

**MISSISSIPPI STATE DEPARTMENT OF HEALTH
DIVISION OF HEALTH PLANNING AND RESOURCE DEVELOPMENT
JULY 29, 2024**

**CON REVIEW NUMBER: NH-ROB-0624-006
TREND HEALTH & REHAB OF MERIDIAN, LLC
RELOCATION OF TWO (2) NURSING HOME BEDS FROM POPLAR SPRINGS
NURSING CENTER TO TREND HEALTH & REHAB OF MERIDIAN
CAPITAL EXPENDITURE: \$10,000.00
LOCATION: MERIDIAN, LAUDERDALE COUNTY, MISSISSIPPI**

STAFF ANALYSIS

I. PROJECT SUMMARY

A. Applicant Information

Trend Health & Rehab of Meridian, LLC (the “Applicant” or the “Nursing Home”) is a Mississippi limited liability company located at 125 Fountain Boulevard, Madison, Mississippi that operates Trend Health & Rehab of Meridian (“Trend of Meridian”), a fifty-eight (58) bed nursing facility located at 517 33rd Street, Meridian, Mississippi. Poplar Springs Nursing Center, LLC (“Poplar Springs”) is a Mississippi limited liability company that operates a ninety-one (91) bed facility located at 6615 Poplar Springs Street, Meridian, Mississippi. Trend Consultants, LLC, a Mississippi limited liability company, manages both Trend Health & Rehab of Meridian and Poplar Springs Nursing Center. The Management Agreement is contained in the application.

According to the application, the three entities each have two members and four officers. Charles Bruce Kelly owns ninety-nine percent (99%) membership interests in both Trend of Meridian and Poplar Springs, and fifty percent (50%) interest in Trend Consultants. Charles Bruce Kelly is also the Manager and President of Trend of Meridian, Poplar Springs and Trend Consultants.

The application contains Certificates of Good Standing, dated June 14, 2024, from the Office of the Secretary of State, certifying that Trend Health & Rehab of Meridian, LLC, Poplar Springs Nursing Center, LLC and Trend Consultants, LLC are in good standing to do business in Mississippi.

B. Project Description

The Applicant requests certificate of need (“CON”) approval for the relocation of two (2) skilled nursing home beds from Poplar Springs Nursing Home to Trend Health & Rehab of Meridian.

According to the Applicant, the fifty-eight (58) licensed beds at Trend of Meridian are all private rooms. The Applicant states an additional two (2) rooms are available that can be utilized as private rooms. The Applicant states Poplar Springs' ninety-one (91) bed licensed capacity consists of sixty-nine (69) private rooms and eleven (11) semi-private rooms. The Applicant states the intent of the proposed project is to relocate two (2) beds from the semi-private rooms at Poplar Springs to Trend of Meridian (the "Project").

The approval of the Project will result in Trend of Meridian having sixty (60) private rooms, and Poplar Springs will result in a total of eighty-nine (89) beds, with seventy-one (71) private rooms and nine (9) semi-private rooms. The Applicant affirms Trend of Meridian and Poplar Springs are affiliate companies, located in Lauderdale County, Long Term Care Planning District (LTCPD) IV, approximately three (3) miles apart.

The Applicant states that because there are two (2) available rooms at Trend of Meridian there is no need for construction or renovation and therefore, there is no need for a capital expenditure. However, the Applicant includes an expenditure of \$10,000.00 for contingency reserves to cover any unforeseen matters.

Upon completion of the Project, the Applicant states Trend of Meridian shall consist of sixty (60) skilled nursing home beds. The Applicant notes that Policy Statement No. 5 in the *2024 Mississippi State Health Plan 3rd Edition*, regarding nursing homes, established that the Department shall not approve construction of or replacement of nursing homes for less than sixty (60) beds. In addition, the Applicant submits that it has been established that to realize certain economy of scales, a nursing home should consist of at least sixty (60) beds.

The Applicant states that the Members of each Trend of Meridian and Poplar Springs have determined that the residents of both facilities would be better served by relocating two (2) of Poplar Springs' ninety-one (91) beds to Trend of Meridian. The application includes Unanimous Written Consents, dated June 10, 2024, from Members of Trend of Meridian and June 11, 2024, from Members of Poplar Springs, each authorizing the Project.

