

# TOWN OF PROVINCETOWN

## BOARD OF SELECTMEN – CAPE END MANOR

### QUESTION & ANSWER SESSION WITH ENTITIES

**SPECIAL MEETING - JANUARY 25, 2002**

#### JUDGE WELSH ROOM

Chairman, Betty Steele-Jeffers opened the meeting at 9:00 AM, noting the following attendees: Board of Selectmen members: Elizabeth Steele-Jeffers, Mary-Jo Avellar, David Atkinson, Michele Couture.

Cape End Manor Board: Patricia Papetsas, Janet Whelan, Robert Cabral, and Marilyn Downey

Other attendees: Mark Latour, Assistant Town Manager, Eileen Thomas, CEM Acting Administrator, Cape End Manor CEO Dennis Anderson

Attendees from Baran Partners/LDS Consulting/Beverly Healthcare: Richard Hayden, Lynne Sweet, Ben Hoffman, and Chris Murphy

Attendees from Roush & Associates: David Roush, Jeff Landa, Frank DiMella, Jonathan Banton, and Chris Bassett.

Recording Secretary: Vernon Porter, Secretary to Board of Selectmen

The following are minutes in brief:

Chairman Betty Steele-Jeffers opened each session by explaining to the participants and the public in attendance that the purpose of this meeting was to have a 'Question and Answer Session' with the entities who responded to the RFP's and that there would be no public input or discussion. Further that these meetings have very specific purposes and we are not going to go outside the parameters of what the purpose is.

#### Open remarks by Assistant Town Manager Mark Latour.

Mark Latour read into the records his opening statements at each Question and Answer Sessions.

#### Open remarks by Dennis Anderson

I want to share our current status and our next steps. Currently on the RFP process to-date, an RFP was developed which utilized questions and comments from meetings and public hearings. The RFP was placed in the Central Register 11-7-01 the RFP were opened 12-7-01. The Selection Committee has been reviewing the RFP responses and this session is needed ADHOC to the Selection Committee. The remaining steps in the evaluation process are that after these interview are concluded today, the Selection Committee will meet over the next seven to ten days to conduct their final evaluation which will be communicated through Assistant Town Manager Mark Latour to the Board of Selectmen.

#### BARAN PARTNERS/LDS CONSULTING/BEVERLY HEALTHCARE

Lynne Sweet introduced Mr. Hayden who in turn gave an introductory background on himself, Lynne Sweet, Ben Hoffman and Chris Murphy and an overview of his entity.

**Q – Michele Couture** - Your 'Executive Summary' Par # 2 you say that you will develop both – 72 Bed Parcel Y – 80 unit assisted living of which 40 will be dedicated to dementia and Alzheimer's care and proposing that half of all

units in the assisted living facility be affordable. Are you saying that 40 of these beds will be affordable? As a follow-up define affordable.

**A** – Yes, we are saying 40 beds would be affordable. Affordable is that the individuals are qualified for a tax cut. That would be the primary funding source here to bring affordability to the project. a) The rents charged for these units would be below market, b) rented to individuals that make no more than 60% of their immediate income. Ms. Sweet added: Traditional assisted living cost \$3,400/month and an affordable unit under tax credit program would be \$2,400-\$2,600/month. Portion of these units may be ‘Foster Care Program’ eligible which would be for people at poverty level. About \$12,500 in income and less than \$2,000 in assets. These units would be a mix of affordable and poverty units.

**Q** – Dr. Whelan - This a term I am not familiar with. Would the living arrangements be the same as those in one-bedroom units?

**A** – This is a Medicaid term and I don’t know the origination.

**Q** – David Atkinson – You mentioned in your opening statement the fund raising aspect and until the new operation gets on line the Town is expected cover the deficit. Would that deficit include the running of our current Manor and how much of that would we know about?

**A** – It is hard for us today without having Beverly really gone through the Town records. We looked at ways of fundraising or applying for grant money to help subsidize the deficit over the next two years. In developing parcel Y and predevelopment dollars needed would be shared expenses -- not shared by the Town but between the new non-profit and Baran would be figuring out how to fund that (Fundraising and private equity). There is not a lot of money going back and forth. We would capitalize reserve and keep it simple. Management fees are 5% of revenues built into the Proforma.

