



Maryland Health Care Commission

ACQUISITION OF 18 COMMUNICARE SKILLED NURSING FACILITIES

MARCH 19, 2026

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Introduction

- ▶ The genesis of the statutory and regulatory changes to nursing home acquisitions was a December 2020 article in the Washington Post, about Portopiccolo, a private equity nursing home company. The article triggered re-examination of nursing home acquisitions in Maryland.
- ▶ In February 2025 new updates to the procedural regulations (10.24.01) and the nursing home chapter of the State Health Plan (10.24.20) went into effect changing the Commission's role in nursing home acquisitions. (Health-Gen. § 19-120.2.)
- ▶ The regulations authorized the MHCC Executive Director to approve, approve with conditions, or deny an acquisition. The Executive Director can also bring the proposed acquisition to the Commission for a vote.
- ▶ Our Executive Director, Dr. Jacobs has deferred this decision to the Commission.



Nursing Home Acquisition Transactions

There are 3 parts to transactions: operations, bed rights and real property

- ▶ With nursing homes, it is common for different entities to own the operations, bed rights, and real property of the facility.
- ▶ “Bed rights” are the legal rights associated with the Commission’s approval of nursing home beds, including the right to sell the beds to another person

Like a CON, the acquisition application process now has four standards that must be met:

- ▶ Quality
- ▶ Multi-bedded Rooms
- ▶ Medicaid Participation
- ▶ Public Interest



What does the Commission review for acquisitions?

- ▶ Analyzing CMS quality data
- ▶ Researching both the Maryland/Federal court data bases to vet parties to the transaction
- ▶ Checking the OIG exclusion list
- ▶ Applications and completeness responses
- ▶ Review of public comments and letters of support
- ▶ Review of divestiture documents, leases, organizational charts and trust instruments
- ▶ Review of comments by other stakeholders such as Maryland Medicaid and OHCQ



Background

- ▶ This agenda item involves a series of transactions for the sale of the real estate, operations, and bed rights of all 18 nursing homes currently operated by CommuniCare Health Services in Maryland.
- ▶ This transaction has a total purchase price of approximately 500M
- ▶ CommuniCare is a privately held long-term care company that has been a major nursing home operator in Maryland, the real property of the CommuniCare facilities is owned by REITs (real estate investment trusts)
- ▶ The 18 facilities involved in this transaction span every region defined in the State Health Plan:
 - ▶ Central Maryland (Anne Arundel, Howard and Baltimore Counties and Baltimore City),
 - ▶ Southern Maryland (Prince George's County),
 - ▶ Montgomery County,
 - ▶ Western Maryland (Carroll, Washington and Allegany Counties), and the
 - ▶ Eastern Shore (Cecil and Wicomico Counties).