The Applicant states that the final objectives of the proposed Project are directly related to the need to expand Trend of Meridian to house sixty (60) residents and to provide for two (2) additional private rooms at Poplar Springs. The Applicant expects that the proposed Project will:

- (i) Expand Trend of Meridian to a sixty (60) bed skilled nursing home

- facility;
- (ii) Provide a private room for each resident of Trend of Meridian;
 - (iii) Provide two (2) additional private rooms at Poplar Springs;
 - (iv) Address the Department's Policy Statement that nursing home facilities be designed for a minimum of sixty (60) beds; and
 - (v) Provide for the continued operation of both Trend of Meridian and Poplar Springs to meet the needs of the residents of Trend of Meridian, Poplar Springs, Meridian, Lauderdale County, and Mississippi and particularly those residing in Long Term Care Planning District (LTCPD) IV.

The Applicant states the ultimate goal of the Project is to create a viable sixty (60) bed skilled nursing facility that will improve the quality of life and health of the nursing home residents and patients at Trend of Meridian by creating a homelike and a "as safe as possible" setting by providing individualized specialized care, including skilled rehabilitation therapy services that will allow patients to achieve their highest level of independence with the possible prospect of returning to their homes.

The Applicant certifies that Trend of Meridian does and will continue to comply with all state and local building codes, zoning ordinances, and/or requirements of appropriate regulatory authorities.

Trend of Meridian affirms that it does and will continue to comply with all applicable State statutes and regulations for protection of the environment including: 1) approved water supplies; 2) sewage and waste disposal; 3) hazardous waste disposal; 4) water pollution control; 5) air pollution control; and 6) radiation control.

Trend of Meridian does not project any additional personnel for the Project. The Applicant expects the capital expenditure will be authorized immediately upon receipt of the CON and expects the Project will be complete within thirty (30) days of receipt of the CON.

The application contains a letter dated June 28, 2024, documenting the Mississippi State Department of Health (MSDH) Bureau of Health Facilities Licensure and Certification's approval of the site for the Project

II. TYPE OF REVIEW REQUIRED

This project is reviewed in accordance with Section 41-7-173, 41-7-191(1)(d) and 41-7-193 of the Mississippi Code of 1972, Annotated, as amended, and duly adopted rules, procedures, plans, criteria, and standards of the Mississippi State Department of Health.

MSDH will also review applications for CON according to the general criteria listed in the *Mississippi Certificate of Need Review Manual, November 11, 2023, Revision*; all adopted rules, procedures, plans, criteria, and standards of MSDH; and the specific criteria and standards listed below. The Department reviews projects for the provision of nursing home services for the relocation of beds that are not within one mile, and if the licensed bed capacity is increased through the conversion or addition of beds, regardless of capital expenditure.

In accordance with Section 41-7-197(2) of the Mississippi Code 1972, Annotated, as amended, any affected person may request a public hearing on this project within ten (10) days of publication of the staff analysis. The opportunity to request a hearing expires on August 8, 2024.

III. CONFORMANCE WITH THE STATE HEALTH PLAN AND OTHER ADOPTED CRITERIA AND STANDARDS

A. State Health Plan (SHP)

The *FY 2022 State Health Plan*, 3rd Edition, (the "State Health Plan") contains policy statements, criteria, and standards which the applicant is required to meet before receiving CON authority for the Relocation/Addition of Nursing Home Beds. This application is in substantial compliance with the applicable policy, criteria, and standards stated in the *Plan*.

Policy Statements Regarding the Certificate of Need Applications for the Offering of Nursing Home Care Services

Policy Statement 1 – Legislation

- a. **Permanent moratorium.** The Applicant states the project involves the three (3) mile relocation of two (2) licensed nursing home beds from Poplar Springs to Trend of Meridian. No additional beds will be added to the nursing home inventory in LTCPD IV. Therefore, the Applicant states this policy statement is not applicable.
- b. **Exemptions for beds licensed under the Department of Mental Health.** This policy statement is not applicable.
- c. **The 1999 Mississippi Legislature.** The Applicant states this policy statement is not applicable.
- d. **April 12, 2002, Legislature.** The Applicant states this policy

statement is not applicable as the project does not involve the addition of new nursing home beds or the conversion of licensed beds from one category to another. However, the project does contemplate the addition of two (2) beds relocated from Poplar Springs to Trend of Meridian. The legislation states no health care facility shall be authorized to **add any** beds or convert any beds to another category of beds without a CON. Therefore, the project requires a CON under this paragraph as Trend of Meridian will add two (2) nursing home beds to its inventory as a result of the Project.

- e. **March 4, 2003, Legislature.** The Applicant states this project does not involve placing beds in abeyance.
- f. **Ceased operation for a period of sixty (60) months.** The Applicant states both Poplar Springs and Trend of Meridian are currently licensed, opened, and operating.
- g. **Long Term Care Planning District (LTCPD).** The Applicant states both Poplar Springs and Trend of Meridian are in LTCPD IV.

