursing at Elmwood LLC** if the proposal is approved for FY 2023:

| Payor | Percent |
|-------|---------|
|-------|---------|

|                |             |
|----------------|-------------|
| Medicare       | 8%          |
| Medicaid       | 66%         |
| Blue Cross     | 0%          |
| Commercial     | 18%         |
| HMOs           | 0%          |
| Self-Pay       | 2%          |
| Other: Therapy | 6%          |
| <b>Total</b>   | <b>100%</b> |

The following payor mix was projected for the **South Kingstown Rehabilitation & Nursing LLC d/b/a Kadima Rehabilitation & Nursing at Village House LLC** if the proposal is approved for FY 2023:

| Payor          | Percent     |
|----------------|-------------|
| Medicare       | 15%         |
| Medicaid       | 47%         |
| Blue Cross     | 0%          |
| Commercial     | 11%         |
| HMOs           | 0%          |
| Self-Pay       | 17%         |
| Other: Hospice | 9%          |
| <b>Total</b>   | <b>100%</b> |

The following payor mix was projected for the **Village House Rehabilitation & Nursing LLC d/b/a Kadima Rehabilitation & Nursing at Village House** if the proposal is approved for FY 2023:

| Payor          | Percent     |
|----------------|-------------|
| Medicare       | 15%         |
| Medicaid       | 54%         |
| Blue Cross     | 0%          |
| Commercial     | 8%          |
| HMOs           | 0%          |
| Self-Pay       | 17%         |
| Other: Hospice | 6%          |
| <b>Total</b>   | <b>100%</b> |

The following payor mix was projected for the **West Shore Rehabilitation & Nursing LLC d/b/a Kadima Rehabilitation & Nursing at West Shore LLC** if the proposal is approved for FY 2023:

| Payor      | Percent |
|------------|---------|
| Medicare   | 9%      |
| Medicaid   | 55%     |
| Blue Cross | 0%      |

|                |             |
|----------------|-------------|
| Commercial     | 16%         |
| HMOs           | 0%          |
| Self-Pay       | 13%         |
| Other: Hospice | 8%          |
| <b>Total</b>   | <b>100%</b> |

According to the Applicants, it is the policy of the Applicants and their affiliates not to discriminate because of race, creed, color, religion, national origin, sex, gender, handicap, disability, blindness, source of sponsorship, source of payment, marital status, age, sexual preference, genetic disposition, or carrier status in the admission, retention and care of residents and patients.

**Finding: The Council finds that the Applicants satisfy this criterion at the time, place and circumstances as proposed.**

## V. RECOMMENDATION

After considering each of the review criteria as required by statute and the representations made by the Applicants, the Council recommends that the request for six CEC applications, be approved.

Approval and implementation of this application will result in the termination of the existing nursing facility license issued to of Bayberry Commons and the issuance of a new nursing facility license to **Bayberry Rehabilitation & Nursing LLC d/b/a Kadima Rehabilitation & Nursing at Bayberry LLC.**

Approval and implementation of this application will result in the termination of the existing nursing facility license issued to Eastgate Nursing & Rehabilitation Center and the issuance of a new nursing facility license to **Eastgate Rehabilitation & Nursing LLC d/b/a Kadima Rehabilitation & Nursing at Eastgate LLC.**

Approval and implementation of this application will result in the termination of the existing nursing facility license issued to Elmwood Nursing & Rehabilitation Center and the issuance of a new nursing facility license to **Elmwood Rehabilitation & Nursing LLC d/b/a Kadima Rehabilitation & Nursing at Elmwood LLC.**

Approval and implementation of this application will result in the termination of the existing nursing facility license issued to South Kingstown Nursing & Rehabilitation Center and the issuance of a new nursing facility license to **South Kingstown Rehabilitation & Nursing LLC d/b/a Kadima Rehabilitation & Nursing at Village House LLC.**

Approval and implementation of this application will result in the termination of the existing nursing facility license issued to South Kingstown Nursing & Rehabilitation Center and the issuance of a new nursing facility license to **Village House Rehabilitation & Nursing LLC d/b/a Kadima Rehabilitation & Nursing at Village House.**

Approval and implementation of this application will result in the termination of the existing nursing facility license issued to West Shore Health Center and the issuance of a new nursing facility license to **West Shore Rehabilitation & Nursing LLC d/b/a Kadima Rehabilitation & Nursing at West Shore LLC**.

