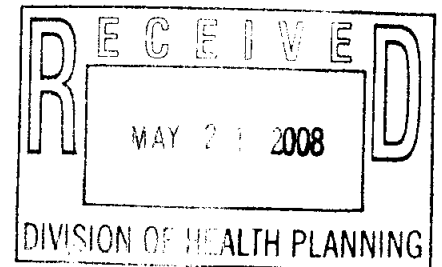


# MHC

## MORGAN HEALTHCARE CONSULTING, LLC

*Practical and Effective Solutions*

May 20, 2008  
Clyde L. Reese, III, Esq.  
General Counsel  
Department of Community Health  
2 Peachtree Street, 5<sup>th</sup> Floor  
Atlanta, Georgia 30303



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From:  
Roger Cochran, PhD  
Direct Line: 904-634-0276  
Direct Fax: 904-353-9309  
e-mail: rcochran@mhpartners.com

Dear Mr. Reese:

Would you please clarify the nature of CON requirements for Continuing Care Retirement Community (CCRC) projects under SB433.

CCRCs are defined in 31-6-2 (11) and a need methodology is referenced in 31-6-21(b)(8) for "continuing care retirement community sheltered facilities." An exemption is provided for skilled nursing within a CCRC in 31-6-47(a)(17).

1) It appears that no CON is required for the CCRC itself, but only for aspects of the CCRC project that would independently require a CON. SB433 31-6-2 (30) says a 'Personal care home' means a residential facility that is certified as a provider of medical assistance for Medicaid purposes pursuant to Article 7 of Chapter 4 of Title 49 having at least 25 beds and providing, for compensation, protective care and oversight of ambulatory, nonrelated persons who need a monitored environment..." Is a CCRC that wishes to offer Personal Care beds in excess of 24 beds but which does not accept Medicaid required to file an application for a CON for the Personal Care beds?

2) In reviewing 31-6-47(a)(17) I understand that the Skilled beds, or sheltered nursing facility, portion of a CCRC project may be used by the community at a rate not to exceed 50% community occupancy in the first year and declining by 10% annually thereafter until no community usage would be allowed after the 5th year. In addition, no Medicaid reimbursement would be allowed. This paragraph requires a "written exemption" for these skilled beds to be used in this manner. However, the nature of this written exemption is not specified. Could you clarify the relationship of this "written exemption" to the CON application process?

3) Further, is it the case that no "written exemption" is required for Skilled beds which are reserved only for the use of the CCRC residents?

4) Finally, is there a limitation on the number of Skilled Nursing beds which a CCRC may operate for the use of it's residents?

Thank you for your consideration of these questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Roger Cochran".

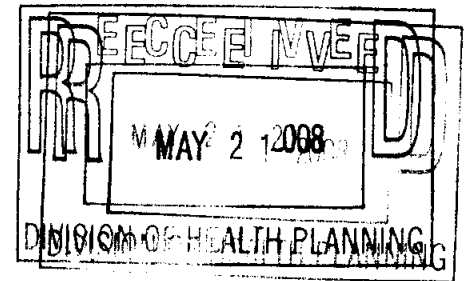
Roger Cochran, Ph.D.  
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