Policy Statement 2 – Bed Need

The Applicant states both Poplar Springs and Trend of Meridian are existing licensed skilled nursing homes with a total of one-hundred forty-nine (149) beds. The Applicant further states upon completion of the project, the total combined skilled nursing home beds of Poplar Springs and Trend of Meridian will remain one-hundred forty-nine (149).

However, the bed complement of Trend of Meridian will increase from fifty-eight (58) to sixty (60), an increase of two (2) beds, and Poplar Springs will decrease from ninety-one (91) to eighty-nine (89) nursing home beds.

Policy Statement 3 – Population Projections:

As stated above, both Poplar Springs and Trend of Meridian are both licensed skilled nursing homes with a total of one-hundred forty-nine (149) beds. The Applicant states Trend of Meridian is not requesting MSDH to authorize the addition of new “never-before-authorized” nursing home beds. The Applicant affirms, upon completion, the total combined skilled nursing home beds of Poplar Springs and Trend of Meridian will remain one-hundred forty-nine (149).

Policy Statement 4 – Bed Inventory

The Applicant submits the Project does not request authority for newly authorized nursing home beds.

Policy Statement 5 – Size of Facility

The Applicant states approval of the Project will result in Trend of Meridian having sixty (60) private rooms, and Poplar Springs will result in a total of eighty-nine (89) beds, with seventy-one (71) private rooms and nine (9) semi-private rooms.

Policy Statement 6 – Definition of CCRC

The Applicant states neither Poplar Springs nor Trend of Meridian is a Continuing Care Retirement Community.

Policy Statement 7 – Medicare Participation

The Applicant states both Poplar Springs and Trend of Meridian currently participate and will continue to participate in the Medicaid and Medicare programs.

Policy Statement 8 – Alzheimer’s/Dementia Care Unit

The Applicant states the project does not include a specifically designated Alzheimer’s/Dementia Care Unit; however, both Poplar Springs and Trend of Meridian are equipped to care for residents with dementia and maintain secured exits that prohibit residents with dementia from wandering outside the facilities.

Because the Project will result in the addition of four (4) private nursing home rooms in Meridian with two (2) additional private rooms in Trend of Meridian and two (2) additional private rooms in Poplar Springs, the Applicant states that each facility will be able to place more of its residents with serious dementia in rooms of their own, as separate placement has been shown to be best for residents who have serious dementia and for residents who do not.

Certificate of Need Criteria and Standards for Nursing Home Care Beds

Need Criterion 1: Nursing Home Care Bed Need

The Applicant submits both Poplar Springs with ninety-one (91) beds and Trend of Meridian with fifty-eight (58) beds are existing licensed nursing homes.

Need Criterion 2: Number of Beds to be Constructed, Converted, and/or

Licensed

The Applicant states the Project does not involve any construction or renovation of a nursing home facility. Both Trend of Meridian with fifty-eight (58) beds and Poplar Springs with ninety-one (91) beds are existing nursing homes, whose beds total one-hundred forty-nine (149) beds. The Applicant further states the Project does not contemplate the addition of any new nursing facility beds in Meridian, Lauderdale County, LTCPD IV, or Mississippi.

Need Criterion 3: Consideration of Statistical Need

The Applicant confirms this Criterion is not applicable.

Need Criterion 4: Alzheimer's/Dementia Care Unit

The Applicant states the Project does not contemplate the inclusion of a designated Alzheimer's/Dementia Care Unit.

Certificate of Need Criteria and Standards for Relocation/Transfer of Nursing Home Care Beds

Need Criterion 1: Relocation/Transfer of Nursing Home Care Beds

The Applicant states both Poplar Springs and Trend of Meridian are located in Meridian, Lauderdale County, approximately three (3) mile apart in LTCPD IV.

Need Criterion 2: Number of Beds to be Relocated/Transferred

The Project proposes the relocation of two (2) beds from Poplar Springs to Trend of Meridian.

Need Criterion 3: Consideration of Statistical Need

The Applicant states this Criterion is not applicable.

B. General Review (GR) Criteria

Chapter 8 of the *Mississippi Certificate of Need Review Manual, Revised November 11, 2023*; addresses general criteria by which all CON applications are reviewed. This application is in substantial compliance with the general review criteria contained in the manual.

GR Criterion 1- State Health Plan

The application was reviewed for consistency with the *FY 2022 Mississippi State Health Plan, 3rd Edition*. The Applicant asserts the Project substantially complies with the six (6) Priority Health Needs as well as the four (4) Health Planning Purposes stated in the *State Health Plan*.

