

March 01, 2021

VIA EMAIL

Gina.Cheatham@DeyongCheatham.com

Gina Cheatham
4350 Will Rogers Parkway Suite 380
Oklahoma City, OK 73108

**RE: The Regency Skilled Nursing and Therapy (NH6301) (CN#20-045)
Capitol Hill Skilled Nursing and Therapy (NH5538) (CN#20-046)
River Oaks Skilled Nursing and Therapy (NH0903) (CN#20-047)
Holiday Heights Healthcare Center (NH 1403) (CN#20-048)
University Park Skilled Nursing and Therapy (NH 1101) (CN#20-049)
Woodlands Skilled Nursing and Therapy (NH 5608) (CN#20-050)
Bradford Village Healthcare Center (CC5502) (CN#20-051)
Mangum Skilled Nursing and Therapy (NH2801) (CN#20-052)**

Dear Ms. Cheatham,

Enclosed are the approval order's, investigative reports and certificates for the Certificate of Need projects referenced above.

The Certificate of Need is *valid for a period of six (6) months by which time the acquisition must be finalized... the Department may extend such final date by a period not to exceed twelve (12) months for good cause* [63 O.S. Section 1-857(B)].

Your ability to proceed with the project may be affected if any person protest this approval by filing an appeal as detailed in Title 63 O.S. 1-854.1 of the Long-term Care Certificate of Need Act.

The Certificate of Need is not a license to operate. Prior to operating the facility or providing services, you must apply for and obtain a license. If you have any questions regarding the Certificate of Need approval or licensing, contact Agnes Opara, Health Planning Specialist II, at 405-426-8168.

Sincerely,



Espaniola Bowen, MCJA, M.Ed.
Administrative Program Manager
Health Facility Systems/Managed Care Systems
Health Resources Development Services

c Long Term Care Service
OKDHS, Aging Services Division, Ombudsman Office, Nursing Facility's License File



Certificate of Need

ISSUANCE NO: **CN 20-047**

EFFECTIVE DATE: **February 12, 2021**

ISSUED TO: **Bridges ESOP, Inc.**

DBA: **Bradford Village Healthcare Center**

LOCATION: **906 North Boulevard, Edmond, Oklahoma 73034**

This certifies the appropriate licensure, accreditation, fiscal intermediaries and planning bodies that a proposal by this entity has been approved by the Oklahoma State Department of Health pursuant to the provisions of Title 63 O.S. Section 1-851 *et seq.*

The validity of this Certificate of Need shall be as specified by the Statutory Time Table prescribed in Title 63 O.S. Section 1-857 *et seq.* and set out in the Department's Order, dated **February 12, 2021**.

The proposal for which this Certificate of Need has been issued is summarized as follows: **Bridges ESOP, Inc. d/b/a Bradford Village Healthcare Center, filed a certificate of need application for the lease of Bradford Village Healthcare Center, a one hundred and seventy-seven (177) bed license continuum of care facility.**

The approved Capital Cost of this Project is: **Annual lease is one million, sixty-two thousand dollars (\$1,062,000) with a lease length of ten (10) years.**

Jennifer Lepard, Dr.PH
Interim Chief Operating Officer

BEFORE THE OKLAHOMA STATE DEPARTMENT OF HEALTH

In the pursuit of a Certificate of Need for) CN #20-051
Bradford Village Healthcare Center, Edmond, Oklahoma)

ORDER

An application for a Certificate of Need to authorize the lease of Bradford Village Healthcare Center comes before the Oklahoma State Department of Health (Department). Bradford Village Healthcare Center; a Continuum of Care Facility with one hundred twenty-two (122) licensed nursing beds is located at 906 North Boulevard, Edmond, Oklahoma 73034. The applicant in this matter is Bridges ESOP, Inc., proposed, operator. The application was announced in the Journal Record, Oklahoma City, OK on Wednesday, December 9, 2020, as complete and ready for review. The period for submission of comments ended December 29, 2020. No comments were received during this period.

The Department considered the applicant’s conformity to the Long-Term Care Certificate of Need Act, Title 63 Oklahoma Statutes (O.S.) Section 1-850 *et seq.*; the Certificate of Need Hearings Rules, Oklahoma Administrative Code (OAC) 310:4-1-1 *et seq.*; and the Certificate of Need Standards for Health Care Facility Acquisitions Rules, OAC 310:620-1-1 *et seq.* The application was reviewed in accordance with the requirements of Title 63 O.S. Section 1-853(C), which requires the applicant to: (a) demonstrate financial resources to complete the transaction and to maintain services and staffing; and (b) be found to be in compliance with the provisions of Title 63 O.S. Section 1-853(D).