**Q** – Marilyn Downey - Your Foster Care Program – are you planning on marketing the homeless population on the Cape that come to Provincetown? Section 5 Page 16.

**A** – Good question. The answer to your questions is, especially to the Foster Care option, we would work with you to develop a local preference. We did not anticipate that at least for the poverty level beds people would be coming from outside the community and the numbers are pretty clear that they are already here.

**Q** - Mary-Jo Avellar - Assisted Living – did I hear you say that rent would be \$2,400/month?

**A** – Yes. Rent through the Commonwealth range anywhere from the mid \$2K range to as much as \$10K - \$12K/month. With staffing, utilities, patient assistance, etc., can all add up to \$20K/year before rehab.

**Q** – Betty Steele-Jeffers - Having said that, let’s go back to the person who might be getting \$700/month on Social Security.

**A** – They will probably pay maybe 85% of the \$700/month. The rest they have for themselves for incidentals. At that point they are probably on Medicare for Health Care and they are getting 99% of their need met at the assisted living facility and paid for by Medicaid.

**Q** – Dennis Anderson – Top of Pg. 22 Section 6 - Can you tie in what you just discussed as the answer to Ms. Avellar’s question of \$2,400. Help me with the \$1975.

**A** - The \$1,975 reference is the amount of money in the aggregate that we would get from those individuals who are on Group Adult Foster Care, of which they would only pay \$100 to \$150 less than what they get from Social Security. That is what the all in receipt to us is, and we get about \$1400 or \$1500.

**Q** – Dennis Anderson – So that is what offsets the \$2400. The \$1975 offsets the \$2400 to make it affordable when you combine those programs together.

**A** - Yes, that is correct.

**Q** – Betty Steele-Jeffers - Section 5, Pg 16 - You say Baran would be happy to consider local preference policy for Provincetown – I am assuming you have to stay within the confines of the law the best you can.

**A - Yes**

**Q** – Following up on the homeless comment. I see that you have two people listed who are actively involved in the homeless population – I would only say to you that the Outer Cape is different than the Hyannis area. Certainly different even in terms of wages and it is something we do speak of frequently down here because our economy is still very different.

**A** - No question. There has never been a discussion by our people about the in-migration of the homeless.

**Comment by Lynne Sweet** - With regards to the Board – these are only suggestions and we are looking for input from you.

**Q** – **Mary-Jo Avellar** – Regarding the Board – you have 8 people earmarked for the Board; only two of whom are from Provincetown-Truro area. Is it your intention to have any representation from members of the community or maybe this board?

**A** – Yes. These were some ideas that we had of people that we thought could bring value. It does not necessarily have to be these 8 people; we certainly would want to see representation of a local lawyer, accountant and any former CEM board members and someone from the Town offices as well.

**Q** – I ask the question because I assume that most of these people live up the Cape or in Boston – and I was wondering how they would function as a Board given the fact that they would have to travel a great distance to attend meetings.

**A** - The majority of these people should live on the Cape. I think that is why Judith picked them because she has run some health centers down here.

**Q** – **Betty Steele-Jeffers** - Again, I don't want to belabor the point but it is two different regions. 26 miles up the road there are different viewpoints.

**A** - It is not set in stone and we are certainly open to suggestions. Everything is on the table to be discussed and we are not presumptuous about anything here. Everything is only a suggestion.

**Q** - **Dennis Anderson** – Is this the same Dr. Bickford that is Medical Director at Pleasant Bay?

**A** – Jim Lyons recommended him and I do not have a lot of background on him. I will ask.

**Q** - **Dr. Whelan** - Could you talk a little about the rehab component and your experience of having an outpatient rehab site on a residential nursing facility site.

**A** - Brief description was given with emphasis on referrals from physicians and local hospitals to extend services and patients to us. It works out beautifully.