GR Criterion 2 – Long Range Plan

The Applicant states upon acquisition of the facility now known as Trend Health & Rehab of Meridian on September 1, 2019, Mr. Kelly proceeded to upgrade and renovate the existing fifty-eight bed (58-bed) facility within the confines of CON activities by adding two (2) bedrooms that could be used as private nursing home rooms.

GR Criterion 3 – Availability of Alternatives

a. The Applicant considered the following alternatives to the project:

1. Do nothing

- i. Advantage:** The Applicant stated that both Trend of Meridian and Poplar Springs would continue receiving revenue without fear of interruption because the facilities are both currently in compliance with all licensure and certification requirements and are experiencing high occupancy rates.
- ii. Disadvantage:** The Applicant states that there would be no additional private nursing home beds in Meridian, and Trend of Meridian would not recognize the economies of scale that a sixty (60) bed nursing home can. In addition, the Applicant states some of the residents in Poplar Springs would not be provided the private room option.

2. Relocate more than two (2) of Poplar Springs' semi-private nursing home beds to Trend of Meridian.

- i. Advantage:** Poplar Springs could offer private rooms to more of its residents.
- ii. Disadvantage:** The relocation of more than two (2) of Poplar Springs' beds to Trend of Meridian would require expensive

expansion to Trend of Meridian without any added economies of scale being recognized by Trend of Meridian.

- b. New Construction Projects:** This element is not applicable to the proposed project.
- c. Beneficial Effects to the Health Care System:** The Applicant states the selected option of relocating two (2) nursing home beds from Poplar Springs to Trend of Meridian is the best option to adequately, effectively, and efficiently meet the needs of the residents of Meridian, Lauderdale County, and LTCPD IV. In addition, the Applicant states: (1) there will be little to no disruption in the lives of the residents of either of the nursing homes; (2) the improved activity areas will allow the nursing home to provide its residents with a more homelike and friendly environment that encourages interaction with one another; and (3) Trend of Meridian will recognize economies of scale by operating a sixty (60) bed facility rather than a fifty-eight (58) bed facility.
- d. Effective and Less Costly Alternatives:** The Applicant states there is no less costly alternative for the Project currently available in the area. Further, the Applicant states because both Trend Health & Rehab of Meridian, LLC and Poplar Springs Nursing Center, LLC are affiliates, the nursing homes can work together to provide Meridian, Lauderdale County, and LTCPD IV with four (4) additional private nursing home rooms at no cost.
 - i. Unnecessary Duplication of Services:** The Applicant states the Project furthers the Department's goal to prevent unnecessary duplication of services because the proposed Project does not contemplate the addition of any new beds or new services in Meridian, Lauderdale County, LTCPD IV, or Mississippi.
 - ii. Efficient Solution:** According to the Applicant, the proposed Project would more effectively meet the needs of persons needing long-term nursing home care that offers residents dignity and privacy. The Applicant states by placing an emphasis on a homelike and safe environment, Trend of Meridian can encourage those patients leaving acute care facilities who are in need of skilled nursing rehabilitation to seek such care.

Moreover, the Applicant states that the upgraded activity

areas at the nursing home and the additional four (4) private bedrooms will provide long-term nursing home residents a better quality of life.

- e. **Improvements and Innovations:** The Applicant states a private bedroom in a nursing home allows a resident privacy and a homelike setting instead of institutional living. The Applicant further states that Trend of Meridian recognizes the benefits of providing, and is committed to promoting, as homelike setting as possible to its residents.

The Applicant asserts that by offering residents a quality homelike and safe environment for themselves and their visitors, Trend of Meridian provides its residents more freedom, privacy and a higher level of dignity.

- f. **Relevancy.** The Applicant points out that as learned through experience during the pandemic, private rooms in nursing homes offer not only privacy and dignity, but also safety in the event of communicable disease.

GR Criterion 4 - Economic Viability

- a. **Proposed Charge:** The Applicant states the proposed reimbursement will follow the standard Medicare RUG schedule, the State Medicaid per diem for Trend of Meridian, and the Medicare Part B physician fee schedules. The Applicant states this reimbursement compares favorably with similar facilities in the area and the services provided will be in compliance with the regulations for each payor source.
- b. **Projected Levels of Utilization:** The Applicant states the projected levels of utilization of Trend of Meridian are reasonably consistent with the levels of utilization experienced by the other nursing homes in Lauderdale County that are proprietary and that are providers for Medicare and Medicaid according to the Department's most recent directory of the *Mississippi Directory of Health Facilities*, dated April 30, 2024 (the "2024 Directory") and *2019 Report on Long-Term Care Facilities (the "2019 Report")*, the most recent report regarding long-term care facilities available at the time of the filing of the application. The Applicant projects utilization of 90.6% for Year 1, Year 2 and Year 3 of the Project. The Applicant presents that based on the *2019 Report*, the occupancy rates of the facilities that provided services for Medicaid and Medicare patients currently located in Lauderdale County, as of 2019, were as follows:

PROPRIETARY FACILITIES IN LAUDERDALE COUNTY

<u>Facility (Number of Licensed Beds)*</u>	<u>Occupancy Rate</u>
Bedford Care Center of Marion (120 beds)	94.03%
Diversicare of Meridian (120 beds)	73.81%
North Pointe Health & Rehabilitation** (60 beds)	95.16%
Poplar Springs Nursing Center (91 beds)	98.52%
Queen City Nursing Center (94 with only 77 beds)	71.84%
The Oaks Rehabilitation & Healthcare Center (80 beds)	95.98%

*The Applicant notes that the above information was compiled prior to the acquisition of the 58-bed nursing home by Trend of Meridian. The Applicant states the 2024 Directory indicates that Queen City has seventy-seven (77) beds, The Oaks Rehabilitation has eighty-two (82) beds, and Trends of Meridian, the applicant, has fifty-eight (58) beds. The Applicant states that during FY 2023 Trend of Meridian had 19,178 patient days which equates to an occupancy rate of 90.59%.

**The Applicant further notes that the occupancy rate for North Pointe Health & Rehabilitation (“North Pointe”) was erroneously reported to the Department in 2019 as being 72.55%. According to the Applicant, the accurate occupancy rate for the North Pointe facility in 2019 was 95.16%.

- c. **Financial Feasibility Study:** The application submits this item is not applicable as the Project does not require a capital expenditure of \$2,000,000.
- d. **Financial Forecasts:** The Applicant states that the financial forecasts for proposed years 1, 2, and 3 do not deviate from the current occupancy rate of Trend of Meridian, which during FY 2023 was 90.59%. The Applicant indicates that the occupancy rate of the Nursing Home has risen from 62.51%, 41 Medicare patient days on December 31, 2019, to 96.85%, 263 Medicare days for the period January 1, through May 31, 2024.
- e. **Covered Expenses:** The Applicant states that because it is a going concern that will not change its provider number or lose any residents as a

result of the Project, Trend of Meridian will continue operations without a break in time. In addition, the Applicant states, as Manager and President of Trend Consultants, Bruce Kelly will cause Trend Consultants to provide whatever support is required to implement the Project and operate Trend of Meridian, including covering any expenses incurred if the Project were to fail to meet projected revenues.

- f. **Impact of Proposed Project on Health Care Cost:** The Applicant states that projections of revenue and operating expenses are based on Trend of Meridian's FY 2023 operations and those of other facilities managed by Trend Consultants. The Applicant further states the Project will have minimal, if any, impact on the cost of health care in Mississippi or on Medicaid, Medicare, or any other payor.

GR Criterion 5 - Need for the Project

- a. **Access by Population Served:** The Applicant states Trend of Meridian accepts all persons in need of long-term nursing home care and skilled nursing home care, including the elderly, low-income persons, racial and ethnic minorities, women, handicapped persons, and other underserved groups. The Applicant further asserts that the fact that the facility has been renovated so that each patient and resident will be allowed to reside in a private room and that the Nursing Home has a roomy therapy center will allow the facility to better address those patients who, with the appropriate therapy and after having achieved a level of independence, can be discharged home or to a family member's home.
- b. **Relocation of Services:** The Applicant states the only relocation that will occur with respect to the Project is that of moving two (2) licensed nursing home beds approximately three (3) miles from Poplar Springs to Trend of Meridian.
- c. **Current and Projected Utilization of Comparable Facilities:** The Applicant states the Project does not involve the establishment of a new skilled nursing home or services; therefore, the Project does not contemplate the addition of any unauthorized skilled nursing home beds or services. See discussion at Criterion 4b above regarding current and projected utilization of comparable facilities.
- d. **Probable Effect on Existing Facilities in the Area:** The Applicant asserts of the seven (7) proprietary skilled nursing home facilities in Lauderdale County, three (3) are owned and operated by affiliated limited

liability companies: (i) Trend of Meridian, (ii) Poplar Springs, and (iii) North Pointe. The Applicant states that Bruce Kelly holds 99% of the membership interests in each of these nursing homes. Trend of Meridian states the only nursing home in the area that could possibly demonstrate any impact is Poplar Springs, which supports the Project because Poplar Springs will be able to offer two (2) additional private rooms to its residents. The Applicant affirms that the project will have no adverse impact on existing nursing homes in Lauderdale County.

e. Community Reaction: The application contains eight (8) letters of support for the proposed project from the Medical Director for Trend of Meridian, the Medical Director for Poplar Springs, the Administrator for Trend of Meridian, the Administrator for Poplar Springs, and others.

