

STATE OF NEW YORK
PUBLIC HEALTH AND HEALTH PLANNING COUNCIL

COMMITTEE DAY

AGENDA

March 28, 2019
10:15 a.m.

Empire State Plaza, Concourse Level, Meeting Room 6, Albany

I. COMMITTEE ON ESTABLISHMENT AND PROJECT REVIEW

Peter Robinson, Chair

A. Applications for Construction of Health Care Facilities/Agencies

Acute Care Services – Construction

Exhibit # 1

	<u>Number</u>	<u>Applicant/Facility</u>
1.	182147 C	University Hospital SUNY Health Science Center (Onondaga County)
2.	182246 C	Cortland Regional Medical Center Inc (Cortland County)

B. Applications for Establishment and Construction of Health Care Facilities/Agencies

Acute Care Services - Establish/Construct

Exhibit # 2

	<u>Number</u>	<u>Applicant/Facility</u>
1.	182124 E	John T. Mather Memorial Hospital of Port Jefferson New York, Inc. (Suffolk County)

Ambulatory Surgery Center - Establish/Construct

Exhibit # 3

	<u>Number</u>	<u>Applicant/Facility</u>
1.	182302 B	Regency SC, LLC d/b/a Regency Surgery Center (Bronx County)

Diagnostic and Treatment Centers - Establish/Construct

Exhibit # 4

	<u>Number</u>	<u>Applicant/Facility</u>
1.	191009 B	KAHR Health, LLC (Rockland County)

Dialysis Services - Establish/Construct

Exhibit # 5

<u>Number</u>	<u>Applicant/Facility</u>
1. 181420 E	Rogosin Auburndale, LLC d/b/a Rogosin Kidney Center-Auburndale (Queens County)

Hospice Services - Establish/Construct

Exhibit # 6

<u>Number</u>	<u>Applicant/Facility</u>
1. 182160 E	Lifetime Care/Hospice of Rochester/Hospice of Wayne & Seneca Counties (Monroe County)

Residential Health Care Facilities - Establish/Construct

Exhibit # 7

<u>Number</u>	<u>Applicant/Facility</u>
1. 172415 E	The Pearl Nursing Center of Rochester, LLC (Monroe County)
2. 181110 E	ISLRNC, LLC d/b/a Ideal Commons Rehabilitation and Nursing Center (Broome County)
3. 182060 E	Buena Vida SNF LLC d/b/a Buena Vida Rehabilitation and Nursing Center (Kings County)
4. 182209 E	Morris Park Nursing and Rehab Center, LLC (Bronx County)
5. 182221 E	Leroy Operating LLC d/b/a Leroy Village Green Nursing and Rehabilitation Center (Genesee County)
6. 182271 E	Union Plaza Care Center (Queens County)
7. 182272 E	EN Operations Acquisitions, LLC d/b/a The Grand Rehabilitation and Nursing at Delaware Park (Erie County)

Certified Home Health Agency - Establish/Construct

Exhibit # 8

	<u>Number</u>	<u>Applicant/Facility</u>
1.	182159 E	Lifetime Care (Monroe County)
2.	182175 E	FSNR CHHA, LLC d/b/a Four Seasons Nursing and Rehabilitation Certified Home Health Agency (Kings County)

C. Home Health Agency Licensures

Exhibit # 9

Changes of Ownership with Consolidation

	<u>Number</u>	<u>Applicant/Facility</u>
1.	182163 E	Genesee Region Home Care of Ontario County, Inc. d/b/a Home Care Plus (Monroe County)
2.	191016 E	South Shore Home Health Service, Inc. (Suffolk County)

Affiliated with Assisted Living Programs (ALPs)

	<u>Number</u>	<u>Applicant/Facility</u>
1.	182100 E	Pine Haven Assisted Living, LLC d/b/a Pine Haven Home Care (Columbia County)
2.	182244 E	The Sentinel of Rockland, LLC (Rockland County)
3.	182289 E	Rosewood of Auburn, LLC d/b/a Ridgewood Senior Living (Cayuga County)
4.	181115 E	ISLACF, LLC d/b/a The Pavilion at Ideal Commons (Broome County)

D. Certificates

Exhibit # 10

Certificate of Dissolution

Applicant

FASC Foundation

Foxhall Ambulatory Surgery Center

Cabrini Care at Home, Inc.

II. COMMITTEE ON HEALTH PLANNING

John Rugge, M.D., Chair

UNIVERSITY HOSPITAL OF THE STATE UNIVERSITY OF
NEW YORK UPSTATE MEDICAL UNIVERSITY

Balance Sheets

December 31, 2017

(in thousands of dollars)

<u>Assets and Deferred Outflows of Resources</u>	<u>2017</u>
Current assets:	
Cash and cash held by the State	\$ 135,772
Patient accounts receivable, net of allowance for doubtful accounts of approximately \$168,500	91,246
Estimated disproportionate share receivable	80,783
Due from third-party payors	2,798
Other receivables, net	23,707
Due from State of New York - professional liability	4,000
Inventories	9,861
Prepaid expenses and other	4,310
Total current assets	<u>352,477</u>
Assets whose use is limited:	
Internally designated	32,092
Limited use assets	23,999
Estimated disproportionate share receivable, net of current portion	366
Other long-term receivables, net	16,685
Due from State of New York - professional liability, net of current portion	118,756
Capital assets, net	<u>409,640</u>
Total assets	954,015
Deferred outflows of resources	<u>93,063</u>
Total assets and deferred outflows of resources	<u>\$ 1,047,078</u>
<u>Liabilities, Deferred Inflows of Resources and Net Position</u>	
Current liabilities:	
Current maturities of long-term debt and capital lease obligations	27,181
Accounts payable and accrued expenses	82,859
Accrued salaries and wages	27,953
Accrued employee benefits	41,105
Accrued interest	4,526
Due to State of New York - professional liability	4,000
Due to third-party payors	46,444
Due to affiliates	6,089
Total current liabilities	<u>240,157</u>
Long-term obligations, net of current maturities:	
Due to State of New York - professional liability	118,756
Net pension liability	99,968
Due to affiliates	9,471
Accrued employee benefits	23,249
Capital lease obligations	42,881
Long-term debt	<u>279,964</u>
Total liabilities	814,446
Deferred inflows of resources	<u>43,805</u>
Total liabilities and deferred inflows of resources	<u>858,251</u>
Net position:	
Net investment in capital assets	113,360
Unrestricted	<u>75,467</u>
Total net position	<u>188,827</u>
Commitments and contingencies	
Total liabilities, deferred inflows of resources and net position	<u>\$ 1,047,078</u>

**UNIVERSITY HOSPITAL OF THE STATE UNIVERSITY OF
 NEW YORK UPSTATE MEDICAL UNIVERSITY**

Statements of Revenues, Expenses and Changes in Net Position

Years ended December 31, 2017

(in thousands of dollars)

	<u>2017</u>
Operating revenues:	
Net patient service revenue net of provision for bad debts of approximately \$68,000	\$ 817,295
Disproportionate share revenue	78,339
Other operating revenues	<u>64,907</u>
Total operating revenues	<u>960,541</u>
Operating expenses:	
Salaries and wages	364,727
Employee benefits	169,460
Supplies and other expenses	440,446
Professional liability	6,615
Depreciation and amortization	<u>44,156</u>
Total operating expenses	<u>1,025,404</u>
Operating gain (loss)	<u>(64,863)</u>
Non-operating revenues (expenses):	
State of New York appropriations, net	45,823
State of New York professional liability appropriation	6,615
Loss on sale of investments	-
Interest expense on capital-related debt	(13,387)
Interest income	<u>1,731</u>
Total non-operating revenues, net	<u>40,782</u>
Excess (deficiency) of revenues over expenses	(24,081)
Transfers to Upstate Medical University	(5,000)
Net transfers from/(to) the State University of New York	<u>(11,624)</u>
Increase (decrease) in net position	(40,705)
Net position, beginning of year	<u>229,532</u>
Net position, end of year	<u>\$ 188,827</u>

Upstate University Hospital
Balance Sheet
October 31, 2018
(Dollars in thousands)

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES								
	10/31/2018	10/31/2017	Increase (Decrease)	%	10/31/2018	12/31/2017	Increase (Decrease)	%
Current Assets:								
Cash	\$ 220,078	\$ 167,631	\$ 52,447	31.3%	\$ 220,078	\$ 135,772	\$ 84,306	62.1%
Accounts Receivable, Net	101,012	88,504	12,507	14.1%	101,012	91,246	9,766	10.7%
Estimated Disproportionate Share Receivable	44,806	40,041	4,765	11.9%	44,806	80,783	(35,977)	(44.5)%
Due From Third-Party Payors	2,356	734	1,623	221.2%	2,356	2,798	(442)	(15.8)%
Other Receivables	25,204	22,742	2,462	10.8%	25,204	23,707	1,497	6.3%
Due From State of New York - Professional Liability	9,649	5,200	4,449	85.6%	9,649	4,000	5,649	141.2%
Inventory	9,861	10,059	(199)	(2.0)%	9,861	9,861	(0)	(0.0)%
Prepays and Other Assets	4,903	3,085	1,818	58.9%	4,903	4,310	593	13.8%
Total Current Assets	417,869	337,996	79,872	23.6%	417,869	352,477	65,392	18.6%
Other Long Term Receivables, Net	9,791	15,010	(5,218)	(34.8)%	9,791	16,685	(6,894)	(41.3)%
Assets Whose Use Is Limited	9,143	47,006	(37,863)	(80.6)%	9,143	56,091	(46,948)	(83.7)%
Unexpended bond proceeds	-	-	-	0.0%	-	-	-	0.0%
Estimated Disproportionate Share Receivable, net	4,473	30,129	(25,656)	(85.2)%	4,473	366	4,107	1122.1%
Due From State of New York - Professional Liability	118,756	111,556	7,200	6.5%	118,756	118,756	-	0.0%
Property, Plant and Equipmt, Net	414,514	401,181	13,333	3.3%	414,514	409,640	4,874	1.2%
Total Assets	974,546	942,878	31,668	3.4%	974,546	954,015	20,531	2.2%
Deferred Outflows of Resources	92,953	80,237	12,715	15.8%	92,953	93,063	(110)	(0.1)%
Total Assets and Deferred Outflows of Resources	1,067,499	1,023,115	44,383	4.3%	1,067,499	1,047,078	20,421	2.0%
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET ASSETS								
Current Liabilities:								
Current Debt Maturities	\$ 24,036	\$ 23,610	\$ 426	1.8%	\$ 24,036	\$ 27,181	\$ (3,145)	(11.6)%
Accounts Payable	91,832	88,307	3,525	4.0%	91,832	82,859	8,973	10.8%
Accrued Wages	32,914	35,358	(2,444)	(6.9)%	32,914	27,953	4,961	17.7%
Accrued Employee Benefits	39,120	36,536	2,584	7.1%	39,120	41,105	(1,985)	(4.8)%
Accrued Interest	2,396	2,183	214	9.8%	2,396	4,526	(2,130)	(47.1)%
Estimated Professional Liability	4,000	5,200	(1,200)	(23.1)%	4,000	4,000	-	0.0%
Due to Third Party Payors	47,885	48,071	(186)	(0.4)%	47,885	46,444	1,441	3.1%
Due to Affiliates	4,725	6,461	(1,735)	(26.9)%	4,725	6,089	(1,364)	(22.4)%
Total Current Liabilities	246,909	245,725	1,184	0.5%	246,909	240,157	6,752	2.8%
Due to State of New York - Professional Liability	118,756	111,556	7,200	6.5%	118,756	118,756	-	0.0%
Net Pension Liability	44,625	110,090	(65,465)	(59.5)%	44,625	99,968	(55,343)	(55.4)%
Due to Affiliate	14,713	8,805	5,908	67.1%	14,713	9,471	5,242	55.4%
Accrued Employee Benefits	23,249	22,453	796	3.5%	23,249	23,249	0	0.0%
Capital Lease Obligations	29,753	28,840	913	3.2%	29,753	42,881	(13,128)	(30.6)%
Long-term Obligations, Net	280,801	276,975	3,826	1.4%	280,801	279,964	837	0.3%
Total Liabilities	758,807	804,445	(45,638)	(5.7)%	758,807	814,446	(55,639)	(6.8)%
Deferred Inflow of Resources	131,343	40,208	91,135	226.7%	131,343	43,805	87,538	199.8%
Total liabilities and deferred inflow of resources	890,149	844,652	45,497	5.4%	890,149	858,251	31,898	3.7%
Unrestricted	95,989	61,835	34,154	55.2%	95,989	75,467	20,522	27.2%
Net Invested in Capital Assets	81,360	116,628	(35,268)	(30.2)%	81,360	113,360	(32,000)	(28.2)%
Net Assets	177,349	178,463	(1,114)	(0.6)%	177,349	188,827	(11,478)	(6.1)%
Total Liabilities, Deferred Inflows and Net Assets	1,067,499	1,023,115	44,383	4.3%	1,067,499	1,047,078	20,421	2.0%

Upstate University Hospital
Statements of Revenues and Expenses
October 31, 2018

MONTH TO DATE				Prior MTD	YEAR TO DATE				Prior YTD		
Actual	Budget	Favorable (Unfavorable)	%	Actual	(Dollars in thousands)						
Actual	Budget	Favorable (Unfavorable)	%	Actual	Actual	Budget	Favorable (Unfavorable)	%	Actual		
\$ 180,390	\$ 185,670	\$ (5,280)	(2.8)%	\$ 168,564	INPATIENT REVENUE						
(130,082)	(134,466)	4,385	3.3%	(118,450)	Gross Charges	\$ 713,815	\$ 736,717	\$ (22,901)	(3.1)%	\$ 644,248	
(2,718)	(2,850)	132	4.6%	(4,211)	Contractual Allowances	(513,518)	(533,544)	20,026	3.8%	(450,062)	
47,591	48,354	(764)	(1.6)%	45,903	Reserve For Bad Debt	(10,938)	(11,307)	368	3.3%	(14,701)	
					Net Inpatient Revenue	189,359	191,866	(2,507)	(1.3)%	179,485	
					OUTPATIENT REVENUE						
118,475	116,444	2,031	1.7%	99,832	Gross Charges	458,409	462,068	(3,659)	(0.8)%	389,774	
(90,557)	(87,949)	(2,608)	(3.0)%	(74,565)	Contractual Allowances	(347,904)	(348,978)	1,075	0.3%	(287,384)	
(2,960)	(3,115)	155	5.0%	(2,720)	Reserve For Bad Debt	(12,688)	(12,361)	(327)	(2.6)%	(10,929)	
24,958	25,380	(422)	(1.7)%	22,547	Net Outpatient Revenue	97,817	100,728	(2,911)	(2.9)%	91,461	
(2)	72,549	73,734	(1,185)	(1.6)%	68,450	Net Patient Revenue	287,175	292,594	(5,418)	(1.9)%	270,946
(3)	1,734	868	866	99.8%	3,703	Pools and Retros (Pmts)	5,990	3,444	2,547	73.9%	7,795
(4)	9,451	8,899	552	6.2%	1,587	Disproportionate Share (DSH)	37,804	35,597	2,207	6.2%	27,963
	-0-	-0-	-0-	0.0%	2,429	Appropriations from State of New York	-0-	-0-	-0-	0.0%	9,716
	-0-	-0-	-0-	0.0%	-0-	Other State Support	-0-	-0-	-0-	0.0%	-0-
(5)	8,262	8,767	(506)	(5.8)%	6,033	Other Revenue	34,181	34,786	(606)	(1.7)%	24,051
	91,995	92,269	(273)	(0.3)%	82,202	Total Revenue	365,150	366,421	(1,270)	(0.3)%	340,470
						OPERATING EXPENSES					
34,081	35,767	1,686	4.7%	32,129	Salaries and Wages	134,257	140,129	5,872	4.2%	123,795	
4,489	3,361	(1,128)	(33.6)%	3,186	Contract labor	16,312	13,334	(2,978)	(22.3)%	12,347	
14,216	15,585	1,369	8.8%	14,211	Fringe Benefits	54,853	61,063	6,210	10.2%	55,716	
35,682	40,974	5,292	12.9%	32,589	Supplies and Other	145,564	162,540	16,976	10.4%	131,682	
3,858	3,875	17	0.4%	4,008	Depreciation and Amortization	15,431	15,499	68	0.4%	16,032	
1,131	1,130	(1)	(0.1)%	1,119	Interest	4,603	4,484	(119)	(2.7)%	4,455	
(6)	93,457	100,691	7,235	7.2%	87,242	Total Expenses	371,020	397,048	26,029	6.6%	344,027
(1)	(1,461)	(8,423)	6,961	82.6%	(5,040)	OPERATING INCOME (LOSS)					
						(5,869)	(30,628)	24,758	80.8%	(3,557)	
						NON-OPERATING INCOME (LOSS)					
	-0-	-0-	0.0%	-0-	Non-Operating Gain (Loss)	-0-	-0-	-0-	0.0%	-0-	
	\$ (1,461)	\$ (8,423)	\$ 6,961	82.6%	\$ (5,040)	NET INCOME (LOSS)					
	1,038	2,787	(1,749)	(62.8)%	-0-	Capital Appropriations	2,271	10,215	(7,945)	(77.8)%	-0-
	-0-	(12,015)	12,015	100.0%	-0-	Transfers to SUNY and UMU	-0-	(12,015)	12,015	100.0%	-0-
	-0-	0	(0)	(100.0)%	-0-	Capital Gifts and Grants	-0-	1,351	(1,351)	(100.0)%	-0-
(7)	\$ (423)	\$ (17,651)	\$ 17,227	97.6%	\$ (5,040)	INCREASE (DECREASE) IN NET POSITION					
						\$ (3,599)	\$ (31,077)	\$ 27,478	88.4%	\$ (3,557)	

CORTLAND REGIONAL MEDICAL CENTER, INC.

Consolidated Balance Sheets

December 31, 2017 and 2016

<u>Assets</u>	<u>2017</u>	<u>2016</u>
Current assets:		
Cash and cash equivalents	\$ 2,788,493	2,632,583
Investments	9,170,896	7,970,780
Patient accounts receivable, net of allowance for doubtful accounts of \$4,238,781 in 2017 and \$4,186,332 in 2016	10,974,564	9,195,876
Other notes and accounts receivable	2,435,880	1,000,725
Inventories	1,103,895	629,819
Prepaid expenses	766,220	859,366
Total current assets	<u>27,239,948</u>	<u>22,289,149</u>
Assets limited as to use:		
Board designated	6,007,862	6,107,926
Permanent endowment	102,548	1,480,688
Total assets limited as to use	<u>6,110,410</u>	<u>7,588,614</u>
Property and equipment, net	<u>37,365,454</u>	<u>40,189,677</u>
Other assets:		
Interest in net assets of Cortland Memorial Foundation, Inc.	5,217,929	4,785,857
Other notes and accounts receivable, net of allowance for doubtful accounts of \$3,911,884 in 2017 and 2016	1,744,368	1,559,759
Interest rate swap asset	33,159	-
Goodwill	350,000	350,000
Total other assets	<u>7,345,456</u>	<u>6,695,616</u>
Total assets	<u>\$ 78,061,268</u>	<u>76,763,056</u>

<u>Liabilities and Net Assets</u>	<u>2017</u>	<u>2016</u>
Current liabilities:		
Current portion of long-term debt	\$ 1,344,475	1,388,713
Accounts payable	5,849,342	4,814,348
Accrued payroll and benefits	6,764,148	6,611,567
Accrued interest	62,193	113,521
Other accrued expenses	147,304	211,311
Advances from third-party payors	920,238	920,238
Estimated third-party payor settlements	4,195,264	3,044,903
	<hr/>	<hr/>
Total current liabilities	19,282,964	17,104,601
Long-term debt, net of current portion	16,826,874	18,132,099
Accrued pension liability	14,978,811	15,401,585
Interest rate swap liability	-	110,043
Other liabilities	2,220,891	1,577,400
	<hr/>	<hr/>
Total liabilities	53,309,540	52,325,728
Net assets:		
Unrestricted	20,666,887	18,965,284
Temporarily restricted	1,354,149	1,380,500
Permanently restricted	2,730,692	4,091,544
	<hr/>	<hr/>
Total net assets	24,751,728	24,437,328
Commitments and contingencies (note 10)		
Total liabilities and net assets	\$ <u>78,061,268</u>	<u>76,763,056</u>

CORTLAND REGIONAL MEDICAL CENTER, INC.

Consolidated Statements of Operations

Years ended December 31, 2017 and 2016

	<u>2017</u>	<u>2016</u>
Unrestricted revenues, gains and other support:		
Patient service revenue (net of contractual allowances and discounts)	\$ 97,131,658	85,553,435
Provision for bad debts	<u>(3,668,256)</u>	<u>(3,319,949)</u>
Net patient service revenue less provision for bad debts	93,463,402	82,233,486
Other operating revenue	<u>3,419,161</u>	<u>4,419,645</u>
Total revenues, gains and other support	<u>96,882,563</u>	<u>86,653,131</u>
Expenses:		
Salaries and wages	46,945,704	45,514,269
Employee benefits	11,835,323	12,258,060
Supplies	13,191,173	11,895,711
Professional and contracted services	16,582,386	15,222,414
Other direct	5,654,285	5,753,272
Interest	853,224	862,884
Depreciation and amortization	<u>5,400,816</u>	<u>5,588,843</u>
Total expenses	<u>100,462,911</u>	<u>97,095,453</u>
Loss from operations	(3,580,348)	(10,442,322)
Nonoperating revenue (expense):		
Investment income, net	878,679	254,189
Gain (loss) on disposal of property and equipment	(3,411)	51,169
Grant received for retirement of debt	985,000	-
Change in fair value of interest rate swap	<u>143,202</u>	<u>148,229</u>
Deficiency of revenues over expenses	(1,576,878)	(9,988,735)
Change in net unrealized gains and losses on investments	1,369,360	1,044,863
Change in interest in net assets of Cortland Memorial Foundation, Inc.	278,114	84,278
Net assets released from restrictions used for purchase of property and equipment	165,000	18,630
Contributions received for purchase of property and equipment	282,457	136,022
Pension-related changes other than net periodic benefit cost	1,388,678	338,816
Other components of net periodic benefit cost	(1,579,715)	(437,453)
Transfer from permanently restricted net assets	<u>1,374,587</u>	<u>-</u>
Increase (decrease) in unrestricted net assets	<u>\$ 1,701,603</u>	<u>(8,803,579)</u>

Cortland Regional Medical Center, Inc. Consolidated Balance Sheet - Assets

	Nov-18	Oct-18	Oct-17	Year Over Year Variance
Current Assets:				
Cash & cash equivalents	2,651,956	1,554,917	1,106,857	1,545,099
Unrestricted Investments	7,897,021	7,838,423	9,051,654	(1,154,633)
Current portion of assets whose use is limited	-	-	-	-
Net patient accounts receivable - CRMC	9,086,186	10,399,906	10,204,974	(1,118,788)
Net patient accounts receivable - RMP	1,955,658	2,021,681	1,729,804	225,854
Other receivables, net	819,702	625,388	1,153,242	(333,540)
Inventories	1,111,520	1,066,014	1,054,158	57,362
Prepaid expenses	966,175	1,070,609	851,890	114,285
Total Current Assets	<u>24,488,219</u>	<u>24,576,939</u>	<u>25,152,578</u>	<u>(664,359)</u>
Assets whose use is limited	6,021,234	5,967,895	6,008,010	13,224
Property, Plant & Equipment:				
Gross	145,522,010	146,145,786	144,853,112	668,898
Less: accumulated depreciation	(111,908,082)	(111,953,816)	(107,634,875)	(4,273,207)
Net Property, Plant & Equipment	<u>33,613,928</u>	<u>34,191,970</u>	<u>37,218,237</u>	<u>(3,604,309)</u>
Other Assets:				
Interest in net assets of Foundation	5,217,929	5,217,929	4,949,251	268,678
Other notes & accounts receivable - net	1,478,831	1,484,019	1,499,601	(20,770)
Other assets	350,000	350,000	360,959	(10,959)
Total Other Assets	<u>7,046,760</u>	<u>7,051,948</u>	<u>6,809,811</u>	<u>236,949</u>
TOTAL ASSETS	71,170,141	71,788,750	75,188,636	(4,018,495)

Cash & cash equivalents are up from prior month with an offset to lower A/R.

Cortland Regional Medical Center, Inc. Consolidated Balance Sheet - Liabilities & Net Assets

	Year Over Year		
	Nov-18	Oct-18	Nov-17
	Variance		
Current Liabilities:			
Current portion of long-term debt	34,136	34,136	1,361,052
Accounts payable	4,766,025	4,830,999	4,604,396
Accrued payroll & benefits	6,919,613	6,613,558	6,792,242
Due to & advances from third party payors	5,396,186	5,420,765	5,082,881
Other accrued liabilities	161,068	167,566	276,739
Accrued interest		-	60,164
Total Current Liabilities	17,277,029	17,067,024	18,177,474
			(900,445)
Long-term debt, net of current portion	44,561	47,422	16,851,518
Accrued pension liability	14,540,634	14,461,743	15,210,435
Insurance liability	1,777,428	1,777,428	1,441,894
Long term Interest rate swap liability	-	-	48,148
Total Liabilities	33,639,653	33,353,617	51,729,468
			(18,089,815)
Net Assets:			
Unrestricted	33,443,059	34,348,403	19,254,436
Temporarily restricted	1,364,624	1,364,624	1,491,881
Permanently restricted	2,722,806	2,722,106	2,712,851
Total Net Assets	37,530,489	38,435,133	23,459,168
			14,071,321
TOTAL LIABILITIES & NET ASSETS	71,170,141	71,788,750	75,188,636
			(4,018,495)

Cortland Regional Medical Center, Inc.

Consolidated Income Statement -November 2018 Year to Date

	Actual	Q3 2018 Forecast	Variance from Forecast	Budget	Variance From Budget	Prior Year Actual	Year Over Year Variance
Net inpatient revenue	35,221,047	35,456,937	(235,890)	35,598,729	(377,682)	35,973,050	(752,003)
Net outpatient revenue	59,787,532	59,861,668	(74,137)	58,356,918	1,430,614	55,159,981	4,627,551
Other allowances & discounts	(2,426,128)	(2,394,762)	(31,367)	(1,571,442)	(854,686)	(1,535,141)	(890,987)
Provision for bad debts	(3,260,963)	(3,195,366)	(65,598)	(3,038,907)	(222,056)	(2,998,108)	(262,855)
Total Net Patient Revenue	89,321,488	89,728,477	(406,992)	89,345,298	(23,810)	86,599,782	2,721,706
Other operating revenue	3,663,773	3,787,106	(123,333)	2,278,160	1,385,613	2,755,141	908,632
Total Operating Revenue	92,985,261	93,515,583	(530,325)	91,623,458	1,361,803	89,354,924	3,630,337
Salaries & wages	45,221,908	44,892,935	(328,972)	44,152,366	(1,069,542)	42,921,931	(2,299,977)
Fringe benefits	11,827,589	11,737,504	(90,087)	11,212,682	(614,907)	11,465,138	(362,451)
Contracted labor/Other Purchased Services	16,975,554	17,191,173	215,619	15,317,571	(1,657,983)	15,244,792	(1,730,762)
Supplies	13,392,532	13,602,885	210,353	13,421,945	29,413	12,082,889	(1,309,643)
Other direct expenses	5,363,653	5,460,558	96,905	5,484,892	121,239	5,086,869	(276,784)
Interest	75,987	75,351	(637)	55,202	(20,785)	745,424	669,437
Depreciation & amortization	5,248,169	5,232,388	(15,783)	5,514,262	266,093	5,311,396	63,227
Total Operating Expense	98,105,390	98,192,791	87,401	95,158,920	(2,946,472)	92,858,439	(5,246,951)
Income (Loss) From Operations	(5,120,130)	(4,677,208)	(442,924)	(3,535,462)	(1,584,669)	(3,503,515)	(1,616,614)
Net Nonoperating Gains/(Losses)	-	-	-	-	-	-	-
Excess (Deficiency) of Revenues Over Expenses	(5,120,130)	(4,677,208)	(442,924)	(3,535,462)	(1,584,669)	(3,503,515)	(1,616,614)
Net Unrealized Gains/(Losses) On Investments	(263,699)	249,124	-	249,124	-	3,595,794	(3,859,493)
Change in Interest in Net Assets of Foundation	-	-	-	-	-	-	-
Gain/Loss on Disposal of Assets	(262,858)	-	-	-	-	(1,920)	-
Gain/Loss on interest rate swap	109,140	-	-	-	-	61,895	-
Gain/Loss on Early Extinguishment of Debt	17,643,493	-	-	-	-	-	-
Net Assets released from restrictions used for purchase of PPE	-	-	-	-	-	-	-
Capital Contributions	827,205	137,260	-	137,260	-	149,100	678,105
Pension Related Changes other than Net Periodic Benefit Cost	(146,815)	-	-	-	-	-	-
Increase (Decrease) in Unrestricted Net Assets	12,786,336	(4,290,824)	(442,924)	(3,149,078)	(1,584,669)	301,355	(448,170)

On a YTD basis, acute patient days were below forecast by 1,242 days. Pysch Days were below forecast by 376 days.