Taking into consideration the completed application and results of the investigation, the Department Orders is as follows:

FINDINGS OF FACT

1. On September 8, 2020, Bridges ESOP, Inc. made a Certificate of Need application for the lease of Bradford Village Healthcare Center for lease cost of one million, sixty-two thousand dollars (\$1,062,000) with a lease length of ten (10) years.
2. Pursuant to OAC 310:4-1-5(2)(A)(iv), the persons with controlling interest of the applicant, Bridges ESOP, Inc., is Brett Coble as Manager.
3. Pursuant to OAC 310:620-3-1(1), the applicant submitted application for acquisition through lease. The Department finds the requirements pertaining to proof of sufficient financial resources to complete the acquisition, not applicable.
4. Pursuant to OAC 310:620-3-1(2), Bridges ESOP, Inc. provided a projected budget of revenues and expenses for the first twelve (12) months of operation of the facility as demonstrated by the *Schedule B, Long Term Care Facilities Projected Budget of Revenues and Expenses* (ODH Form 618) submitted on September 8, 2020.
5. Pursuant to OAC 310:620-3-1(4), the applicant provided evidence of sufficient financial resources to maintain services and staffing as evidenced by proof of the availability of financial reserves equivalent to the average monthly projected expenses of six hundred sixty-nine thousand, three hundred forty-nine dollars and twenty-five cents (\$669,349.25). The Department received a letter signed under oath from Mr. Robert Duncan, Senior Vice President, Bank of

Oklahoma, dated September 23, 2020, stating that this affidavit is given in support of the Certificate of Need Applications submitted by Bridges ESOP, Inc. for the acquisition of Bradford Village Healthcare Center.

BV Operations, L.L.C. will have access to a line of credit in excess of six hundred seventy-five thousand dollars \$675,000. The line of credit has a floating interest rate based on spread over LIBOR and is renewable annually. The line of credit may not be rescinded. Termination of the line of credit would occur under various scenarios including: 1) upon payment in full of all amounts due by borrower along with a request to terminate the line; or 2) upon maturity of the revolving line of credit facility; or 3) upon default by the Companies under the credit agreement governing the referenced revolving line of credit.

6. Pursuant to OAC 310:620-3-2, Bridges ESOP, Inc. provided evidence that sufficient personnel shall be retained or employed to meet the needs of all residents, and to comply with all requirements for state licensure and Medicare/Medicaid certification. This was demonstrated by the *Projected Staffing Pattern (ODH Form 618)* submitted on September 8, 2020.
7. Pursuant to OAC 310:4-1-5(2)(A)(iv) and OAC 310:620-3-3, Bridges ESOP, Inc. does not have experience in long-term care operations.
8. Pursuant to OAC 310:4-1-7.1(1), Bridges ESOP, Inc. does not have experience in long-term care operations. The operator is acquiring the following thirty-two (32) facilities: Magnolia Creek Skilled Nursing and Therapy (NH3305) (CN#20-029); St. Ann's Skilled Nursing and Therapy (NH5529) (CN#20-030); Senior Village Healthcare Center (NH4403) (CN#20-031); Kingwood Skilled Nursing and Therapy (NH5535) (CN#20-032); Woodward Skilled Nursing and Therapy (NH7703) (CN#20-033); The Wilshire Skilled Nursing and Therapy (NH5541) (CN#20-034); Western Skilled Nursing and Therapy (NH3001) (CN#20-035); The Timbers Skilled Nursing and Therapy (NH5536) (CN#20-036); Heritage Skilled Nursing and Therapy (NH6307) (CN#20-037); Claremore Skilled Nursing and Therapy (NH6601) (CN#20-038); Grace Skilled Nursing and Therapy Jenks (NH7202) (CN#20-039); Grace Skilled Nursing and Therapy Norman (NH1410) (CN#20-040); Wildewood Skilled Nursing and Therapy (NH5501) (CN#20-041); Ambassador Skilled Nursing and Therapy (NH7201) (CN# 20-042); River Valley Skilled Nursing and Therapy (NH2001) (CN# 20-043); Sequoyah Skilled Nursing and Therapy (NH1103) (CN#20-044); The Regency Skilled Nursing and Therapy (NH6301) (CN#20-045); Capitol Hill Skilled Nursing and Therapy (NH5538) (CN#20-046); River Oaks Skilled Nursing and Therapy (NH0903) (CN#20-047); Holiday Heights Healthcare Center (NH1403) (CN#20-048); University Park Skilled Nursing and Therapy (NH1101) (CN#20-049); Woodlands Skilled Nursing and Therapy (NH5608) (CN#20-050); Bradford Village Healthcare Center (CC5502) (CN#20-051); Mangum Skilled Nursing and Therapy (NH2801) (CN#20-052); The Springs Skilled Nursing and Therapy (NH5106) (CN#20-053); Cottonwood Creek Skilled Nursing and Therapy (NH2603) (CN#20-054); The Grand at Bethany Skilled Nursing and Therapy (NH5518) (CN#20-055); Mid-Del Skilled Nursing and Therapy (NH5510) (CN#20-056); Glenwood Skilled Nursing and Therapy (NH7233) (CN#20-057); Fairmont Skilled Nursing and Therapy (NH5511) (CN#20-058); Stillwater Nursing and Therapy (NH6004) (CN#20-059); Brookwood Skilled Nursing and Therapy (NH5554) (CN#20-060).
9. Pursuant to Title 63 O.S. Section 1-853(D)(1), Bridges ESOP, Inc. has not had a facility license or certification revoked, rescinded, canceled, terminated, involuntarily suspended, refused renewal, or relinquished voluntarily in lieu of penalty, in ten percent (10%) or more of the applicant's long-term care facility holdings in the preceding sixty (60) months.