GR Criterion 6 - Access to the Facility or Service

a. Access to Services. The Applicant affirms that the Nursing Home is and will continue to be accessible to all residents of its service area, including Medicaid recipients, charity/medically indigent patients, racial and ethnic minorities, women, handicapped persons, and the elderly.

The Applicant states virtually all residents and patients in a skilled nursing home facility are qualified to receive Medicare or Medicaid. The Applicant's historical and projected care for the medically indigent, charity care and bad debt is as follows:

	Medically Indigent/ Charity Care/Bad Debt	Percentage of Total
Historical Year 2022	\$253,159	3.10%
Historical Year 2023	\$204,367	2.34%
Projected Year 1	\$212,542	2.29%
Projected Year 2	\$221,043	2.30%

The Applicant states that Trend of Meridian does not separate its charity care, medically indigent and bad debt.

b. Existing Obligations: The Applicant submits that Trend of Meridian does not have any obligations under any federal regulations requiring provision of uncompensated care, community service, or access by minority/handicapped persons.

c. Unmet Needs of Medicare/Medicaid and Medically Indigent Patients:

The Applicant submits that Trend of Meridian recognizes the need for skilled nursing rehabilitative services that will allow skilled nursing patients the therapy needed to provide them with the opportunity to achieve their highest level of independence, thereby ultimately reducing healthcare costs and meeting the needs of the Medicare patients. In addition, the Applicant states the Nursing Home also addresses the long-term care needs of Medicaid recipients. The Applicant states that approximately 2.3% of its gross patient revenue will be attributable to medically indigent/charity care/bad debt.

d. Access to Proposed Facility: The Applicant states the Nursing Home is certified for both Medicare and Medicaid and accepts all residents of the area, including the elderly, low-income persons, racial and ethnic minorities, women, handicapped persons, and other underserved groups. However, the Applicant states because of the reimbursement structure for nursing home, virtually all residents and patients are Medicaid or Medicare recipients.

e. Access Issues:

- i. **Transportation and Travel:** The Applicant submits Trend of Meridian is in close proximity to Highway 39, a major four-lane throughfare in Meridian, thereby, providing relatives and visitors convenient access to the Nursing Home and making it convenient for accessing higher levels of medical care for the Nursing Home's residents when such higher level of care is needed.
- ii. **Restrictive Admissions Policy:** The application contains a copy of the Nursing Home's admission policy.
- iii. **Access to Care by Medically Indigent Patients:** The Applicant certifies that Trend of Meridian will be accessible to medically indigent patients.
- iv. **Operational Hours of Service:** The Applicant states Trend of Meridian operates and will continue to operate twenty-four (24) hours a day, seven (7) days a week.

GR Criterion 7 - Information Requirement

Trend of Meridian affirms that it will record, maintain, and provide the required information within fifteen (15) days of request by the Mississippi State Department

of Health.

GR Criterion 8 - Relationship to Existing Health Care System

- a. Comparable Services.** The Applicant states the primary service area for Trend of Meridian, Poplar Springs and North Pointe, all affiliate facilities, is Lauderdale County, which has seven (7) proprietary nursing homes with a total of 608 beds. The Applicant states each of the seven (7) facilities is a skilled nursing home that accepts Medicare and Medicaid.

The Applicant states Trend of Meridian's secondary service area consists of the following five (5) counties: Clarke County (with approximately 120 nursing home beds), Jasper County (with approximately 120 nursing home beds), Kemper County (with approximately sixty (60) beds), Newton County (two facilities with a total of approximately 120 beds), and Neshoba County (with a total of sixty (60) nursing home beds). The Applicant states that according to the *2024 Directory*, only five (5) of the six (6) nursing homes in these five (5) counties accept Medicare and Medicaid – Jasper County Nursing Home in Jasper County only accepts Medicaid.

The Applicant states that the Project will have no adverse impact on any of the other existing facilities in Lauderdale County or the nursing homes located in the surrounding five (5) counties in Trend of Meridian's secondary service area.

b. Effect on Existing Health Services

- i. Complement Existing Services:** The Applicant states that by renovating Trend of Meridian's physical plant after acquisition including expanding and upgrading the activity areas, Trend of Meridian has created a homelike atmosphere in the facility with common areas for the residents and their visitors, private bedrooms, and many other amenities.
- ii. Provide Alternative or Unique Service:** The Applicant states that after the Nursing Home was acquired in 2019, Trend of Meridian renovated the building and now offers a more homelike atmosphere for its residents and patients that encourages more socialization.
- iii. Provide a service for a specified target population:** The Applicant states Trend of Meridian is serving and will continue to serve all nursing-facility-appropriate residents, regardless of payor

source.