Salaries and Wages are over forecast due to decreased usage of agency staff for the hospital.

Supplies are favorable to forecast due to decreased various outpatient volumes.

Overall Case Mix is 6.5% over forecast at 1.1159.

Other Operating Revenue is below forecast primarily due to timing of receipts for the Care Compass Program.

Northwell Health, Inc.

Consolidated Statements of Financial Position
(In Thousands)

	<u>December 31</u> <u>2017</u>
Assets	
Current assets:	
Cash and cash equivalents	\$ 399,856
Short-term investments	2,689,489
Accounts receivable for services to patients, net of allowance for doubtful accounts of \$117,600 in 2017	1,094,584
Accounts receivable for physician activities, net	149,504
Pledges receivable, current portion	63,459
Insurance claims receivable, current portion	78,468
Other current assets	288,197
Total current assets	<u>4,763,557</u>
Long-term investments	2,279,855
Pledges receivable, net of current portion	126,263
Property, plant and equipment, net	4,934,215
Insurance claims receivable, net of current portion	181,869
Other assets	283,229
Total assets	<u>\$ 12,568,988</u>
Liabilities and net assets	
Current liabilities:	
Short-term borrowings	\$ 110,608
Accounts payable and accrued expenses	998,686
Accrued salaries and related benefits	732,536
Current portion of capital lease obligations	3,742
Current portion of long-term debt	48,844
Current portion of insurance claims liability	78,468
Current portion of malpractice and other insurance liabilities	134,488
Current portion of estimated payables to third-party payers	358,518
Total current liabilities	<u>2,465,890</u>
Accrued retirement benefits, net of current portion	948,994
Capital lease obligations, net of current portion	171,873
Long-term debt, net of current portion	3,220,283
Insurance claims liability, net of current portion	181,869
Malpractice and other insurance liabilities, net of current portion	1,057,325
Other long-term liabilities	576,696
Total liabilities	<u>8,622,930</u>
Commitments and contingencies	
Net assets:	
Unrestricted	3,315,111
Temporarily restricted	435,172
Permanently restricted	195,775
Total net assets	<u>3,946,058</u>
Total liabilities and net assets	<u>\$ 12,568,988</u>

Northwell Health, Inc.
 Consolidated Statements of Operations
(In Thousands)

	Year Ended December 31
	2017
Operating revenue:	
Net patient service revenue	\$ 7,880,282
Physician practice revenue	1,495,740
Provision for bad debts	(129,033)
Total patient revenue, net of provision for bad debts	9,246,989
Other operating revenue	654,042
Net assets released from restrictions used for operations	61,375
	9,962,406
Operating expenses:	
Salaries	5,212,002
Employee benefits	1,230,621
Supplies and expenses	2,834,144
Depreciation and amortization	431,497
Interest	129,509
	9,837,773
Excess of operating revenue over operating expenses, excluding Health Insurance Companies	124,633
Health Insurance Companies operating revenue	828,077
Health Insurance Companies operating expenses	971,447
Health Insurance Companies excess of operating expenses over operating revenue	(143,370)
Total (deficiency) excess of operating revenue over operating expenses	(18,737)
Non-operating gains and losses:	
Investment income	109,051
Change in net unrealized gains and losses and change in value of equity method investments	281,520
Change in fair value of interest rate swap agreements designated as derivative instruments	-
Non-operating net periodic benefit cost	(27,863)
Loss on refunding of long-term debt	(42,619)
Contribution received in the acquisition of Peconic Bay Medical Center	-
Other non-operating gains and losses	(7,107)
Total non-operating gains and losses	312,982
Excess of revenue and gains and losses over expenses	294,245
Net assets released from restrictions for capital asset acquisitions	32,516
Change in fair value of interest rate swap agreements designated as cash flow hedges	2,218
Recovery of fair value of endowment corpus	-
Pension and other postretirement liability adjustments	(36,130)
Other changes in net assets	(5,681)
Increase in unrestricted net assets	\$ 287,168

Northwell Health, Inc.

**Consolidated Statements of Financial Position
 September 30, 2018 (In Thousands)**

	(Unaudited) September 30, 2018
Assets	
Current assets:	
Cash and cash equivalents	\$ 406,953
Short-term investments	2,705,706
Accounts receivable for services to patients, net	1,129,487
Accounts receivable for physician activities, net	198,944
Pledges receivable, current portion	70,627
Insurance claims receivable, current portion	78,468
Other current assets	326,510
Total current assets	<u>4,916,695</u>
Long-term investments	2,329,874
Pledges receivable, net of current portion	78,493
Property, plant and equipment, net	5,288,900
Insurance claims receivable, net of current portion	179,207
Other assets	389,065
Total assets	<u><u>\$ 13,182,234</u></u>
Liabilities and net assets	
Current liabilities:	
Short-term borrowings	\$ 113,718
Accounts payable and accrued expenses	991,175
Accrued salaries and related benefits	832,372
Current portion of capital lease obligations	7,175
Current portion of long-term debt	56,947
Current portion of insurance claims liability	78,468
Current portion of malpractice and other insurance liabilities	137,494
Current portion of estimated payables to third-party payers	391,499
Total current liabilities	<u>2,608,848</u>
Accrued retirement benefits, net of current portion	1,003,513
Capital lease obligations, net of current portion	178,789
Long-term debt, net of current portion	3,203,530
Insurance claims liability, net of current portion	179,207
Malpractice and other insurance liabilities, net of current portion	1,199,652
Other long-term liabilities	563,162
Total liabilities	<u>8,936,701</u>
Commitments and contingencies	
Net assets:	
Unrestricted	3,610,736
Temporarily restricted	435,594
Permanently restricted	199,203
Total net assets	<u>4,245,533</u>
Total liabilities and net assets	<u><u>\$ 13,182,234</u></u>

Northwell Health, Inc.

**Consolidated Statements of Operations
 For the Nine Months Ended September 30, 2018 (In Thousands)**

	(Unaudited) 2018
Operating revenue:	
Net patient service revenue	\$ 6,429,507
Physician practice revenue	<u>1,376,137</u>
Total patient revenue	7,805,644
Other operating revenue	541,426
Net assets released from restrictions used for operations	<u>50,031</u>
	<u>8,397,101</u>
Operating expenses:	
Salaries	4,308,585
Employee benefits	1,002,740
Supplies and expenses	2,520,146
Depreciation and amortization	368,146
Interest	<u>107,510</u>
	<u>8,307,127</u>
Excess of operating revenue over operating expenses, excluding Health Insurance Companies	<u>89,974</u>
Health Insurance Companies operating revenue	94,825
Health Insurance Companies operating expenses	<u>87,825</u>
Health Insurance Companies excess (deficiency) of operating revenue over operating expenses	7,000
Total excess of operating revenue over operating expenses	<u>96,974</u>
Non-operating gains and losses:	
Investment income	100,609
Change in net unrealized gains and losses and change in value of equity method investments	(38,220)
Change in fair value of interest rate swap agreements designated as derivative instruments	800
Non-operating net periodic benefit cost	(14,022)
Loss on refunding of long-term debt	-
Contribution received in the acquisition of John T. Mather Memorial Hospital	75,819
Gain on sale of property	64,178
Other non-operating gains and losses	<u>(13,519)</u>
Total non-operating gains and losses	<u>175,645</u>
Excess of revenue and gains and losses over expenses	272,619
Net assets released from restrictions for capital asset acquisitions	27,127
Change in fair value of interest rate swap agreements designated as cash flow hedges	1,816
Other changes in net assets	<u>(5,937)</u>
Increase in unrestricted net assets	<u>\$ 295,625</u>

The John T. Mather Memorial Hospital of Port Jefferson, New York, Inc.BFA Attachment C
CON 182124Consolidated Balance Sheet
December 31, 2017

	<u>2017</u>
Assets	
Current Assets	
Cash and cash equivalents	\$ 15,222,018
Investments	25,953,362
Patient accounts receivable net of estimated allowance for doubtful accounts of \$9,859,000 in 2017	46,387,520
Inventory	8,060,446
Estimated retroactive receivables from third parties, net	4,318,777
Prepaid expenses and other current assets	<u>4,033,012</u>
Total current assets	103,975,135
Noncurrent Assets	
Assets whose use is limited	26,247,849
Property and equipment, net	86,342,578
Interest in net assets of JTM Health Facilities Foundation, Inc.	2,304,629
Insurance claims receivable	21,257,955
Other assets, net	<u>967,257</u>
Total assets	<u>\$ 241,095,403</u>
Liabilities and Net Assets	
Current Liabilities	
Current portion of long-term debt	\$ 5,491,060
Line of credit	3,500,000
Accounts payable	26,687,430
Accrued expenses and other liabilities	6,073,232
Accrued salaries, vacation, and other benefits	12,530,792
Accrued pension liabilities	<u>7,794,265</u>
Total current liabilities	62,076,779
Long-Term Debt	
Bonds payable, net of current portion	29,163,127
Capital leases, net of current portion	8,854,791
Notes payable, net of current portion	190,416
Line of credit	-
Other Liabilities	
Estimated malpractice liability	24,615,000
Accrued pension liabilities, net of current portion	49,187,357
Other	<u>12,849,978</u>
Total liabilities	<u>186,937,448</u>
Net Assets	
Unrestricted	50,916,607
Temporarily restricted	3,218,016
Permanently restricted	<u>23,332</u>
Total net assets	<u>54,157,955</u>
Total liabilities and net assets	<u>\$ 241,095,403</u>

The John T. Mather Memorial Hospital of Port Jefferson, New York, Inc.Consolidated Statement of Operations
Years Ended December 31, 2017

	<u>2017</u>
Operating Revenues	
Patient service revenue	\$ 363,698,163
Provision for bad debts	<u>(5,088,260)</u>
Net patient service revenue	358,609,903
Other revenue	<u>7,578,703</u>
Total operating revenues	<u>366,188,606</u>
Operating Expenses	
Salaries	172,212,441
Employee benefits	47,216,562
Supplies and other expenses	130,041,703
Depreciation and amortization	15,688,980
Interest	<u>1,817,559</u>
Total operating expenses	<u>366,977,245</u>
(Loss) income from operations	<u>(788,639)</u>
Nonoperating Activities	
Investment income, net	448,304
Contributions, bequests, and grants	536,574
Change in fair value of interest rate swap agreement	363,136
Other	<u>36,725</u>
Net nonoperating activities	<u>1,384,739</u>
Excess of revenues and gains over expenses	596,100
Change in Net Unrealized Gains on Investments on Other-Than-Trading Securities	460,158
Change in Fair Value of Interest Rate Swap Agreement	49,299
Net Assets Released from Restrictions for Capital Asset Acquisitions	1,742,909
Pension-Related Changes Other than Net Periodic Pension Cost	(2,581,226)
Reserve for Advances to Affiliates	(2,920,575)
Transfer from Affiliates	<u>98,064</u>
Change in unrestricted net assets	<u>\$ (2,555,271)</u>

Consolidating Statement of Financial Position
September 30, 2018 (Unaudited and in Thousands)

	Northwell Health, Inc. Total	Northwell Health Obligated Group	Phelps Memorial Hospital Association and Subsidiaries	Northwell Westchester Hospital Association and Subsidiaries	Peconic Bay Medical Center	Jobs T. Moher Memorial Hospital and Subsidiary	The Long Island Home	Hoopce Care Network	The Einstein Institute for Medical Research	Northwell Health Foundation	Northwell Health Laboratories	Caprise Insurance Companies	Dolan Family Health Center	Health Insurance Companies	Joint Venture Ambulatory Surgery Centers	Other Northwell Health Entities
ASSETS																
Current assets	\$406,651	\$171,633	\$1,362	\$15,215	\$14,196	\$10,151	\$4,566	\$6,155	\$-	\$74,403	\$-	\$-	\$-	\$41,632	\$5,578	\$3,791.3
Cash and cash equivalents	2,795,706	2,190,062	84,312	82,724	23,104	25,105	89	39,897	25	7,708	-	41,428	806	210,646	-	-
Short-term investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Accounts receivable (for services to patients, net of allowance for doubtful accounts)	1,129,487	973,070	28,905	24,378	18,079	48,369	11,136	8,414	-	-	-	-	411	-	6,273	13,973
Accounts receivable for physician advances, net	39,627	132,671	3,041	1,901	4,347	1,183	-	92	-	70,565	-	-	-	-	-	57,580
Pledges receivable, current portion	32,468	15,437	106	717	175	-	1,581	485	40	302	-	-	-	-	-	-
Insurance claims receivable, current portion	-	-	-	-	-	-	-	-	-	6	-	-	-	-	-	-
Other current assets	2,466	215,917	5,816	8,208	6,983	11,146	2,866	485	14,687	306	25,777	0	60	8,891	1,375	24,126
Total current assets	4,916,695	3,558,770	125,564	158,163	68,984	93,954	20,338	55,548	14,802	151,989	25,079	44,536	1,277	260,669	13,226	133,631
Due from affiliates, net	-	(404,307)	-	185	-	-	-	-	-	-	13,937	9,585	-	-	-	-
Long-term investments	2,529,874	2,048,939	31,863	69,170	17,023	25,844	-	2,289	100,894	97,965	186,108	6,935	6,935	13,656	-	17,669
Pledges receivable, net of current portion	78,893	-	709	470	-	-	-	-	-	70,999	-	-	-	-	-	6,315
Property, plant and equipment, net	5,288,406	4,316,396	174,102	198,201	108,210	102,506	421,24	727	51,773	1,08	107,110	-	505	2,492	28,214	156,339
Insurance claims receivable, net of current portion	179,207	300,789	5,261	2,700	333	2,128	3,884	103	266	17	913	-	-	-	-	-
Other assets	389,865	357,255	7,739	7,831	10,935	12,813	4,782	216	-	77	-	-	429	-	62,659	99,937
Total assets	\$13,182,234	\$11,162,743	\$45,238	\$416,780	\$204,575	\$258,375	\$71,138	\$58,883	\$166,735	\$322,134	\$148,039	\$250,229	\$9,206	\$277,117	\$104,099	\$43,891
LIABILITIES AND NET ASSETS (DEFICIT)																
Current liabilities	\$11,318	\$110,218	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-
Short-term borrowings	941,275	701,445	14,666	29,615	22,929	20,356	3,029	1,885	18,409	16,967	34,789	2,916	174	72,690	2,323	56,828
Accounts payable and accrued expenses	832,172	696,655	14,665	12,008	15,004	21,823	5,910	1,653	5,547	1,317	7,566	-	417	14,526	15*	47,974
Accrued salaries and related benefits	7,175	2,200	-	-	1,802	3,036	-	-	-	-	-	-	-	-	-	-
Current portion of capital lease obligations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Current portion of long-term debt	56,907	46,670	1,687	3,584	2,183	2,565	-	-	-	-	-	-	-	-	238	-
Current portion of insurance claims liabilities	78,668	75,457	1,05	717	175	1,111	1,581	15	90	6	302	-	-	-	-	-
Current portion of malpractice and other insurance liabilities	137,494	93,154	1,715	3,441	1,111	3,006	642	344	-	-	34,407	-	-	-	18	-
Current portion of estimated payable to third-party payers	397,499	235,120	2,494	3,201	7,399	3,201	2,995	3,273	24,127	183,10	41,996	-	-	98,394	-	104,902
Total current liabilities	2,608,648	1,900,916	34,732	52,566	50,603	60,286	14,207	18,310	51	34,653	36,423	-	-	172,670	3,723	263,401
Due to affiliates, net	-	(381,394)	-	701	18,750	3,390	54,796	71	4,183	13,383	-	-	12,046	1,431	9,152	-
Accrued retirement benefits, net of current portion	1,003,513	902,682	6,107	45,995	1,091	42,905	4,280	219	-	-	-	-	-	114	-	-
Capital lease obligations, net of current portion	178,789	169,040	-	-	2,924	6,590	-	-	-	-	-	-	-	-	235	-
Long-term debt, net of current portion	3,204,530	3,060,538	30,288	49,655	30,811	28,130	-	-	-	-	-	-	-	-	4,108	-
Insurance claims liability, net of current portion	179,207	300,789	5,261	2,700	333	2,128	3,604	103	266	17	913	-	-	-	-	-
Malpractice and other insurance liabilities, net of current portion	1,199,652	1,018,455	16,157	23,891	11,898	18,371	4,256	-	-	-	127,400	-	-	-	-	-
Other long-term liabilities	563,162	519,565	4,765	14,713	3,820	1,114	-	876	28	6,044	1,304	-	-	422	9,447	764
Total liabilities	8,936,301	7,931,785	98,071	189,520	120,230	182,104	81,433	4,442	28,604	37,754	86,870	173,823	12,637	174,637	27,165	369,067
Commitments and contingencies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net assets (deficit)	3,610,736	2,798,312	24,183	212,635	72,119	73,972	(10,295)	52,960	22,669	36	61,169	76,406	(10,145)	102,480	76,914	24,157
Unrestricted	1,155,594	424,999	8,917	27,328	11,175	2,276	-	1,481	61,144	188,183	36	-	2,411	-	-	20,667
Temporarily restricted	199,203	73,135	4,057	7,297	851	23	-	500	54,118	96,161	-	-	4,403	-	-	-
Permanently restricted	4,245,533	465,807	24,717	247,260	84,345	76,271	(10,295)	54,441	138,131	284,380	61,169	76,406	(3,311)	102,480	76,914	44,824
Total net assets (deficit)	\$13,182,234	\$11,162,743	\$45,238	\$416,780	\$204,575	\$258,375	\$71,138	\$58,883	\$166,735	\$322,134	\$148,039	\$250,229	\$9,206	\$277,117	\$104,099	\$43,891

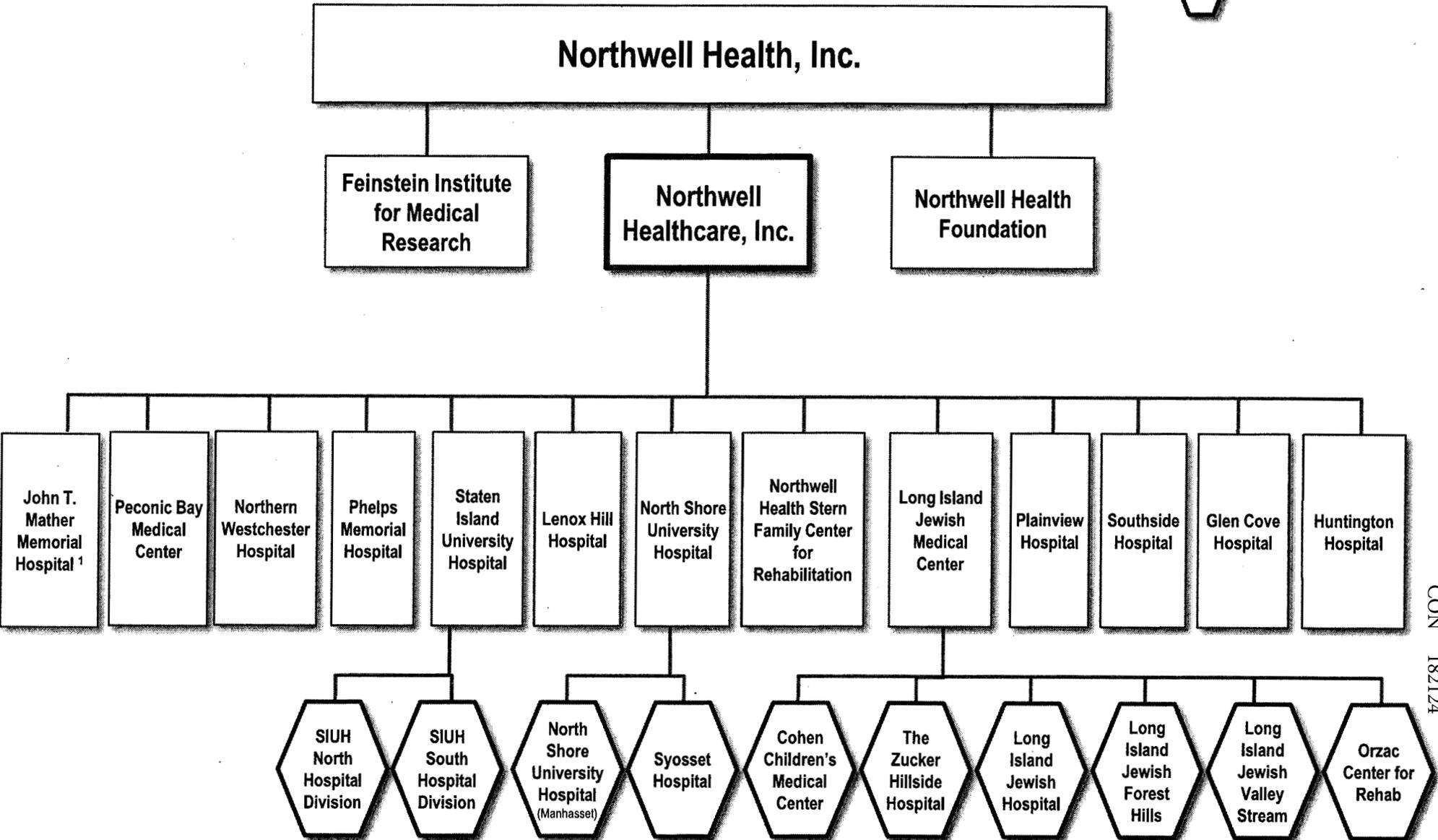
Northwell Health, Inc.

Consolidating Statement of Operations
For the Nine Months Ended September 30, 2018 (Unaudited and In Thousands)

	Northwell Health, Inc.	Elimination	Northwell Health Obligated Group	Phelps Memorial Hospital Association and Subsidiaries	Northern Westchester Hospital Association and Subsidiaries	Prostate Cancer Medical Center	John T. Mather Memorial Hospital and Subsidiaries	The Long Island Home	Hospice Care Network	The Feinstein Institute for Medical Research	Northwell Health Foundation	Northwell Health Laboratories	Capitol Insurance Companies	Dulan Family Health Center	Health Insurance Companies	Joint Venture Ambulatory Surgery Centers	Other Northwell Health Entities
Operating revenue	\$6,129,507	(521,195)	\$5,418,310	\$191,699	\$204,772	\$142,753	\$246,176	\$57,489	\$17,638	\$-	\$-	\$-	\$-	\$1,993	\$-	\$-	\$57,074
Net patient service revenue	1,376,131*	(81,178)	91,513	18,393	5,379	18,056	28,197	1,354	3,854	216	-	-	-	3,493	-	-	418,564
Physician practice revenue	5,753,376	(53,373)	6,386,986	211,092	210,151	160,399	268,167	58,843	3,884	-	-	-	-	-	-	-	475,638
Total patient revenue	7,129,507	(134,551)	7,000,000	402,184	420,302	348,455	536,364	118,697	7,738	216	-	-	-	3,493	-	-	894,202
Other operating revenue	531,256	(603,388)	577,543	6,027	4,143	1,606	4,379	2,976	81	44,019	-	350,075	7,246	1,707	-	21	233,105
Net assets released from restrictions used in operations	8,197,171	(7,462,711)	694,803	217,159	214,747	165,868	272,746	61,813	38,616	53,564	-	350,075	7,246	5,773	-	45,707	706,761
● Repricing expenses	4,108,585	(120,724)	3,447,730	113,438	95,668	78,911	132,253	43,656	15,681	47,043	-	80,130	-	3,415	-	9,622	361,742
Salaries	1,003,740	(7,383)	1,011,123	18,783	25,521	22,254	32,435	16,430	5,053	14,956	-	26,841	-	1,427	-	1,750	69,408
Employee benefits	2,520,146	(150,298)	2,112,112	59,209	66,963	58,376	100,254	11,315	15,375	23,811	-	232,025	7,131	1,730	-	21,254	360,799
Supplies and expenses	3,681,466	-	3,125,946	16,606	11,567	5,027	16,984	1,641	197	4,695	-	1,786	-	65	-	2,784	6,278
Depreciation and amortization	107,510	-	107,510	793	1,196	1,340	1,340	-	-	-	-	-	-	-	-	-	61
Interest	8,107,117	(46,371)	8,153,488	202,823	200,913	160,216	277,266	71,082	36,306	99,503	-	340,782	7,111	6,637	-	33,539	398,230
Excess (deficiency) of operating revenue over operating expenses, excluding Health Insurance Companies	89,974	-	182,985	14,121	13,832	(1,581)	(4,520)	(11,229)	2,310	(36,941)	-	9,293	115	(884)	-	10,316	(89,466)
Health Insurance Companies operating revenue	94,825	-	-	-	-	-	-	-	-	-	-	-	-	-	94,825	-	-
Health Insurance Companies operating expenses	878,255	-	-	-	-	-	-	-	-	-	-	-	-	-	878,255	-	-
Net operating revenue	7,600	-	-	-	-	-	-	-	-	-	-	-	-	-	7,600	-	-
Total excess (deficiency) of operating revenue over operating expenses	96,974	-	182,985	14,121	13,832	(1,581)	(4,520)	(11,229)	2,310	(36,941)	-	9,293	115	(884)	10,316	(89,466)	
Non-operating gains and losses	100,609	-	91,585	1,357	2,391	396	230	55	1,238	12	12	(34)	2,146	-	(3,184)	(160)	46
Change in net unrealized gains and losses and change in value of equity method investments	(18,226)	-	(17,864)	1,372	(775)	-	(509)	-	(955)	-	-	(65)	783	-	(645)	-	(62)
Change in fair value of interest rate swap agreements designated as derivatives instruments	800	-	(16,868)	-	1,125	-	1,081	1,439	-	(113)	-	(52)	-	-	-	-	(112)
Nonoperating net periodic benefit (cost) credit	(14,022)	-	-	-	-	-	-	-	-	-	-	(470)	-	(52)	-	-	-
Contribution received in the acquisition of John T. Mather Memorial Hospital	75,819	-	75,819	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gain on sale of property	64,178	-	64,178	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gain on sale of investments	(13,519)	-	64,178	336	(456)	-	-	-	115	-	-	-	-	-	-	-	91
Total nonoperating gains and losses	173,845	(9,950)	198,750	3,005	2,285	396	1,542	1,494	958	(81)	12	(684)	2,929	(52)	(3,382)	(160)	(32)
Excess (deficiency) of revenue and gains and losses over expenses	272,619	(9,900)	371,735	17,386	16,117	248	(2,978)	(9,735)	3,268	(17,022)	(13,211)	8,789	3,044	(936)	3,171	10,156	(85,981)
Net assets released from restrictions for capital asset acquisitions	27,127	-	25,541	283	-	-	1,669	-	-	214	-	-	-	-	-	-	-
Change in fair value of interest rate swap agreements designated as cash flow hedges	1,816	-	140	-	174	1,440	62	-	-	36,683	13,400	-	-	-	-	-	80,946
Transfers (to) from affiliates	(5,957)	9,664	(158,247)	(2,800)	-	-	-	-	-	-	265	-	-	-	-	(15,222)	(191)
Other changes in net assets	(2,975)	-	240,169	(31,469)	(31,291)	(4,886)	(51,847)	(57,335)	(3,268)	\$100	\$189	\$6,389	\$3,844	(936)	\$2,918	(55,060)	(58,788)
Increase (decrease) in unrestricted net assets	\$29,625	(623)	\$29,002	\$17,469	\$11,291	\$14,886	\$1,847	\$(57,335)	\$3,268	\$100	\$189	\$6,389	\$3,844	\$(936)	\$2,918	\$(55,060)	\$(58,788)

* Net patient service revenue includes patient service revenue from the Northwell Health Obligated Group.

Northwell Health Principal Entities



¹ Pending non-contingent approval of CON application.