10. Pursuant to Title 63 O.S. Section 1-853(D)(2): The survey and licensure history for the applicant does not meet the mandatory exclusion criteria.
11. Pursuant to Title 63 O.S. Section 1-853(D)(3), the Department must review the inspection history for the preceding thirty-six (36) months of those facilities for which the applicant had authority. The Department found no evidence of substandard quality of care findings that met the threshold for potential disqualification. There was no evidence of disqualifying appointments of a temporary manager, monitor, or receiver.
12. This Order incorporates the staff *Report of Investigation* by reference as if fully set forth.

CONCLUSIONS OF LAW

1. The Department has jurisdiction over this matter under the Long-Term Care Certificate of Need Act, Title 63 O.S. Section 1-850 *et seq.*; the Certificate of Need Hearings Rules, OAC 310:4-1-1 *et seq.*; and the Certificate of Need Standards for Health Care Facility Acquisitions Rules, OAC 310:620-1-1 *et seq.*
2. Any finding of fact above which is properly characterized as a conclusion of law is hereby incorporated.
3. Taking into consideration the above findings of fact, the Department approves issuance of a Certificate of Need for the subject application.

ORDER

The Department approves the issuance of Certificate of Need #20-051 to Bridges ESOP, Inc. for the lease of Bradford Village Healthcare Center for an annual lease cost of one million, sixty-two thousand dollars (\$1,062,000) with a lease length of ten (10) years.

Dated this _____ day of _____, 2021.

Jennifer Lepard, Dr PH
Interim Chief Operating Officer

**OKLAHOMA STATE DEPARTMENT OF HEALTH
REPORT OF INVESTIGATION UNDER THE
LONG TERM CARE CERTIFICATE OF NEED ACT**
(Title 63 Oklahoma Statutes Sections 1-850 *et seq.*)

**Bradford Village Healthcare Center
906 North Boulevard, Edmond, Oklahoma, 73034
CN #20-051
Final Report January 06, 2021**

I. Summary of Application

A. Description: Bridges ESOP, Inc. (ESOP) applied to the Oklahoma State Department of Health (OSDH) for approval to acquire by lease Bradford Village Healthcare Center; a Continuum of Care Facility with one hundred and twenty-two (122) licensed nursing beds located at 906 North Boulevard, Edmond, Oklahoma. Bridges ESOP, Inc. is an Oklahoma limited liability company which has been formed to facilitate the transfer of BV Operations, L.L.C, the facility licensee/operator, to the Bridges Health Employee Stock Ownership Plan ("ESOP"). The Applicant, Bridges ESOP, LLC, will be wholly owned by the Bridges Health Employee Stock Ownership Plan. The applicant will acquire a one hundred percent (100%) interest in BV Operations, L.L.C. from the current members, the Kenneth D. Greiner III Revocable Trust and the Don Greiner Trust. BV Operations, L.L.C. will continue to hold the license and continue to operate the facility. Operationally, no changes are therefore anticipated. Bradford Real Estate, L.L.C. will continue to own the real property and will continue to lease the property to BV Operations, L.L.C. for the purpose of operating the nursing facility. Amity Care, L.L.C. will also remain in place as the management company. Applicant is also acquiring one hundred percent (100%) interest in Amity Care, L.L.C.