- iv. Provide services for which there is an unmet need:** The Applicant states the Project will provide therapy services that are much needed in the State to help those who are able to rehabilitate to the point of returning home or to some lower level of care.
- c. Adverse Impact.** The Applicant submits failure to implement the Project will result in fewer private nursing home rooms in Meridian, in Lauderdale County, in LTCPD IV, and in Mississippi.
- d. Transfer/Referral/Affiliation Agreements.** The Applicant asserts Trend of Meridian has a transfer agreement with Baptist Anderson, an acute care hospital.

GR Criterion 9 - Availability of Resources

- a. New Personnel.** The Applicant asserts that Trend of Meridian will require no additional personnel to implement the two (2) additional nursing home beds.
- b. Contractual Services.** The Applicant submits Trend of Meridian has contracts in place to provide ancillary services to its residents as following: 1) Progressive Therapy Solutions for Physical Therapy, Occupational Therapy, and Speech Therapy; 2) Portable Medical Diagnostics and Mobile Imaging for Xray Diagnostics; 3) Ochsner-Rush Outreach Lab for Laboratory Diagnostic Services; and 4) Covenant Pharmacy for Pharmaceutical Services.
- c. Existing Facilities or Services.** The Applicant states that Trend of Meridian does not own any other facilities or services; however, Trend of Meridian and Polar Springs maintain a full complement of staff without the need to employ temporary agency staffing.
- d. Alternative Uses of Resources.** The Applicant asserts Trend of Meridian is authorized to provide skilled nursing home services, which services included skilled rehabilitative nursing home services and long-term care nursing home services. The Applicant further states the Project offers the best use of resources, the result of which is an increase of two (2) private rooms at Trend of Meridian and two (2) private rooms at Poplar Springs, without any increase in the number of nursing homes beds in Meridian, Lauderdale County, LTCPD IV, or Mississippi.

GR Criterion 10 – Relationship to Ancillary or Support Services

- a. **Support and Ancillary Services.** The Applicant affirms that Trend of Meridian currently has in place all necessary support and ancillary services for the Project. The Applicant submitted a list of agreements regarding clinically related support and ancillary services.
- b. **Changes in Costs or Charges.** The Applicant states there are no known changes in the per diem rates as a result of the Project.
- c. **Accommodation of Changes in Cost or Charges.** The Applicant anticipates that the estimated increase in the utilization rate at Trend of Meridian will increase the patient/resident revenue and that such increase in revenue will cover any increase in costs.

GR Criterion 11 – Health Professional Training Programs

The Applicant states Trend of Meridian will consider each request made by any health professional training program that is convenient to its service area.

GR Criterion 12 – Access by Health Professional Schools

The Applicant states Trend of Meridian will consider each request made by any health professional training program based upon the merits of the training for the facility, the residents, and the participants.

GR Criterion 13 – Access by Individuals Outside Service Area

The Applicant asserts based on room availability, Trend of Meridian's services will be available to any qualifying resident or patient who wishes to receive care at the Nursing home, including those in need of skilled nursing care, physical therapy, speech therapy, occupational therapy, and long-term nursing home care.

GR Criterion 14 - Construction Projects

The Applicant confirms the Project does not involve any construction or renovation.

GR Criterion 15 – Competing Applications

There are no competing applications on file with the Mississippi State Department of Health for the relocation of two nursing home beds from Poplar Springs.

GR Criterion 16 - Quality of Care

- a. **Past Quality of Care.** The Applicant submits Trend of Meridian acquired the Nursing Home on September 1, 2019, only few months prior to the onslaught of the pandemic; however, because Bruce Kelly, the manager and president of Trend of Meridian and Trend Consultants, has owned and operated nursing homes in Mississippi for over thirty (30) years, he was fully capable of, and was successful in, navigating the issues related to nursing homes during the pandemic.
- b. **Improvement of Quality of Care.** The Applicant asserts the Project, resulting in the addition of four (4) more private rooms without any cost or expense, will allow four (4) additional residents to live with respect and dignity and is thus responsible for to the needs of today's healthcare industry.
- c. **Accreditations and/or Certifications.** The Applicant submits the Nursing Home is certified to participate in the Medicare and Medicaid programs.