#### **VI. CONDITIONS OF APPROVAL**

The Council recommends that approval of the instant applications shall be subject to the following conditions:

1. that the total project cost of **Bayberry Rehabilitation & Nursing LLC d/b/a Kadima Rehabilitation & Nursing at Bayberry LLC** not exceed \$9,295,377.00, to be financed with a minimum equity contribution of \$1,859,075.00 (i.e., 20%) which will be funded by Daniel Morris and Jonathan Strauss's personal funds, and debt not to exceed \$7,436,301.00, (i.e., 80%);
2. that the total project cost of **Eastgate Rehabilitation & Nursing LLC d/b/a Kadima Rehabilitation & Nursing at Eastgate LLC** not exceed \$5,746,233.00, to be financed with a minimum equity contribution of \$1,149,247.00 (i.e., 20%) which will be funded by Daniel Morris and Jonathan Strauss's personal funds, and debt not to exceed \$4,596,986.00 (i.e., 80%);
3. that the total project cost of **Elmwood Rehabilitation & Nursing LLC d/b/a Kadima Rehabilitation & Nursing at Elmwood LLC** not exceed \$5,915,240.00, to be financed with a minimum equity contribution of \$1,183,048.00 (i.e., 20%) which will be funded by Daniel Morris and Jonathan Strauss's personal funds, and debt not to exceed \$4,732,192.00 (i.e., 80%);
4. that the total project cost of **South Kingstown Rehabilitation & Nursing LLC d/b/a Kadima Rehabilitation & Nursing at Village House LLC** not exceed \$8,112,329.00, to be financed with a minimum equity contribution of \$1,622,466.00 (i.e., 20%) which will be funded by Daniel Morris and Jonathan Strauss's personal funds, and debt not to exceed \$6,489,863.00 (i.e., 80%);
5. that the total project cost of **Village House Rehabilitation & Nursing LLC d/b/a Kadima Rehabilitation & Nursing at Village House** not exceed \$8,027,825.00, to be financed with a minimum equity contribution of \$1,606,565.00 (i.e., 20%) which will be funded by Daniel Morris and Jonathan Strauss's personal funds, and debt not to exceed \$6,422,260.00 (i.e., 80%);
6. that the total project cost of **West Shore Rehabilitation & Nursing LLC d/b/a Kadima Rehabilitation & Nursing at West Shore LLC** not exceed \$12,252,996.58, to be financed with a minimum equity contribution of \$2,450,599.32 (i.e., 20%) which will be funded by Daniel Morris and Jonathan Strauss's personal funds, and debt not to exceed \$9,802,397.26 (i.e., 80%);
7. that the Applicants implement the projects as approved;

8. that within two years the Applicants attain and maintain an accreditation from a nationally recognized accrediting agency;
9. that the Applicants shall conduct national criminal background checks on their employees prior to employment;
10. that data, including but not limited to, finances, utilization and demographic resident information, be furnished to the state agency, upon request;
11. that the Applicants will provide services to all residents without discrimination including payment source and ability to pay; and
12. that the Applicants will work in good faith with residents to establish an alternative payor source when another payor source is no longer available. Further that the Applicants will not withhold or discontinue care or discharge the resident while an application for an alternative payor source (such as Medicaid) is pending, and for Medicaid residents, maintain compliance with state regulation, 210-RICR-50-00-7, "Involuntary Discharge from a Long-Term Care Facility."