The applicant is also acquiring the following facilities:

- Magnolia Creek Skilled Nursing and Therapy (NH3305) (CN#20-029)
- St. Ann's Skilled Nursing and Therapy (NH5529) (CN#20-030)
- Senior Village Healthcare Center (NH4403) (CN#20-031)
- Kingwood Skilled Nursing and Therapy (NH5535) (CN#20-032)
- Woodward Skilled Nursing and Therapy (NH7703) (CN#20-033)
- The Wilshire Skilled Nursing and Therapy (NH5541) (CN#20-034)
- Western Skilled Nursing and Therapy (NH3001) (CN#20-035)
- The Timbers Skilled Nursing and Therapy (NH5536) (CN#20-036)
- Heritage Skilled Nursing and Therapy (NH6307) (CN#20-037)
- Claremore Skilled Nursing and Therapy (NH6601) (CN#20-038)
- Grace Skilled Nursing and Therapy Jenks (NH7202) (CN#20-039)
- Grace Skilled Nursing and Therapy Norman (NH1410) (CN#20-040)
- Wildewood Skilled Nursing and Therapy (NH5501) (CN#20-041)
- Ambassador Skilled Nursing and Therapy (NH7201) (CN# 20-042)
- River Valley Skilled Nursing and Therapy (NH2001) (CN# 20-043)
- Sequoyah Skilled Nursing and Therapy (NH1103) (CN#20-044)
- The Regency Skilled Nursing and Therapy (NH6301) (CN#20-045)
- Capitol Hill Skilled Nursing and Therapy (NH5538) (CN#20-046)
- River Oaks Skilled Nursing and Therapy (NH0903) (CN#20-047)

- Holiday Heights Healthcare Center (NH1403) (CN#20-048)
- University Park Skilled Nursing and Therapy (NH1101) (CN#20-049)
- Woodlands Skilled Nursing and Therapy (NH5608) (CN#20-050)
- Mangum Skilled Nursing and Therapy (NH2801) (CN#20-052)
- The Springs Skilled Nursing and Therapy (NH5106) (CN#20-053)
- Cottonwood Creek Skilled Nursing and Therapy (NH2603) (CN#20-054)
- The Grand at Bethany Skilled Nursing and Therapy (NH5518) (CN#20-055)
- Mid-Del Skilled Nursing and Therapy (NH5510) (CN#20-056)
- Glenwood Skilled Nursing and Therapy (NH7233) (CN#20-057)
- Fairmont Skilled Nursing and Therapy (NH5511) (CN#20-058)
- Stillwater Nursing and Therapy (NH6004) (CN#20-059)
- Brookwood Skilled Nursing and Therapy (NH5554) (CN#20-060)

The contact person on the September 08, 2020, application is listed as Gina Cheatham,

DeYong & Cheatham, P.A.
 4350 Will Rogers Parkway, Ste. 380
 Oklahoma City, OK 73108
 Telephone: (405) 943-6444
 Facsimile: (405) 943-6023

B. Authorities: Long-term Care Certificate of Need Act, Title 63 Oklahoma Statutes (O.S.) Sections 1-850 *et seq.*; Certificate of Need Hearings, Oklahoma Administrative Code (OAC) 310:4-1-1 *et seq.*; and Certificate of Need Standards for Health Care Facility Acquisitions, OAC 310:620-1-1 *et seq.*

C. Applicant: The applicant in this matter is Bridges ESOP, Inc. (ESOP) proposed licensee.

Table I, Applicant and Persons with Controlling Interest of the Disclosure Statement (ODH Form 614) for ESOP, provides the following entries, abbreviated as follows:

1. Bridges ESOP, Inc. (ESOP), type of interest is noted as applicant.
2. Bridges Health Employee Stock Ownership Plan (“ESOP”), has one hundred percent (100%) membership of ESOP.
3. Amity Care, LLC, type of interest is noted as Management. Brett Coble, President and Manager; Mike Dimond, Secretary and Treasurer.
4. Brett Coble is the manager of ESOP and Amity Care, LLC.

Pursuant to OAC 310:4-1-5(2), the applicant for a Certificate of Need (CN) shall include the person or entity that is or will be the owner, as that term is defined in Title 63 O.S. Section 1-1902; the person or entity that is or will be the licensee, as that term is defined in Title 63 O.S. Section 1-1902; the person that is or will be the manager, as that term is defined in OAC 310:675-1-2; and any person with a controlling interest.

According to *Table I*, Brett Coble, Manager, meets the definition, as persons with controlling interest and will be reviewed as the applicant.

A lease guaranty agreement, dated January 1, 2021, by and between Bradford Real Estate, LLC (lessor), BV Operations, LLC (tenant), and ESOP for the lease of Bradford Village Healthcare Center was submitted with the application.

Table II, Related Legal Entities of the Disclosure Statement (ODH Form 614) is completed for any legal entity in which the applicant holds a debt or equity interest of at least five percent (5%), or which is a parent company or subsidiary of the applicant.

The applicant is a newly formed entity

D. Filing Fee: OAC 310:4-1-5(3) Filing the application.

The applicant must apply using a form available from the Department. The form must be accompanied by a filing fee in the form of a check payable to the Oklahoma State Health Department.

(A) The fee for an application submitted under the Long Term Care Certificate of Need Act shall be in the amount specified in the Act.

