

February 11, 2008

Timothy E. Adkins, Health Care Financial Analyst
Certificate of Need
West Virginia Health Care Authority
100 Dee Drive
Charleston, West Virginia 25311

2008 FEB 11 PM 3:08
PHOTO COPY
RECEIVED
WEST VIRGINIA HEALTH CARE AUTHORITY

**Re: Relational Management Services, LLC
CON File #08-1-8684-X**

Dear Mr. Adkins:

On behalf of Relational Management Services, LLC ("RMS"), please accept this exemption application for the acquisition of Greenbrier Academy, a Therapeutic Residential School located in Pence Springs, Summers County, West Virginia.

In support of this exemption request, the following information is provided regarding compliance with Legislative Rule §65-7-15.3.a.

- (a) **The board finds, within thirty (30) days of the date it receives a notice required by subsection (b) of this section, that the services or bed capacity of the facility will not be changed by reason of the acquisition.**

Greenbrier Academy is a boarding school for girls with a therapeutic component. The Greenbrier Academy, a charitable trust, received a certificate of need for 95 beds with the stated intent of phasing in the development of those beds. The school opened in September 2007 with 52 licensed beds. As described in the certificate of need application for the development of The Greenbrier Academy, RMS manages the boarding school for The Greenbrier Academy. RMS anticipates no change in the scope, services or planned phased in development to 95 beds as a result of this transaction. RMS will change the d/b/a to Greenbrier Academy for Girls.

- (b) **Before the person enters into a contractual arrangement to acquire an existing health care facility, whether or not contingent upon the receipt of an exemption, a notification of such intent is sent to the board in writing at least thirty (30) days before contractual arrangements are entered into to**

acquire the facility, which notifies the board of the services to be offered in the facility and its bed capacity.

The Greenbrier Academy is currently owned by The Greenbrier Academy. RMS did not enter into a contractual arrangement with TGA related to the acquisition of The Greenbrier Academy and will not enter into such an agreement until on or after February 24, 2008. This is at least thirty (30) days after RMS filed with the Health Care Authority its letter of intent (January 25, 2008) to file an application for exemption from certificate of need for the proposed acquisition.

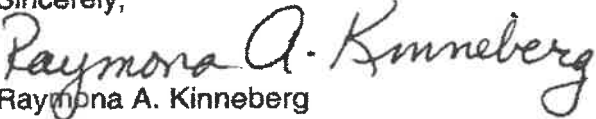
- (c) **The board finds that the acquisition is financially feasible and that the applicant has adequate resources to ensure the viability of the project.**

RMS was formed in September 2005. However, RMS did not become operational until last year when The Greenbrier Academy opened. Consequently, it has no historical financial statements. RMS has sufficient financial resources to provide working capital to operate the school until it generates sufficient revenues to cover operations, which is anticipated to occur during the second year of operation. While not part of this application, subsequent to the acquisition by RMS, The Greenbrier Trust will convert to a 501(c)(3) not-for-profit entity and become a foundation for sponsoring charitable events for the students and research/public education on adolescent health.

Attachment 1 provides the financial projections for The Greenbrier Academy for this fiscal year and the next three fiscal years. As shown in the financials, RMS anticipates operations with a net income beginning in year two.

Attachment 2 is the verification signed on behalf of RMS. Attachment 3 is the verification signed by the preparer of this exemption request. If you have any questions or would like additional information, please do not hesitate to let me know.