Location of CommuniCare Facilities



Western Maryland

Allegany
Carroll
Washington

Central Maryland

Anne Arundel
Baltimore
Howard
Baltimore City

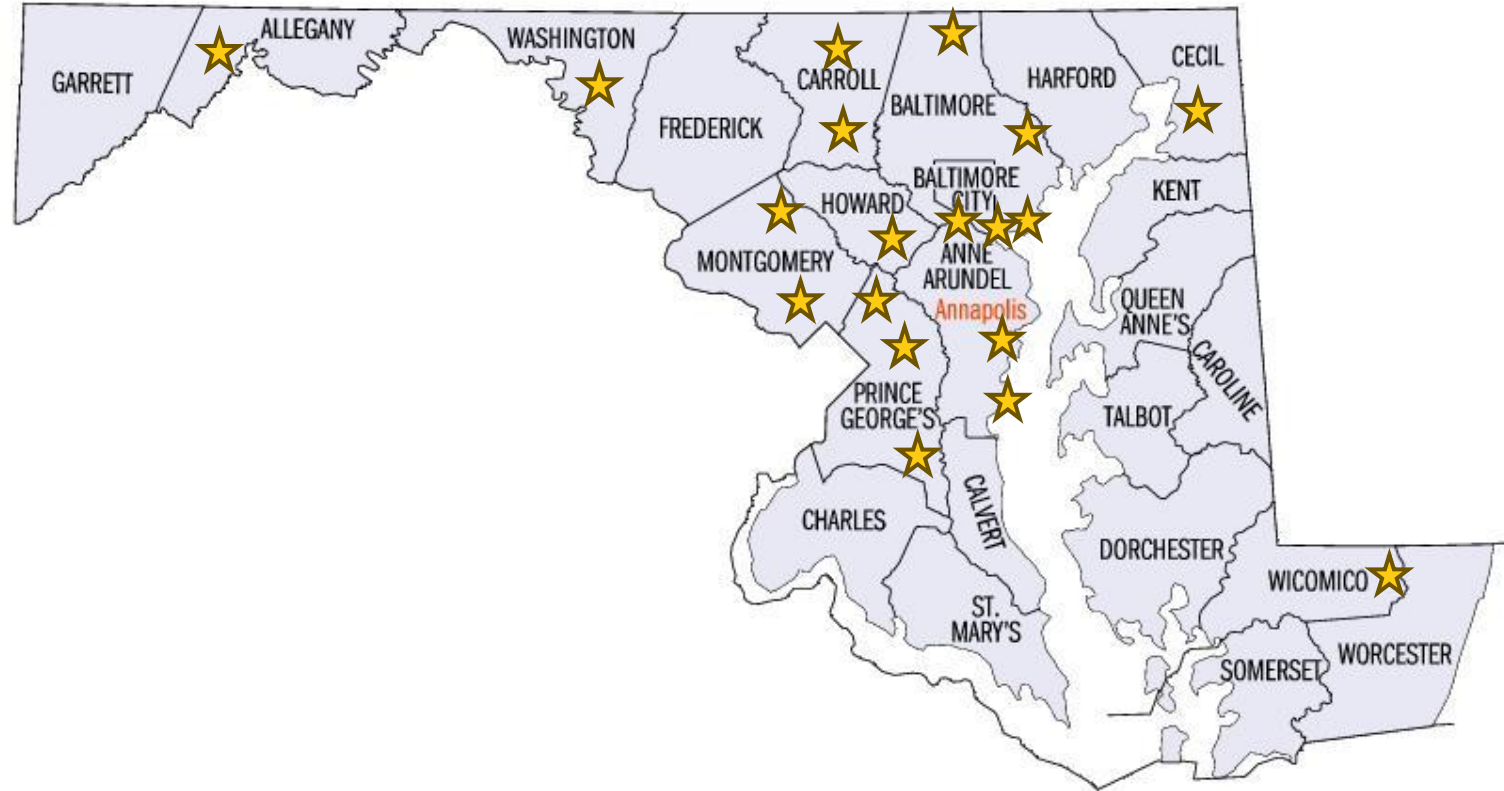
Southern Maryland

Prince George's

Montgomery

Eastern Shore

Cecil
Wicomico



Background (cont'd)



Proposed Acquirers

- ▶ Proposed operations/bed rights acquisitions are organized into three groups:
 - ▶ Baltimore/Metro (Baltimore Metro) – Group of Trusts - Jack Shelby Trustee (a Trustee manages the assets of the trust)
 - ▶ Potomac Region (Potomac) - Group of Trusts - Jack Shelby Trustee
 - ▶ Western Maryland - Jack Shelby - 100% owner
- ▶ Proposed real property acquisitions are organized into two groups:
 - ▶ Baltimore/Metro (Baltimore Metro)
 - ▶ Potomac Region (Potomac)
- ▶ Western MD facilities filed separate real-property only applications

Consultant to the Applicants/Management Company

- ▶ Precision Healthcare Services d/b/a Dynamic Fiscal Services LLC-Owned by Robert Meisner and Michal Rodkin
- ▶ Real Estate Management Company – TL Management owned by Teddy Lichtschein and Eliezer Scheiner-no role in operations
- ▶ Health Consulting Services (HCS) and Hallmark Health Consulting Services (Hallmark)



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Baltimore/Metro

BALTIMORE METRO



Baltimore Metro Facilities

- ▶ Blue Point Healthcare Center
 - ▶ Ellicott City Healthcare Center
 - ▶ Fayette Health & Rehabilitation Center
 - ▶ Holly Hill Healthcare Center
 - ▶ Laurelwood Healthcare Center
 - ▶ Northwest Healthcare Center
- ▶ Jack Shelby and Esther Stern Trustees



Multi-bedded rooms

- ▶ The standard is to get rid of the multi-bedded rooms
- ▶ 11 of the 18 CommuniCare facilities have multi-bedded rooms (rooms with more than 2 beds), two of them, Fort Washington and Cumberland were able to eliminate all multi-bedded rooms leaving nine facilities requesting waivers. Waivers are an exemption to the standard.
- ▶ Each of the nine waiver requests will be evaluated independently.
- ▶ Waivers should be evaluated using the following questions, if a waiver is not granted will this:
(1) impose a significant financial loss, (2) unreasonably reduce the number of nursing home beds in the jurisdiction or (3) impede access to underserved or difficult-to-place residents.
- ▶ An architect conducted an analysis of all nine facilities on behalf of the applicants.