**Q** - **David Atkinson** - Pg. 14 - Section 4 #m - explain why you would do that.

**A** - Because we were consolidating. We had a facility in Beverly where there was another facility across the street and it was mostly private and Medicare. We just could not manage it efficiently and the decision was made that it was valuable piece of land and that since there was another nursing home across the street and we could transfer the patients and employees without any difficulty. Also the change in the structure of Medicare several years ago.

**Q** - **Dennis Anderson** - I need some clarity on the players. Pg 3. Beverly Healthcare would be the operator of the skilled nursing facility – am I correct? **A:** Yes Baran would be the developer of the skilled nursing facility and the assisted living? **A:** Yes Verve would be the manager. **A:** Yes Then fit in for me LDS and SpinGOLD.

**A** - You can think of LDS and Baran as the same thing. SpinGOLD is going to help put the board together and does the fundraising for the not-for-profit.

**Q** - Then Aegis Therapy Group is a subsidiary of Beverly?

**A** - Yes, and they will run the outpatient rehab. **Dennis Anderson** – So there are six players. Ok, think I have it now.

**Q - Michele Couture - On Pg. 3 #5** - “Beverly will work with Baran and oversee the development of the new 72 bed skilled nursing and rehabilitation facility on Parcel Y.” Isn’t Beverly Health Care a for-profit company and does Beverly have any experience in not-for-profit?

**A** - They would provide services to us (Baran) on a consulting basis. Baran has not built a skilled nursing facility, so we will need some consultation. We’ve developed a lot of assisted living

**Q** - Baran is supposed to do the ground lease or run the whole corporation – is that the whole facility?

**A** - Let me draw a distinction between the developer and the owner. Baran would do the development of the entire site. Not own it. On behalf of the non-profit which will actually own the entire site. Beverly is going to manage the site.

**Q** - Who is the non-profit?

**A** – It is a to-be-formed non-profit.

**Q** - In your RFP Pg 7 #3 indicates that Beverly operates 19 facilities in Massachusetts. Of the 19 how many are 501 3C?

**A** - None

**Q - Mary-Jo Avellar** - How many Boards of Directors are going to be involved in the management of our Manor? Is this a new kind of an arrangement for you?

**A** - In Massachusetts in that respect, Yes.

**Q - Betty Steele-Jeffers** - But you do this elsewhere?

**A** - Yes, as a fee manager. Beverly would ask only as a management company. There would be clauses in the contract stating that if you don’t perform and management is unhappy you’re your performance you can be fired.

**Q - Mary-Jo Avellar** – Did I understand that, in addition to the deficit, during the transition period that the Town would also assume Beverly management fees. Those management fees can be 5% of revenues.

**A** - Yes

**Q - Dennis Anderson** - Pg 19 Section 5 – Re: Mary-Jo’s comments – I believe what we are hearing is that Beverly would charge a management fee and what we’re asking, as part of a concession, is that management fee in addition to the normal deficit we have?

**A** – That is the case – it would be in addition to the current operations. However, what we would anticipate is that - when would you get in there and we could get to work right away.

**Q - Mary-Jo Avellar** – Along those lines, basically what you are saying is that your superior management skills would offset the deficit that we would encumber which would go more towards the management fee. How does that impact the present staff of the CEM and the fact that they are unionized?

**A** - That is addressed in the RFP.

**Q - Michele Couture** - Pg 3 #2 Sentence 5 - Can you explain what percentage of that is for the skilled nursing facility and what percentage is for assisted living.

**A** - Roughly half of that. (\$9M)

**Q** - Pg 16 #1 last two sentences - How do you do that with a 25-mile rule?

**A** – We have beds in the bank with the State in the existing MSA.

**Q - Dennis Anderson** – Our understanding from DON is that it is exceedingly clear that these beds do not get transferred beyond 25 miles.

**A** – We recently had beds in South Dartmouth and those were the beds that we anticipated to use. We will follow-up on this issue.

**Q - Michele Couture** – Pg 3 #2 you state you will develop 72 bed skilled nursing facility but under Tab 7 we find we find a sample of 100 beds. I find this non-responsive to what was requested in the RFP.