Sincerely,


Raymona A. Kinneberg
Health Care Consultant

c: Bart Mitchell, Manager

Attachments

Relational Management Services, LLC
CON File #08-1-8684-X

Attachment 1

RECEIVED

2009 FEB 11 PM 3:09

VERMONT
COURT

Attachment 1

Relational Management Services, LLC
CON File #08-1-8684-X

Financial Projections

Relational Management Services 3 Year Projection

	<u>2008 Total</u>	<u>2009 Total</u>	<u>2010 Total</u>
<u>Total Income</u>	<u>1,558,794.96</u>	<u>3,602,469.62</u>	<u>5,093,167.80</u>
Expenses			
School Supplies	135,258.00	213,240.00	296,748.00
Operating Expenses	304,219.94	397,856.70	450,429.68
Payroll Expenses	1,457,884.08	1,746,897.36	2,802,225.38
Rent/Repairs & Maintenance	161,500.00	155,200.00	189,108.00
Utilities	1,619,364.08	150,120.00	150,120.00
<u>Sub Total Expenses</u>	<u>2,208,962.02</u>	<u>2,663,314.06</u>	<u>3,888,631.06</u>
<u>EDITDA</u>	<u>-650,167.06</u>	<u>939,155.56</u>	<u>1,204,536.75</u>
<u>Net Income</u>	<u>-627,367.12</u>	<u>961,955.56</u>	<u>1,227,336.75</u>

Census

Initial census is 8 increasing by 3 each month until reaching 50 in the second year.
Census will increase in the third year with renovations complete for additional beds

Relational Management Services, LLC
CON File #08-1-8684-X

Attachment 2

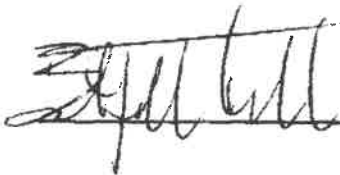
Attachment 2

Relational Management Services, LLC
CON File #08-1-8684-X

RMS Verification

**VERIFICATION BY CHIEF EXECUTIVE OFFICER
OR ADMINISTRATOR**

I HEREBY VERIFY that the information in the enclosed letter prepared by Raymona A. Kinneberg, Health Care Consultant, dated February 11, 2008 requesting an exemption from certificate of need related to the acquisition of Greenbrier Academy located in Summers County, West Virginia., is to the best of my knowledge and belief, a true, correct and complete assertion prepared from the books, records and other information of Relational Management Services, LLC, in accordance with applicable instructions, except as noted.



(Signed)

Bart J. Mitchell

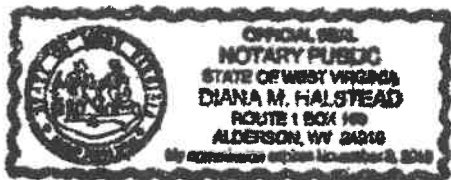
Manager
Title

Date Feb 4, 2008

State of West Virginia

County of Greenbrier

Sworn to, stated, and subscribed before me on this 4th day of February, 2008.



(SEAL)



Notary Public

Relational Management Services, LLC
CON File #08-1-8684-X

Attachment 3

Attachment 3

Relational Management Services, LLC
CON File #08-1-8684-X

Preparer Verification

**VERIFICATION BY PREPARER
OF EXEMPTION REQUEST**

I HEREBY VERIFY that the information in the enclosed letter prepared by Raymona A. Kinneberg, Health Care Consultant, dated February 11, 2008 requesting an exemption from certificate of need related to the acquisition of Greenbrier Academy located in Summers County, West Virginia, is to the best of my knowledge and belief, a true, correct and complete assertion prepared from the books, records and other information of Relational Management Services, LLC, in accordance with applicable instructions, except as noted.

(Signed)

Raymona A. Kinneberg
Raymona A. Kinneberg

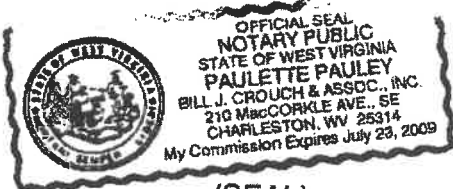
Health Care Consultant
Title

February 11, 2008
Date

State of West Virginia

County of Kanawha

Sworn to, stated, and subscribed before me on this 11th day of Feb, 2008.



Paulette Pauley
Notary Public