Importance of eliminating multi-bedded rooms

- ▶ Many states are recognizing these bed arrangements are sub-standard and eliminating them
- ▶ In Maryland we have the opportunity to systematically eliminate these types of beds during a CON for a new facility/renovations, during a waiver beds request or now during acquisitions
- ▶ High risk of infection (In Maryland 3500 residents and staff died in nursing homes during COVID, in part because of the inability to social distance)
- ▶ Loss of privacy and dignity such as confidentiality
- ▶ Quality of life such as loss of sleep
- ▶ Operational challenges such as cramped spaces for workers, medication errors



Calculations Waiver Beds

Commission staff made recommendations based on occupancy (2024 LTC survey)

Staff used 90% as an ideal occupancy for nursing homes (SHP)

- ▶ Difference between the facility occupancy, and the 90%
- ▶ % Difference of total beds



Multi-bedded rooms- Baltimore Metro - Partial Waiver

Fayette Health & Rehabilitation Center-156 beds, 2 stars, underserved populations

	Private	Semi	Triple	Quad	Total-multi
Bedrooms	0	50	4	11	15
Proposed	0	54	4	9	13

Northwest Healthcare Center-91 beds underserved populations, 1 star

	Private	Semi	Triple	Quad	Total-multi
Bedrooms	2	28	7	3	10
Proposed	NA				

MHCC recommends reducing by 3 beds (or one triple room)



Multi-bedded rooms Baltimore Metro- Approved

Blue Point Healthcare Center-135 beds high occupancy, high Medicaid, underserved population, 1 star

	Private	Semi	Triple	Quad	Multi-total
Bedrooms	5	33	16	4	20
Proposed	4	43	15	0	15



Financial Capacity

Operations

CPA letter

- ▶ Each facility has 5M to operate for 90 days-the availability of these funds was accounted for by a CPA

Real Property

- ▶ Applicants state they will fund the purchase with a combination of a loan from a third-party institutional lender (MonticelloAM, LLC) and capital contributed by the beneficial owners of applicants. They provided documentation from the lender. The mortgages on the 18 properties will be funded by income that is generated by the tenant/operator.



Quality Ratings

Operations-Jack Shelby

Texas-9 facilities and Florida-23 facilities

Combined CMS five-star rating of 3.06 (this is an average rating)

Compared to CommuniCare with a 2.38 - star average rating for these 18 facilities

Real Property- Zevi Kohn, Elizer Scheiner, Teddy Lichtschein, Julie Lichtschein, Robert Meisner, and Esther Stern

The real property buyers have ownership interest in 45 nursing homes with the overall star rating is 2.71 stars. Of the 45 facilities there are 27 with an overall rating of less than 3 stars- the applicants provided performance improvement plans



Public Interest

Notices and Organization Charts were posted at the facilities and mailed to resident representatives on December 3, 2025

Commission staff received three written comments

Applicants provided multiple letters of support from the community

In their submission, the applicants outlined their plans for: achieving quality care, maintaining employee stability, community engagement, facility staffing, and reducing hospital readmissions

Baltimore Metro Facilities-In 2025 Ellicott City Healthcare Center - Maryland Attorney General's Medicaid Fraud and Vulnerable Victims Unit found evidence of substandard care (serious wound care, medication errors and preventable falls) the facility was fined \$400,000 and is in the middle of a 3-year corrective action plan



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Potomac Region

POTOMAC-HEALTH CONSULTING SERVICES



Potomac Facilities (Potomac)

- ▶ Anchorage Healthcare Center
 - ▶ Clinton Healthcare Center
 - ▶ Forestville Healthcare Center
 - ▶ Fort Washington Healthcare Center
 - ▶ Kensington Healthcare Center
 - ▶ Marley Neck Health & Rehabilitation Center
 - ▶ Silver Spring Healthcare Center
 - ▶ South River Healthcare Center
- ▶ Jack Shelby Trustee