**A** - I can speak to the 100 beds. We wanted to provide an example of the types of reports that we had and this was just an example of one of the facilities we have.

**Q - Bobby Cabral** - this is more of a thought rather than a question. Our main concern is the nursing home facility. Housing is an after thought.

**A** - We are aware of that.

**Q - Dennis Anderson** – would like to follow Bobby’s comment with a question regarding the RFP that talks about phasing in. Would you be willing to phase-in skilled nursing in the event that there would not be a market to support assisted living?

**A** – Absolutely, they are both in and of themselves financially viable entities.

**Q - Mary-Jo Avellar** - Out of the 72 beds you talk about 40 being dedicated to dementia and Alzheimer’s care. Is that high? It sounds high to me.

**A** – Actually it is 40 out of 80 beds that we are proposing for assisted living. We have a concern about the demand here in Provincetown to absorb 80 or 60 units of assisted living. So we thought it was important to diversify that population as much as possible.

**Q - Mary-Jo Avellar** - Sorry that I brought the 80 up because afterwards you did tell us that you were talking 60. No matter how many assisted living units you build, are they going to be dedicated unit for dementia and Alzheimer’s care? Is there going to be a criteria established as to who can go into assisted living? What if 65% of the people wanting to get in there don’t have Alzheimers or dementia?

**Betty Steele-Jeffers** – Section 5 Pg 25 gives your breakdown and we have to go with the 80 that you gave us.

**A** – A lot is going to happen between the proposal we set forth here and the bringing of assisted living to fruition. We would commission an in-depth market study. This is a proposal based on the information at this date and time. If we were to get selected a much more detailed analysis goes into what would be appropriate.

**Q - Betty Steele-Jeffers** – Is it not true that Alzheimer’s unit would probably require more staffing?

**A** – Most definitely. More CNA’s.

**Q - Marilyn Downey** - Are we talking about taking any psychiatric patients?

**A** - No.

**Q - Michele Couture** – Page 13 #f – Medicaid Appeal Process- what would you do to assist the CEM in obtaining a Medicaid daily rate?

**A** - We have no problem providing the paperwork, any documentation and training we can to capture every minute of care that we are reimbursed by the State. We are suing the state for our rates. 1.52% doesn’t do it.

**Q** – Pg. 10 Section 3 – Last paragraph is unclear to me. Can you clarify that paragraph?

**A** - What we are trying to say is that essentially the project is not going to go forward – is not going to get built until

lenders and equity providers are assured that there is a viable project.

**Q** – Page 18 #r – what programs are you talking about?

**A** – Our package for associates is very competitive. Retirement, savings program, vacation, sick time, etc. Our resources for benefits are huge.

**Ten minute break @ 10:46 AM**

## **ROUSH & ASSOCIATES**

Jonathan Banton introduced the members of his staff present and gave a brief background on each.

**Q** - **Marilyn Downey** - Pg 20. Would you be doing rehabilitation?

**A** - Yes, we feel that there would be a lot of opportunity for that.

**Q** – **Michele Couture** – Pg 5 3C #2 – What do you mean by dementia care assisted living?

**A** - The umbrella would be dementia - for people who have memory issues and other related cognitive issues – on a resident-by-resident basis.

**Q** – Pg 6 #4 3rd sentence - What adjacent land are you referring to?

**A** - If you look at the site plan to the right – that there might be some need for parking but that is not necessary.

**Q** - Pg 10 3(k) #2 – Can you be more specific about transfer of staff.

**A** - Our expectation is that all staff would be offered work in the new facility and we would try in every way we could to make the transition, in terms of staff, go that way.

**Q** – **Betty Steele-Jeffers** - How would you propose to supplement the staff?

**A** – Recruit staff through Management programs – CNA training programs.

**Q** – I say gently that we are one hour away from Hyannis and ½ hour from Orleans. What we are surrounded by is water.

**A** – We’ve talked about it a lot. We think the Manor employees will be excited about this new project.

**Q** – **Michele Couture** - Pg 13 #2 - Can you tell us why one continuous building is better than constructing two separate buildings?