Effective April 29, 2009, Senate Bill 541 (2009) amended the Long-term Care Certificate of Need Act, at Title 63 O.S. Section 1-852.1, establishing the fee for a Certificate of Need at three thousand dollars (\$3,000), with a maximum filing fee on an application for an acquisition of five thousand Dollars (\$5,000). The Department has not adopted a schedule to establish the criteria for a maximum fee. Accordingly, only the base fee shall be applied.

A filing fee of three thousand dollars (\$3,000) was submitted with the application on September 8, 2020.

The Department finds the criteria at OAC 310:4-1-5(3)(A) met.

E. Project Cost: The applicant detailed in the application at Section VI (B) an annual lease cost of one million, sixty-two thousand dollars (\$1,062,000) with a lease length of ten (10) years.

F. Staffing: The applicant provided a Projected Staffing Pattern showing proposed staffing. Based on the most recent certification survey conducted, the facility's census as of September 25, 2019 was eighty-three (83) residents. The applicant provided the following projected staffing pattern showing the number of full-time employees FTEs per shift.

Shift Times	RN	LPN	Nurse Aide/ CMA	House Keeping	Laundry	Activity	Social Service	Food Service	Maintenance
6am – 2pm	2	3	7/4.25	5	0	2	2	5	1
2pm – 10pm	1	2	4/5	1	1	0	0	3	2
10pm-6am	0	1	2/4	0	0	0	0	1	0
Relief									

II. Staff Investigation

The following details the requirements under the Long-Term Care Certificate of Need Act regarding financing, services and staffing and the applicant's ability to operate a health care facility.

A. Financial [OAC 310:620-3-1]: The applicant shall provide proof of sufficient financial resources to complete the acquisition and to maintain services and staffing that meet licensure standards for at least twelve (12) months following acquisition.

(1) Financial proof for acquisition. Proof of sufficient financial resources to complete the acquisition shall be provided in the following forms, as applicable: [OAC 310:620-3-1(1)]

This requirement is not applicable. The Department applies these provisions to the purchase of a facility. The acquisition is proposed through lease of Bradford Village Healthcare Center.

The Department finds this criteria not applicable to the proposed acquisition by lease.

(2) Projected Budget. Each application shall include a projected budget of revenues and expenses for the first twelve (12) months of operation of the facility after the anticipated issuance of the Certificate of Need. The Department may require the applicant to justify the difference between the applicant's projected budget and the facility's expenses and revenues as reported to the Oklahoma Health Care Authority pursuant to 56 O.S. Section 2002 or OAC 317:30-5. [OAC 310:620-3-1(2)]

The applicant provided a *Schedule B, Projected Budget of Revenues and Expenses* for twelve (12) months on September 8, 2020. The first year's projected revenues are eight million, two hundred eighty thousand, six hundred and two dollars (\$8,280,602) and projected expenses are eight million, thirty-two thousand, one hundred and ninety-one dollars (\$8,032,191).

The applicant's projected cost per patient day is two hundred and sixty-nine dollars and sixty-eight cents (\$269.68) and the facility's OHCA SFY19 Cost Per Patient Day is one hundred ninety-nine dollars and thirty-four cents (\$199.34), which is twenty-six and one tenths percent (26.1%) higher. The average OHCA cost is thirty-nine and nine tenths percent (39.9%) higher from the applicant's projected cost.

Contact person, Gina Cheatham, Attorney at Law, submitted an explanation for the inconsistency on October 13, 2020:

....the differences in the projected cost per patient day compared to previous cost reports and/or state average, the projected costs provided by the applicant are based upon projected patient census, as well as increases in wages, anticipated increased costs, including those associated with COVID-19, meeting increased staffing requirements, and anticipated capital expenditures.

(i) Revenues-Other (Managed Insurance) - this is the average Managed Care Insurance daily rate multiplied by Managed Care Insurance Average Daily Census.

(ii) Expenses- Other Operating Expenses includes routine supplies, ancillary cost such as PT, OT, ST, Pharmacy, Lab, etc., food, dietary supplies, laundry supplies, repairs & maintenance, housekeeping supplies, utilities, health insurance, workers compensation, liability insurance, bad debts, property taxes, property insurance. Quality of Care fee is the number of budgeted patient days multiplied by the QCF Rate of \$13.15.

(iii) Projected charges per patient day- Other is the estimated average daily billing rate for Managed Care Insurance residents.

The Department finds this criteria met.

(3) Balance sheets [OAC 310:620-3-1(3)]. All balance sheets shall include a release authorizing the Department to verify the financial information submitted in the certificate of need application. The Department may make independent inquiry into the financial condition of the applicant.

Balance sheets were not required for financing in this application.

The Department finds this criteria not applicable.