Multi-bedded rooms Potomac –Partial Waiver

Clinton Healthcare Center-267 beds high occupancy high Medicaid utilization 2 stars

	Private	Semi	Triple	Quad	Total-multi
Bedrooms	8	68	37	3	40
Proposed	8	86	29	0	29

MHCC recommends reducing by another 11 beds in current triple rooms



Multi-bedded rooms Potomac-Approved

Forestville Healthcare Center-162 beds (moving 4 to Ft. Washington) 3 star rating, underserved populations

	Private	Semi	Triple	Quad	Multi-total
Bedrooms	1	34	31	0	31
Proposed	1	38	27	0	27



Multi-bedded rooms Potomac -Approved

Marley Neck Health & Rehabilitation Center-95 beds 5-star, high occupancy

	Private	Semi	Triple	Quad	Multi-total
Bedrooms	1	43	0	2	2



Potomac- Financial Capacity, Quality Rating and Public Interest

Financial Capacity

The same as the Baltimore Metro facilities above

Quality Rating

The same as the Baltimore Metro Facilities above

Public Interest

The same as the Baltimore Metro facilities above



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Western Maryland

100% OWNED BY JACK SHELBY



Western MD Facilities

- ▶ Cumberland Healthcare Center
 - ▶ Hagerstown Healthcare Center
 - ▶ Pleasantville Healthcare Center
 - ▶ Westminster Healthcare Center
- ▶ Jack Shelby 100% Owner



Multi-bedded rooms Western MD-Partial

Pleasant View Healthcare Center-104 beds, 3-star, rural

	Private	Semi	Triple	Quad	Total-multi
Bedrooms	0	0	0	26	26

Applicants did not propose any reduction. MHCC recommends 6 quad rooms to semi-private reducing total non-compliant beds by another 12



Multi-bedded Rooms Western MD-Denied

Hagerstown Healthcare Center-140 beds (using 102) 27% unused capacity, 1-star, seek waiver if occupancy increases, rural

	Private	Semi	Triple	Quad	Multi-total
Bedrooms	1	47	16	0	16
Proposed	1	56	10	0	10

Westminster Healthcare Center-158 beds financial distress (negative net income over the last 3 years that can lead to low quality, staffing instability or closure), low occupancy, 2-stars, rural

	Private	Semi	Triple	Quad	Multi-total
Bedrooms	8	28	26	4	30
Proposed	8	42	22	0	22



Western MD- Financial Capacity, Quality Rating and Public Interest

Financial Capacity

The same as the Baltimore Metro and Potomac facilities above

Quality Rating

The same as the Baltimore Metro and Potomac Facilities above

Public Interest

The same as the Baltimore Metro and Potomac facilities above



What happens after the acquisitions?

On or before July 1 immediately following the acquisition of a nursing home and each year for 3 years thereafter the applicants shall report to the Commission:

- ▶ Financial metrics (P/L, Net Income, Occupancy)
- ▶ Changes in ownership information
- ▶ Regulatory compliance (waiver requests, survey performance)
- ▶ Staffing metrics (direct care and total HPPD, changes since acquisition, turnover, retention, agency usage)
- ▶ Any other information requested by the Commission



Staff Recommendation/Conditions

Commission staff recommends that the acquisition applications for the 18 facilities be approved with the following conditions:

Waiver Bed Conditions

The facility must maintain 80% Medicaid participation rate.

The facility must continue to provide services to the underserved population identified.



Staff Recommendation/Conditions

- ▶ Within 90 days of the contract execution, applicants must submit a Quality Improvement Plan for the Commission staff's approval that is consistent with the [CMS Quality Assurance and Performance Improvement \(QAPI\) plan](#) for each acquired facility in collaboration. The Plans must include actions to eliminate documented harm tags and a detailed budget of planned quality improvement investments. If a facility has an overall rating below three (3) stars in the CMS Nursing Home Compare rating system, the plan must include measurable performance improvement goals to raise quality scores and associated quality metrics to an overall rating of 3 stars.
 - ▶ Each facility's plan, budget, and updates shall be single, consolidated submissions by the operations-acquiring entity. Commission staff will review the submitted Plans and budget and may recommend revisions prior to approval.
 - ▶ Applicants shall submit status updates on the Plan, including current expenditures on quality improvement, to the Commission every six months for the next three years, which the Commission may make public, in whole or in part.
 - ▶ The facility shall make demonstrable progress towards quality improvement to satisfy the terms of this condition.