**A** - You can make arguments in different directions. We do not think that there is any compelling argument that two buildings are better. The reason that one building is beneficial is that you don’t want to do is to spend any money, if you can avoid it, that does not directly benefit the project, the residents, the patients and the staff. The more efficient way to go is with one building.

**Q** – Pg 16 #6 – I am not really able to identify from your financials where income from HMO’s or managed care offset operating loses.

**A** – Financials located at tab 3, summary page. The managed care is HOM and it starts at 2005.

**Q** – David Atkinson – On Pg 20 you mention the physical sub-standardness of the current Manor. Embellish on this.

**A** – The staff could speak more on this. The crowdedness is the main thing – multi bedrooms, just no space for special medical care and treatment, privacy – the whole respect for the independence and dignity. There are probably more problems that I can talk about.

**Q** – Your marketing study shows a high demand for beds.

**A** – We were a little surprised by the marketing study. You are doing such a wonderful job and the statistics were compelling. You are the only one in the region. We feel that a vast number will be from Provincetown.

**Q** – On the same page you refer that Site Y is an excellent location.

**A** - It is visible, has good access, great light – not disruptive to the community. Great ambiance, we are really excited about it.

**Q** – **Mary-Jo Avellar** – Pg 41 5 (e) - If you were unable to hook-up to the Town sewer system would you still be interested or would you do a Title V?

**A** – What we envisioned is that if we couldn't do sewer then we would get special funding for an alternative treatment facility and that is how we would deal with it. We are committed to the project.

**Q** – What about access from other than Harry Kemp/Howland Street and the Railroad right of way.

**A** – We first began planning the site we considered access from either direction. The dotted line is the existing fire road.

**Dennis Anderson** – for clarification for Vernon for the minutes. The RFP asked the respondent to respond to Route 6 access and addendum #1 from DPW, separate from this RFP, all the respondents were directed to use the conservancy Howland. So we sent the respondents a mixed message clarifying that message we asked them to rest upon addendum #1. So this is in conflict with addendum #1. I am putting that in the context of Mary-Jo's question because we asked them to do one thing and then told them to do another.

**Q** - Pg 41 5(e) – you mentioned actively researched on-site treatment options and special funding sources. Can you tell me what those are?

**A** –. Separate funding for a grant we received for the existing building and through monies designated for rural areas. Because of the sole provider issues; potential political support we thought it would be at least worth it rather than abandon the whole project to go through a 60 – 90 process to see what grants might be available. We did not get any further than that because then it was developed that the sewer availability would hopefully be there. The problem is that it is very expensive – and problematic. Design issues, etc.

**Mary-Jo Avellar** - As one member of the Board, it is a problem for me that you were told this – or any told this in the RFP, because this area is not part of the district. We have a number of taxpayers and residents of the town who are annoyed that they cannot hook up because they are outside the district. It is presenting sort of an ethical problem for me as a Town official who has to represent some of these upset people. So, I don't know how that's going to go but I feel obligated to tell you that I have a problem as an elected official with that and I don't know how I am going to handle that.

**A** – We understand. It is a big issue.

**Bobby Cabral** – I don't see it as a big issue. It think it is a step the town should take no matter who does the project. It is just a matter of timing.

**Betty Steele-Jeffers** – except for cost.

**Q** – **David Atkinson** – Pg 22 – You talk about 'non-elderly clients' in the outpatient program. Describe some of the things the outpatient program would provide.

**A** – We are very excited about this opportunity. We feel that it is a program that will be ultimately be directed by the

local medical community as opposed to a 3<sup>rd</sup> party, like ourselves. HIV is an issue; support systems, post surgery, specialty programs, etc. work with local medical group. Research programs for dementia and Alzheimer's on at outpatient basis and interact with the existing in-house facility. We think it is exciting.

**Q – Michele Couture** – Pg 22 #1 first sentence – Medicaid residents in the Roush plan is projected to increase significantly in the new project versus the existing Manor. Can you explain why?