(4) Financial proof for services and staffing. To ensure the maintenance of services and staffing, the applicant shall prove the availability of reserves equivalent to the average monthly projected expenses, in addition to funds needed to complete the acquisition. The amount of the average monthly expenses shall be calculated based on a per-month average of the projected twelve (12) month budget of revenues and expenses submitted with the application. [OAC 310:620-3-1(4)]

The applicant's *Budget of Revenues and Expenses* included annual expenses that are eight million, thirty-two thousand, one hundred and ninety-one dollars (\$8,032,191). Average per-month expenses for the first twelve (12) months are six hundred sixty-nine thousand, three hundred forty-nine dollars and twenty-five cents (\$669,349.25).

The applicant provided proof of the availability of reserves pursuant to the following option allowed at OAC 310:620-3-1(4):

OAC 310:620-3-1(4)(B) For reserves to be maintained through the applicant's equity or net worth:

- (i) An attested balance sheet that is dated within the past twelve (12) months for the acquiring party and that reflects cash or cash equivalents sufficient to meet the one-month reserves requirement; or**
- (ii) A certificate of deposit or other proof that funds are available and have not been pledged for some other purpose;**

The Department received a letter signed under oath by Mr. Robert Duncan, Senior Vice President, Bank of Oklahoma, dated September 23, 2020, stating;

BV Operations, L.L.C. will have access to a line of credit in excess of six hundred seventy-five thousand dollars \$675,000. The line of credit has a floating interest rate based on spread over LIBOR and is renewable annually. The line of credit may not be rescinded. Termination of the line of credit would occur under various

scenarios including: 1) upon payment in full of all amounts due by borrower along with a request to terminate the line; or 2) upon maturity of the revolving line of credit facility; or 3) upon default by the Companies under the credit agreement governing the referenced revolving line of credit.

The Department finds this criteria met.

B. Staffing [OAC 310:620-3-2]: The applicant shall provide documentation that sufficient personnel shall be retained or employed to meet the needs of all residents and to comply with all requirements for state licensure and Medicare/Medicaid certification, if applicable. The documentation of staffing shall include written statements from the Administrator, the Director of Nursing, the Pharmacist, and the Medical Director, indicating their intentions to contract or accept employment with the applicant.

- 1. Adequate staffing:** The applicant provided a Projected Staffing Pattern, as detailed in Section I (E) of this report, consistent with historical staffing and adequate to meet the needs of the residents and to meet the requirements for state licensure and Medicare/Medicaid certification.
- 2. Written statements:** The applicant provided statements signed by Brett Coble, Authorized Officer for ESOP; Astrid Chatham, Administrator, Melissa Wilson RN, Director of Nursing; Kevin Cox, Pharmacist; and Saqib Sheikh, MD, Medical Director, showing they intend to contract and continue employment with the applicant.

The Department finds this criteria at OAC 310:620-3-2 met.

C. Experience [OAC 310:620-3-3]: If the applicant has less than sixty (60) months experience in health care facility operation immediately preceding the filing of the application, the applicant shall provide a plan which details how experienced and competent staffing and leadership shall be responsible for the facility operations.

The box for Item III of the attested *Disclosure Statement* (ODH Form 614) provided on September 8, 2020, was checked to indicate the applicant or person with controlling interest does not have experience or credentials related to long-term care facility operations.

The operational plan shall include:

(1) Organizational papers, bylaws, articles of incorporation, partnership agreements, business plans, or other documents which confirm the applicant's claims about the policies, rights, duties and responsibilities of the applicant and its principals;

The applicant, ESOP, does not have sixty (60) months experience.

The application included affidavits from the principals and staff members of the facility: Administrator, Medical Director, Director of Nursing, and Pharmacy Consultant. The document includes designations, roles within the facility, and hours per week.

The Department finds this criteria met.

(2) Statements from the person or persons who shall fill management or administrative staffing and leadership positions, including but not limited to the Director of Nursing, the Medical Director, the Administrator, and the applicant's policy body, with said statements to specify the minimum amount of time those persons shall spend working at the facility; and

The applicant provided a statement signed by Astrid Chatham, Administrator, which stated she would spend a minimum of forty (40) to sixty (60) hours per week at the facility; Melissa Wilson, RN, Director of Nursing, stated she would spend a minimum of forty (40) to fifty (50) hours per week at the facility; Kevin Cox, Pharmacist, stated he would spend a minimum of five (5) to ten (10) hours per month at the facility; and Saqib Sheikh, MD., Medical Director, stated he would spend a minimum of ten (10) to fifteen (15) hours per month working at the facility.

The applicant also provided a statement signed by Brett Coble, stating that he will spend a total of five (5) to ten (10) hours per month in all of the facilities.