REGENCY SC, LLCESTABLISH A MULTI-SPECIALTY AMBULATORY SURGERY CENTERPRO FORMA BALANCE SHEET

ASSETS

Cash	\$751,590
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TOTAL ASSETS	\$751,590
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LIABILITIES AND MEMBERS EQUITY

LIABILITIES

Working Capital Loan	\$375,795
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TOTAL LIABILITIES	\$375,795
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MEMBERS EQUITY	\$375,795
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TOTAL LIABILITIES AND MEMBERS EQUITY	\$751,590
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KAHR HEALTH, LLC

PRO FORMA BALANCE SHEET FOR OPERATIONS

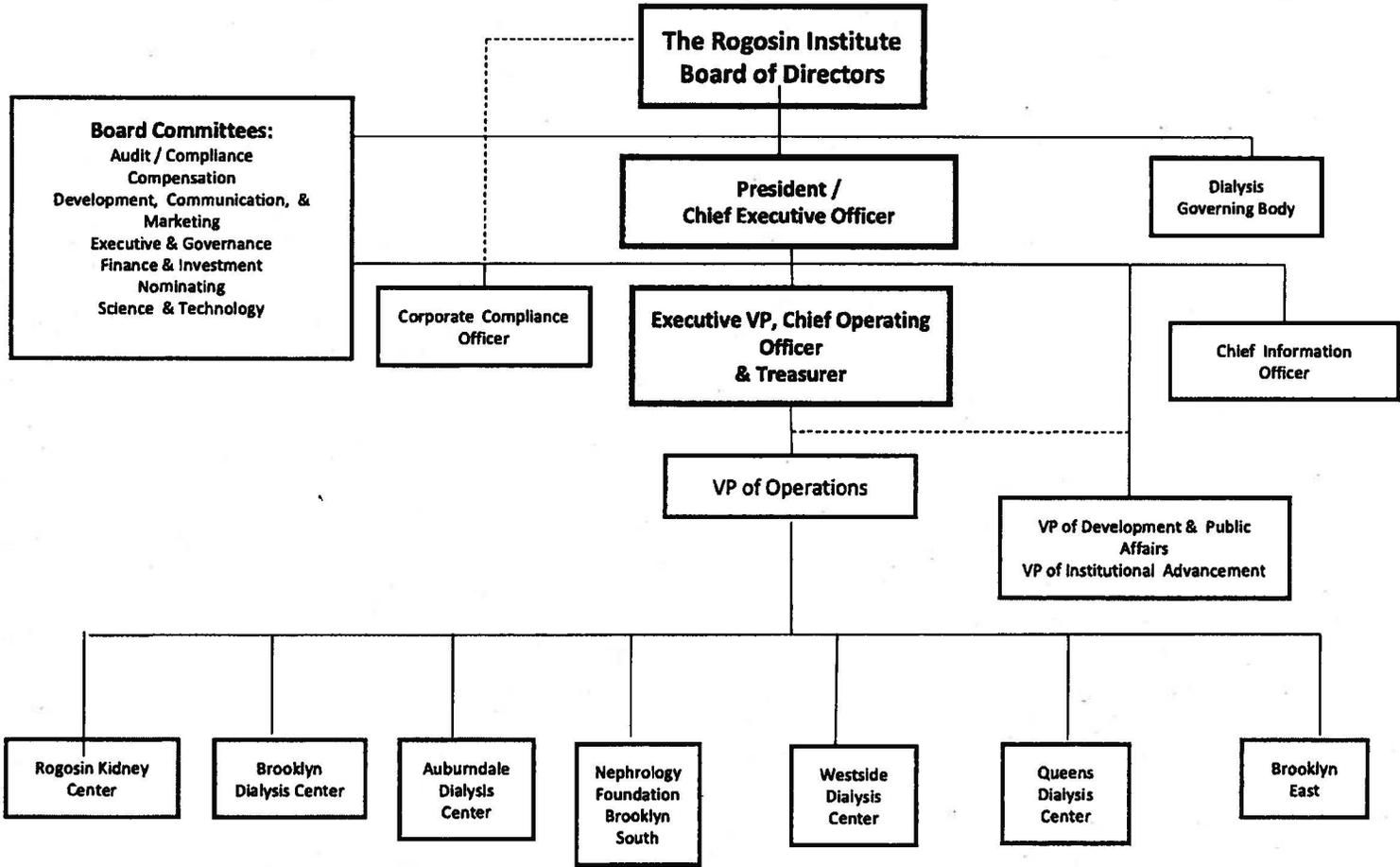
ASSETS

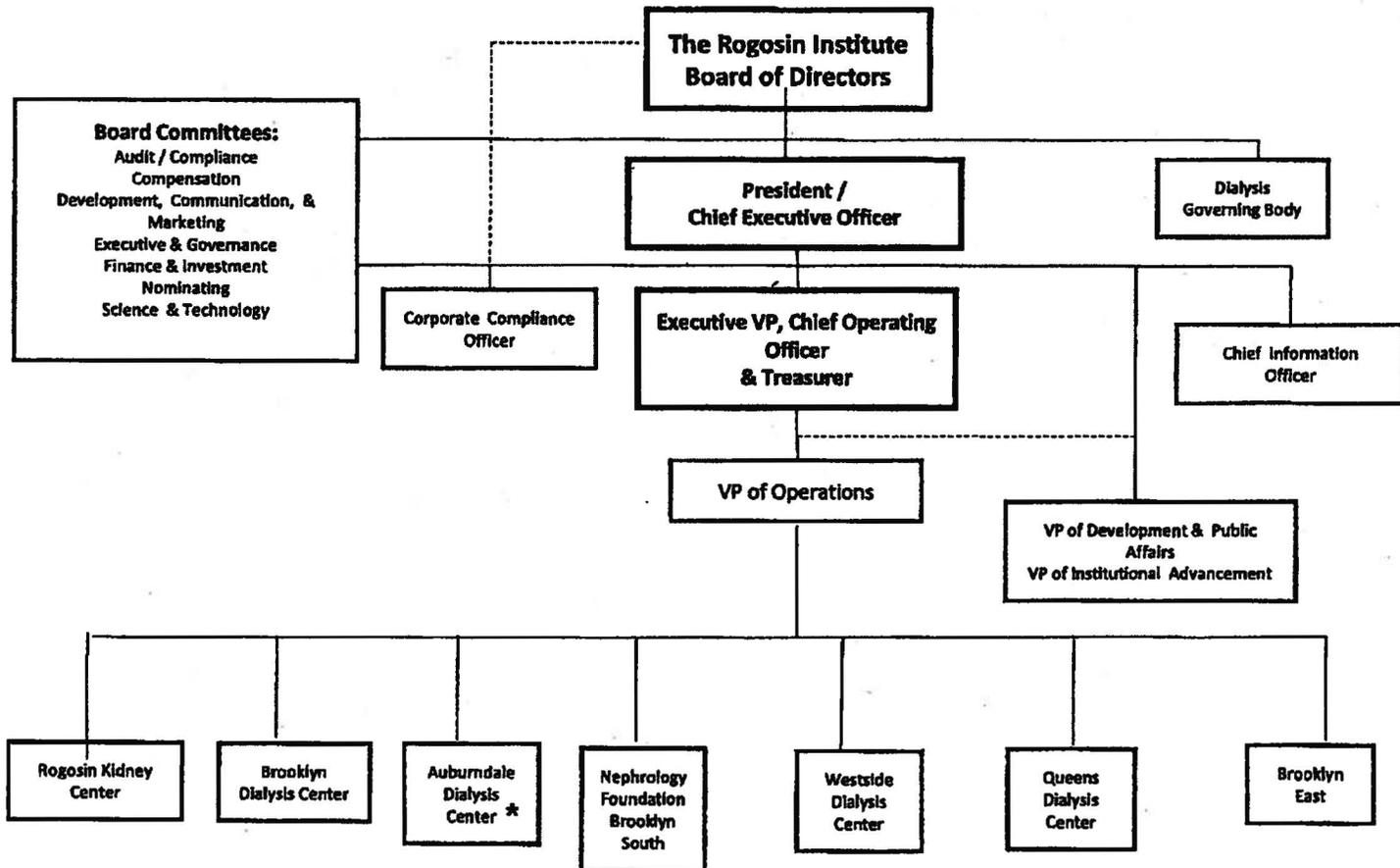
Equipment	\$371,122
Capital Project Fees	\$20,451
Working Capital	\$699,427
Total Assets	\$1,091,000

LIABILITIES & MEMBER EQUITY	\$0
Total Liabilities	\$0

Member Equity	\$1,091,000
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Total Liabilities and Member Equity	\$1,091,000
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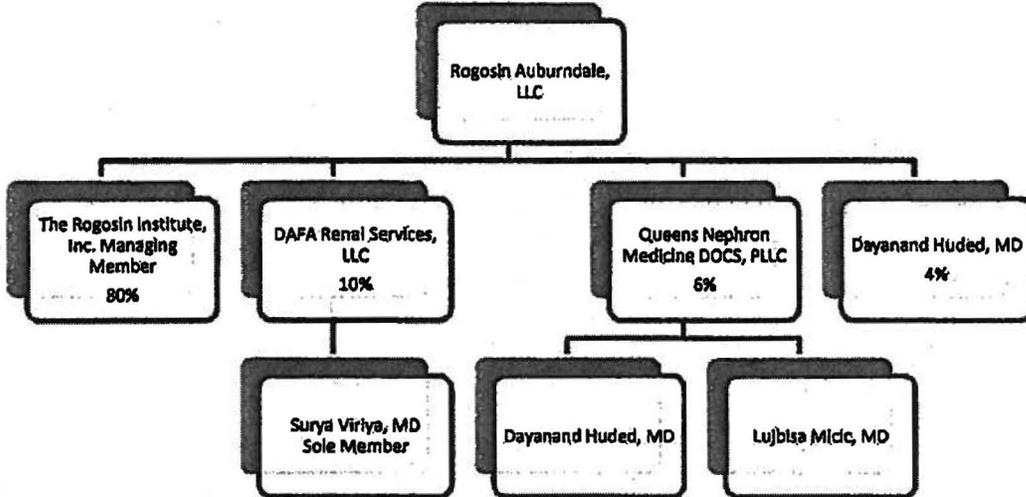


* = The Rogosin Institute will be an 80% member.

Nov 10, 2018

(updated as of 10/19/18)

Rogosin Auburndale, LLC – Table of Organization



The Rogosin Institute, Inc. and Subsidiaries

Consolidated Balance Sheets

	December 31	
	2017	2016
	<i>(In Thousands)</i>	
Assets		
Current assets:		
Cash and cash equivalents	\$ 6,408	\$ 7,820
Investments and assets limited as to use, current portion	16,768	15,098
Patient accounts receivable, net of allowance for uncollectible accounts (2017 - \$1,571; 2016 - \$2,850)	16,706	15,582
Pledges receivable, current portion	3,220	1,039
Due from related parties	-	114
Other current assets	3,759	3,768
Total current assets	46,861	43,421
Investments and assets limited as to use, net of current portion	3,463	3,420
Pledges receivable, net of current portion	852	25
Property, plant, and equipment, net	28,593	26,083
Other assets, less current portion	618	301
Total assets	\$ 80,387	\$ 73,250
Liabilities and net assets		
Current liabilities:		
Accounts payable and accrued expenses	\$ 6,071	\$ 5,863
Accrued salaries and employee benefits	2,828	2,655
Due to third-parties	8,729	7,864
Current portion of long-term debt and lines of credit	6,004	4,366
Due to related parties	21	-
Other current liabilities	976	1,024
Total current liabilities	24,629	21,772
Due to others	2,043	2,000
Long-term debt, net of current portion	13,651	8,539
Deferred rent	5,130	5,153
Total liabilities	45,453	37,464
Commitments and contingencies		
Net assets:		
Unrestricted:		
General	10,125	15,720
Board designated	16,798	14,778
Total unrestricted	26,923	30,498
Temporarily restricted	6,085	3,384
Permanently restricted	1,420	1,420
Total net assets for The Rogosin Institute, Inc. and Subsidiaries	34,428	35,302
Noncontrolling interest in consolidated subsidiary	506	484
Total net assets including noncontrolling interest	34,934	35,786
Total liabilities and net assets	\$ 80,387	\$ 73,250

The Rogosin Institute, Inc. and Subsidiaries

Consolidated Statements of Operations

	Year Ended December 31	
	2017	2016
	<i>(In Thousands)</i>	
Revenue		
Net patient service revenue	\$ 85,593	\$ 83,966
Contract revenue	4,034	4,120
Grants and programs	1,051	1,285
Other revenue	1,161	1,286
Net assets released from restrictions – operations	2,681	1,361
Total revenue	94,520	92,018
Operating expenses		
Salaries, contracted services and employee benefits	50,780	49,068
Supplies and other expenses	46,128	43,745
Provision for bad debts	1,193	754
Grants and programs	467	254
Interest	564	169
Depreciation and amortization	2,740	2,567
Total operating expenses	101,872	96,557
Loss from operations	(7,352)	(4,539)
Non-operating gains (losses)		
Contributions	771	837
Special events, net of direct benefit to donors of 2017 – \$222 and 2016 – \$273	670	745
Other	(113)	(111)
Change in fair value of derivative instrument	(83)	31
Investment income	1,365	221
Total non-operating gains	2,610	1,723
Deficiency of revenue and non-operating gains over expenses	(4,742)	(2,816)
Rogosin Auburndale, LLC distributions to joint venture members	–	(824)
Change in unrealized gains and losses on investments	1,189	309
Decrease in unrestricted net assets	(3,553)	(3,331)
Less: Change in net assets attributable to noncontrolling interest	22	(116)
Decrease in net assets attributable to The Rogosin Institute, Inc. and Subsidiaries	\$ (3,575)	\$ (3,215)

Rogosin Auburndale, LLC
Balance Sheet and Income Statement**BALANCE SHEET**

	Balance as of 12/31/2017
Assets	
Cash - M&T Bank	27,029
Prepaid Taxes	-
Principal and Accrued Interest Receivable	621,558
Due from Related - Accounts Receivable	574,875
Due From Officers	52,370
Total Assets	1,275,832
Liabilities	
Accounts Payable	-
Accrued Taxes	-
Due To Auburndale Dialysis	9,924
Total Liabilities	9,924
Total Members' Equity	1,265,908
Total Liabilities and Members' Equity	\$ 1,275,832

INCOME STATEMENT

	For the period ended 12/31/17
Income	
ASA Service Revenue	377,061
NYC Corporate Tax Refund	21,819
Interest Income	32,623
Total Income	431,503
Expenses	
Bank Fees	(485)
Vendor Fees	(15,076)
NYC Corporate Filing Fee	(1,500)
Total Expenses	(17,061)
Net Income	\$ 414,442

The Rogosin Institute, Inc.
 Rogosin Auburndale, LLC
 Balance Sheet and Income Statement
 (USD)

Project # 181420
 BFA Attachment E cont

BALANCE SHEET	
	Balance as of 10/31/2018
Assets	
Cash - M&T Bank	8,512
Prepaid Taxes	-
Principal and Accrued Interest Receivable	647,948
Due from Related - Accounts Receivable	908,391
Due From Officers	56,200
Total Assets	1,621,051
Liabilities	
Accounts Payable	-
Accrued Taxes	-
Due To Auburndale Dialysis	9,924
Due to Related Party	15,000
Total Liabilities	24,924
Total Members' Equity	1,596,127
Total Liabilities and Members' Equity	1,621,051
INCOME STATEMENT	
	For the 10 month period ended 10/31/2018
Income	
ASA Service Revenue	333,516
NYC Corporate Tax Refund	-
Interest Income	30,219
Total Income	363,736
Expenses	
Bank Fees	(416)
Vendor Fees	(12,600)
NYC Corporate Taxes	(20,500)
Total Expenses	(33,516)
Net Income	330,219

Rogosin Auburndale, LLC
Auburndale Dialysis Center ("ADC")
Pro-Forma Balance Sheet
(USD Thousands)

	As of Opening Date
Current Assets	
Cash	600
Accounts Receivable	1,281
Inventory/Supplies	101
Prepays	31
Due from Others	-
Other Receivables (Rebates Receivable)	63
Total Current Assets	2,077
Property, Plant, and Equipment ("PPE")	1,864
Goodwill	906
Total Assets	\$ 4,847
Current Liabilities	
Accounts Payable	204
Due to Third Parties	427
Line of Credit	-
Total Current Liabilities	631
Long Term Liabilities	
Deferred Rent	75
Long-Term Debt	2,679
Total Long Term Liabilities	2,754
Total Liabilities	3,386
Members' Equity	1,462
Total Liabilities and Members' Equity	\$ 4,847

Programmatic Attachment A: Office of Mental Health Providers

Project #182160: Genesee Region Home Care Association, Inc. d/b/a Lifetime Care/Hospice of Rochester/Hospice of Wayne & Seneca Counties

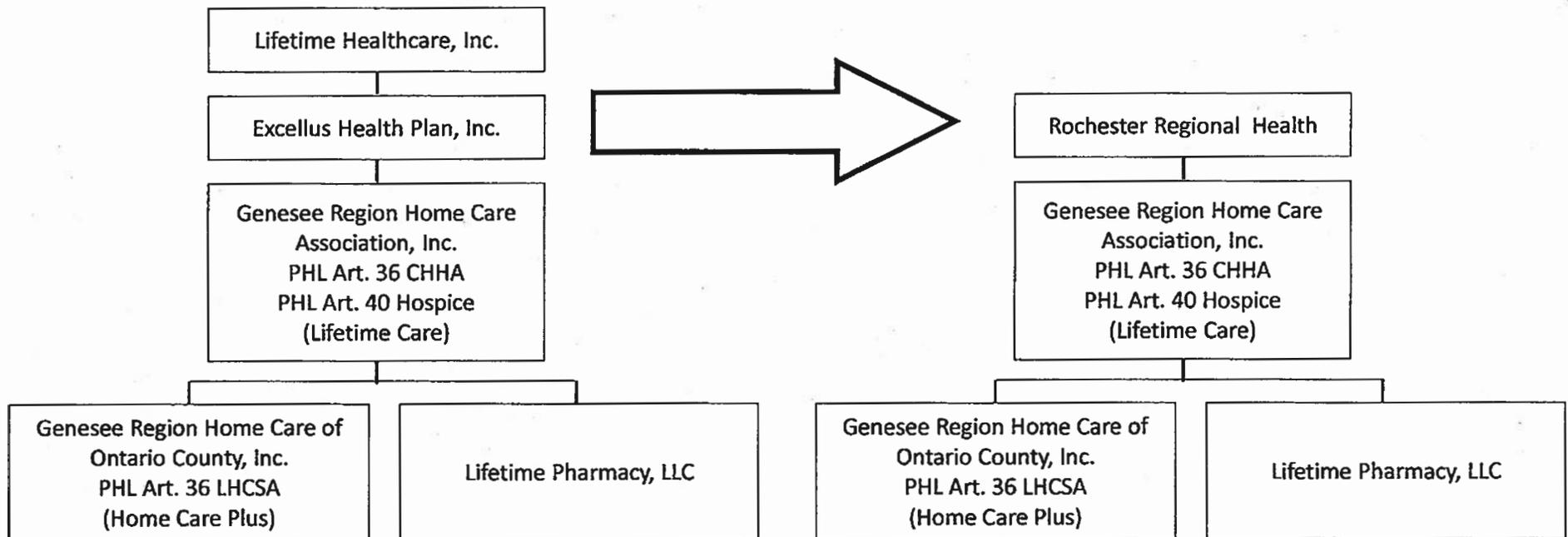
Page | 1 of 1

LIST OF OMH AND OASAS CERTIFIED PROGRAMS

OMH/OASAS	DEPARTMENT_NAME	Program Name	Type
OASAS	BH CSH CLIFTON ARP	Clifton CD (W1)	Outpatient
OASAS	BH UHS CD @ EBHC	EBHC CD	Outpatient
OASAS	BH UHS CD @ GREECE	Greece CD	Outpatient
OASAS	BH UHS CD BRIGHTON	Brighton CD	Outpatient
OASAS	BH UHS CD DETOX	Detox	Ambulatory Detox
OASAS	BHN RGH ADDICTION SRVS	RMHC CD	Outpatient
OASAS	CSH IP ADDICT REHAB W3	Clifton CD W3	Inpatient
OASAS	UHS PRCD ADOL RES	Men's Residence	Community Residence
OASAS	UHS PRCD INP	Greece IP CD	Inpatient
OASAS	Barbara Wolk Schwartz	Women's Residence	Community Residence
OASAS	Hope Haven Inpatient Addiction Recovery Program	UMMC CD	Inpatient
OMH	BH CSH ADULT MH CDGA	Canandaigua MH	Outpatient
OMH	BH CSH ADULT MH CLFTN	Clifton MH (W1)	Outpatient
OMH	BH CSH CPEP OUTREACH	CPEP Outreach	CPEP
OMH	BH PC CLINTON FHC	Clinton FHC MH	DSRIP
OMH	BH PC GHS IM AND RFM	GHS IM MH	DSRIP
OMH	BH PC GHS REFUGEE	GHS Refugee MH	DSRIP
OMH	BH PC TWIG OPD AT RGMA	OPD TWIG MH	DSRIP
OMH	BH UHS ACIC	BHACC	Crisis
OMH	BH UHS ACT	ACT	ACT
OMH	BH UHS ADULT MH EBHC	EBHC MH	Outpatient
OMH	BH UHS ADULT MH GRCE	Pinewild MH	Outpatient
OMH	BH UHS HBCI	HBCI	HBCI
OMH	BH UHS PC HEALTHREACH	Health Reach MH	DSRIP
OMH	BH UHS PC ORCHARD ST	Orchard St MH	DSRIP
OMH	BH UHS PC ST BERNARDS	St Bernards MH	DSRIP
OMH	BH UHS PC ST MARYS FM	St Marys FM MH	DSRIP
OMH	BH UHS PROS	UHS PROS	PROS
OMH	BHN CHARLOTTE HS	Charlotte HS	SBHC
OMH	BHN DR F THOMAS LC	Freddie Thomas HS	SBHC
OMH	BHN DR MLK JR SCHOOL 9	MLK Jr HS	SBHC
OMH	BHN EDISON CAMPUS	Edison HS	SBHC
OMH	BHN GMHC ADULT CLINIC	GMHC MH	Outpatient
OMH	BHN GMHC CHILD & YOUTH	GMHC C&Y MH	Outpatient
OMH	BHN JOHN JAMES AUDUBON	JJ Audubon HS	SBHC
OMH	BHN RMHC ADULT CLINIC	RMHC MH	Outpatient
OMH	CSH IP MENTAL HLTH W2	Clifton MH W2	Inpatient
OMH	GMH GMHC PROS	RGH PROS	PROS
OMH	NWH 1 SOUTH	Newark MH 1S	Inpatient
OMH	RGH G1 PSYCH	RGH MH G1	Inpatient
OMH	UHS ST MARY IP PSYCH	St Marys MH 4300	Inpatient

RRH Proposal

RRH proposes a member substitution transaction in which Rochester Regional Health becomes the sole corporate member of Genesee Region Home Care Association, Inc.

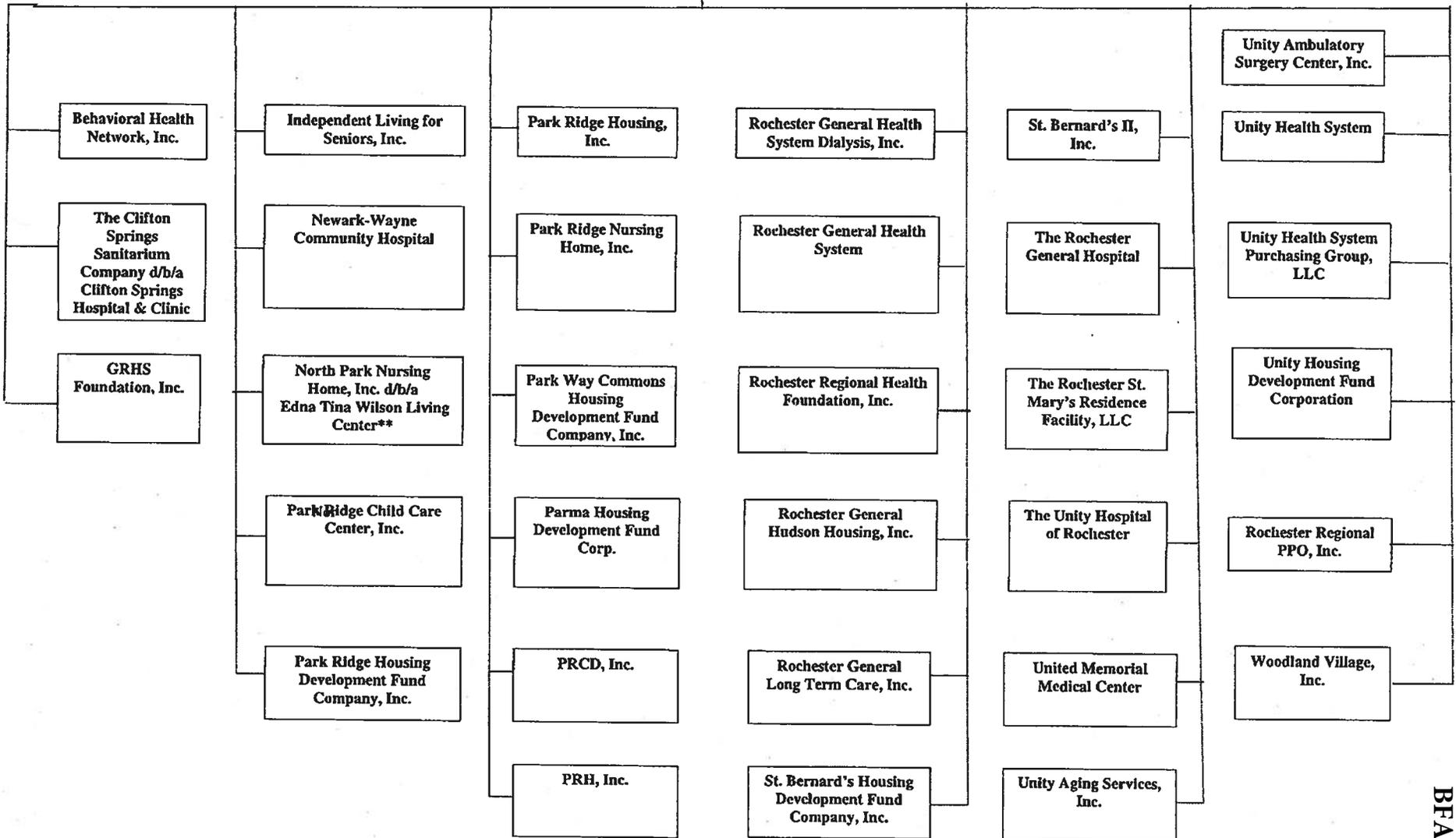


ROCHESTER REGIONAL HEALTH

*RRH Subsidiaries

**Licensed Home Care Service Agency Operating Certificate Attached

Rochester Regional Health



[H3138096.2]

Rochester Regional Health and Affiliates

CON #182160
BFA Attachment B

Consolidated Balance Sheets
(in thousands of dollars)

Assets	December 31,	
	2017	2016
Current assets:		
Cash and cash equivalents	\$ 126,406	\$ 142,627
Investments	122,268	107,552
Current portion of assets whose use is limited	36,977	33,322
Patient accounts receivable, net of allowance for doubtful accounts of approximately \$27,891 and \$26,563, respectively	171,669	153,506
Estimated third-party payor receivables	18,384	24,178
Pledges receivable, net	7,455	6,288
Inventories	14,962	13,902
Prepaid expenses and other	44,636	31,432
Total current assets	542,757	512,807
Assets whose use is limited:		
Funds held by bond trustees	164,277	36,243
Board designated funds	293,178	266,970
Assets held for self-insurance programs	82,754	84,289
Escrow fund	3,680	3,410
Donor restricted	64,712	56,327
Deferred compensation	11,300	11,050
Total assets whose use is limited, net of current portion	619,901	458,289
Property and equipment – net	949,576	867,621
Other assets:		
Interest in net assets of the Foundations	-	2,772
Goodwill	39,558	26,552
Estimated third-party payor receivables, net of current portion	4,572	6,876
Insurance recoveries receivable	23,195	17,246
Pledges receivable, net of current portion	21,176	21,952
Other	27,871	16,966
Total assets	\$ 2,228,606	\$ 1,931,081