Staff Recommendation/Conditions

- ▶ Within 90 days of contract execution, applicants and affiliated entities must disclose any individuals that have a financial stake or managerial authority in both the applicant and any company that contracts with an acquired facility. Each disclosure shall identify: the name of the contracting entity, the services provided and associated fees, the individuals holding the financial interest and the value of the interest. If the payment for a specific contracted service exceeds fair market value, or upon the Commission's request, applicants must provide the Commission with an adequate justification for the payment. Applicants shall update this information on an annual basis as part of the post-acquisition report required by COMAR 10.24.20.06C(1).
- ▶ For any facilities for which a waiver request was denied in whole or part, applicants must submit a detailed plan for how the applicant intends to eliminate or further reduce the resident rooms containing more than two beds within 90 days of contract execution.
- ▶ If the applicant fails to meet any conditions on bed waiver approvals or conditions of the acquisition, the applicant may be subject to fines, penalties, and/or revocation of bed waivers.



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Additional
Questions/Discussions
Before Voting?



Baltimore Metro Facilities

Facility	CMS Rating	Occup	Medicaid	Multibed Plan	Multibed Waiver Recommendation
Blue Point	1 star	90.24%	86.6%	Eliminate 4 quads, 1 triple	Grant: retain 15 triple rooms
Ellicott City	2 stars	83.2%	83.9%	N/A	N/A
Fayette	1 star	82.13%	75.9%	Eliminate 2 quads	Partial grant: further eliminate 6 quad rooms, retain 5 quad & 4 triples
Holly Hill	2 stars	90.1%	81.5%	N/A	N/A
Laurelwood	2 stars	79.9%	90%	N/A	N/A
Northwest	1 star	86.64%	77%	Request full waiver	Partial grant: eliminate 1 quad & 1 triple, retain 2 quads & 6 triples



Baltimore Metro Operator/Bed Rights **VOTE**

Trust	Ownership	Trustee
Gold MD Trust	31.005	Jack Shelby
Silver MD Trust	31.005	Jack Shelby
Copper MD Trust	10	Jack Shelby
SGN Healthcare Trust	10	Esther Stern
BUAH MD Trust	8	Jack Shelby
AYSAN MD Trust	4.99	Chaya Lomnitz
CDP Trust	Maritime 4	Chaya Lomnitz
RGP Trust	Maritime 1	Laura Gottlieb

- ▶ Jack Shelby, trustee, only owner or affiliate with other nursing home ownership
- ▶ Average star ratings of Shelby's other facilities exceeds average ratings of facilities to be acquired
- ▶ Some overlap with purchasers of real property, vendors, and consultants



Baltimore Metro Real Property **VOTE**

Ownership	Mid level Owners	Managers	Ultimate Owners	Trustee
31.005	Gamfal, LLC	Teddy Lichtschein	Lichtschein Family 2012 Trust	Elijah Zev Kohn & Julie Lichtschein
31.005	Scheiner Holdings, LLC	Eliezer Scheiner	Scheiner Family 2012 Trust	Elijah Zev Kohn & Heather Scheiner
10	-	-	MD Silver Family Trust	Esther Stern
8	MF Group, LLC	Robert Meisner	MF Trust	Michal Rodkin
10	KF Capital Holdings, LLC	Eliyahu Zev Kohn	Kohn Family Trust	Chanie Kohn
			Chanie Kohn 2021 Family Trust	Eliyahu Zev Kohn
4.99	ML Investment Holdings, LLC		Michael Meisner	N/A
4	-	-	CPD Maritime Trust	Chaya Lomnitz
1	-	-	RGP Maritime Trust	Laura Gottlieb

- ▶ Manager Robert Meisner holds interest in Maryland nursing home, currently 3 stars
- ▶ Trustees Zevi Kohn, Julie Lichtschein, Heather Sheiner, Elizer Scheiner and Teddy Lichtschein have interests in out-of-state nursing homes, 2.71 average
- ▶ Some overlap with purchasers of operations/bed rights, vendors, and consultants



