DOCKET NO. HHD CV11-6017873 S	:	
	:	
STATE OF CONNECTICUT COMMISSIONER OF SOCIAL SERVICES	: :	SUPERIOR COURT
	:	
v.	:	JUDICIAL DISTRICT OF
	:	HARTFORD
915 ELLA T. GRASSO BOULEVARD OPERATIONS LLC, d/b/a UNIVERSITY SKILLED NURSING AND REHABILITATION; 2432 ALBANY AVENUE OPERATIONS LLC, d/b/a BISHOPS CORNER SKILLED NURSING AND REHABILITATION; 60 WEST STREET OPERATIONS LLC, d/b/a ROCKY HILL SKILLED NURSING AND REHABILITATION; 1 CARE LANE OPERATIONS LLC, d/b/a SOUNDVIEW SKILLED NURSING AND REHABILITATION	: : : : : : : : : : : :	MARCH 15, 2011

RECEIVER'S SUPPLEMENTAL REPORT ON FINANCIAL VIABILITY STUDIES

Phyllis A. Belmonte, duly appointed Receiver of 915 Ella T. Grasso Boulevard Operations LLC, d/b/a University Skilled Nursing and Rehabilitation; 2432 Albany Avenue Operations LLC, d/b/a Bishops Corner Skilled Nursing and Rehabilitation; 60 West Street Operations LLC, d/b/a Rocky Hill Skilled Nursing and Rehabilitation; and 1 Care Lane Operations LLC, d/b/a Soundview Skilled Nursing and Rehabilitation ("the Receivership Facilities") hereby submits a supplemental report containing her financial viability studies for the Receivership Facilities.

1. On March 10, 2011, the Receiver submitted her Viability Report to the Court.

2. Since that date, the Receiver has received several inquiries regarding the various financial models she developed to analyze the financial health of the operations of the four Receivership Facilities.

3. In the interests of full transparency, the Receiver has attached her twelve month summary pro formas analyzing the financial viability of each of the Receivership Facilities without rent and management fees; with Medicaid fair rent and Medicaid capped management fees; and with actual 2009 rent and actual 2009 management fees, as paid and reflected in filed Medicaid cost reporsts. In no instance do these studies include figures for capital expenditures, wage and benefit increase or cost of living adjustments (inflationary increases).

4. These pro formas, attached as Exhibit A, clearly illustrate the significant scale of operating losses that each of the Receivership Facilities would experience under these scenarios, once any figures for rent and management fees are incorporated into the analysis, given the base assumptions as shown.

Respectfully submitted,

PHYLLIS A. BELMONTE, RECEIVER
CRESCENT MANOR RECEIVERSHIP

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CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing was efiled or faxed or hand-delivered to each of the following on March 15, 2011:

Clerk of the Court
Judicial District Courthouse
95 Washington Street
Hartford, Connecticut 06106
efiled

The Honorable Jerry Wagner
Judicial District Courthouse
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Hartford, Connecticut 06106
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EXHIBIT A

RECEIVER'S TWELVE MONTH FINANCIAL VIABILITY ANALYSES

SUMMARY PRO FORMAS

FOR

BISHOPS CORNER, UNIVERSITY, ROCKY HILL AND SOUNDVIEW

SKILLED NURSING AND REHABILITATION CENTERS

BURS Receivership
12 Month Financial Viability Analysis Summary Pro Formas
3/10/2011

		1 Without Rents or Mgmt. Fees	2 With Fair Rents & Medicaid Capped Mgmt. Fees	3 With Actual 2009 Rents & Actual 2009 Mgmt. Fees
	Revenues	9,634,984	9,634,984	9,634,984
Bishops Corner	**Expenses**	11,565,310	12,247,388	12,702,080
	Net Operating Income (Loss)	**(1,930,326)**	**(2,612,404)**	**(3,067,096)**
	Revenues	11,311,482	11,311,482	11,311,482
University	**Expenses**	11,223,234	11,988,668	12,367,594
	Net Operating Income (Loss)	**88,248**	**(677,186)**	**(1,056,112)**
	Revenues	8,939,616	8,939,616	8,939,616
Rocky Hill	**Expenses**	9,211,857	9,771,158	10,558,105
	Net Operating Income (Loss)	**(272,241)**	**(831,542)**	**(1,618,489)**
	Revenues	7,904,211	7,904,211	7,904,211
Soundview	**Expenses**	10,081,357	10,544,072	11,069,410
	Net Operating Income (Loss)	**(2,177,146)**	**(2,639,861)**	**(3,165,199)**

Pro Forma 1
Net Operating Income (Loss) is based on a 12 month pro forma that does not include rents, management fees, capital expenditures, wage and benefit increases, or COLA adjustments.

Pro Forma 2
Net Operating Income (Loss) is based on a 12 month pro forma that includes Medicaid fair rents and the Medicaid capped management fees of $6.00/day. It does not include capital expenditures, wage and benefit increases, or COLA adjustments.

Pro Forma 3
Net Operating Income (Loss) is based on a 12 month pro forma utilizing actual 2009 rent and and actual 2009 management fee rates. It does not include capital expenditures, wage and benefit increases or COLA.

Base Assumptions

a. Census is based on the actual care days in January/February 2011 and remains constant throughout the year.
b. Revenues are calculated at the average rates per patient day by payer source for January and assumes no change in rates during the year.
c. Ancillary revenues are based on January 2011 receivership period (21 days) revenues and annualized for the year assumes no changes during the year.
d. Salary and wages for the year are based on the averages wages paid for the six weeks of the Receivership period and annualized.
e. Employee Benefits utilizes the average paid during the six weeks of the Receivership and annualized for Union Benefits (all three funds), the cost of the
f. the receivership's workers' compensation policy, plus the estimated cost of premiums for employees on the Connecticare health plan.
g. Other core departmental expenses, excluding wages and benefits, are based on the actual year to date results from the detailed operating
h. statements provided by the prior management company for the period ended December 31, 2010.
i. Property and related expenses include utilities, insurance, personal property tax and real estate taxes. The detailed 2010 operating statements from the prior manager are the data source.

NB: NO PRO FORM PRESENTED HERE INCLUDES CAPITAL EXPENDITURES, WAGE AND BENEFIT INCREASES OR COLA ADJUSTMENTS.