Rochester Regional Health and Affiliates

CON #182160
BFA Attachment B

Consolidated Balance Sheets (Continued)
(in thousands of dollars)

Liabilities and net assets	December 31,	
	<u>2017</u>	<u>2016</u>
Current liabilities:		
Accounts payable	\$ 99,535	\$ 75,229
Accrued salaries, vacation, and payroll taxes	78,483	78,114
Accrued expenses and other	77,746	60,948
Accrued interest payable	6,000	5,531
Estimated third-party payor payables	50,564	35,764
Current portion of long-term debt, net	26,350	22,675
Total current liabilities	<u>338,678</u>	<u>278,261</u>
Long-term liabilities:		
Long-term debt, less current portion, net	692,338	505,606
Interest rate swap contracts	1,119	2,043
Accrued pension and postretirement benefits	424,496	359,382
Accrued insured and self-insured liabilities	133,047	131,995
Estimated third-party payor payables, less current portion	141,757	169,128
Deferred compensation	10,870	10,891
Other	10,577	8,735
Total long-term liabilities	<u>1,414,204</u>	<u>1,187,780</u>
Total liabilities	<u>1,752,882</u>	<u>1,466,041</u>
Net assets:		
Unrestricted	381,504	377,388
Non-controlling interest in net assets of affiliates	4,089	4,139
Total unrestricted net assets	<u>385,593</u>	<u>381,527</u>
Temporarily restricted	69,719	63,190
Permanently restricted	20,412	20,323
Total net assets	<u>475,724</u>	<u>465,040</u>
Total liabilities and net assets	<u>\$ 2,228,606</u>	<u>\$ 1,931,081</u>

Rochester Regional Health and Affiliates

Consolidated Statements of Operations and Changes in Net Assets
(in thousands of dollars)

	For The Years Ended December 31,	
	<u>2017</u>	<u>2016</u>
Unrestricted revenues, gains, and other support		
Patient service revenue, net of contractual allowances and discounts	\$ 1,927,469	\$ 1,824,342
Provision for bad debts	(27,273)	(31,460)
Net patient service revenue, less provision for bad debts	<u>1,900,196</u>	<u>1,792,882</u>
Capitation fees	67,107	62,058
Other revenue, gains, and other support	89,191	87,567
Net assets released from restrictions for operations	2,817	2,101
Total unrestricted revenues, gains, and other support	<u>2,059,311</u>	<u>1,944,608</u>
Expenses		
Salaries and wages	982,250	917,871
Employee benefits	201,114	185,679
Professional fees	211,245	199,658
Purchased services and supplies	494,361	450,976
Depreciation and amortization	87,784	87,635
Malpractice and workers' compensation expense	14,074	27,558
Interest	25,018	23,774
Other expenses	6,775	6,125
Total expenses	<u>2,022,621</u>	<u>1,899,276</u>
Income from operations	36,690	45,332
Income tax expense	(4,436)	(4,103)
Non-operating revenue:		
Other non-operating gains, net	266	779
Interest in net income of subsidiaries	271	286
Investment income, net	21,643	7,170
Total non-operating revenue, net	<u>22,180</u>	<u>8,235</u>
Excess of revenues over expenses	<u>\$ 54,434</u>	<u>\$ 49,464</u>

Rochester Regional Health
Statement of Operations
September Year To Date
(In Thousands)

2018
Actual

Total operating revenues	\$ 1,653,380
Operating expenses	
Salaries, benefits and professional fees	1,148,280
Supplies and other	399,966
Depreciation and amortization	67,544
Interest	18,318
Total operating expenses	<u>1,634,108</u>
Operating income (loss)	19,272
Nonoperating income (loss)	<u>8,116</u>
Revenues over (under) expenses	<u><u>\$ 27,388</u></u>

Rochester Regional Health
Balance Sheet
September Year To Date
(In Thousands)

Assets		Liabilities and Net Assets	
	Sep 2018		Sep 2018
Current Assets		Current Liabilities	307,269
Cash and short-term investments	\$ 236,462		
Accounts receivable, net	166,427		
Other current assets	62,562		
Total current assets	<u>465,451</u>		
Assets Limited as to Use	518,485	Long-term Liabilities	
		Long-term debt, net current portion	628,944
		Estimated third-party payor settlements, net	151,432
		Accrued pension and postretirement liabilities	432,798
		Other	132,367
		Total long-term liabilities	<u>1,345,541</u>
Property and equipment, net	934,829	Net Assets	
		Unrestricted	545,800
		Restricted	95,415
Other assets	<u>375,260</u>	Total net assets	<u>641,215</u>
Total Assets	<u>\$ 2,294,025</u>	Total Liabilities and Net Assets	<u>\$ 2,294,025</u>

**GENESEE REGION HOME CARE ASSOCIATION, INC.
AND SUBSIDIARIES**

**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS OF DECEMBER 31, 2017 AND 2016
(Dollar amounts in thousands)**

	2017	2016
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 3,603	\$ 5,556
Assets limited as to use	122	110
Accounts receivable—net of allowance for estimated uncollectible accounts of \$537 and \$422	12,552	12,811
Due from affiliates	125	11
Investments	8,724	6,225
Prepaid expenses and other current assets	<u>654</u>	<u>675</u>
Total current assets	<u>25,780</u>	<u>25,388</u>
ASSETS LIMITED AS TO USE:		
Board designated for hospice activities	2,797	2,375
Held by trustees	<u>1,115</u>	<u>1,108</u>
Subtotal	3,912	3,483
Less amount required to meet current obligations	<u>(122)</u>	<u>(110)</u>
Total assets limited as to use	3,790	3,373
PROPERTY AND EQUIPMENT—Net	4,204	4,411
GOODWILL	5,848	5,848
INDEFINITE LIFE INTANGIBLE ASSETS—Certificates of need	<u>1,500</u>	<u>1,500</u>
TOTAL ASSETS	<u>\$ 41,122</u>	<u>\$40,520</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES:		
Accounts payable	\$ 4,724	\$ 5,003
Unearned revenue	1,266	1,249
Accrued expenses	6,618	6,232
Due to affiliates	4	605
Current portion of capital leases	19	19
Third-party allowance	411	400
Defined contribution pension obligation	<u>350</u>	<u>350</u>
Total current liabilities	13,392	13,858
LONG-TERM OBLIGATIONS AND CAPITAL LEASES	<u>5,410</u>	<u>5,693</u>
Total liabilities	<u>18,802</u>	<u>19,551</u>
UNRESTRICTED NET ASSETS	<u>22,320</u>	<u>20,969</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 41,122</u>	<u>\$40,520</u>

See notes to consolidated financial statements.

**GENESEE REGION HOME CARE ASSOCIATION, INC.
AND SUBSIDIARIES**

**CONSOLIDATED STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016
(Dollar amounts in thousands)**

	2017	2016
REVENUE, GAINS, AND SUPPORT:		
Net service revenue	\$ 99,177	\$ 104,066
Provision for bad debts	<u>(483)</u>	<u>(503)</u>
Net service revenue after provision for bad debts	98,694	103,563
Contributions	593	306
Interest, dividends and gains	389	356
Net gain on investments	<u>635</u>	<u>322</u>
Total revenue, gains, and support	<u>100,311</u>	<u>104,547</u>
EXPENSES:		
Salaries and benefits	72,630	73,194
Purchased health services	12,635	14,818
Office expenses	5,454	5,616
Pharmacy costs	2,575	2,808
Occupancy	2,669	2,743
Mileage reimbursement	2,243	2,469
Depreciation	<u>754</u>	<u>674</u>
Total expenses	<u>98,960</u>	<u>102,322</u>
INCREASE IN NET ASSETS	1,351	2,225
NET ASSETS—Beginning of year	<u>20,969</u>	<u>18,744</u>
NET ASSETS—End of year	<u>\$ 22,320</u>	<u>\$ 20,969</u>

See notes to consolidated financial statements.

Lifetime Care
Balance Sheet
As of October 31, 2018

ASSETS

CURRENT ASSETS:

Cash and cash equivalents	\$ 7,132
Assets limited as to use	135
Accounts receivable - net of allowance	13,273
Investments	8,593
Prepaid expense and other current assets	687
Total current assets	<u>29,820</u>

ASSETS LIMITED AS TO USE/INVESTMENTS

Board designated for hospice activities	2,904
Held by trustees	1,127
	<u>4,031</u>
Less amount required to meet current obligations	<u>(135)</u>
	3,896

PROPERTY & EQUIPMENT - Net	3,675
INDEFINITE LIFE INTANGIBLES ASSETS - Certificates of need	1,500
GOODWILL AND OTHER ASSETS	<u>5,848</u>

TOTAL ASSETS	<u>\$ 44,739</u>
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LIABILITIES AND NET ASSETS

CURRENT LIABILITIES:

Accounts payable	\$ 4,295
Unearned revenue	1,614
Accrued expenses	8,882
Due to affiliates - Net	627
Current Portion of Capital Leases	19
Third-party allowance	411
Defined contribution pension obligation	292
Total current liabilities	<u>16,140</u>

LONG-TERM OBLIGATIONS & CAPITAL LEASES	<u>5,393</u>
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TOTAL LIABILITIES	21,533
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TOTAL NET ASSETS	<u>23,206</u>
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TOTAL LIABILITIES AND NET ASSETS	<u>\$ 44,739</u>
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Lifetime Care
Income Statement
Year to Date October 31, 2018

REVENUE, GAINS, AND SUPPORT:

Net service revenue	\$	80,972
Provision for bad debt		(397)
Net service revenue after bad debt		<u>80,575</u>
Contributions		249
Net service revenue & contributions		<u>80,824</u>
Interest, dividends and gains		293
Net gain (loss) on investments		<u>(323)</u>
Total revenue, gains, and support		<u>80,794</u>

EXPENSES:

Salaries and benefits		60,171
Purchased health services		8,487
Office expenses		4,401
Pharmacy costs		2,278
Occupancy		2,154
Mileage reimbursement		1,812
Depreciation and amortization		605
Total expenses		<u>79,908</u>

INCREASE IN NET ASSETS	\$	<u>886</u>
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Lifetime Care
Projected Balance Sheet Post Close (Day 1)

ASSETS

CURRENT ASSETS:

Cash and cash equivalents	\$	8,677
Accounts receivable - net of allowance		12,565
Prepaid expense and other current assets		685
Total current assets		<u>21,927</u>

PROPERTY & EQUIPMENT - Net		3,675
INDEFINITE LIFE INTANGIBLES ASSETS		1,500
GOODWILL AND OTHER ASSETS		5,848
TOTAL ASSETS	\$	<u><u>32,950</u></u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES:

Accounts payable	\$	4,295
Unearned revenue		1,614
Accrued expenses		6,296
Current Portion of Capital Leases		19
Third-party allowance		411
Defined contribution pension obligation		292
Total current liabilities		<u>12,927</u>

LONG-TERM OBLIGATIONS & CAPITAL LEASES		<u>29</u>
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TOTAL LIABILITIES		12,956
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UNRESTRICTED NET ASSETS		<u>19,994</u>
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TOTAL LIABILITIES AND NET ASSETS	\$	<u><u>32,950</u></u>
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MEMO

TO: CON Project File
RE: CON Project 182160
DATE: October 22, 2018

Service Location: 3111 South Winton Road
Rochester, NY 14623

Description:

The application seeks to establish Rochester Regional Health as the new sole member of Genesee Region Home Care Association, Inc. d/b/a Lifetime Care Hospice. The location of the proposed change is 3111 South Winton Road, Rochester NY. Rochester Regional Health, the proposed new member, is already an established system in the Finger Lakes region who has been a known provider of hospice services.

Project Capital Cost:

\$0.00

Projected Changes to Community Capacity:

The proposed change in ownership does not create substantive change in community capacity.

Projected Changes to Community Access:

The proposed change in ownership does not create substantive change in community in access.

Comments:

Recommendation: Approval

Contingencies: None

Conditions: None

The Pearl Nursing Center of Rochester

ORGANIZATIONAL CHART

<u>The Pearl Nursing Center of Rochester</u>	
<u>Members:</u>	
Scott Wheeler	15.00%
Gabriel Platschek	21.25%
Sima Shapiro	21.25%
Jacob Abramczyk	21.25%
Naftoli Abramczyk	21.25%
Total	100.00%

The Pearl Nursing Center of Rochester

RHCF Administrator
 Director of Nursing
 Direct Care Staff
 Support Staff
 Clerical Staff

Lease

<u>1335 Portland Avenue BH Realty, LLC</u> (RHCF Real Estate)	
<u>Members:</u>	
Goldie Platschek	15.3%
Gabriel Platschek	8.0%
Alexander Platschek	15.4%
Benjamin Landa	30.6%
Solomon Abramczyk	15.4%
Robert Schuck	15.3%
Total	100%

CON# 172415
Financial Summary- New Roc Nursing & Rehabilitation Center

	FISCAL PERIOD ENDED			draft
	<u>12/31/15</u>	<u>12/31/16</u>	<u>12/31/17</u>	<u>11/30/18</u>
ASSETS - CURRENT	\$1,414,073	\$3,179,476	\$4,656,693	\$4,211,723
ASSETS - FIXED AND OTHER	876,846	524,915	577,310	1,813,296
LIABILITIES - CURRENT	4,452,623	8,298,100	10,439,620	9,634,755
LIABILITIES - LONG-TERM	<u>1,640,210</u>	<u>0</u>	<u>89,941</u>	<u>3,669,415</u>
EQUITY	(\$3,801,914)	(\$4,593,709)	(\$5,295,558)	(\$7,279,151)
<hr/>				
INCOME	\$7,815,253	\$8,693,543	\$8,372,039	\$7,200,054
EXPENSE	<u>8,736,772</u>	<u>9,384,928</u>	<u>9,073,888</u>	<u>9,182,421</u>
NET INCOME	(\$921,519)	(\$691,385)	(\$701,849)	(\$1,982,367)
<hr/>				
NUMBER OF BEDS	120	120	120	120
PERCENT OF OCCUPANCY (DAYS)	91.05%	90.05%	81.35%	79.28%
<hr/>				
Medicaid	89.55%	90.00%	85.20%	85.64%
Medicare	9.30%	8.40%	14.40%	9.46%
Private Pay/Other	1.15%	1.60%	0.40%	4.90%

THE PEARL NURSING CENTER OF ROCHESTER, LLC
Doing Business As
THE PEARL NURSING CENTER OF ROCHESTER

Pro Forma Balance Sheet (AS OF APPROVAL DATE)

	<u>Operating Co.</u>	<u>Realty Co.</u>	<u>Combined</u>
Cash and Cash Equivalents	\$ 1,472,689	\$ -	\$ 1,472,689
Property, Plant & Equipment	-	11,583,621	11,583,621
Goodwill	383,658	-	383,658
Other Assets:	100,000	-	100,000
TOTAL ASSETS:	<u>\$ 1,956,347</u>	<u>\$ 11,583,621</u>	<u>\$ 13,539,968</u>
Working Capital Loan	\$ 725,000	\$ -	\$ 725,000
Specialty RX Settlement	383,658	-	383,658
HUD Loan *	-	11,583,621	11,583,621
TOTAL LIABILITIES	<u>\$ 1,108,658</u>	<u>\$ 11,583,621</u>	<u>\$ 12,692,279</u>
MEMBERS' EQUITY	<u>\$ 847,689</u>	<u>\$ -</u>	<u>\$ 847,689</u>
TOTAL LIABILITIES AND MEMBERS' EQUITY	<u>\$ 1,956,347</u>	<u>\$ 11,583,621</u>	<u>\$ 13,539,968</u>

* Will be assumed pursuant to the Contract for the Purchase and Sale of Real Property

CON# 172415

New Roc Rehab & Nursing

Budget Sensitivity

<u>Payor</u>	<u>Payor Mix as of 11/30/18</u>	<u>Revised Budgeted Days</u>	<u>Per Diem</u>	<u>Revised Revenues</u>
Medicaid-FFS	56.07%	19,470	\$204.04	\$3,972,722
Medicaid-MC	29.57%	10,268	\$276.12	\$2,835,251
Medicare-FFS	7.10%	2,465	\$258.79	\$638,040
Medicare-MC	2.36%	820	\$258.79	\$212,081
Private Pay	4.90%	1,702	\$925.14	\$1,574,149
	100.0%	34,725		

Total Revenues based on current utilization \$9,232,242

Total Inpatient Revenues as budgeted for first year(includes assessment) 9,559,724

Decrease in Budgeted Revenues (\$327,482)

Note: Medicaid rate is based on 2019 initial rate.

Medicare breakdown based on 2017 current year.

120 beds x 365 days=43,800 days x 79.28%=34,725 days

The Pearl Nursing Center of Rochester – Project No. 172415-E

Quality Improvement Plan – March 18, 2019

Below please see a bulleted outline of system changes in operations that are currently underway at New Roc Nursing and Rehabilitation Center. Further clarification of questions from the most recent meeting with the New York State Department of Health appear toward the end of this document.

#1)

An outline of systemic changes in operations

1) Staffing-HR and Administration

- Hiring and retention practices
 - i. Efficient Onboarding process
 - ii. Orientation process
 - iii. Training and mentorship program post orientation
 - iv. New employee feedback and engagement
- Education-DON and HR
 - v. Needs of residents and how to best care for them
 - vi. Training on techniques and assessment
 1. Recognition of changes or concerns
 - vii. Training for additional skillsets to expand resident diagnosis for admission
 - viii. Customer service program designed to address residents, patients, and families
- Employee engagement-Administration
 - ix. Employee involvement in facility operations
 - x. Employee appreciation and recognition
 - xi. Employee performance review and continual education based on reviews as well as mandatory trainings
- Employee Oversight-Administration/Management team
 - xii. Manager training to work with staff in real time to meet resident needs
 - xiii. Follow-up on staff training and needs
 - xiv. Ensure various support departments are working together to meet resident needs

2) Staffing levels

- Based upon total unit acuity and need as well as census
- Contingency planning for staffing changes
- Accountability and follow through with staff to ensure preparedness

3) Physical environment-Engineering Director

- Resident room assessment
 - i. Homelike and comfortable environment
- Common area assessment
 - ii. Homelike and comfortable environment

- Safety evaluation
 - HVAC and power system evaluation
 - Grounds and exterior spaces
- 4) Dietary-Dietary Manager, Dietician and Diet Tech
- Savory and well-presented meals meeting resident preference
 - Meal texture and diet administered to ensure safety
 - Hot and timely meals served
- 5) Activities and Resident/Patient entertainment
- Designed around resident likes and dislikes
- 6) Social Services
- Resident first priority to meet resident and family needs
- 7) Nursing
- The facility health and clinical monitoring audits will be conducted within 72 hours of admission and whenever there is a change in the residents' status and/or condition resulting in physician notification. This audit review will include the Baseline Person Centered Care Plan, including resident choice and preference for ADL care, dining, activity programming and rehabilitation services. The resident physician orders, implementation including clinical care paths, order sets, and medication administration will be conducted by nursing administration.
 - Daily and ongoing quality of care monitoring will be inclusive of physician ordered changes, medication and treatment administration, storage and packaging of medication, Incident/Accident and fall investigations, weight loss, pressure ulcers, infections, indwelling catheter use, psychoactive psychotropic drug use, behavior managements, restraint use, pain management, hospital transfer/admissions and quality measure triggers. These audits will be conducted by nursing administration.
 - The electronic medical record clinical progress notes, medication management system and direct care staff ADL documentation will be monitored daily on all shifts by the nursing shift supervisors to ensure compliance and oversight of care delivery as ordered by the physician.
 - The Inter-Disciplinary team will review all pertinent residents' information during the morning meeting. This will include reviewing the E-Mar clinical dashboard alerts, medication omission, quality measure triggers, and MDS completion and submission.
 - The Medical Director, Director of Nursing, and Inter-Disciplinary team will conduct facility specific monthly audits of the State/National and prior facility measures to benchmark quality improvement via the facility CASPER report for quality measures and Five-Star reporting. The individual resident's medical records will be reviewed for all individual triggers to ensure care plan interventions are initiated and facility health care delivery systems are being followed. The Inter-Disciplinary team will determine the root cause and analyze findings. This report will be presented to the QAPI committee on a monthly basis by the Director of Nursing.
 - INTERACT modules and IPRO audit tools will be utilized to employ evidenced based practices related to performance excellence in clinical care and quality assurance oversight. These modules will provide oversight and analysis for

tracking and identification of system compliance for Incident/Accident/falls, pressure ulcers, infection control, and resident change in status and condition. These audits will be conducted by nursing administration on a monthly basis and all findings will be reported to the Director of Nursing.

- Infection control monitoring audits will be conducted by the Infection Control Preventionist, Nurse Managers, and Department Heads. These audits will include initiation of facility antibiotic stewardship program, environmental compliance monitoring for care delivery in all departments, and tracking of resident and employee infections and adherence with the facility infection control prevention and surveillance program. All infection control monitoring audits will be forwarded to the Director of Nursing for review and presented to the QAPI Committee monthly.
- The Director of Nursing and Medical Director will be responsible for ensuring compliance with quality of care compliance program. The Administrator will be accountable to the Board of Managers and will be responsible for the distribution and discussion of QAPI meeting minutes to the Board of Managers monthly. All facility staff will be required to receive QAPI training upon hire and annually. The Director of Nursing will be the designated Quality Assurance Management Coordinator. The QAA Committee members will include the Director of Nursing, Medical Director, Department Heads, Consulting Pharmacist, and alternating Direct Care Staff. The Committee will monitor progress and provides input and priorities improvement projects when problems are identified. This Committee will meet monthly and as needed.

Results of audits will be used to create systemic changes as needed. Root cause analysis of the audits has already shown us several key areas of focus. Additional investigation into several QM issues has found a lack of supportive documentation to support the care that was given. These areas have been further investigated and education and follow-up has been done to ensure that the facility is capturing information correctly. These areas will be a primary focus for our ownership team when we are approved. Also, the regional team has been auditing all QM with each facility, including New Roc, and training has started for staff to fully understand this area. Also, looking at other areas of trigger within the QM has started at each facility to take individual projects to address identified areas. The Regional team will oversee the facility process and re-audit through the QAPI process until the root cause has been eliminated and will communicate findings to key staff at each facility. The facility (QAPI) Quality Assurance Performance and Improvement Plan will be reviewed and revised by the Medical Director, Director of Nursing, and Administrator. The Administrator will report recommendations for changes to the Board of Managers prior to implementation. The facility QAPI/Regulatory Compliance Program will include involvement of all staff to improve and monitor systems and outcomes. The QAPI program will provide a proactive approach of excellent quality resident care while meeting or exceeding the needs and expectations of resident population. Our QAPI plan will include policies and procedures to identify and use data to monitor our performance, establish goals and thresholds for our performance measurement, utilize resident, staff, and family input, identify and prioritize opportunities for improvement, systematically analyze underlying root causes of systemic problems and adverse events, and develop corrective action for performance improvement activities.

Our focus on improving quality measures as found to be below standard include a plan as follows:

Staff will perform the following tasks in the areas below that are triggering specific to their domain, with the goal of quality improvement that will result in Star rating improvement.

1. Antipsychotic Drug Use:

Kim Jay, Pharmacist Consultant, will audit all residents who are prescribed psychotropic medications and write recommendations for discontinuing medications. Dr. Das will work alongside of Kim Jay and immediately write orders to discontinue the medications on same day for those residents for whom discontinuation is indicated. The MDS RN (Sandy Rich) will enter modifications into the resident's MDSs, audit coding and submit MDS modification changes on same day.

2. Pneumococcal & Influenza Vaccine

The DON and Consultant RNs, as needed, will audit all resident charts to ensure an immunization consent/MD order is obtained for all residents needing influenza vaccines and pneumococcal vaccines. The vaccines will be administered within one week of determination. For those residents refusing vaccine, Dr. Das will assist with educating the residents on the value of the vaccine, with the goal of ensuring 100% compliance, within the bounds of resident rights. The DON and Consultant RNs will receive a daily report of all new admissions and receive a new admission vaccine report weekly to ensure new admissions receive vaccinations prior to the 14-day MDS Submission. The DON, with assistance from the consultant RNs as needed, will enter modifications for residents receiving the vaccines on same day received and ensure coding for all residents who trigger as not receiving vaccinations is accurate.

3. LTC Residents triggering ADL Decline

The DON will audit all resident ADL records to ensure ADL decline documentation is accurate according to each resident's ADL needs and that the MDS is coded accurately. Whenever the resident is showing an ADL decline, a physician order will be written to have the resident evaluated by therapy and picked up for Rehab if indicated. The MDSs will be modified and submitted on same day identified and MD order obtained. A training will be conducted by a Consultant RN, with the DON, for the nursing staff to ensure ADL documentation is being completed accurately.

4. Short Term Care Residents Readmitted to the Hospital within 30 days of Discharge

Going forward, the Administrator/Admissions Department will run a Discharge Report for every resident who is discharged home and make a follow-up phone call to the resident on day 3 of discharge and then weekly for 4 weeks to ensure resident is doing well or is in need of seeing the physician for a wellness visit. This visit can be conducted at Pearl by the physician and if needed the resident can be readmitted to the facility when needed within 30 days of discharge.

Time frame to see changes in the 5-Star Report and the facility Casper Report/Quality Measures will be as follows:

MDS Data

Modifications that are resubmitted will be reflective in the Casper Report/Quality Measures 30 days after submission, which will decrease Pearl's percentages, within the specific domain, below the 75th percentile and be on par with State and National Benchmarks.

5-Star Report

The 5-Star Quality Measures Report will change in the next quarter if Quality Measures are submitted in 30 days. QMs will be calculated in January, April, July and October.

The Short Stay Hospitalization Report and ER Department Claims-based QMs are currently calculated every 130 days because there is an observation period, so this is not calculated every 30 days, but it is calculated every 130 days.

The Long Stay Hospitalization Measures (the number of hospitalizations per 1,000 long-stay resident days) is calculated using nursing home stays for which the episode length is more than 100 days.

Monthly Quality/5-Star Measures Audits

It is imperative that additional resources (staff or consulting) be on site monthly to audit all quality measures for individuals triggering in any area and make corrections through the MDS Modification Submission on same day when deficient practice is identified. This will ensure every month that Quality Measures are accurately reviewed and corrected. Pearl must also have the staff or a Consultant RN audit each hospitalization to determine what clinical pathways and protocols were not implemented, which attributes to poor quality of care. In closing, Pearl will audit the following areas at least weekly or as indicated below, as well as routine audits.

1. Admissions (within 24-48 hrs)
2. Discharges (within 48 hrs prior or after)
3. Hospital/ER Transfers and Admissions (within 24 hrs)
4. In-Facility Acquired Pressure Ulcers (within 24 hrs)
5. Infections (Weekly)
6. Immunizations (within 1 week of admission)
7. All Incidents/Accidents-Falls (within 48 hrs)
8. DOH Reportables & Drug Diversion on site as it occurs whenever possible to supervise investigation (or within 24 hrs)
9. IPRO Wounds, Infections, and Falls Monthly Reports
10. Monthly – Full Quality Measures Review for all triggers (Resident Specific)

One of the key areas for quality outcomes must start with staff education and training, as well as recruitment and retention. A key determining factor is that staffing level standards based on

resident needs, not solely just ratios of staff to residents, is strongly associated with quality of care.

To ensure adequate staff is available, the New Roc facility is already undergoing an “onboarding and retention” analysis. Having the ability to efficiently hire, train, mentor, and actively monitor new staff is key to ensuring staffing can meet resident needs. Also, the ability to retain staff allows for stability in staff, which has been shown to be important to consistent patient care and better outcomes. This is an area where we really want to be able to hit the ground running once we are approved as the new owners of New Roc.

Additionally, the facility has started to address the educational and skillset needs of its staff through an aggressive development program. The focus of our initial educational series after the change of ownership will be based upon results from our auditing and compliance program. As staff continues to improve in these areas, additional areas of training will take place. These areas will focus on advanced resident assessment and condition. All staff should be aware as they interact with residents to notice changes of residents and report on those changes accordingly. Also, different approaches to patients will continue to be taught to ensure individual care not just for individual residents but for the same resident, who may present differently daily based on their diagnosis.