Department Staff verified the licensure status of the proposed Administrator, Director of Nursing, Pharmacist and Medical Director and found them to all be currently licensed and in good standing.

The Department finds this criteria at OAC 310:620-3-3(2) met.

(3) A statement from the applicant agreeing to advise the Department prior to any change in the staffing and leadership during the first six (6) months of operation after the acquisition is finalized.

The applicant provided a signed statement from Brett Coble agreeing to advise the Department of any changes in staffing and leadership during the first six (6) months of operation after the acquisition is finalized.

The Department finds this criteria met.

(4) A statement from the applicant agreeing that any person added to or replacing another person in the staffing or leadership plan during the first six months of operation shall comply with Title 63 O.S. Section 1-853(F) and OAC 310:4-1-7.1.

The applicant provided a signed statement from Brett Coble agreeing that any person added to or replacing another person in the staffing or leadership plan during the first six (6) months of operation shall comply with Title 63 O.S. Section 1-853(F) and OAC 310:4-1-7.1.

The Department finds this criteria met.

D. Review of the applicant's operating history, as required under Title 63 O.S. Section 1-853(D), is guided by OAC 310:4-1-7.1, which provides the following:

For the purposes of investigation under Title 63 O.S. Section 1-852(G) and of findings under Title 63 O.S. Section 1-853(D), the Department shall consider the following:

(1) If the licensee has not established a record of performance in long-term care facility operations in the state of Oklahoma of at least sixty (60) months immediately preceding the filing of the application, then the Department and the Commissioner shall investigate and make required findings on the holdings and long-term care facility operations of each person with a controlling interest. In determining the relevance of prior holdings and operations, the Commissioner shall consider whether the person as an individual:

(A) Has authority to adopt or substantially influence governing policies that affect the financial performance or quality of care of the facility for which a Certificate of Need has been applied; and

(B) Had authority to adopt or substantially influence governing policies that affected the financial performance or quality of care of the prior holding or operation.

(2) A history of noncompliance as defined in Title 63 O.S. Section 1-851.1(6).

ESOP is a newly formed entity and does not have sixty (60) months experience in long-term care facility operations.

Title 63 O.S. Section 1-853(D)(1): The Commissioner shall refuse to issue a certificate of need to any applicant who has had, in ten percent (10%) or more of the applicant's long-term care holdings in the preceding sixty (60) months, a facility license or certification revoked, rescinded, canceled, terminated, involuntarily suspended, or refused renewal; or if the license or certification was relinquished voluntarily in lieu of penalty.

The applicant indicated at Item V of the *Disclosure Statement* that none of the applicant's holdings have had a facility license or certification revoked, rescinded, canceled, terminated, involuntarily suspended, or refused renewal; or license or certification relinquished voluntarily in lieu of penalty.

The Department's review found no information to the contrary for the reviewed facility.

The Department finds this standard not applicable.

1. Title 63 O.S. Section 1-853(D)(2): The Commissioner shall refuse to issue a certificate of need to any applicant except where the applicant overcomes a presumption against approval with clear and convincing evidence that one of the following circumstances was not due to the action or inaction of the applicant or any person with controlling interest:

a. The applicant has had, in any of the applicant's long-term care holdings in the preceding sixty (60) months, a facility's license or certificate revoked, rescinded, canceled, terminated, involuntarily suspended or refused renewal.

The applicant indicated at Item V of the *Disclosure Statement* that none of the applicant's holdings have had a facility license or certification revoked, rescinded, canceled, terminated, involuntarily suspended, or refused renewal nor the license

or certification relinquished voluntarily in lieu of penalty. Staff review finds no evidence to the contrary.

The Department finds no evidence of disqualifying sanctions.

- b. The applicant has a history of noncompliance, as defined by statute, with the standards for licensure of long-term care facilities of any state in which the applicant has or has had long-term care facilities, or with federal standards for certification of long-term care facilities.**

“History of noncompliance” means three standard or complaint surveys found to be at the substandard quality of care level when the facility does not achieve compliance by date certain in a nursing facility or specialized facility for persons with Alzheimer’s disease or related disorders. Additionally, “history of noncompliance” for an intermediate care or specialized facility for persons with [intellectual disabilities] means three consecutive routine or complaint surveys that resulted in determinations that the facility was out of compliance with two or more Conditions of Participation in the Medicaid program within the preceding thirty-six (36) months when the facility does not achieve compliance within sixty (60) days. [Title 63 O.S. Section 1-851.1(6)]

The applicant indicated at Item VI of the *Disclosure Statement* that no nursing facility or specialized facility for persons with Alzheimer’s disease or related disorders listed in Item III of the *Disclosure Statement* has been cited with findings of substandard quality of care or actual harm on the last three (3) consecutive standard or complaint surveys.