IV. FINANCIAL FEASIBILITY

A. Capital Expenditure Summary

Cost Item	Projected Cost	Percentage of Cost (%)
Construction Cost – New	\$ 0.00	0.00%
Construction-Renovation	0.00	0.00%
Capital Improvement	0.00	0.00%
Total Fixed Equipment	0.00	0.00%
Non-fixed Equipment	0.00	0.00%
Land Cost	0.00	0.00%
Site Preparation	0.00	0.00%
Fees (Architectural)	0.00	0.00%
Fees (Legal & Acct.)	0.00	0.00%
Contingency Reserve	10,000.00	100.00%
Capitalized Interest	0.00	0.00%
Other	0.00	0.00%
Total Expenditure	\$ 10,000.00	100.00%

The Applicants notes that the Project does not require a capital expenditure; however, \$10,000.00 is allocated for contingency reserves to cover any unexpected expenses.

B. Method of Financing

The Applicant states the Project will be financed through cash reserves.

C. Effect on Operating Cost

The Hospital's three-year projected operating statement is presented at Attachment 1.

D. Cost to Medicaid/Medicare

The applicant projects gross patient revenue cost to third party payors as follows:

Payor Mix	Utilization Percentage (%)	First Year Revenue (\$)
Medicare	42.00%	\$134,988.00
Medicaid	54.00%	\$171,475.00
Commercial	0.00%	0.00
Self Pay	0.00%	\$0.00
Charity Care	0.00%	\$0.00
Other	4.00%	\$13,497.00
Total	*100.00%	\$318,960.00

*Total differs from Applicant's by \$1, due to rounding.

V. RECOMMENDATIONS OF OTHER AFFECTED AGENCIES

The Division of Medicaid was provided with a copy of this application for review and comment. No comments had been received from the Division of Medicaid as of July 29, 2024.

VI. CONCLUSION AND RECOMMENDATION

This project is in substantial compliance with the criteria and standards for the Relocation of Nursing Home Beds as contained in the *FY 2022 Mississippi State Health Plan, 3rd Edition, the Mississippi Certificate of Need Review Manual, November 11, 2023, Revision*; and duly adopted rules, procedures, and plans of the Mississippi State Department of Health.

The Division of Health Planning and Resource Development recommends approval of the application submitted by Trend Health & Rehab of Meridian, LLC d/b/a Trend Health & Rehab of Meridian for the Relocation of Two (2) Nursing Home Beds from Poplar Springs Nursing Home, LLC.

Attachment 1

Trend Health & Rehab of Meridian, LLC Three-Year Operating Statement (Project Only)			
	Year 1	Year 2	Year 3
Revenue			
Patient Revenue:			
Inpatient	\$ 319,961.00	\$ 331,679.00	\$ 343,832.00
Outpatient			
Gross Patient Revenue	\$ 319,961.00	\$ 331,679.00	\$ 343,832.00
Charity Care	\$ 7,337.00	\$ 7,605.00	\$ 7,884.00
Deductions from Revenue	\$ 66,298.00	\$ 68,726.00	\$ 71,244.00
Net Patient Revenue	\$ 246,326.00	\$ 255,348.00	\$ 264,704.00
Other Operating Revenue			
Total Operating Revenue	\$ 246,326.00	\$ 255,348.00	\$ 264,704.00
Expenses			
Operating Expenses:			
Salaries	\$ 0.00	\$ 0.00	\$ 0.00
Benefits	0.00	0.00	0.00
Supplies	17,791.00	18,503.00	19,243.00
Services	59,700.00	62,088.00	64,572.00
Lease	80.00	83.00	87.00
Depreciation	0.00	0.00	0.00
Interest	0.00	0.00	0.00
Other	10,374.00	10,789.00	11,221.00
Total Expenses	\$ 87,950.00	\$ 91,463.00	\$ 95,123.00
Net Income (Loss)	<u>\$ 158,381.00</u>	<u>\$ 163,885.00</u>	<u>\$ 169,581.00</u>
Assumptions			
Inpatient days	662	662	662
Outpatient days	0	0	0
Procedures	NA	NA	NA
Charge/outpatient day	N/A	N/A	N/A
Charge per inpatient day	\$483.00	\$501.00	\$519.00
Charge per procedure	NA	NA	NA
Cost per inpatient day	\$133.00	\$138.00	\$144.00
Cost per outpatient day	NA	NA	NA
Cost per procedure	NA	NA	NA

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Trend Health & Rehab of Meridian, LLC
Relocation of Two (2) Nursing Home Beds
From Poplar Springs Nursing Center
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