The environment is another area that has begun to see significant programmatic changes, which we will continue and expand upon subsequent to the change of ownership, as previously described. The facility has changed how it is cleaning resident rooms and common spaces. Infection control has been emphasized in this approach. Laundry has added two new washing machines to ensure timely return of resident clothing, while also providing the needed number of house linens for each shift. Engineering has created a scheduled assessment of individual rooms and areas, with ongoing preventative maintenance schedules to reduce the number of mechanical issues that arise. This rounding also includes safety rounds, and inspection of all safety systems and equipment. We will enforce and augment these initial efforts upon taking ownership of the facility.

Dietary has been working with the resident council to adjust its meal selection and service to better enhance the dining experience. Individual resident preference and needs have been reviewed to ensure a safe and enjoyable experience. Kitchen sanitation and operations have been fully reviewed and adjusted as needed. We view resident satisfaction with meals to be a critical part of resident quality of life and will continue this developing process upon becoming the owners of the facility.

The activity department has also begun working with the resident council to design their programming based upon resident wants. They have added diversified and varied programs as well as diversified times or activities. As with the preceding discussion of the food service, we will focus on resident satisfaction with the activities program, to ensure a satisfying experience and quality of life.

#2 Follow up questions

Clinical Resources and support. The DNS will have ample resources to assist in her growth within the role as well as be a sounding board to work through issues or develop new programs. Layla Quek will continue to be our supporting consultant for nursing and other departments. Additionally, the DNS will have support from consulting MDS, Pharmacy, and additional QA as needed. The Administrator will have support from Scott Wheeler as well as access to Layla Quek and other QA as needed. Additionally, each will have access to outside educational programs and training as needed for any subject or project.

Revenue enhancement. Currently the facility is ready to break census of 100. We have had Rochester General Hospital in to visit and they have begun to send patients, which was not happening for several years. We have made a strong effort to communicate with not only them but each referral source following up with them on outcomes of each patient discharge and how we are working on patient satisfaction. In addition to communication we are working to accept a wider variety of patients, developing our clinical strengths. This has focused currently on doing the basics of rehabilitation and nursing to prevent readmissions and other potential client issues. Also, we have begun to expand our patient population to include IV, basic respiratory, and wound care. As we become more adept at handling these, we will expand to Tracheotomy care and weaning to patients with greater physical needs and comorbidity.

Resident and family satisfaction. The facility has been working diligently through efforts of the social work team to focus on satisfaction during a patient stay. Additionally, the social work team is working in a more proactive approach to assist both the patient and family with finances, adaption of possible long-term care, or other issues. In addition, the facility will be hiring a Director of Patient Experience, which is a concierge type role, but also focuses on bringing the whole admissions process to a simple and clean experience. This allows patients and residents to have access to someone to assist from the basics of facility life to having a friendly ear. They make daily rounds and track small questions or issues before they become significant.

Continuity of Leadership. One of the key factors for success is to have consistent and fair leadership. Staff experience and production revolve around having clearly defined roles that have consistent leadership. With the current DNS and Administrator team it appears that they will be there for the long term, with the needed support and resources to be successful

Staffing. Currently the facility uses no agency staff, and it our intention to keep it that way. We are negotiating a new Union contract currently and believe it will be completed in several months. Among these topics is a no-frills wage option allowing larger hourly wages with no benefits, which we find tend to be repetitive based on staff access to other insurances etc. This is part of the negotiating package. Additionally, staffing levels are among the strongest in the area and it is our intention to maintain that.

Time limited waivers. The fire doors renovation process is underway and the contractor pre-paid to complete the projects. We currently have a new generator that is being moved from another site. This included transfer switching and annunciation panels all up to code. As the weather breaks the contractors will be able to install the new unit outside and tie it into our electric system and remove the temporary unit. The fire panel has been inspected by an engineer and stamped as appropriate.

Formalized Behavioral Planning. At this time the facility is exploring how to best formalize our behavioral plans with the patients and residents we have. We believe that having an outside consultant to assist in developing the program would be beneficial, as they may have experiences that have been successful elsewhere. The facility is exploring options on which consulting group to utilize.

QAPI plan. The facility will be reviewing its QAPI systems to ensure that they are having the intended affect within the building. We will not solely focus on survey results and audits but also expand beyond into systemic changes to positively influence outcomes and directly affect resident life at New Roc. After our internal review the facility may work with a consultant to determine if an outside QA management group will be of benefit.

MEMO

172415 - FLHSA Attachment

TO: CON Project File
RE: CON Project 172415
DATE: Updated March 18, 2019

Service Location: 1335 Portland Avenue
Rochester, NY, 14620

Description:

The Pearl Nursing Center of Rochester, LLC submitted this Certificate of Need to become established as the new operator of New Roc Nursing Home, a 120 bed residential health care facility in Rochester, Monroe County. There are a total of five members of the nursing home operating company: Scott Wheeler (15.00%), Gabriel Platschek (21.25%), Sima Shapiro (21.25%), Jacob Abramczyk (21.25%), and Naftoli Abramczyk (21.25%).

The facility is located on 1335 Portland Avenue and currently being operated as New Roc Nursing and Rehabilitation Center. On Sept. 13, 2017 1335 Portland Ave BH Realty LLC and New Roc Realty LLC entered into a Contract for the Sale of Real Property whereby 1335 Portland Ave BH Realty LLC agreed to purchase New Roc Realty LLC for The purchase price for the assets is \$100,000 plus the assumption of certain liabilities as outlined in the APA. HUD Loan of \$10,061,000.

The equity needed for working capital is \$1,472,689.

Project Capital Cost:

\$0.00

Projected Changes to Community Capacity:

The New Roc Nursing Home has been a poorly performing facility, having a CMS star rating of 1 for a period of time. The proposed owners have the capital and the expertise to infuse resources into this poorly performing nursing home and potentially increase the quality of services. In response to request, applicant has revised original ownership proposal in January 2019 with proposed membership by five individuals, one of whom has no previous record of ownership or operation of a nursing home in NY State. After review of this revised proposed membership, the recommendation to approve has not changed.

Projected Changes to Community Access:

There is no increase in geographic access due to the proposed. While the sponsor acknowledges that state's 2016 709.3 need methodology shows an excess need of 648 nursing home beds, Common Ground Health staff believe that use of a locally adopted need methodology which takes into account the projected growth in the elderly population to 2025, and a more conservative use rate of 30 beds per 1000 65 and over warrants recognition of need for this facility.

Comments:

Recommendation: Approval

Contingencies: Common Ground Health, formerly Finger Lakes Health Systems Agency, finds need for this project with the contingency that the applicant signs a standard Medicaid Access agreement.

Conditions: None

Ideal Senior Living Center, Inc

	<u>10/31/2018 -</u>		
	<u>Internals</u>	<u>2017</u>	<u>2016</u>
Current Assets	\$3,165,361	\$2,888,025	\$2,377,187
Non-Current Assets	<u>4,003,352</u>	<u>4,768,723</u>	<u>5,524,193</u>
Total Assets	\$7,168,713	\$7,656,748	\$7,901,380
Current Liabilities	9,855,889	6,973,401	4,677,906
Long Term Liabilities	<u>5,910,412</u>	<u>6,328,445</u>	<u>6,798,604</u>
Total Liabilities	15,766,301	13,301,846	11,476,510
Net Assets	(\$8,597,588)	(\$5,645,098)	(\$3,575,130)
Working Capital Position	(\$6,690,528)	(\$4,085,376)	(\$2,300,719)
Operating Revenues	\$9,575,222	\$11,966,390	\$10,901,052
Operating Expenses	<u>12,562,050</u>	<u>14,156,904</u>	<u>12,791,130</u>
Operating Net Income	(\$2,986,828)	(\$2,190,514)	(\$1,890,078)
Number of Beds	150	150	150
Percent Occupancy	N/A	94.20%	90.50%
Medicaid	N/A	50.30%	66.60%
Medicare	N/A	10.30%	9.80%
Private Pay and other	N/A	39.40%	23.60%

ISLRNC, LLC
Doing Business As
Ideal Commons Rehabilitation and Nursing Center

Pro Forma Balance Sheet (AS OF APPROVAL DATE)

	<u>Operating Co.</u>	<u>Realty Co.</u>
<u>ASSETS:</u>		
Cash and Cash Equivalents	\$ 1,955,744	\$ -
Total Current Assets	\$ 1,955,744	\$ -
Property and Equipment (Net of Accumulated Depreciation)	\$ 100,000	\$ 12,900,000
TOTAL ASSETS	\$ 2,055,744	\$ 12,900,000
<u>LIABILITIES:</u>		
Accounts Payable	\$ -	\$ -
Accrued Payroll	-	-
Total Current Liabilities	\$ -	\$ -
Patient Fund Liability	\$ -	\$ -
Loan - Nursing Home	-	6,000,000
Loan - ACF	-	4,400,000
Total Long-Term Liabilities	\$ -	\$ 10,400,000
TOTAL LIABILITIES	\$ -	\$ 10,400,000
Members' Equity	\$ 2,055,744	\$ 2,500,000
TOTAL LIABILITIES AND MEMBERS' EQUITY	\$ 2,055,744	\$ 12,900,000

The RHCf loan is \$6.0M and the Senior Housing and Adult Care loan is \$4.4M, for a total of \$10.4M.
 See the Schedule 9 Attachment for the Loan Letter of Interest.
 Please also see the Schedule 4 Attachment for the First Amendment to the Asset Purchase Agreement.

Financial Summary of Affiliated RHCFC Entities**BTRNC, LLC dba Beechtree Center for Rehab & Nursing**

	<u>9/30/2018</u>	<u>2017</u>	<u>2016</u>
Current Assets	\$2,783,957	\$2,002,459	\$1,891,864
Non-Current Assets	<u>80,470</u>	<u>55,538</u>	<u>64,437</u>
Total Assets	\$2,864,427	\$2,057,997	\$1,956,301
Current Liabilities	2,229,386	1,553,041	1,494,471
Long Term Liabilities	<u>1,457,970</u>	<u>764,040</u>	<u>593,533</u>
Total Liabilities	3,687,356	2,317,081	2,088,004
Net Assets	(\$822,929)	(\$259,084)	(\$131,703)
Working Capital Position	\$554,571	\$449,418	\$397,393
Operating Revenues	\$6,094,622	\$8,502,966	\$8,377,482
Operating Expenses	<u>6,658,468</u>	\$8,842,968	<u>8,844,401</u>
Operating Net Income	(\$563,846)	(\$340,002)	(\$466,919)

-4.00%

Bridgewater Center for Rehab & Nursing, LLC

	<u>9/30/2018</u>	<u>2017</u>	<u>2016</u>
Current Assets	\$9,289,389	\$8,564,300	\$8,873,866
Non-Current Assets	<u>3,718,526</u>	<u>3,455,713</u>	<u>3,269,949</u>
Total Assets	\$13,007,915	\$12,020,013	\$12,143,815
Current Liabilities	6,952,297	7,769,857	10,601,319
Long Term Liabilities	<u>6,749,054</u>	<u>4,071,972</u>	<u>204,196</u>
Total Liabilities	13,701,351	11,841,829	10,805,515
Net Assets	(\$693,436)	\$178,184	\$1,338,300
Working Capital Position	\$2,337,092	\$794,443	(\$1,727,453)
Operating Revenues	\$23,247,445	\$30,247,906	\$29,240,554
Operating Expenses	<u>24,119,064</u>	<u>31,649,912</u>	<u>29,745,048</u>
Operating Net Income	(\$871,619)	(\$1,402,006)	(\$504,494)

CSRNC, LLC dba Capstone Center for Rehab & Nursing

	<u>9/30/2018</u>	<u>2017</u>	<u>2016</u>
Current Assets	\$3,195,228	\$2,380,646	\$4,172,998
Non-Current Assets	<u>1,004,801</u>	<u>1,043,029</u>	<u>1,114,343</u>
Total Assets	\$4,200,029	\$3,423,675	\$5,287,341
Current Liabilities	1,227,916	682,435	1,250,918
Long Term Liabilities	<u>112,246</u>	<u>102,741</u>	<u>1,039,946</u>
Total Liabilities	1,340,162	785,176	2,290,864
Net Assets	\$2,859,867	\$2,638,499	\$2,996,477
Working Capital Position	\$1,967,312	\$1,698,211	\$2,922,080
Operating Revenues	\$8,765,128	\$10,674,175	\$10,055,503
Operating Expenses	<u>8,543,759</u>	<u>11,266,423</u>	<u>10,307,617</u>
Operating Net Income	\$221,369	(\$592,248)	(\$252,114)

CPRNC LLC dba Central Park Rehab & Nursing

	<u>9/30/2018</u>	<u>2017</u>	<u>2016</u>
Current Assets	\$5,644,464	\$5,483,440	\$4,206,482
Non-Current Assets	<u>699,273</u>	<u>720,805</u>	<u>651,179</u>
Total Assets	\$6,343,737	\$6,323,502	\$4,857,661
Current Liabilities	2,380,138	1,597,562	1,776,921
Long Term Liabilities	<u>2,937,825</u>	<u>3,016,019</u>	<u>2,953,395</u>
Total Liabilities	5,317,963	4,613,581	4,730,316
Net Assets	\$1,025,774	\$1,590,664	\$127,345
Working Capital Position	\$3,264,326	\$3,885,878	\$2,429,561
Operating Revenues	\$11,280,129	\$14,651,368	\$13,834,375
Operating Expenses	<u>11,847,083</u>	<u>15,822,476</u>	<u>13,583,727</u>
Operating Net Income	(\$566,954)	(\$1,171,108)	\$250,648

ORNC, LLC dba Chestnut Park Rehab & Nursing Center

	<u>9/30/2018</u>	<u>2017</u>	<u>2016</u>
Current Assets	\$3,111,893	\$2,385,926	\$1,485,188
Non-Current Assets	<u>1,178,788</u>	<u>614,077</u>	<u>534,138</u>
Total Assets	\$4,290,681	\$3,000,003	\$2,019,326
Current Liabilities	1,192,225	674,483	93,387
Long Term Liabilities	<u>493,715</u>	<u>798,557</u>	<u>502,216</u>
Total Liabilities	1,685,940	1,473,040	595,603
Net Assets	\$2,604,741	\$1,526,963	\$1,423,723
Working Capital Position	\$1,919,668	\$1,711,443	\$1,391,801
Operating Revenues	\$5,941,506	\$7,262,591	\$7,075,629
Operating Expenses	<u>5,570,659</u>	<u>7,364,171</u>	<u>7,130,798</u>
Operating Net Income	\$370,847	(\$101,580)	(\$55,169)

RRNC, LLC dba Colonial Park Rehab & Nursing

	<u>9/30/2018</u>	<u>2017</u>	<u>2016</u>
Current Assets	\$2,207,621	\$1,097,940	\$1,050,967
Non-Current Assets	<u>519,601</u>	<u>575,688</u>	<u>561,989</u>
Total Assets	\$2,727,222	\$1,673,628	\$1,612,956
Current Liabilities	1,707,490	413,936	597,417
Long Term Liabilities	<u>0</u>	<u>647,037</u>	<u>270,135</u>
Total Liabilities	1,707,490	1,060,973	867,552
Net Assets	\$1,019,732	\$612,655	\$745,404
Working Capital Position	\$500,131	\$684,004	\$453,550
Operating Revenues	\$4,388,254	\$5,636,447	\$5,383,217
Operating Expenses	<u>4,505,011</u>	<u>5,950,983</u>	<u>5,627,000</u>
Operating Net Income	(\$116,757)	(\$314,536)	(\$243,783)

CRNC, LLC dba Cortland Park Rehab & Nursing

	<u>9/30/2018</u>	<u>2017</u>	<u>2016</u>
Current Assets	\$2,157,721	\$2,080,004	\$1,694,019
Non-Current Assets	<u>2,825,987</u>	<u>2,795,672</u>	<u>3,013,057</u>
Total Assets	\$4,983,708	\$4,875,676	\$4,707,076
Current Liabilities	883,606	724,202	975,898
Long Term Liabilities	<u>1,114,388</u>	<u>1,205,942</u>	<u>1,234,699</u>
Total Liabilities	1,997,994	1,930,144	2,210,597
Net Assets	\$2,985,714	\$2,945,532	\$2,496,479
Working Capital Position	\$1,274,115	\$1,355,802	\$718,121
Operating Revenues	\$7,656,671	\$10,101,597	\$8,988,038
Operating Expenses	<u>7,616,454</u>	<u>9,730,583</u>	<u>9,223,684</u>
Operating Net Income	\$40,217	\$371,014	(\$235,646)

CCRNC, LLC dba Crown Park Rehabilitation & Nursing Center

	<u>9/30/2018</u>	<u>2017</u>	<u>2016</u>
Current Assets	\$3,295,348	\$5,277,889	N/A
Non-Current Assets	<u>333,943</u>	<u>209,703</u>	
Total Assets	\$3,629,291	\$5,487,592	
Current Liabilities	1,826,709	2,783,252	
Long Term Liabilities	<u>1,668,973</u>	<u>3,410,715</u>	
Total Liabilities	3,495,682	6,193,967	
Net Assets	\$133,609	(\$706,375)	
Working Capital Position	\$1,468,639	\$2,494,637	
Operating Revenues	\$12,088,945	\$15,232,336	
Operating Expenses	<u>11,248,961</u>	<u>15,248,469</u>	
Operating Net Income	\$839,984	(\$16,133)	

ECRNC, LLC dba Evergreen Commons Rehabilitation & Nursing Center

	<u>9/30/2018</u>	<u>2017</u>	<u>2016</u>
Current Assets	\$4,764,995	\$4,017,802	\$3,716,381
Non-Current Assets	<u>3,415,774</u>	<u>3,116,366</u>	<u>29,920,098</u>
Total Assets	\$8,180,769	\$7,134,168	\$33,636,479
Current Liabilities	4,494,841	1,421,037	2,361,692
Long Term Liabilities	<u>478,121</u>	<u>2,917,979</u>	<u>27,680,911</u>
Total Liabilities	4,972,962	4,339,016	30,042,603
Net Assets	\$3,207,807	\$2,795,152	\$3,593,876
Working Capital Position	\$270,154	\$2,596,765	\$1,354,689
Operating Revenues	\$18,387,013	\$24,094,681	\$16,152,434
Operating Expenses	<u>17,974,359</u>	<u>24,139,530</u>	<u>15,228,581</u>
Operating Net Income	\$412,654	(\$44,849)	\$923,853

HRNC, LLC dba Highland Park Rehab & Nursing

	<u>9/30/2018</u>	<u>2017</u>	<u>2016</u>
Current Assets	\$1,871,033	\$1,302,338	\$1,236,482
Non-Current Assets	<u>727,534</u>	<u>726,032</u>	<u>696,562</u>
Total Assets	\$2,598,567	\$2,028,370	\$1,933,044
Current Liabilities	843,081	450,317	776,102
Long Term Liabilities	<u>1,936,298</u>	<u>1,926,003</u>	<u>1,616,295</u>
Total Liabilities	2,779,379	2,376,320	2,392,397
Net Assets	(\$180,812)	(\$347,950)	(\$459,353)
Working Capital Position	\$1,027,952	\$852,021	\$460,380
Operating Revenues	\$5,255,025	\$6,414,993	\$6,471,501
Operating Expenses	<u>5,087,887</u>	<u>6,431,195</u>	<u>6,619,746</u>
Operating Net Income	\$167,138	(\$16,202)	(\$148,245)

JBRNC LLC dba Hudson Park Rehab & Nursing

	<u>9/30/2018</u>	<u>2017</u>	<u>2016</u>
Current Assets	\$4,510,584	\$3,752,908	\$3,847,577
Non-Current Assets	<u>1,848,833</u>	<u>1,632,929</u>	<u>1,073,076</u>
Total Assets	\$6,359,417	\$5,385,837	\$4,920,653
Current Liabilities	2,876,088	2,304,910	2,252,230
Long Term Liabilities	<u>4,727,647</u>	<u>4,780,511</u>	<u>4,539,142</u>
Total Liabilities	7,603,735	7,085,421	6,791,372
Net Assets	(\$1,244,318)	(\$1,699,584)	(\$1,870,719)
Working Capital Position	\$1,634,496	\$1,447,998	\$1,595,347
Operating Revenues	\$12,426,226	\$15,809,568	\$16,911,751
Operating Expenses	<u>11,970,960</u>	<u>15,873,806</u>	<u>16,675,363</u>
Operating Net Income	\$455,266	(\$64,238)	\$236,388

NCRNC, LLC dba Northeast Center for Rehabilitation & Brain Injury

	<u>9/30/2018</u>	<u>2017</u>	<u>2016</u>
Current Assets	\$17,260,086	\$10,974,910	\$13,762,013
Non-Current Assets	<u>1,720,749</u>	<u>4,489,364</u>	<u>3,940,001</u>
Total Assets	\$18,980,835	\$15,464,274	\$17,702,014
Current Liabilities	7,762,924	3,477,587	2,962,558
Long Term Liabilities	<u>2,417,111</u>	<u>7,452,992</u>	<u>9,976,998</u>
Total Liabilities	10,180,035	10,930,579	12,939,556
Net Assets	\$8,800,800	\$4,533,695	\$4,762,458
Working Capital Position	\$9,497,162	\$7,497,323	\$10,799,455
Operating Revenues	\$28,891,877	\$37,401,972	\$38,411,434
Operating Expenses	<u>24,964,249</u>	<u>37,555,385</u>	<u>35,034,355</u>
Operating Net Income	\$3,927,628	(\$153,413)	\$3,377,079

Pine Valley Center, LLC dba Pine Valley Center

	<u>9/30/2018</u>	<u>2017</u>	<u>2016</u>
Current Assets	\$5,555,418	\$4,635,387	\$4,743,065
Non-Current Assets	10,418,387	10,732,379	11,320,079
Total Assets	\$15,973,805	\$15,367,766	\$16,063,144
Current Liabilities	3,601,116	3,369,434	3,465,171
Long Term Liabilities	<u>8,176,914</u>	<u>8,298,597</u>	<u>8,803,382</u>
Total Liabilities	11,778,030	11,668,031	12,268,553
Net Assets	\$4,195,775	\$3,699,735	\$3,794,591
Working Capital Position	\$1,954,302	\$1,265,953	\$1,277,894
Operating Revenues	\$14,951,144	\$18,949,952	\$21,521,927
Operating Expenses	<u>14,055,104</u>	<u>19,472,707</u>	<u>22,150,061</u>
Operating Net Income	\$896,040	(\$522,755)	(\$628,134)

RSRNC, LLC dba Riverside Center for Rehabilitation & Nursing

	<u>9/30/2018</u>	<u>2017</u>	<u>2016</u>
Current Assets	\$2,504,401	\$2,266,325	\$2,172,745
Non-Current Assets	536,341	654,176	1,460,900
Total Assets	\$3,040,742	\$2,920,501	\$3,633,645
Current Liabilities	658,418	586,433	1,190,079
Long Term Liabilities	<u>48,067</u>	<u>42,081</u>	<u>34,198</u>
Total Liabilities	706,485	628,514	1,224,277
Net Assets	\$2,334,257	\$2,291,987	\$2,409,368
Working Capital Position	\$1,845,983	\$1,679,892	\$982,666
Operating Revenues	\$6,167,123	\$7,523,010	\$7,310,648
Operating Expenses	<u>6,124,852</u>	<u>7,752,556</u>	<u>7,535,229</u>
Operating Net Income	\$42,271	(\$229,546)	(\$224,581)

VDRNC, LLC dba Van Duyn for Rehab & Nursing

	<u>9/30/2018</u>	<u>2017</u>	<u>2016</u>
Current Assets	\$12,258,532	\$13,191,421	\$14,130,355
Non-Current Assets	<u>5,369,069</u>	<u>3,833,438</u>	<u>2,792,673</u>
Total Assets	\$17,627,601	\$17,024,859	\$16,923,028
Current Liabilities	7,757,132	13,238,311	13,411,587
Long Term Liabilities	<u>8,410,877</u>	<u>285,694</u>	<u>258,929</u>
Total Liabilities	16,168,009	13,524,005	13,670,516
Net Assets	\$1,459,592	\$3,500,854	\$3,252,512
Working Capital Position	\$4,501,400	(\$46,890)	\$718,768
Operating Revenues	\$34,172,800	\$48,509,878	\$49,473,840
Operating Expenses	<u>37,045,854</u>	<u>49,289,762</u>	<u>50,912,258</u>
Operating Net Income	(\$2,873,054)	(\$779,884)	(\$1,438,418)

VRNC, LLC dba Vestal Park Rehabilitation & Nursing Center

	<u>9/30/2018</u>	<u>2017</u>	<u>2016</u>
Current Assets	\$2,833,714	\$2,798,098	\$2,476,283
Non-Current Assets	<u>797,895</u>	<u>593,619</u>	<u>556,647</u>
Total Assets	\$3,631,609	\$3,391,717	\$3,032,930
Current Liabilities	1,540,812	1,526,119	1,551,926
Long Term Liabilities	<u>2,293,484</u>	<u>2,845,795</u>	<u>3,073,182</u>
Total Liabilities	3,834,296	4,371,914	4,625,108
Net Assets	(\$202,687)	(\$980,197)	(\$1,592,178)
Working Capital Position	\$1,292,902	\$1,271,979	\$924,357
Operating Revenues	\$7,945,280	\$15,380,333	\$14,279,186
Operating Expenses	<u>7,172,607</u>	<u>14,937,082</u>	<u>14,347,639</u>
Operating Net Income	\$772,673	\$443,251	(\$68,453)

RTRNC, LLC dba Robinson Terrace Rehabilitation & Nursing**5/1/2018 - 9/30/2018**

Current Assets	\$1,751,839
Non-Current Assets	<u>(119,662)</u>
Total Assets	\$1,632,177
Current Liabilities	1,197,275
Long Term Liabilities	<u>66,444</u>
Total Liabilities	1,263,719
Net Assets	\$368,458
Working Capital Position	\$554,564
Operating Revenues	\$3,804,211
Operating Expenses	<u>4,661,184</u>
Operating Net Income	(\$856,973)

Capital Funding

The new operator is committing to the project Three Million Dollars [\$3,000,000] to be held in a prefunded, dedicated account for operational and physical plant improvements to Ideal Senior Living Center. The majority of the improvements (Operations and Physical Plant) will be completed within the first year.

Operational Improvements

There is considerable evidence of a relationship between nursing home staffing levels and resident outcomes (CMS 5 STAR Technical User's Manual: July 2018). The new operator believes this to be true as well. The specific initiatives to be implemented are aimed at increasing staffing levels along with improving overall quality ratings of Ideal Senior Living Center. In response, the new operator is committing operational improvements in the form of employee program initiatives as follows:

- Ongoing analysis of staff stability and turnover and identification of any trends. Ongoing market analysis of wages and benefit programs along with any other identified areas for improvement of recruitment and retention. If the market indicates an increase in wages is necessary outside the annual wage increases given, the operator will commit to the increases. – GOAL YEAR 1
- Implementation of a paid resident assistant (RA) program aimed at providing a health care career path to existing non-clinical employees and members of the surrounding community. The RA program is the precursor to the implementation of the paid Certified Nursing Assistant (C.N.A.) program aimed at increasing the staffing levels of the facility along with providing a continuous flow of well-trained C.N.A.'s derived from our program. – GOAL YEAR 1
- Implementation of advanced C.N.A. and advanced licensed practical nurses (LPN) programs. This is a career advancement program with position titles of advanced C.N.A.'s and advanced LPN's that come with an increased wage and recognition. Advanced C.N.A.'s and LPNs become leaders and mentors for the front-line staff members and offer insight and intellect into the day to day challenges and positive outcomes on the resident units. The advanced C.N.A.'s and LPN's also become the preceptors for new employees to the facility. Having advanced employees committed to be mentors to new employees lends itself to improved retention of new employees. – GOAL YEAR 1
- The operator will commit to the advancement of C.N.A.'s and LPN's with tuition assistance and tuition forgiveness programs for individuals looking to advance their careers. Both C.N.A. advancement to LPN or registered nurse (RN) programs and LPN advancement to RN programs will be implemented.
- Paid continuing education units (CEUs) for AOR and DON completed by outside training resources including, but not limited to, the New York State Health Facilities Association (NYSHFA) and others.

ISLRNC, LLC
Project #181110
PA Attachment A

- Specialized trainings for the DON and other clinical staff including, but not limited to, our annual skin education training. This is a two-day training sponsored by the operator with education, feedback and networking provided by outside training experts along with internal corporate staff training on skin integrity, prevention and wound healing.
- We are in the early stages of developing a Nursing School in conjunction with UHS Hospital System to help alleviate the staffing burden in the Southern Tier area.