The applicant indicated at Item VII of the *Disclosure Statement* that no specialized or intermediate care facility for individuals with intellectual disabilities listed in Item III of the *Disclosure Statement* has been cited with three (3) or more routine or complaint surveys that resulted in determinations that the facility was out of compliance with two (2) or more Conditions of Participation in the Medicaid program in the preceding thirty-six (36) months where compliance was not achieved within sixty (60) days.

The Department’s review found no evidence to the contrary. Evidence reviewed by Department staff included survey and CMP history.

The Department finds no evidence the applicant is ineligible for issuance of a CN.

- c. The applicant, in all current and prior ownership, operation and management of long-term care facilities, has not complied with all lawful orders of suspension, receivership, temporary management, or administrative penalty issued by the Department or by other authorities with similar responsibilities in other states or by the federal Centers for Medicare and Medicaid Services.**

The applicant indicated at Item VIII of the *Disclosure Statement* all current and prior ownership, operation, and management of long-term care facilities complied with all lawful orders of suspension, receivership, temporary management, or

administrative penalties issued by the Department, by other authorities with similar responsibilities in other states, or by the CMS.

The Department finds no evidence the applicant is ineligible for issuance of a CN.

- d. The applicant has been convicted of a felony criminal offense related to the operation or management of a long-term care facility.**

The applicant affirmed in the *Affirmation Attachment* to the *Disclosure Statement* the applicant has not been convicted of a felony in connection with the management or operation of a home or facility as defined in Title 63 O.S. Section 1-1902, or in the care and treatment of the residents of a home or facility as defined in Title 63 O.S. Section 1-1902.

The Department finds no evidence the applicant is ineligible for issuance of a CN.

- 2. Title 63 O.S. Section 1-853(D)(3): Other than any of those reasons listed in paragraph 1 or 2 of this subsection, the Commissioner may refuse to issue a certificate of need to any applicant who has had, in the preceding thirty-six (36) months, one or more of the following:**

- a. Findings of substandard quality of care or noncompliance with two or more conditions of participation on twenty percent (20%) or more of the surveys conducted in the applicant's long-term care facility holdings or against any long-term care facility operated by a person with a controlling interest during the preceding thirty-six (36) months.**

The applicant indicated at Item IX of the *Disclosure Statement* the applicant has not had, in the last thirty-six (36) months, findings of substandard quality of care or noncompliance with two (2) or more conditions of participation on twenty percent (20%) or more of the surveys conducted in the applicant's long-term care facility holdings or against any long-term care facility operated by a person with a controlling interest during the preceding thirty-six (36) months.

The Department finds this criteria does not apply to this applicant.

- b. A temporary manager, monitor, or receiver appointed.**

The applicant indicated at Item IX of the *Disclosure Statement* the applicant has not had, in the preceding thirty-six (36) months, a temporary manager, monitor, or receiver appointed.

The Department finds this criteria does not apply to this applicant.

- c. Had a civil money penalty imposed of Thirty-five Thousand Dollars (\$35,000.00) or more.**

The applicant provided at Item IX of the *Disclosure Statement* that in the preceding thirty-six (36) months, the applicant has not had a CMP imposed of thirty-five thousand dollars (\$35,000) or more.

The Department finds this criteria does not apply to this applicant.

E. Nursing Home Administrator's License: The Oklahoma State Board of Examiners for Long Term Care Administrators reports the license of Astrid Chatham, license #3283, is in good standing.

F. The State Office of Attorney General, Patient Abuse and Medicaid Fraud Control Unit: The applicant's disclosure of ownership and long-term care history were transmitted to the Patient Abuse and Medicaid Fraud Control Unit of the Office of Attorney General on December 9, 2020. A response was received on December 17, 2020, from Samuel Heinen, Agent in Charge, stating the following:

We have searched our files and have been unable to locate any information on the individuals(s) [Brett Coble] listed on the above-referenced Certificate of Need application(s) [Bradford Village Healthcare Center, CN 20-051], with regard to criminal prosecutions and/or convictions stemming from investigations conducted by this office.

G. Department of Human Services, Aging Services Division, Long Term Care Ombudsman: The applicant's disclosure of ownership and long-term care history were transmitted to the Department of Human Services, Aging Services Division, Long-Term Care Ombudsman, on December 9, 2020. No response opposing the CN proposal was received.

H. Participating Parties: None.

I. Oklahoma Secretary of State: The Oklahoma Secretary of State Corporate Details report indicates Bridges ESOP, Inc. has been an active domestic limited liability company since December 14, 2020; Bradford Real Estate, L.L.C. has been an active domestic limited liability company since June 19, 2017 and BV Operations, LLC has been an active domestic limited liability company since June 20, 2017. Amity Care L.L.C. has been an active domestic limited liability company since December 29, 1998.