**A** – Actually the 28.44 is probably low based on the recent census numbers that Dennis just quoted. I think you have less than 40 Medicaid residents in the Manor today so what I am saying is simply by virtue of the increased size of the facility and the increased percentage occupancy, because it is a new facility. The idea that we are going to abandon the poor and go to the rich is not accurate. We're actually going to increase the number of people with Medicaid – which are people who have run out of funds. So that is the only point I was trying to make. It is people without funds that we will care for.

**Q** – Pg 21 #1 fourth sentence. Can you clarify that and also the first sentence in the 2<sup>nd</sup> paragraph?

**A** – The Alzheimer demand in nursing care is strong. The similar rules for assisted living did not show that strong a demand in the immediate three-town service area – and that is what that says. We questioned that a little and that is why we said it was a Phase I market study and there would be a Phase II.

**Q – Betty Steele-Jeffers** – Pg 42 #4 - Unit Rental Prices - Is \$2,175 per month – is that what you are calling your affordable price?

**A** – Yes. What I mean by 2005, I used the 3% inflation through our projections. This means that people who don't have money to pay – combination of SSIG and GAFC, which is the assisted living, Medicaid supplement. Technically it is something different.

**Q** – Are these funds readily available from the State?

**A** – Yes. You have to go through a qualification procedure.

**Q** - Are units similar?

**A** – Yes, we cannot discriminate.

**Q – Dennis Anderson** – follow-up on the Medicaid question. You mentioned an increase in Medicaid patients in the new model and explained why. Can you explain this statement - on Pg. 8 #3 (f) “Medicaid appeals may be pursued both formally and informally”?

**A** – I understand when there is a loss and a great loss per day. State has not been forthcoming. The State treats you in the same manner any facility in Massachusetts. State is moving towards a standard payment. You need special consideration because of your location. There are formal and informal appeals processes. You are in a unique situation.

**Q – Michele Couture** – Pg 27 – chart at bottom you indicate FY 2003 and FY 2004 as \$165,000 each. On your spreadsheet Tab 3 first page – on your gains and losses you indicate \$270,586 for 2003 and \$107,304 for 2004. Can you explain?

**A** – If you tell new management, new staff and the new entity that you are only in debt \$165,000 from the town, no matter what, this year that is our deal. The way you actually finance it by increasing your payables by \$100K.

**Q** - Page 34 #4(m) – Are you saying the maximum will be \$600K and you that you will actually be paying that back.

**A** – If the project is viable we will have more than enough margin to pay that back. Yes, we will pay it back.

**Q – Mary-Jo Avellar** - Over how many years during the construction phase / transition phase?

**A** – We envision that it is a 4-year process of the \$660K. Construction beginning June 2003 and opening the building in 2004.

**Q – Michele Couture** – Pg. 28 – Tax Exempt Bonds - \$13,990,000 – what percentage will be for the skilled nursing facility and what will be for assisted living?

**A** – 60/40 would be a good rule of thumb. \$8.4M for nursing home and \$5.6M for assisted living.

**Q** – Pg. 37 4(q) – What are the hours per patient day as projected and what the nursing skilled mix are that you are planning?

**A** – 3.4 to 2.55 – based on part existing experience. Some cases it may be lower and some higher.

**Q** – Looks like you have a higher RN mix.

**A** – Yes, This is what we do, especially with Medicare population.

**Q – David Atkinson** – Pg. 12 Have you ever designed a project for a similar location? Not Provincetown but Site Y. Similar type of neighborhood.

**Dennis Anderson - Section 3** DiMella firm background. Design considerations.

**A** – Yes. The broad answer is that we have designed a great variety of settings – designs and conditions with a full range of issue.

**Q** – What about compressor noise for the neighbors?

**A** – These are more residential and therefore the systems are scaled to be residential.

**Q – Michele Couture** – Pg 15 3(q) - Who would you recruit and what role would they play?

**A** - We talked about this one as well. I think the campus is going to help us in that regard.

Motion to adjourn by Mary-Jo Avellar at 11:50 AM

Minutes transcribed by: Vernon Porter, Secretary  
February 4, 2002