Physical Plant Improvements

Based upon our initial walk through of the facility we are anticipating the following initial improvements totaling greater than \$1.2 million dollars, to the physical plant:

- Physical Plant Issues Identified and Prioritized:
 - Roof - \$100,000 will be replaced in Year 1
 - Mechanical Systems
 - i. Elevator shunt trip for 2 elevators - \$10,000 – Year 1
 - ii. Hydraulic Elevators - \$75,000 – Year 1
 - Building Interiors and Unit
 - i. New beds - \$150,000
 - ii. New Wardrobes - \$150,000
 - iii. Resident Bathroom Upgrade - \$500,000
 - iv. Therapy Gym Refurbishment - \$75,000
 - v. Therapy Equipment - \$25,000
 - vi. Upgrade Personal Laundry Equipment - \$25,000
- Information Technology Issues Identified and Prioritized
 - New Server - \$10,000 – Ready for Day one of transition
 - Software implementation and training fees - \$10,000
 - WIFI Upgrades - \$20,000
 - Computer Equipment - \$12,000
 - Phone System - \$50,000

Without having the full capability that being an operator brings, the complete details of all the work required and that has been completed will need closer review at change of ownership. However, in addition to the initial capital improvements projects listed above, the fund will also go towards any capital improvements needed based upon damage, repairs, end of useful life of equipment and/or any citations received by the facility as a result of a recertification survey.

6. **Van Duyn, Beechtree, Highland Park and Hudson Park each have a current CMS Quality measure rating of less than three stars. Please provide details on the challenges associated with these facilities and what current and future operational improvements the applicant is making to improve these quality ratings. *Please provide specific information related to each facility which addresses the unique challenges and opportunities for that facility.***

Van Duyn

The challenges associated with this facility's quality measure rating are related to the following quality measures triggering on the CASPER report.

1. Pain management for short stay and long stay
2. Physical Restraints
3. Discharge Planning

The current and future operational improvements the applicant is making to improve the quality ratings are as follows:

1. A Regional Administrator position has been added to the Syracuse Region of the State to improve the oversight and accountability of facility operations. This person is an experienced licensed nursing home administrator with a proven track record of improving and sustaining quality of facility operations.
2. Competency based education for MDS nurses, Directors of Nursing and Administrators on completion of the MDS for coding accuracy related to quality measures.
3. Implementation of a weekly interdisciplinary meeting to proactively review patients and residents coming due for MDS completion and to discuss clinical aspects of their care.
4. Facility wide education for nursing employees on pain management.
5. Facility wide education for nursing employees related to physical restraint reduction.
6. Facility wide education for licensed nursing employees and social workers on discharge planning.
7. Improve the facility level understanding of the conditions that are potentially preventable and the responsibility to prevent, identify early and treat within the facility and understand the potentially preventable conditions are reported on the Quality Measures.
 - a. QM clinical education
 - i. Skin
 - ii. Falls
 - iii. Infection
 - iv. Mobility- 3 ADL areas on QM and Restraints
 - v. Pain
 - vi. Behaviors/Mood

Beechtree

The challenges associated with this facility's quality measure rating are related to the following quality measures:

ISLRNC, LLC
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PA Attachment B

1. Pain Management for short stay and long stay
2. Pressure Ulcers long stay
3. Discharge Planning

The current and future operational improvements the applicant is making to improve the quality ratings are as follows:

1. A Regional Administrator position has been added to the Ithaca area of the State to improve the oversight and accountability of facility operations. This person is an experienced licensed nursing home administrator with a proven track record of improving and sustaining quality of facility operations.
2. Competency based education for MDS nurses, Directors of Nursing and Administrators on completion of the MDS for coding accuracy related to quality measures.
3. Implementation of a weekly interdisciplinary meeting to proactively review patients and residents coming due for MDS completion and to discuss clinical aspects of their care.
4. Facility wide education for nursing employees on pain management.
5. Facility wide education for nursing employees related to preventing pressure ulcers.
6. Facility wide education for licensed nursing employees and social workers on discharge planning.
7. Improve the facility level understanding of the conditions that are potentially preventable and the responsibility to prevent, identify early and treat within the facility and understand the potentially preventable conditions are reported on the Quality Measures.
 - a. QM clinical education
 - i. Skin
 - ii. Falls
 - iii. Infection
 - iv. Mobility- 3 ADL areas on QM and Restraints
 - v. Pain
 - vi. Behaviors/Mood

Highland Park

The challenges associated with this facility's quality measure rating are related to the following quality measures:

1. Falls with major injury
2. Moving independently worsened
3. New or worsened pressure ulcers

The current and future operational improvements the applicant is making to improve the quality ratings are as follows:

1. A Regional Administrator position has been added to the Wellsville area of the State to improve the oversight and accountability of facility operations. This person is an experienced

ISLRNC, LLC
Project #181110
PA Attachment B

- licensed nursing home administrator with a proven track record of improving and sustaining quality of facility operations.
2. Competency based education for MDS nurses, Directors of Nursing and Administrators on completion of the MDS for coding accuracy related to quality measures.
 3. Implementation of a weekly interdisciplinary meeting to proactively review patients and residents coming due for MDS completion and to discuss clinical aspects of their care.
 4. Facility wide education for nursing employees on fall prevention and reducing injury.
 5. Facility wide education for nursing employees related to maintaining functional independence.
 6. Facility wide education for licensed nursing employees on preventing pressure ulcers and promoting healing.
 7. Improve the facility level understanding of the conditions that are potentially preventable and the responsibility to prevent, identify early and treat within the facility and understand the potentially preventable conditions are reported on the Quality Measures.
 - a. QM clinical education
 - i. Skin
 - ii. Falls
 - iii. Infection
 - iv. Mobility- 3 ADL areas on QM and Restraints
 - v. Pain
 - vi. Behaviors/Mood

Hudson Park

The challenges associated with this facility's quality measure rating are related to the following quality measures:

1. Antipsychotic medications short stay and long stay
2. Physical restraints
3. Discharge planning

The current and future operational improvements the applicant is making to improve the quality ratings are as follows:

1. A Regional Administrator position has been added to the Albany Region of the State to improve the oversight and accountability of facility operations. This person is an experienced licensed nursing home administrator with a proven track record of improving and sustaining quality of facility operations.
2. Competency based training for MDS nurses, Directors of Nursing and Administrators on completion of the MDS for coding accuracy related to quality measures.
3. Implementation of a weekly interdisciplinary meeting to proactively review patients and residents coming due for MDS completion and to discuss clinical aspects of their care.
4. Facility wide education for nursing employees on reducing antipsychotic medications.
5. Facility wide education for nursing employees related to physical restraint reduction.
6. Facility wide education for licensed nursing employees and social workers on discharge planning.

ISLRNC, LLC
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PA Attachment B

7. Improve the facility level understanding of the conditions that are potentially preventable and the responsibility to prevent, identify early and treat within the facility and understand the potentially preventable conditions are reported on the Quality Measures.
 - a. QM clinical education
 - i. Skin
 - ii. Falls
 - iii. Infection
 - iv. Mobility- 3 ADL areas on QM and Restraints
 - v. Pain
 - vi. Behaviors/Mood

- 7. Bridgewater Center for Rehab & Nursing, LLC, which has had a recent drop in CMS RN staff rating, and Northeast Center for Rehabilitation and Brain Injury, which has a complex resident profile, have CMS RN staffing ratings of 2 stars. Describe how you will increase the RN staff ratings for these facilities.**

Bridgewater Center

Given the current state of the nursing shortage, especially of Registered Nurses, the facility will continue to recruit for the most qualified, talented and clinically sound nurses. This facility recently had an increase in starting rates for Registered Nurses with the goal of hiring more nurses. To recruit and retain Registered Nursing (RN) staff to meet the expected hours per resident day and case-mix adjusted hours per resident day the following will be implemented:

1. Review of each unit's average acuity to determine staffing ratio for budgeted numbers and minimum number of RNs.
2. Review of current salary and benefit package and market analysis to determine competitiveness for recruitment.
3. Recruitment Plan:
 - a. INDEED job posting-sponsored
 - b. Aploj job posting
 - c. Application tracker
 - d. Review of hiring process and interviews
 - e. Open house for nurses
 - f. International nurse recruitment
4. Retention Plan:
 - a. Specialty training
 - i. Respiratory
 - ii. Renal/Dialysis
 - iii. Cardiopulmonary
 - iv. Traumatic Brain Injury
 - v. Neuro-stroke
 - vi. Rehabilitation
 1. Physical
 2. Cognitive
 3. Cardiac
 4. Pulmonary
 - b. Nursing education forums with certification
 - i. Wound care
 - ii. Infection prevention
 - iii. Leadership

Northeast Center

Given the current state of the nursing shortage, especially of Registered Nurses, the facility will continue to recruit for the most qualified, talented and clinically sound nurses. This facility

ISLRNC, LLC
Project #181110
PA Attachment C

recently had an increase in starting rates for Registered Nurses with the goal of hiring more nurses. To recruit and retain Registered Nursing (RN) staff to meet the expected hours per resident day and case-mix adjusted hours per resident day the following will be implemented:

1. Review of each unit's average acuity to determine staffing ratio for budgeted numbers and minimum number of RNs.
2. Review of current salary and benefit package and market analysis to determine competitiveness for recruitment.
3. Recruitment Plan:
 - a. INDEED job posting-sponsored
 - b. Appli job posting
 - c. Application tracker
 - d. Review of hiring process and interviews
 - e. Open house for nurses
 - f. International nurse recruitment
4. Retention Plan:
 - a. Specialty training
 - i. Respiratory
 - ii. Renal/Dialysis
 - iii. Cardiopulmonary
 - iv. Traumatic Brain Injury
 - v. Neuro-stroke
 - vi. Rehabilitation
 1. Physical
 2. Cognitive
 3. Cardiac
 4. Pulmonary
 - b. Nursing education forums with certification
 - i. Wound care
 - ii. Infection prevention
 - iii. Leadership

CON# 182060
Financial Summary- Buena Vida Continuing Care & Rehab Center

	FISCAL PERIOD ENDED			
	<u>12/31/15</u>	<u>12/31/16</u>	<u>12/31/17</u>	draft <u>10/31/18</u>
ASSETS - CURRENT	\$7,681,000	\$6,723,000	\$7,307,614	\$6,449,247
ASSETS - FIXED AND OTHER	14,768,000	16,710,000	16,038,879	13,613,135
LIABILITIES - CURRENT	9,936,000	12,359,000	16,297,383	9,579,327
LIABILITIES - LONG-TERM	<u>26,303,000</u>	<u>27,341,000</u>	<u>27,214,331</u>	<u>35,170,704</u>
EQUITY	(\$13,790,000)	(\$16,267,000)	(\$20,165,221)	(\$24,687,649)
<hr/>				
INCOME	\$25,787,000	23,816,000	\$24,604,091	\$19,915,870
EXPENSE	<u>26,927,000</u>	<u>27,483,000</u>	<u>29,023,257</u>	<u>22,755,055</u>
NET INCOME	(\$1,140,000)	(\$3,667,000)	(\$4,419,166)	(\$2,839,185)
<hr/>				
NUMBER OF BEDS	240	240	240	240
PERCENT OF OCCUPANCY (DAYS)	94.60%	93.40%	92.31%	91.31%
<hr/>				
Medicaid	89.30%	91.20%	87.95%	92.14%
Medicare	5.50%	3.30%	3.65%	3.65%
Private Pay/Other	5.20%	5.50%	8.40%	4.21%

Buena Vida SNF LLC
Doing Business As
Buena Vida Rehabilitation and Nursing Center

ORGANIZATIONAL CHART

<u>Buena Vida SNF LLC</u>	
<u>Members:</u>	
Jay Zelman	10.0%
Zevi Kohn	40.0%
* FBH Healthcare Group, LLC	50.0%
Total	100.0%

<u>Doing Business As</u> <u>Buena Vida Rehabilitation and Nursing Center</u>

RHCF Administrator Director of Nursing Direct Care Staff Support Staff Clerical Staff

Lease



<u>48 Cedar Street LLC</u> (RHCF Real Estate)	
<u>Members:</u>	
Zevi Kohn	10.0%
** Scheiner Holdings LLC	20.0%
** Gamfal LLC	20.0%
* FBH Healthcare Group, LLC	50.0%
Total	100.0%

* The sole member of FBH Healthcare Group, LLC is Sarah Rosenfeld.

** Scheiner Holdings LLC's sole member is Scheiner Family 2012 Trust.
 ** Gamfal LLC's sole member is Lichtschein Family 2012 Trust.

Buena Vida SNF LLC
Pro Forma Balance Sheet
As of the First Day of Operations

ASSETS

WC Cash	\$	5,000,000
Cash *		318,723
Accts. Receivable(Net)*		3,959,779
Prepaid Expenses*		890,281
Resident Funds*		237,530
Goodwill		7,673,064

TOTAL ASSETS 18,079,377

Liabilities and Equity

Accts Payable and Accrued Payroll*		7,941,815
Due to 3rd Parties* `		4,900,032
Resident Funds*		237,530
Total Liabilities		13,079,377
Member Equity		5,000,000

TOTAL LIABILITIES AND EQUITY \$ 18,079,377

* Reflective of March 31, 2018 Unaudited Balance Sheet

48 Cedar Street LLC
Pro Forma Balance Sheet
As of the First Day of Operations

ASSETS

Land, Building & Equipment	\$ 54,500,000
TOTAL ASSETS	\$ 54,500,000

LIABILITIES AND EQUITY

Mortgage Payable	40,000,000
Member Equity	14,500,000
TOTAL LIABILITIES AND EQUITY	\$ 54,500,000

BFA Attachment-E
CON# 182060

Buena Vida Nursing Center

Budget Sensitivity

<u>Payor</u>	<u>Payor Mix as of 10/31/18</u>	<u>Revised Budgeted Days</u>	<u>Per Diem</u>	<u>Revised Revenues</u>
Medicaid-FFS	59.38%	47,497	\$285.00	\$13,536,609
Medicaid-MC	32.76%	26,204	\$285.00	\$7,468,160
Medicare-FFS	3.65%	2,920	\$763.00	2,227,626
Private Pay	0.79%	632	\$388.00	245,179
Commercial	<u>3.42%</u>	<u>2,736</u>	\$240.00	656,542
	100.00%	79,988		

Total Revenues based on current utilization	\$24,134,115
Total Inpatient Revenues as budgeted for first year(includes assessment)	<u>29,037,010</u>
Decrease in Budgeted Revenues	(\$4,902,895)

Note: Medicaid-FFS reflects the 2018 rate received.

Historical Days os of 10/31/2018=66,618/72,960=91.31% x 87,600=79,988

182060-E

Affiliated Homes

BFA Attachment F

Schervier Rehab & Nursing

364 beds (Bronx County)

Current Assets	\$8,764,509
Fixed Assets	<u>3,213,736</u>
Total Assets	\$11,978,245
Current Liabilities	14,713,369
Long Term Liabilities	<u>0</u>
Total Liabilities	\$14,713,369
Net Assets	(\$2,735,124)
Working Capital Position	(\$5,948,860)
Operating Revenues	\$49,782,077
Operating Expenses	<u>49,754,380</u>
Operating Net Income	\$27,697

draft

12/31/2018

Eliezer Zelman-10.0% membership interest

Achieve Rehab & Nursing

140 beds (Sullivan County)

	<u>2016</u>	<u>2017</u>	draft
			<u>12/31/2018</u>
Current Assets	\$2,443,824	\$2,803,880	\$2,758,455
Fixed Assets	<u>3,144,748</u>	<u>2,812,208</u>	<u>3,433,996</u>
Total Assets	\$5,588,572	\$5,616,088	\$6,192,451
Current Liabilities	4,981,555	4,365,166	3,994,739
Long Term Liabilities	<u>62,576</u>	<u>22,975</u>	<u>217,130</u>
Total Liabilities	\$5,044,131	\$4,388,141	\$4,211,869
Net Assets	\$544,441	\$1,227,947	\$1,980,582
Working Capital Position	(\$2,537,731)	(\$1,561,286)	(\$1,236,284)
Operating Revenues	\$14,344,163	\$15,487,308	\$16,154,005
Operating Expenses	<u>16,198,079</u>	<u>16,767,153</u>	<u>16,449,536</u>
Operating Net Income	(\$1,853,916)	(\$1,279,845)	(\$295,531)

Eliezer Zelman-10.0% membership interest

Morris Park Nursing Home

	<u>2015</u>	<u>2016</u>	<u>2017</u>
Current Assets	\$3,744,652	\$4,715,480	\$5,228,001
Fixed Assets	3,613,426	6,598,024	5,435,308
Current Liabilities	4,404,721	8,035,874	7,505,582
Long Term Liabilities	2,353,061	2,188,124	1,640,048
Working Capital Position	(\$660,069)	(\$3,320,394)	(\$2,277,581)
Net Asset Position	\$600,296	\$1,089,506	\$1,517,679
Revenues	\$20,444,139	\$20,838,226	\$21,607,715
Expenses	18,196,546	18,057,489	19,595,633
Net Income	\$2,247,593	\$2,780,737	\$2,012,082
Number of Beds	191	191	191
Occupancy	97.77%	97.74%	96.46%
Medicaid FFS	85.36%	79.42%	69.21%
Medicaid MC	2.42%	10.13%	18.96%
Medicare	6.20%	6.33%	6.85%
Private	1.12%	1.03%	0.25%
Commercial	4.90%	3.09%	4.73%

MORRIS PARK NURSING HOME
(a sole proprietorship)
BALANCE SHEET
December 30,2018

CON#182209
BFA Attachment C

ASSETS

Current assets

Cash and cash equivalents	480,179
Cash - restricted, patient funds	321,807
Accounts receivable net of allowance of \$ 335278	2,582,093
Supplies on hand	26,500
Due from sole proprietor	1,900,092
Prepaid expenses and other	674,968
Deferred tax asset	24,500
Total current assets	<u>6,010,139</u>

Property and equipment - net	3,937,784
Equity in non-combined affiliate	40,067
Intangible assets - net	1,079,302
Security deposits	24,033
TOTAL ASSETS	<u><u>11,091,325</u></u>

LIABILITIES AND PROPRIETORS' CAPITAL

Current liabilities

Account payable	2,700,732
Accrued expenses	1,199,495
Accrued and withheld taxes	2,064
Capital lease obligation	357,381
Obligations under financing	262,081
Due to Officer	1,346,035
Due to related party	642,886
Patients' funds and deposits payable	462,395
Total curent liabilities	<u>6,973,069</u>

Due to third party payers	377,168
Capital lease obligation	
Obligations under financing	1,020,821
Deferred tax liability	6,800
Total liabilities	<u>8,377,858</u>

Proprietors' capital	<u>2,713,467</u>
	<u><u>11,091,325</u></u>

TOTAL LIABILITIES AND PROPRIETORS' CAPITAL

MORRIS PARK NURSING HOME
STATEMENT OF EARNINGS

CON#182209
Attachment C (Continued)

	TWELVE MONTHES ENDED DECEMBER 31, 2018	PER PATIENT DAY
REVENUES:		
Patient	21,320,367	320.55
Other/part b	405,049	6.09
Allowance for bed debts	0	0.00
TOTAL REVENUES	21,725,416	326.64
NURSING:		
Salaries	5,471,848	82.27
Employee benefits	1,658,661	24.94
Medical supplies	248,116	3.73
Rx drugs	122,935	1.85
Outside nurses	383,008	5.76
TOTAL NURSING	7,884,569	118.54
ANCILLARY SERVICE:		
Pharmacy	20,225	0.30
Phycial Therapy	658,587	9.90
Dentist	25,956	0.39
Occupational Therapy	561,766	8.45
Speech Therapy	75,642	1.14
Medicare part A expenses	19,319	0.29
Medical director	20,000	0.30
TOTAL ANCILLARY SERVICE	1,381,495	20.77
RECREATION:		
Salaries	246,878	3.71
Employee benefits	95,447	1.44
Supplies and service	21,247	0.32
TOTAL RECREATION	363,572	5.47
SOCIAL SERVICES:		
Salaries	236,019	3.55
Employee benefits	56,943	0.86
Supplies and services	41,259	0.62
TOTAL SOCIAL SERVICES	334,221	5.02
DIETARY:		
Salaries	724,189	10.89
Employee benefits	458,254	6.89
Food-meat, fish, poultry	170,053	2.56
Food-Other	346,701	5.21
Other supplies and services	91,206	1.37
TOTAL DIETARY	1,790,403	26.92

FOR INTERNAL USE ONLY

MORRIS PARK NURSING HOME
STATEMENT OF EARNINGS

CON#182209
Attachment C (Continued)

	TWELVE MONTHES ENDED DECEMBER 31,2018	PER PATIENT DAY
CLEANLINESS AND SAFETY:		
Salareis- maintenance	177,931	2.68
Salareis- Housekeeping	605,792	9.11
Employee benefits	291,764	4.39
Plant O&M- supplies and service	196,477	2.95
Utilities	280,031	4.21
Security Guards	165,811	2.49
Hsking- supplies and service	83,765	1.26
Linen- supplies & services	245,448	3.69
TOTAL CLEANLINESS AND SAFETY	2,047,019	30.78
ADMINISTRATIVE AND OFFICE:		
Salaries	1,183,489	17.79
Employee benefits	224,788	3.38
Telephone	40,133	0.60
Data processing	80,405	1.21
Dues & subscriptions	35,054	0.53
Bad debt	50,618	0.76
Interest	381,337	5.73
Auto	9,076	0.14
Medicaid assessment	909,737	13.68
Insurance- general	551,706	8.29
Professional fees	447,189	6.72
Office expense	95,956	1.44
Contributions	511,800	7.69
TOTAL ADMINISTRATIVE AND OFFICE	4,521,288	67.98
PROPERTY EXPENSES:		
Rent	425,210	6.39
Equipment rental	112,842	1.70
Real estate tax	499,687	7.51
Prperty insurance	37,000	0.56
Depreciation+amortization	500,000	7.52
TOTAL PROPERTY EXPENSES	1,574,739	23.68
TOTAL OPERATING EXPENSES	19,897,305	299.15
NET EARNING- CURRENT YEAR	1,828,111	
PRIOR PERIOD REVENUES	658,853	
PRIOR PERIOD EXPENSES		
NET EARNING	2,486,964	
Patient days	66512	
Percent of Occupancy	95.41%	
FOR INTERNAL USE ONLY		

<u>Brooklyn Queens Nursing Home</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Current Assets	\$2,967,652	\$2,894,602	\$3,182,345
Fixed Assets	1,398,936	1,366,515	1,307,624
Total Assets	\$4,366,588	\$4,261,117	\$4,489,969
Current Liabilities	3,911,367	3,995,252	3,633,650
Long Term Liabilities	1,930,476	1,145,128	719,162
Total Liabilities	\$5,841,843	\$5,140,380	\$4,352,812
Working Capital Position	(\$943,715)	(\$1,100,650)	(\$451,305)
Net Asset Position	(\$1,475,255)	(\$879,263)	\$137,157
Revenues	\$13,132,922	\$13,941,031	\$14,992,633
Expenses	12,995,448	13,251,254	13,626,804
Net Income	\$137,474	\$689,777	\$1,365,829

Pro Forma - Morris Park Nursing and Rehab Center, LLC

Assets:

Cash	\$4,255,205
Accounts Receivable	1,327,886
Other Current Assets	2,642,137
Fixed Assets	4,257,699
Other Assets	<u>1,531,722</u>
TOTAL ASSETS	\$14,014,649

Liabilities:

Accounts Payable	\$5,873,786
Other Current Liabilities	1,830,094
Long Term Liabilities	<u>2,504,626</u>
TOTAL LIABILITIES	\$10,208,506

NET ASSETS \$3,806,143

Cash includes \$480,176 cash as for 12/31/2018 plus \$320,807 restricted cash (patient funds)

Highfield Gardens

	<u>2018 as of 11/30/2018</u>	<u>2017</u>	<u>2016</u>
Current Assets	\$6,314,401	\$5,347,276	\$5,239,901
Non-Current Assets	<u>\$2,801,670</u>	<u>\$2,977,044</u>	<u>\$2,949,509</u>
Total Assets	\$9,116,071	\$8,324,320	\$8,189,410
Current Liabilities	\$3,246,294	\$2,896,850	\$3,399,090
Long Term Liabilities	<u>\$367,084</u>	<u>\$432,989</u>	<u>\$505,823</u>
Total Liabilities	3,613,378	3,329,839	3,904,913
Net Assets	\$5,502,693	\$4,994,481	\$4,284,497
Working Capital Position	\$3,068,107	\$2,450,426	\$1,840,811
Operating Revenues	\$25,711,780	\$28,652,214	\$28,865,179
Operating Expenses	<u>\$23,106,383</u>	<u>\$24,097,230</u>	<u>\$24,526,963</u>
Operating Net Income	\$2,605,397	\$4,554,984	\$4,338,216

Westchester Center

	<u>2018 as of 11/30/2018</u>	<u>2017</u>	<u>2016</u>
Current Assets	\$7,082,877	\$6,398,382	\$4,828,138
Non-Current Assets	<u>\$2,337,653</u>	<u>\$3,319,250</u>	<u>\$3,704,898</u>
Total Assets	\$9,420,530	\$9,717,632	\$8,533,036
Current Liabilities	\$3,503,138	\$3,925,551	\$4,728,466
Long Term Liabilities	<u>\$246,678</u>	<u>\$251,288</u>	<u>\$1,256,691</u>
Total Liabilities	3,749,816	4,176,839	5,985,157
Net Assets	\$5,670,714	\$5,540,793	\$2,547,879
Working Capital Position	\$3,579,739	\$2,472,831	\$99,672
Operating Revenues	\$24,728,360	\$28,486,646	\$26,427,368
Operating Expenses	<u>\$22,698,439</u>	<u>\$23,450,612</u>	<u>\$22,254,304</u>
Operating Net Income	\$2,029,921	\$5,036,034	\$4,173,064

Kaaterskil Operating, Inc.

	<u>2018 as of 11/30/2018</u>	<u>2017</u>	<u>2016</u>
Current Assets	\$3,520,395	\$3,473,895	\$3,447,649
Non-Current Assets	<u>\$2,676,882</u>	<u>\$2,894,340</u>	<u>\$2,995,364</u>
Total Assets	\$6,197,277	\$6,368,235	\$6,443,013
Current Liabilities	\$2,157,008	\$2,574,572	\$4,608,191
Long Term Liabilities	<u>\$2,219,227</u>	<u>\$2,432,381</u>	<u>\$923,731</u>
Total Liabilities	4,376,235	5,006,953	5,531,922
Net Assets	\$1,821,042	\$1,361,282	\$911,091
Working Capital Position	\$1,363,387	\$899,323	(\$1,160,542)
Operating Revenues	\$12,185,772	\$12,254,620	\$11,656,547
Operating Expenses	<u>\$9,950,249</u>	<u>\$11,676,712</u>	<u>\$10,800,481</u>
Operating Net Income	\$2,235,523	\$577,908	\$856,066

Pine Haven Home

	<u>2018 as of 11/30/2018</u>	<u>2017</u>	<u>2016</u>
Current Assets	\$3,301,918	\$3,572,010	\$3,318,369
Non-Current Assets	<u>\$2,135,897</u>	<u>\$2,185,539</u>	<u>\$116,529</u>
Total Assets	\$5,437,815	\$5,757,549	\$3,434,898
Current Liabilities	\$2,514,560	\$3,542,337	\$997,904
Long Term Liabilities	<u>\$992,209</u>	<u>\$1,017,243</u>	<u>\$1,545,385</u>
Total Liabilities	3,506,769	4,559,580	2,543,289
Net Assets	\$1,931,046	\$1,197,969	\$891,609
Working Capital Position	\$787,358	\$29,673	\$2,320,465
Operating Revenues	\$11,476,521	\$12,255,043	\$6,089,186
Operating Expenses	<u>\$9,523,874</u>	<u>\$11,917,551</u>	<u>\$5,724,065</u>
Operating Net Income	\$1,952,647	\$337,492	\$365,121

Premier Genesee Center for Nursing and Rehabilitation

	<u>2018 as of 11/30/2018</u>	<u>2017</u>	
Current Assets	\$5,652,652	\$3,754,012	
Non-Current Assets	<u>\$898,692</u>	<u>\$694,544</u>	
Total Assets	\$6,551,344	\$4,448,556	
Current Liabilities	\$5,608,465	\$3,979,763	
Long Term Liabilities	<u>\$729,468</u>	<u>\$422,790</u>	
Total Liabilities	6,337,933	4,402,553	
Net Assets	\$213,411	\$46,003	
Working Capital Position	\$44,187	(\$225,751)	
Operating Revenues	\$14,873,816	\$14,331,825	
Operating Expenses	<u>\$12,428,006</u>	<u>\$14,326,024</u>	
Operating Net Income	\$2,445,810	\$5,801	

BFA Attachment B CON 182221 Cont

Schedule of Ownership

	Highfield Gardens	Westchester Center	Kaaterskill Operating, Inc.	Pine Haven Home	Genessee Center, LLC
Jonathan Bleier	16.00%	54.96%	23.50%	47.50%	50.00%
Jacob Sod	0.00%	0.00%	23.50%	47.50%	50.00%
Joel Schwartz	0.00%	0.00%	0.00%	0.00%	0.00%

Financial Summary - Leroy Village Green Residential Health Care Facility, Inc.