Potomac Region Facilities

Facility	CMS Rating	Occup	Medicaid	Multibed Plan	Multibed Waiver Recommendation
Anchorage	2 stars	67.1%	83.7%	N/A	N/A
Clinton	2 stars	85.64%	88.3%	Eliminate 3 quads, 8 triples	Partial grant: reduce an additional 11 triples, retain 3 quads & 26 triples
Forestville	3 stars	96.5%	75.9%	Eliminate 4 triples	Grant: retain 27 triples
Ft Washington	4 stars	96.2%	68.9%	Eliminate all 12 quads	N/A
Kensington	3 stars	99.9%	90.2%	N/A	N/A
Marley Neck	5 stars	96.15%	59.6%	Request full waiver	Grant: retain 2 quads
Silver Spring	2 stars	87.3%	89.8%	N/A	N/A
South River	4 stars	92.2%	72.4%	N/A	N/A



Potomac Operator/Bed Rights **VOTE**

Trust	Ownership	Trustee
Gold MD Trust	31.005	Jack Shelby
Silver MD Trust	31.005	Jack Shelby
Copper MD Trust	10	Jack Shelby
BUAH MD Trust	8	Jack Shelby
AYSAN MD Trust	4.99	Chaya Lomnitz
Summit Lane Trust	4.99	Perry Dinter
AFH MD Irrevocable Trust	4.99	Perry Dinter
CDP Maritime Trust	4	Chaya Lomnitz
RGP Maritime Trust	1	Laura Gottlieb

- ▶ Jack Shelby, trustee, only owner or affiliate with other nursing home ownership
- ▶ Average star ratings of Shelby's other facilities exceeds average ratings of facilities to be acquired
- ▶ Some overlap with purchasers of real property, vendors, and consultants



Potomac Real Property **VOTE**

Ownership	Mid level Owners	Managers	Ultimate Owners	Trustee
31.005	Gamfal, LLC	Teddy Lichtschein	Lichtschein Family 2012 Trust	Eliyah Zev Kohn & Julie Lichtschein
31.005	Scheiner Holdings, LLC	Eliezer Scheiner	Scheiner Family 2012 Trust	Eliyah Zev Kohn & Heather Scheiner
8	MF Group, LLC	Robert Meisner	MF Trust	Michal Rodkin
10	KF Capital Holdings, LLC	Eliyahu Zev Kohn	Kohn Family Trust	Chanie Kohn
			Chanie Kohn 2021 Family Trust	Eliyahu Zev Kohn
4.99	ML Investment Holdings, LLC		Michael Meisner	N/A
4.99	MDRRK, LLC		Summit Lane Trust	Perry Dinter
4.99	AFH MD, LLC	-	AFH MD Irrevocable Trust	Perry Dinter
1	-	-	CPD Maritime Trust	Chaya Lomnitz
1	-	-	RGP Maritime Trust	Laura Gottlieb

- ▶ Manager Robert Meisner holds interest in Maryland nursing home, currently 3 stars
- ▶ Trustees Zevi Kohn, Julie Lichtschein, Heather Sheiner, Elizer Scheiner and Teddy Lichtschein have interests in out-of-state nursing homes, 2.71 average
- ▶ Some overlap with purchasers of operations/bed rights, vendors, and consultants



Western Md Facilities

Facility	CMS Rating	Occup	Medicaid %	Multibed Plan	Multibed Waiver Recommendation
Cumberland	2 stars	79.3%	83.5%	Eliminate all multibed rooms (1 triple, 5 quads)	N/A
Hagerstown	1 star	48.53%	79.8%	Eliminate 6 triples	Deny waiver, eliminate all multi-bedded rooms (16 triples)
Pleasant View	3 stars	74.43%	86%	Request full waiver	Eliminate 6 quads, retain 20 quad room
Westminster	2 stars		78.1%	Eliminate 4 quads & 4 triples	Deny waiver, eliminate all multi-bedded rooms (4 quad, 26 triples)



Western Operator/Bed Rights **VOTE**

- ▶ Jack Shelby will be 100% indirect owner of the facilities
- ▶ Average star ratings of Shelby's other facilities exceeds average ratings of facilities to be acquired



End of Presentation

Thank you to Wynee, Alexa, Caitlin, Alex, Deanna and Moira for helping with this project.

I would also like to introduce the applicants, their consultant, and attorney who are here today either in person or remotely.