	<u>2018 as of 11/30/2018</u>	<u>2017 Audited</u>	<u>2016 Audited</u>
Current Assets	\$2,691,214	\$2,588,718	\$1,919,187
Non-Current Assets	<u>\$564,616</u>	<u>\$574,335</u>	<u>664,228</u>
Total Assets	\$3,255,830	\$3,163,053	\$2,583,415
Current Liabilities #	\$2,752,561	\$1,639,495	1,316,107
Long Term Liabilities	<u>\$0</u>	<u>\$1,414,562</u>	<u>1,566,006</u>
Total Liabilities	2,752,561	3,054,057	2,882,113
Net Assets	\$503,269	\$108,996	(\$298,698)
Working Capital Position	(\$61,347)	\$949,223	\$603,080
Operating Revenues	\$10,910,180	\$11,886,019	\$10,637,147
Other Revenue	\$99,438	\$55,903	\$12,907
Operating Expenses	<u>\$9,115,230</u>	<u>\$11,534,228</u>	<u>10,936,779</u>
Operating Net Income	\$1,894,388	\$351,791	(\$286,725)
Number of Beds	140	140	140
Percent Occupancy	93%	93%	87%
Medicare	3%	5%	5%
Commercial	6%	8%	10%
Medicaid	72%	65%	71%
Private Pay / Other	19%	22%	14%
Total Percentage	100%	100%	100%

As of 9/30/2018, the workers compensation liability was recorded by the current operator as a current liability in an account labeled "Other Accrued Expenses" (account 2056-000). Only a portion of the liability (\$1,126,226) was recorded as the actual liability is expected to be lower based on further work by the actuaries. The liability will be trued up and reconciled for the 12/31/2018 year end and prior to the closing on the change of ownership.

LEROY OPERATING LLC**PRO FORMA BALANCE SHEET****ASSETS**

Cash & Cash Equivalents	\$1,807,586
Accounts Receivable	\$0
Prepaid Rent	\$21,050
Working Capital	\$903,793
Total Current Assets	\$2,732,429
Resident Funds	\$81,850
Other Assets (Goodwill)	\$2,198,950
Fixed Assets	\$580,000
Total Non Current Assets	\$2,860,800
Total Assets	\$5,593,229

LIABILITIES

Long Term Debt, Current Portion	\$159,539
Working Capital Loan	\$903,793
Total Current Liabilities	\$1,063,332
Resident Funds	\$81,850
Long Term Debt, Net of Current Portion	\$742,811
Total Long Term Liabilities	\$824,661
TOTAL LIABILITIES	\$1,887,993
Member Equity	\$3,705,236
TOTAL LIABILITIES AND MEMBER EQUITY	\$5,593,229

Leroy Village Green Residential Health Care Facility, Inc.

Budget Sensitivity

<u>Payor</u>	<u>Payor Mix as of 11/30/2018</u>	<u>Revised Budgeted Days</u>	<u>Per Diem</u>	<u>Revised Revenues</u>
Medicaid	71.6%	33,902	\$186.09	\$6,308,739
Medicare	3.0%	1,407	\$430.02	605,097
Private Pay	19.5%	9,224	\$359.98	3,320,424
Commercial	<u>6.0%</u>	<u>2,843</u>	\$400.02	<u>1,137,057</u>
	100.0%	47,375		
Total Revenues based on current utilization				\$11,371,318
Total Inpatient Revenues as budgeted for first year				<u>12,082,500</u>
Decrease in Budgeted Revenues				(\$711,182)

As of November 30, 2018, utilization is at 93.32% (43636/46760)

140 beds x 365 days=51,100x 92.71=47,375

At the July 19, 2018 EPRC meeting Mr. Larue asked about the 13 facilities with one or two star CMS overall ratings using June 2018 data, in particular why the applicant felt the low staff star ratings contributed to these low overall ratings. Mr. Kalkut also asked for clarification regarding the applicants' proficiency in submitting payroll-based journal (PBJ) data to CMS. The applicant states that some of the facilities owned by the applicants have had challenges submitting PBJ data in the past, which is one possible reason for low staff ratings. The applicant also states that the low staff ratings may also be attenuating the overall star rating of some facilities. The applicant states "In August 2018, the applicant's facilities PBJ practices and submissions have been audited ... and are found to be accurate." Therefore, staff ratings presented in the table below, released by CMS in February 2019, are believed to be an accurate reflection of staff levels at the facilities.

Examining the 13 facilities with one or two star overall ratings in June 2018, 5 of the facilities have had an increase in overall rating based on February 2019 data, 3 of these also had an increase in the staff rating, 1 facility had the same staff rating for the two periods, 1 facility had a worse staff rating based on February 2019 data.

Further examining the 13 facilities with one or two star overall ratings in June 2018, 4 of the facilities decreased in overall star ratings, 2 of these also had a decrease in staff ratings, 2 facilities had the same staff rating in June 2018 and February 2019.

The last group of the 13 facilities with one or two star overall ratings in June 2018 includes 4 facilities that did not have any change in overall star rating. One facility had an increase in staff rating, two had the same staff rating in June 2018 and February 2019, and one does not have staff data available for June 2018.

The applicant provided a detailed explanation of CMS five star performance, see PA Attachment B.

Facilities with one and two star overall CMS Ratings in June 2018

Facility	Ownership Since	Overall	Health Inspection	Quality Measure	Staffing
Greene Meadows Nursing & Rehabilitation Center (NY)	Current	**	*	*****	***
	06/2018	*	*	****	***
Pine Haven Home (NY)	Current	*	*	***	**
	06/2018	**	*	*****	***
Premier Genesee Center For Nursing And Rehab (NY)	Current	*	*	**	***
	06/2018	**	*	*****	***
Westchester Center For Rehabilitation & Nursing (NY)	Current	**	**	*****	*
	06/2018	**	**	*****	*
Highfield Gardens Care Center Of Great Neck (NY)	Current	***	**	*****	**
	06/2018	**	**	*****	*
Rosewood Rehabilitation & Nursing Center (PA)	Current	**	**	**	***
	06/2018	**	**	***	**
Meadow View Nursing Center (PA)	Current	*	*	****	*
	06/2018	**	*	*****	**
Crawford Skilled Nursing And Rehabilitation Center (MA)	Current	**	*	***	****
	06/2018	*	*	**	***
Franklin Health And Rehabilitation Center Llc (MA)	Current	**	*	***	****
	06/2018	*	*	***	*
Kathleen Daniel Nursing And Rehabilitation (MA)	Current	*	*	*	****
	06/2018	**	*	**	****
Manatee Springs Rehabilitation And Nursing Center (FL)	Current	**	*	*****	***
	06/2018	**	*	*****	Not Available
Hanover Terrace Health & Rehabilitation Center (NH)	Current	****	***	*****	**
	06/2018	*	*	****	***
Premier Cadbury Of Cherry Hill (NJ)	Current	**	*	*****	****
	06/2018	**	*	****	****

Data date: 02/2019

Notes: The health inspection star rating is based on 2 years of inspections occurring before November 28, 2017.



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February 19, 2019

Susan Root, Associate Health Planner
New York State Department of Health
875 Central Avenue
Albany, NY 12206-1331

RE: Project #182221 Leroy Operating LLC d/b/a Leroy Village Green Nursing and Rehabilitation Center

Subject: Updated Summary of Five-Star Ratings for Overall and Staffing Ratings.

This letter is in response to the letters received from the New York State Department of Health, Bureau of Licensure and Certification, requesting a summary and analysis of the Centers for Medicare & Medicaid Service's (CMS) Five-Star Quality Rating System for each of the facilities owned and operated by members of the applicant. This letter summarizes actions being taken in each of the facilities with an overall rating or staff rating of 1 or 2 stars. The applicant has devoted resources across the operating entities to ensure residents are cared for according to evidence-based practices to enhance their quality of care, as well as their quality of life.

CMS's Quality Measures, Indicators and Five-Star Ratings were developed for consumers, their families, and caregivers to compare nursing homes more easily and to help identify areas to ask more questions. On the CMS webpage for 5-Star Ratings there is a caution statement stating "no rating system can address all of the considerations about a nursing home"; "Consumers should therefore use the Web site only together with other sources of information for the nursing homes (including a visit to the nursing home) and State or local organizations (such as local advocacy groups and the State Ombudsman program)". <https://www.cms.gov/Medicare/Provider-Enrollment-and-Certification/CertificationandCompliance/FSQRS.html>.

It is important to note the survey process changed in 2018 and incorporated the Phase 1 & 2 regulations of the Final Rule. For that reason, CMS has frozen the health inspections on the public website resulting in an inaccurate reflection of the overall stars and health inspection stars. Please note the following noted under the subheading in facility specific Provider Rating Report, "As of February 2018, standard surveys and complaint surveys that occurred on or after November 28, 2017 (under the new survey process) have been displayed on the Nursing Home Compare website but have **not** been used to calculate the health inspection rating. The health inspection rating will incorporate the new surveys beginning in the spring of 2019." This summary

reflects information updated per facility Casper report as of January 29, 2019. This is the most up-to-date information available at the time this letter was written.

CMS has made changes in addition to the above, including the data they use to report staffing in nursing homes. CMS had been collecting staffing data through 671 Forms completed by SNFs on an annual basis. Since 2016 nursing homes began submitting that data electronically through the Payroll-Based Journal (PBJ) system. In April of 2018 CMS began using the PBJ data to calculate staffing levels and star ratings on the Nursing Home Compare website and in the Five Star Quality Rating system. Facilities have experienced challenges in their submission but all of the applicant's homes have been educated on PBJ reporting, submission and compliance per the Social Security Act and 42 CFR 483.70(q). In August 2018 all of the applicant's facilities PBJ practices and submissions have been audited by the Corporate Team and are found to be accurate.

The applicants are strong operators committed to quality of care and services for the residents they serve, as evidenced by the history in their facilities. Each facility is expected to consistently develop and implement strategies to improve care delivery and outcomes for their residents per their quality assurance and performance improvement plans. The applicants currently operate **twenty-eight** facilities in **six** states. Seventeen of their facilities have had enforcement actions; **three** were related to deficient practices **prior** to the facility purchase, **seven** occurred within the first 1-9 months following the purchase and **three** of the facilities are no longer owned by the applicants and in two of the three the applicant's interest was fiscal only, equating to **13.5%** of ownership, **two were** SFF and one was in Provisional 2 designation. All facilities are in regulatory compliance today, without further fines, demonstrating the deficient practices identified in the Statement of Deficiencies were not recurrent and/or were promptly corrected. (See **Exhibit A**)

The applicants do not shy from challenged facilities and have in fact been asked by States to consider stepping in as purchasers of troubled facilities. The applicant members have purchased homes designated by CMS as Special Focus Facilities (SFF), facilities that have a known history of serious quality concerns and/or have demonstrated "yo-yo" compliance or the facility was unable to sustain compliance. SFFs have full certification/annual surveys every six months and they must demonstrate improvement, without a harm level citation or a substandard quality of care finding for a minimum of two full recertification surveys, with no harm level complaints intervening. If compliance is not achieved in a timely basis (average 18 mos.) and upon the recommendation of the state, the facility is at risk for termination from the Medicare & Medicaid program.

The applicants have purchased **two** such facilities; both have subsequently graduated from the SFF program and have maintained compliance. Hanover Terrace Health in New Hampshire, a SFF, was purchased in May of 2016 and was able to graduate from the SFF program in January of 2017. The facility has subsequently received two annual deficiency-free surveys: October 2017 and January 2019. The second SFF purchased by the applicant is Blue Hills Health and Rehabilitation in Massachusetts. Since graduating from SFF status in June of 2018 the facility has an outstanding reputation in the community and is in good standing the Department of Public Health. **Two of the three** Florida facilities were purchased while in **Watch List** status, which is the State's "**SFF-Like**" status. Each facility is surveyed every six months and must have two full annual

surveys and no intervening complaint surveys with a harm level or higher deficiency. (**G, IJ or SOC**) Manatee Springs Rehab was one of the two on the **Watch List** and on 2/8/19 just had its annual survey with no harm level deficiencies and has graduated from Florida's **Watch List**. Page Rehab in Florida (purchased 1/1/19) was also on Florida's **Watch List**.

The applicants believe in a consistent quality improvement program across all of their facilities and have a full corporate team of licensed, credentialed and experienced health care experts, with hands-on experience, located centrally and regionally. The corporate team is involved in the oversight of day-to-day operations and provides administrative leadership and clinical oversight that includes technical support for clinical expertise, human resources support, risk management and corporate compliance, fiscal management, billing offering direction and a resource for all of the facilities. This corporate structure and support alleviate many of the time-consuming responsibilities at the facilities, allowing facility leadership more time to focus on their unique residents and operations.

In addition to the depth and availability of the applicant's corporate team the applicant has retained an experienced health care consulting team, Capital Health Consulting (CHC) located in Albany. CHC offers an objective perspective in matters related to compliance, regulations and quality assurance and improvement projects in collaboration with the corporate team. In November of 2018 the applicants sponsored the first **NYS Quality Improvement Provider Forum** attended by the Nursing Home Administrators and Directors of Nursing from each of the NYS facilities along with the corporate leadership. Each NYS facility is in the process of reviewing their current Quality Assurance and Performance Improvement Plan, their Facility Assessment and Emergency Preparedness Plans with Capital Health Consulting. Since the start of the CHC engagement Highfield Gardens has revised their facility assessment and emergency preparedness program and were surveyed in early January of 2019. Upon exit, the surveyors gave the facility compliments on the completeness of both of the aforementioned. The facility received four D level (no harm/isolated) health care deficiencies with no life safety deficiencies.

The next scheduled NYS Forum is scheduled for *February 20, 2019*.

New York State Facilities

Prior to and upon the purchase of a new facility the corporate leadership team focuses on building strong quality improvement processes in concert with stabilizing and developing employees. Increased efforts have been made to share best practices and successful strategies throughout the corporation to improve staff morale, staff engagement and staff retention. Recruitment and retention of qualified staff continues to be an ongoing struggle for all providers in NYS, especially in upstate and rural communities. Three of the five facilities purchased by the applicants are located in rural communities in upstate NY.

Nursing homes, hospitals and community-based providers across the State are facing staffing challenges, competing with one another to recruit and retain the best staff. Several of the applicant's homes, not unlike other providers, have faced staffing challenges over the past two to three years and continue to do so today. The applicant members recognize the importance of improving staff stability for achieving better clinical, regulatory, and financial outcomes and

have been proactive in addressing ongoing staffing concerns, identifying the reason(s) for the challenges and have taken steps to improve the hiring and retention of staff. Greene Meadows, in the Capital District Region, struggled to find direct care staff for their residents. Unable to hire certified CNAs, the applicants retained CHC and applied to DOH in 2017 to operate their own CNA training program. Currently Greene Meadows is approved by NYSDOH to host training programs for new employees to become certified and today has 3 stars for staffing. Premier Genesee also operates an approved CNA training program and will be expanding their programs to also offer part time night classes in response to community requests for those currently employed but seeking a career move.

Improving operations and quality has also included changes in leadership, throughout the applicant's homes, but most recently **two** prominent leaders have been relieved of their responsibilities and duties in NYS. Their duties included the corporate oversight of all New York homes, in concert with applicant members and their corporate team members. Due to lack of alignment with corporate expectations, lack of deliverables and uncooperative behavior with peers multiple changes occurred at the corporate level in late 2018. As an example Highfield Gardens experienced problems with nurse staffing in the beginning of 2017. In 2018 serious problems within Administration were identified and a new Nursing Home Administrator and Director of Nursing were hired and staff concerns are improving, but recruitment efforts continue.

Upon detecting there was a divergence from the owner's direction, a thorough review of all New York State facilities was completed through mock surveys, meetings with middle management and direct care staff, with day-to-day clinical oversight by the corporate clinical team. Leadership changes have occurred at the facility level and within the NYS corporate team, incorporating proactive quality initiatives and facility accountability.

Of the applicant's twenty-eight facilities, five facilities are located in New York State: one facility recently achieved overall star rating of three-star rating (Highfield Gardens); one facility has a 2-star rating and the remaining three facilities have a 1-star rating. Four of the five NYS facilities have a designated star rating of 4 or 5 in Quality Measures; the fifth facility received a 2-star rating. (Refer to Exhibit B)

Greene Meadows Nursing and Rehab Center located in a rural section of the northern Hudson Valley of NYS, was previously a hospital-based skilled nursing home. Prior to the purchase this facility lacked a strong leader and was not a priority within the hospital system and therefore struggled to keep pace with the changing acuties of the post-acute population. The physical plant was outdated and tired. The facility was purchased in December 2015 followed by extensive renovations and the development of changes in processes and policies to improve quality of care. Currently the facility has an overall star rating of one with three stars in staffing and four stars in their Quality Measures. The one-star rating for health inspection is attributed to a harm level deficiency involving an incident the facility received seven months after the purchase. There have been no enforcements since April 2016 and a new Administrator was hired. The facility has not been surveyed since November 2017.

The facility has continuously been developing quality improvement programs involving staff at all levels resulting in positive outcomes as evidenced by a reduction in the number of medications,

urinary tract infections and improved dining experiences voiced by the residents of the home. CHC has been working with the facility on the identification of priority areas for improvement. Concentrated areas: 1) resident care area, 2) resident dining experiences, 3) care planning, 4) re-hospitalizations, 5) QAPI and 6) analyzing of data.

Highfield Gardens Care Center located in Great Neck, NYS was purchased in July 2005. They have recently improved their overall star rating to three stars, with two stars in staffing and five stars in quality measures. The facility has been proactive in addressing their ongoing staffing concerns, identifying the reason(s) for the challenges and have taken steps to improve the hiring and retention of direct care staff. It should also be noted this facility has been proactive in its efforts to improve quality of life and care for the residents they serve. The new Administrator and Director of Nursing has reorganized the quality improvement infrastructure, improved resident care processes, and improved staffing morale, recruitment and retention. The facility had their annual survey under the new regulatory process in January of 2019 and received a deficiency free survey for the Life Safety survey and four no-harm deficiencies on the health survey.

This facility has had a strong quality history and has had an average of 3.54 stars in overall quality, 4.7 stars in quality measures, 2.9 in staffing and 2.8 for RN staffing since 2015 with a noticeable decrease in all stars between the third quarter of 2017 through 2018, at which time leadership changes were made. As previously cited during the July 2018 Establishment Committee, of the Public Health and Health Planning Council, Highfield consistently had **five** and **four** stars in all areas from December 1, 2015 until June 2016.

Pine Haven Home located in Philmont, a rural section of the mid-Hudson Valley of NYS, was purchased in July 2016. Currently they have one star for their overall rating, three stars in staffing and four stars in quality measures. A new facility Administrative team have been put in place and they have reorganized the quality improvement infrastructure, improved resident care processes, and improved staffing recruitment and retention efforts, especially RNs. The facility staff report to the corporate team on a weekly basis to review and plan changes related to avoidable hospitalizations, quality measures, staff turnover and recruitment efforts. It is important to note under the corporate oversight and the assistance of CHC facilities partner with one another. This facility is partnering with their sister-facility, Greene Meadows, in the recruitment of new certified nursing assistants for the facility. This facility had their first annual survey under the new regulatory process without enforcement.

Premier Genesee Center for Nursing and Rehab located in a very rural section of the southern tier of NYS was purchased in January 2017 and was previously a county-operated skilled nursing facility. Currently they have an overall rating of one-star rating, three stars in staffing and two stars in quality measures. The one-star rating for health inspection is attributed to a harm level deficiency involving a resident care incident received five months following the purchase of the facility. There have been no further enforcements since July 2017. The leadership team at the facility has continued to monitor corrective actions to improve education and implementation of staff assessment and communications skills. The facility has not been surveyed since November 2017. The facility has made great strides in reducing pressure ulcers (from over 15% to 10%) by starting an interdisciplinary skin team, conducting weekly skin rounds, timely reporting of

skin changes and holding frequent in-services. In a continued effort to improve quality of care the facility has hired a new medical director with a nurse practitioner (NP) practice, ensuring a NP is in the facility five days a week.

Westchester Center for Rehabilitation and Nursing located in the lower Hudson Valley of NYS was purchased in 2013. This facility had survey issues prior to its purchase with a low resident census, only adding further stress on the facility. The facility currently has two stars for their overall rating and one star in staffing and this facility replaced a company leader as referenced earlier in this memo. The facility has been proactive in addressing their staffing concerns, identifying the reason(s) for the challenges and they have taken steps to improve the hiring and retention of direct care staff. It should also be noted this facility has been proactive in its efforts to improve quality of life and care for the residents they serve. A dialysis unit was opened to eliminate the need for residents requiring dialysis to travel to an outside dialysis clinic. Opening this specialized unit eliminated the long hours residents have to spend out of the facility to receive critical dialysis services. This facility has focused their attentions on quality improvements for their residents, recruitment and retention of staff and emergency preparedness.

As previously cited during the July 2018 Establishment Committee, of the Public Health and Health Planning Council, this facility has had a history of **five** stars in their quality measures, averaging 4.73 since December 2015. There have been no enforcements cited upon this facility.

Out of State Facilities

Over the last few years, the applicants have been sought out to purchase facilities in operational turmoil burdened with serious deficient practices. The applicants have encountered multiple problems *immediately and shortly* after assuming ownership including staff not having the right credentials or competencies, high usage of agency staff, numerous deficient practices, resident concerns, inadequate food or medical supplies, outdated equipment or broken equipment with cultures of apathy. It has been essential to quickly develop strategic plans to stabilize operations, improve employee skills, education and competencies in order to improve quality of care and life for the residents in their care. The applicant members have been, and continue to be, *wholly* committed to providing a healthy quality environment for the residents, families and employees at each of the facilities.

As previously stated, the lack of staff and the lack of *qualified* staff is a continuous problem for *all* health care providers; but it is a problem that appears to be worsening by the day. A number of processes and practices are being implemented by the corporate team, across all of the applicant's facilities. The corporate team is working closely and partnering with health staffing agencies to address the staffing crisis. Today the corporate clinical team has an agreement with an agency or agencies in Pennsylvania and Massachusetts to recruit staff for the buildings and if the staff member continually reports and holds a permanent schedule for 3 months consistently, the facility can hire that employee without having to buy their contract out.

Since staffing is a primary focus of the applicants. An agency report is completed and submitted weekly to the Chief Clinical Manager and Chief Operating Officer in order to monitor areas of need and assist in scheduling as necessary.

The applicants own and operate twenty three facilities outside of NYS and to summarize: **Four** of the facilities were rated with one star for overall, (3 in PA and 1 in MA) of which **two** had Immediate Jeopardies (IJ) prior to purchase and one had a provisional license:

- o Chestnut Hill Lodge(IJ)
- o Willow Terrace (IJ)
- o Meadow View Nursing (Provisional 2)
- **Nine** facilities were rated with two stars overall: three had IJ's prior to purchase:
 - o Pleasant Acres Rehabilitation and Nursing Center (IJ)
 - o Hanover Terrace Health, SFF
 - o Manatee Springs Rehabilitation and Nursing Center (IJ)
 - o Page Rehabilitation Center (IJ)
- **Four** facilities were rated with three stars overall
- **Four** facilities were rated with four stars overall
- **Two** facilities were rated as five stars overall
- **Five** facilities rated with an overall score of two stars have demonstrated quality improvement in their quality measures:
 - o Premier Cadbury of Cherry Hill CCRC and Assisted Living
 - o Pleasant Acres Rehabilitation and Nursing Center
 - o Manatee Springs Rehabilitation and Nursing Center
 - o Country Gardens
 - o Hanover Terrace Health
- **One** facility rated with one star overall has steadily improved with achieving higher stars in their quality measures:
 - o Willow Terrace purchased 8 months ago while in IJ is now rated with three stars in quality measures.

Meadowview Nursing had a Pennsylvania Provisional 2 license upon purchase which means the facility was imminently going to be placed in receivership or closed; the applicant was asked to **manage** the facility after they had moved from a Provisional 1 to a Provisional 2 (worsening level) designation prior to purchasing the facility. Under the applicant's management the facility's provisional status was cleared prior to the purchase.

Of the applicants' twenty-three facilities located outside of New York State, thirteen of the facilities have a rating of two stars or less. Explained below are the actions taken in collaboration with the members of the corporate team to build a culture which promotes quality improvement, staff competence and accountability:

Chestnut Hill Lodge Health and Rehabilitation is located in Pennsylvania and was purchased January of 2018. At the time of purchase the facility had a prior immediate jeopardy, many deficient practices, employee problems with a number of residents that were inappropriately placed in a skilled nursing facility. Following the purchase approximately 30 residents were assessed and discharged to appropriate levels of care. 25% of the employees were terminated

and replaced with empathetic, competent employees. A new Geriatric Medical Director has been employed and a new dialysis center was opened in the facility to dialyze residents residing in the home. This facility has an overall star rating of 1 but that is expected to improve once the health inspection stars are revised. Since the applicant's purchase there have been no harm level deficiencies.

The facility has implemented an intense monitoring and audit program to improve performance and compliance, which includes *Peer to Peer* mock surveys on an on-going basis, detailed auditing completed by sister facilities and onsite corporate administrative personnel. The mock surveys and audits are analyzed by the Regional Vice President of Clinical Services who provides guidance and direction on improvement actions. Quality Measures are a priority focus for the facility with outliers identified and reviewed quarterly by the regional clinical MDS team. Staffing is currently two stars and a new recruitment program has been implemented for new hires with actions to improve retention of current staff. Staffing is at a 3.07 average per person per day with a case mix index of 1.08. LPNs are providing four minutes more per resident day. The PBJ Submission is currently supervised by Regional staff to ensure all appropriate hours are being captured.

Meadowview Nursing located in Pennsylvania was purchased February 2016 and has an overall rating of one star. Weekly "At-Risk" meetings are conducted to assist the facility with areas of potential risk and for improvement. The facility has been proactive in addressing their ongoing staffing concerns, identifying the reason(s) for the challenges and they have taken steps to improve the hiring and retention of direct care staff. At this time, the facility has been successful in hiring a full complement of professional nurses and great improvements in reducing agency usage for certified nursing assistants. CASPER reports are utilized on a regular basis by the Registered Nurse Assessment Coordinator (RNAC) and the entire administrative nursing team. Mock Surveys are conducted on a peer level along with regular departmental in-house audits. The Regional corporate team provides ongoing guidance and direction. Weekly clinical reports are submitted to the Regional corporate team for review and identification for opportunities to expand performance improvements.

Pleasant Acres Rehabilitation and Nursing Center is located in Pennsylvania was purchased in October 3, 2018 and was formerly a county nursing facility. At the time of purchase the facility was in an immediate jeopardy survey cycle, affecting the star ratings for health inspections. The state surveyors were in the facility consistently responding to complaints. Since the purchase, the facility has demonstrated improvements in the quality of care delivery and has received no harm level deficiencies. The regional clinical team is working with the facility leadership reviewing processes. Point Click Care (electronic medical record) has been installed, peer to peer auditing has been implemented. This facility has two stars for overall performance and four stars for staffing.

Rosewood Rehabilitation and Nursing located in Pennsylvania has an overall rating of two stars and was formerly a county operated facility. Weekly "At Risk" meetings are conducted to assist the facility in identifying areas of risk and improvement. CASPER reports are utilized on a regular basis by the RNAC, allowing for the Director of Nursing and the Nursing Home Administrator to

identify triggers and a full review is completed. Mock Surveys are conducted on a peer level along with regular departmental in-house audits.

Willow Terrace is located in Pennsylvania and was purchased May 2018. At the time of purchase the facility had serious compliance problems with more than 36 deficiencies and two immediate jeopardy citations. Prior to the purchase of the facility the previous owners left the building and contacted the state citing their inability to make payroll. The applicant stepped in immediately to stabilize the facility and completed the purchase. The facility continues to actively recruit direct care staff and weekly "At-Risk" meetings are conducted by the regional corporate team to identify risks and areas for improvement. Peer to Peer audits are conducted on a regular basis. Since the applicant's purchase, there have been no harm deficiencies. The facility currently has an overall star rating of one and a staffing rating of one. The facility continues to improve.

Premier Cadbury of Cherry Hill CCRC and Assisted Living located in New Jersey was purchased in July of 2016 while in immediate jeopardy, affecting the health inspection star rating. With the applicant's new ownership, the facility has improved compliance with no harm level tags. Weekly "At-Risk" meetings are conducted by the corporate team to assist the facility in the identification of areas of risk and areas for improvement. CASPER reports are utilized on a regular basis by the RNAC in order for the Director of Nursing and the Nursing Home Administrator to participate and identify triggers that must be addressed. Mock Surveys are conducted by peers with regular departmental in-house audits.

Hanover Terrace Health located in New Hampshire was purchased in May 2016. The facility was identified as a Special Focus Facility prior to the purchase. Currently the facility has an overall rating of two stars with three stars in staffing. The overall two-star rating was based on the two previous surveys. The facility has subsequently received two deficiency-free annual surveys in October 2017 and 2019. In addition, the facility was awarded a Veterans Administration (VA) contract in October of 2017. In March of 2018 the facility was surveyed by the VA and found to be deficiency free. The facility received the Bronze Quality Award for their quality improvement efforts from the American Health Care Association in June 2018.

Manatee Springs Rehabilitation and Nursing Center located in Florida was purchased in April 2017 and was designated by the State of Florida to be on the **Watch List**, which is an Accelerated Survey Schedule which is completed every 6 months to determine substantial ongoing compliance and consistent with CMS's SFF program. The facility has an overall rating of two stars with three stars in staffing. The facility had two immediate jeopardies prior to its purchase. Since the purchase the facility has continued to demonstrate improvements in quality of care and compliance with no harm level deficiencies and is no longer on the Watch List and is now on an annual survey schedule. The facility boasts a strong quality improvement program and has **no** in-house acquired pressure ulcers. Based on the most recent survey on 2/8/19, this facility had no harm level deficiencies under the new survey process. This facility's stars are directly related to the freeze on the health inspections and the stars are expected to continue to improve. The facility is currently working towards being Joint Commission accredited.

Page Rehabilitation Center located in Florida was the most recent purchase, purchased in January of this year. This facility had an immediate jeopardy prior to the purchase and is currently on Florida State's the **Watch List** which is an Accelerated Survey Schedule and has since cleared with no deficiencies on the revisit. The facility has two stars in overall performance with five stars in staffing. Since the purchase the applicant has initiated the introduction of electronic medical records and is in the process of working with the nursing leadership team to develop the first clinical scorecard: setting up routine audits, collecting and analyzing data to identify areas of weakness in order to develop timely action plans for improvement in real-time. The facility is Joint Commission accredited.

Country Gardens is located in Massachusetts and was purchased in June 2016. This facility has an overall rating of two stars with four stars in staffing and the struggled with a history of poor compliance. At the time of purchase the facility was staffed by almost 99% agency staff, there was a lack of overall knowledge and a lack of understanding of abuse, neglect and mistreatment of residents, reporting requirement and investigations. Since then the facility has hired 100% of their own staff and is agency free. The facility has undergone physical plant improvements to meet all CMS standards. The corporate team has been actively reviewing all policies and procedures while providing guidance, education and ensuring competency of staff. The facility leadership team continues to closely monitor corrective actions on a day-to-day basis to ensure quality and compliance is achieved and it is expected the overall quality rating will improve dramatically once the health inspections are updated.

Crawford Skilled Nursing and Rehabilitation Center is located in Massachusetts. Prior to the purchase of the facility the applicant was asked to manage the facility by the bank holding the mortgage, due to the scope of the problems at the facility and financial issues. In the early stages of managing the facility a culture of apathy and lack of leadership was identified. A general lack of accountability existed throughout all Departments, at all levels and there was a widespread level of frustration and hostility between the union and the previous owners. The physical plant was disheveled, unsanitary and in poor working order.

The facility was purchased in July of 2016 and received an immediate jeopardy (IJ) shortly thereafter. The members of the applicant and corporate team quickly began meeting with the union, holding labor management meetings. In an effort to change the culture many staff members were replaced and new leaders hired. Due to the scope and depth of the problems in this facility it took time to hire the *right* leaders. Today a new leadership team, Nursing Home Administrator and Director of Nursing have been hired and are a stabilizing force in the facility. This administrative team is the third team brought on since the purchase of the facility and they were heavily recruited for because of their exceptional experience, leadership skills and reputation. The facility currently has one star for their overall rating, related to the immediate jeopardy, and four stars in staffing. The facility is in substantial compliance with the Massachusetts Department of Health.

Franklin Health and Rehabilitation is located in Massachusetts and was purchased in July 2016. At the time of purchase this facility has physical plant concerns, 98% of the staff were agency staff and the kitchen unsanitary. Following the purchase, the facility has had a change in leadership at the top level, including the Nursing Home Administrator and the Director of Nursing.

Improved staff education, training and quality improvement activities have been the focus of this facility. All processes have been under review including the education and competencies for all staff. The facility has implemented an intense monitoring and audit program to improve performance and compliance including instituting Peer to Peer Mock Surveys on an on-going basis with regional and corporate guidance and oversight. The facility's dependence on agency staff has dropped to 40% with ongoing recruitment efforts. The leadership team has continued to monitor corrective actions for assessment and communication skills. Currently this facility has an overall star rating of two stars with three stars for staffing. The last survey was November 2017.

Kathleen Daniel Nursing and Rehabilitation located in Massachusetts was purchased in June 2016. The facility has an overall rating of two stars with two stars in staffing. The facility had multiple incidents occurring within the first four months of purchase (1 month, 3 and 4 mos. after purchase). The facility has implemented an intense monitoring and audit program using CASPER reports and triggers are identified with appropriate modalities being implemented to improve performance and compliance including instituting weekly Peer to Peer Mock Surveys on an on-going basis. Detailed auditing is completed by sister facilities and administrative personnel in the building. These Mock Surveys and audits are analyzed by the Regional Vice President of Clinical Services who provides guidance and direction on improvement actions. There is a strong leadership team newly in place who has continued to monitor corrective actions. The facility has had two annual surveys, five self-reported/complaint surveys and no further enforcements.

Summary

In summary, the corporate Premier team has established a strong infrastructure of communication, quality and competence with the priority of improving quality of care and life for the residents they serve. Premier's goal is continuous quality improvement for those they serve and their employees. Although each facility may have unique challenges positive progress is expected and can be seen by the improvements indicated herein. (**See Exhibit B**) Many of their facilities are preferred providers for healthcare systems and communities in which they serve. The facilities conduct regular, ongoing employee education, facility assessments, drills, monitoring and audit activities to identify potential inconsistencies and areas for improvement. The applicants recognize the importance to involve all members of their facilities' staff in facility-wide improvement projects and educate them on current standards of practice to care for our residents. The content at the orientation and annual training programs is inclusive of critical topics pertinent to caring for their residents' and their needs including topics on physical safety, nutrition, protection of skin and caring for residents with dementia and mental health needs.

The staffing category in the CMS Star ratings has been a category that is difficult to improve upon as it is a country-wide, industry-wide struggle. The applicant's goal has been to reduce staff turnover by building a positive healthy work environment, one which promotes opportunities for skill development and advancement opportunities.

The team looks for creative, innovative solutions to engage staff in the workplace while attracting prospective staff members from the community. After receiving feedback from the communities served, the applicant members will be hosting a certified nursing assistant (CNA) certification course during evening hours at some of the Premier locations to attract interested

parties to join the team. The Premier Corporate and facility leaders routinely connect with area schools, speak at job fairs and hold focus groups at the facilities to gain their insights and feedback. Staff ideas are incorporated whenever possible including trying flexible schedules, peer mentoring and holding communication forums.

The assessment of the residents' overall health, their physical function and well-being is demonstrated in the results documented in Premier's Quality Measures. Committed to continuous quality improvement activities the Premier's leaders routinely track residents' care outcomes through analyzing the CASPER reports, conducting peer reviews, auditing staff performance and strong communications. Programs to improve the dining experience, build staff morale, engage and gain resident satisfaction have made remarkable changes in all of the Premier facilities.

Sincerely,



Lisa M. Wickens-Alteri, President
Capital Health Consulting

Cc:
Jonathan Bleier
Jacob Sod
Frank Cicero

Project # 182221
Exhibit: A

	Facility Name/State	Overall	Staffing	Date of Ownership	Enforcement Action & Date	Date of Incident resulting in Deficiency
1	Green Meadows Nursing and Rehabilitation Center/ NY	1	3	12/2015 - present	NYS \$10,000 07/21/2016	04/05/2016 No further enforcements
2	Highfield Gardens Care Center of Great Neck/ NY	3	2	09/2010 - present	No enforcements	Facility surveyed in January of 2019, 4 health deficiencies, no harm, no Life Safety Code deficiencies.
3	Pine Haven/ NY	1	3	07/20/2016 - present	No enforcements	
4	Premier Genesee Center / NY • Genesee Adult Home/ NY	1	3	01/01/2017 - present	NYS \$10,000 08/17/17 NYS \$1,332.00	06/2/17- No further enforcements
5	Westchester Center for Rehabilitation & Nursing/ NY	2	1	05/2013 - present	No enforcements	
	Fairview Health in Greenwich/ CT	SOLD		10/12/12 - 2/2/2018	CT: \$360 - 5/14/14 CMP: 12,285- 5/15/15 CT: \$760- 4/12/17	Owner was a 13.5% owner, only involved in investment of facility and coordinating other partners investment. Not involved in the day to day operations. Owner bought all investors out in 2018.
	Fairview Health of Southport/ CT	SOLD		10/12/12 - 2/2/2018	CT: \$260- 1/20/15 CT: \$2,958- 9/22/15 CT: \$3363- 8/29/16	Owner was a 13.5% owner, only involved in investment of facility and coordinating other partners investment. Not involved in the day to day operations. Owner bought all investors out in 2018.
6	Chestnut Hill Lodge/ PA 1 IJ prior to purchase	1	1	1/2018 - present	CMP \$189,647 - 4/19/2017	Prior to change in ownership.
7	Deer Meadows Rehab	4	3	12/2014 -	No	

	Facility Name/State	Overall	Staffing	Date of Ownership	Enforcement Action & Date	Date of Incident resulting in Deficiency
	Center/PA Deer Meadows CCRC/PA			<i>present</i>	enforcements No enforcements	
8	Meadow View Nursing/PA Provisional 2 License Upon Purchase	1	1	02/2016 - <i>present</i>	CMP date and total TBD but anticipate \$15,205 less 35%-8/27/18	Upon purchase facility was in Provisional 3; a state enforcement action in which the facility is terminated or put into receivership- the provisional was cleared.
9	Pleasant Acres/PA 1 IJ prior to purchase	2	4	10/3/2018 - <i>present</i>	CMP \$85,000 - 7/2018 PA \$19,000 - 7/2018	
10	Premier Armstrong /PA	3	3	07/2017 - <i>present</i>	CMP \$11,000 recommended on 11/27/18; no final word No enforcements	
11	Rosewood Rehabilitation & Nursing/PA	2	3	09/2015 - <i>present</i>	No enforcements	
12	Sunnyview Nursing and Rehabilitation Center/PA	4	5	1/22/2014 - <i>present</i>	PA \$9,298 - 1/12/2017	
13	Washington Operating d/b/a Premier Washing Nursing & Rehab/PA	5	4	10/01/2017 - <i>present</i>	No enforcement	
14	Willow Terrace/ PA 2 IJ's prior to purchase	1	1	5/13/2018 - <i>present</i>	CMP \$186,128 - 5/2/2018 PA \$21,750 5/2/2018	2 IJ's prior to change of ownership.
15	Wyomissing Health & Rehabilitation Center/PA	3	3	05/2016 - <i>present</i>	No enforcements	

	Facility Name/State	Overall	Staffing	Date of Ownership	Enforcement Action & Date	Date of Incident resulting in Deficiency
16	Premier Cadbury of Cherry Hill/NJ • CCRC • Assisted Living	2	3	07/21/2016- <i>present</i>	NJ-11,250- 1/31/17	The enforcement action was taken on 1/31/2017 due to a lawsuit against prior ownership; incident occurred on 1/31/2007.
17	Hanover Terrace Health/NH <i>SFF when purchased</i>	2	4	05/22/2016 - <i>present</i>	No enforcements	Facility became Special Focus Facility (SFF) designation in 11/18/2015 graduated 1/2017, 7 months after purchased. Awarded a VA contract in 10/2017 and in 3/2018 surveyed by VA and found to be deficiency free. Deficiency free survey in October of 2017. Deficiency free survey in March 2018. Bronze award in Quality from the American Health Care Association in 6/2018.
18	Fort Myers Rehab/FL <i>2 IJs prior to purchase</i>	4	3	01/2016 - <i>present</i>	No enforcements	
19	Manatee Springs Rehab/FL <i>2 IJs prior to purchase</i>	2	5	04/2017 - <i>present</i>	No enforcements	
20	Page Rehab, Fort Myers/FL <i>1 IJ prior to purchase</i>	2	5	1/1/2019 - <i>present</i>		IJ - 4/6/2017 Prior to purchase.
	Angels Care Center/MN	SOLD		01/2013 - 01/2015	MN-1001.6 CMS-\$27,494 - 11/12/14	11/12/14- occurred less than a year after purchase
	Crystal Care Center/MN	SOLD		01/2013 - 01/2015		
21	Blue Hills Health & Rehab/MA <i>SFF prior to purchase</i>	5	4	7/3/2016 - <i>present</i>	MA-478 - 3/7/2018 CMS-\$23,679- 3/16/2017	Enforcement due to lapse in Dementia Program Certification & posting.
22	Brigham Health & Rehab/MA	4	3	7/3/2016 - <i>present</i>	No Enforcement	
23	Charlwell House/MA	3	3	07/31/2016 - <i>present</i>	No enforcements	

	Facility Name/State	Overall	Staffing	Date of Ownership	Enforcement Action & Date	Date of Incident resulting in Deficiency
24	Country Gardens Skilled Nursing and Rehab/MA	2	4	07/3/2016 - present	MA- \$8076-2/13/2017- incidents occurred CMS-\$56,652-4/26/17 for two incidents	1) 11/21/16 - 4 months after purchase, 2) 1/23/17 - 6 months after purchase 1) 11/25/16 - resident eloped, returned safely 2) 3/31/17- 8 mos. after purchase. The facility has had 2 annual surveys, 7 self-reported complaints and no further enforcement actions.
25	Crawford Health and Rehab/MA	1	4	7/13/2016 - present	CMS \$66,681 – 8/16/16 – annual survey CMS \$57,025 – 12/8/17 – annual survey CMS \$81,180 – 9/23/18	Resident with mouth pain had delay in treatment – 1 month after survey. Resident refused back.
26	Franklin Health and Rehab/MA	2	3	07/31/2016 - present	MA-\$1950-6/2016 PREVIOUS OWNER CMS \$32697-8/23/17 CMS \$12,005 – 275/31/18 - 28complaint	04/01/17- 9 months after purchase.
	Great Barrington Rehab and Nursing/MA	SOLD		08/2015 - 09/2017	No enforcements	
27	Kathleen Daniel Nursing and Rehab/MA	2	2	07/31/2016 - present	MA-\$27,346-1/13/17 3 combined	08/16, 10/16 and 11/16- 1, 2, and 3 months after purchase. The facility has had two annual surveys, five self-

	Facility Name/State	Overall	Staffing	Date of Ownership	Enforcement Action & Date	Date of Incident resulting in Deficiency
					incidents	reported/complaint surveys and no further fines.
28	Kimwell Nursing and Rehab/MA	3	3	07/31/2016 - present	No enforcements	
	Timberlyn Nursing and Rehab/MA	SOLD		12/2014 - 09/2017	No enforcements	

CMS 5 STAR COMPARISON JANUARY 28, 2019

FACILITY	OWNERSHIP SINCE	OVERALL	HEALTH INSPECTIONS	QUALITY MEASURES	STAFFING
NEW YORK					
HIGHFEILD GARDENS	CURRENT	***	**	*****	**
	9/2015 DATA	*****	****	*****	****
WESTCHESTER CENTER	CURRENT	**	**	*****	*
	9/2015 DATA	***	**	*****	***
PREMIER GENESEE	CURRENT	*	*	**	***
	1/2017 DATA	**	*	*****	**
GREENE MEADOWS	CURRENT	*	*	****	***
	9/2015 DATA	*	*	*	**
PINE HAVEN	CURRENT	*	*	****	***
	9/2016 DATA	*	*	*	**
AVERAGE 5 STAR	CURRENT	1.6	1.6	4	2.4
	DATA	2.4	1.8	2.4	2.6
NEW JERSEY					
CADBURY	CURRENT	**	*	*****	***
	7/2016 DATA	*	*	***	**
AVERAGE 5 STAR	CURRENT	2	1	5	3
	DATA	1	1	3	2
NEW HAMPSHIRE					
HANOVER TERRACE	CURRENT	**	*	***	****
SFF WHEN PURCHASED	5/2016 DATA	*	*	**	*
AVERAGE 5 STAR	CURRENT	2	1	3	4
	DATA	1	1	2	1
PENNSYLVANIA					
CHESTNUT HILL LODGE	CURRENT	*	*	*	*
	1 IJ PRIOR TO PURCHASE	1/2018 DATA	*	*	*
DEER MEADOWS	CURRENT	****	***	*****	***
	9/2015 DATA	**	***	****	*
MEADOWVIEW	CURRENT	*	**	**	*
	PROVISIONAL 2 LICENSE	9/2016 DATA	*	*	*
PLEASANT ACRES	CURRENT	**	*	***	****
	1 IJ PRIOR TO PURCHASE	10/2018 DATA	**	*	***
PREMIER ARMSTRONG	CURRENT	***	***	**	***
	4/2017 DATA	***	***	***	***
ROSEWOOD	CURRENT	**	**	**	***
	9/2016 DATA	*	*	**	*
SUNNYVIEW	CURRENT	****	***	**	*****
	9/2014 DATA	***	***	**	****
PREMIER WASHINGTON	CURRENT	*****	*****	***	****
	10/2017 DATA	****	****	***	***
WILLOW TERRACE	CURRENT	*	*	***	**
	2 IJ PRIOR TO PURCHASE	10/2017 DATA	*	*	**
WYOMISSING	CURRENT	***	***	***	***
	4/2016 DATA	****	***	***	*****

CMS 5 STAR COMPARISON JANUARY 28, 2019

AVERAGE 5 STAR	CURRENT	3.6	2.4	2.6	2.9
	DATA	2.2	2.1	2.3	2.5

FACILITY	OWNERSHIP SINCE	OVERALL	HEALTH INSPECTIONS	QUALITY MEASURES	STAFFING
MASSACHUSETTS					
BLUE HILLS	CURRENT	*****	***	*****	****
SFF WHEN PURCHASED	7/2016 DATA	**	*	***	****
BRIGHAM	CURRENT	****	***	*****	***
	7/2016 DATA	***	***	****	***
CHARLWELL	CURRENT	***	***	***	***
	7/2016 DATA	****	****	****	****
COUNTRY GARDENS	CURRENT	**	*	*****	****
	7/2016 DATA	*	*	*	***
CRAWFORD	CURRENT	*	*	**	****
	7/2016 DATA	****	***	***	****
FRANKLIN	CURRENT	**	***	***	***
	7/2016 DATA	***	*	**	****
KATHLEEN DANIELS	CURRENT	**	*	****	**
	7/2016 DATA	***	**	**	***
KIMWELL	CURRENT	***	***	****	***
	7/2016 DATA	**	2.12	***	**
AVERAGE 5 STAR	CURRENT	2.75	2	3.87	3.25
	DATA	2.75	2.12	2.62	3.37
FLORIDA					
FORT MYERS	CURRENT	****	****	****	***
2 IJ'S PRIOR TO PURCHASE	1/2017 DATA	*****	*****	****	****
MANATEE	CURRENT	**	*	***	*****
2 IJ'S PRIOR TO PURCHASE	4/2017 DATA	*	*	****	***
PAGE REHABILITATION	CURRENT	**	*	****	*****
1 IJ PRIOR TO PURCHASE	1/2019 DATA	**	*	****	*****
AVERAGE 5 STAR	CURRENT	2.6	2	3.6	4.3
	DATA	2.6	2.33	4	4

CON# 182271
Financial Summary- Union Plaza Care Center

	FISCAL PERIOD ENDED			
	<u>12/31/15</u>	<u>12/31/16</u>	<u>12/31/17</u>	<u>draft 9/30/18</u>
ASSETS - CURRENT	\$6,163,000	\$7,013,237	\$6,758,596	\$7,141,534
ASSETS - FIXED AND OTHER	3,134,000	2,857,202	2,659,763	2,490,186
LIABILITIES - CURRENT	4,982,000	7,015,183	6,141,543	5,191,188
LIABILITIES - LONG-TERM	<u>1,282,000</u>	<u>159,672</u>	<u>28,401</u>	<u>300,058</u>
EQUITY	\$3,033,000	\$2,695,584	\$3,248,415	\$4,140,474
<hr/>				
INCOME	\$30,999,000	\$30,927,382	\$32,461,511	\$25,784,765
EXPENSE	<u>29,293,000</u>	<u>30,660,289</u>	<u>31,000,020</u>	<u>24,499,019</u>
NET INCOME	\$1,706,000	\$267,093	\$1,461,491	\$1,285,746
<hr/>				
NUMBER OF BEDS	280	280	280	280
PERCENT OF OCCUPANCY (DAYS)	92.80%	94.40%	93.10%	91.81%
<hr/>				
Medicaid	59.40%	88.70%	91.10%	86.30%
Medicare	7.00%	6.50%	7.10%	8.70%
Private Pay/Other	33.70%	4.90%	1.80%	5.00%

CON# 182271
Financial Summary- Meadowbrook Care Center

	FISCAL PERIOD ENDED		
	<u>12/31/15</u>	<u>12/31/16</u>	<u>12/31/17</u>
ASSETS - CURRENT	\$5,614,000	\$6,370,000	\$6,450,000
ASSETS - FIXED AND OTHER	1,046,000	1,009,000	1,342,000
LIABILITIES - CURRENT	7,363,000	8,268,000	6,371,000
LIABILITIES - LONG-TERM	<u>1,314,000</u>	<u>725,000</u>	<u>489,000</u>
EQUITY	(\$2,017,000)	(\$1,614,000)	\$932,000
<hr/>			
INCOME	\$31,006,000	\$33,485,000	\$37,352,000
EXPENSE	<u>31,812,000</u>	<u>33,083,000</u>	<u>34,162,000</u>
NET INCOME	(\$806,000)	\$402,000	\$3,189,800
<hr/>			
NUMBER OF BEDS	282	282	282
PERCENT OF OCCUPANCY (DAYS)	92.70%	93.50%	90.20%
<hr/>			
Medicaid	68.00%	70.00%	68.30%
Medicare	18.40%	17.10%	21.00%
Private Pay/Other	13.60%	12.90%	10.70%

Suzanne Zakheim-4.17% membership interest

CON 182271

Union Plaza Care Center

Budget Sensitivity

<u>Payor</u>	<u>Payor Mix as of 9/30/18</u>	<u>Revised Budgeted Days</u>	<u>Per Diem</u>	<u>Revised Revenues</u>
Medicaid-FFS	46.36%	43,500	\$294.27	\$12,800,624
Medicaid-MC	39.93%	37,466	\$353.20	\$13,233,104
Medicare	8.70%	8,163	\$559.26	\$4,565,357
Private Pay/Other	5.00%	4,692	\$439.29	\$2,060,929
	100.0%	93,830		

Total Revenues based on current utilization	\$32,660,013
Total Inpatient Revenues as budgeted for first year	<u>34,310,447</u>
Decrease in Budgeted Revenues	(\$1,650,434)

Note: Medicaid rate is based on 2019 initial rate.

Medicaid Utilization was broken down based on schedule 13 budgets

Medicare rate is based on the 2017 paid rate.

<u>Assets</u>	
Current Assets	
Working Capital - Cash	\$1,352,721
Prepaid Expenses	\$164,809
Total Current Assets	\$1,517,530
Fixed and Other Assets	
Capital/Leasehold Improvements	\$647,580
Furniture/Fixtures	\$100,124
Patients' Trust Fund	
Intangible Assets - Goodwill	\$852,807
Total Fixed Assets	\$1,600,511
TOTAL ASSETS:	\$3,118,041
<u>Liabilities</u>	
Current Liabilities	
Working Capital Loan	\$636,445
Total Current Liabilities	\$636,445
Long Term Liabilities	
Acquisition Loan	\$393,750
Total Long Term Liabilities	\$393,750
TOTAL LIABILITIES:	\$1,030,195
<u>Equity</u>	
Jeremy Strauss	\$2,035,650
Elliott Strauss	\$52,196
TOTAL EQUITY:	\$2,087,846
TOTAL LIABILITIES AND MEMBERS' EQUITY	\$3,118,041

* The member equity indicated here reflects the projected member equity upon closing.

Project # 182272
BFA Attachment D

Financial Summary
Ruby Care, LLC
d/b/a Emerald North Nursing and Rehabilitation Center

FISCAL PERIOD ENDED	<u>12/31/2017</u>	<u>12/31/2016</u>	<u>12/31/2015</u>
ASSETS - CURRENT	\$1,365,140	\$1,609,033	\$1,387,000
ASSETS - FIXED AND OTHER	\$1,250,952	\$1,379,390	\$1,244,000
LIABILITIES - CURRENT	\$3,692,492	\$2,402,287	\$1,916,000
LIABILITIES - LONG-TERM	<u>\$1,438,089</u>	<u>\$1,823,898</u>	<u>\$1,324,000</u>
EQUITY	-\$2,514,489	-\$1,237,762	-\$609,000
<hr/>			
INCOME	\$6,208,856	\$6,685,188	\$6,841,000
EXPENSE	<u>\$7,485,583</u>	<u>\$7,313,563</u>	<u>\$6,777,000</u>
NET INCOME	-\$1,276,727	-\$628,375	\$64,000
<hr/>			
NUMBER OF BEDS	95	95	95
PERCENT OF OCCUPANCY (DAYS)	75.60%	79.80%	91.02%
<hr/>			
PERCENT OCCUPANCY (DAYS):			
MEDICAID	87.54%	89.72%	86.62%
MEDICARE	10.01%	7.37%	8.98%
PRIVATE/OTHER	2.45%	2.91%	4.40%
<hr/>			

RUBY CARE, LLC
d/b/a EMERALD NORTH NURSING AND REHABILITATION CENTER
(A Limited Liability Company)

BALANCE SHEETS

December 31, 2017 and 2016

ASSETS

	<u>2017</u>	<u>2016</u>
CURRENT ASSETS		
Cash and Cash Equivalents	\$ -	\$ 127,729
Accounts Receivable (Less Allowance for Doubtful Accounts of \$298,317 and \$225,509, respectively)	1,252,171	1,398,836
Prepaid Expenses and Other Current Assets	<u>112,969</u>	<u>82,468</u>
TOTAL CURRENT ASSETS	<u>1,365,140</u>	<u>1,609,033</u>
LEASEHOLD IMPROVEMENTS AND EQUIPMENT - NET	<u>533,455</u>	<u>544,279</u>
OTHER ASSETS		
Goodwill - Net	554,326	639,606
Finance Costs - Net	30,908	92,725
Patients Trust Fund	<u>132,263</u>	<u>102,780</u>
TOTAL OTHER ASSETS	<u>717,497</u>	<u>835,111</u>
TOTAL ASSETS	<u>\$ 2,616,092</u>	<u>\$ 2,988,423</u>

LIABILITIES AND MEMBER'S DEFICIT

CURRENT LIABILITIES		
Accounts Payable	\$ 2,504,274	\$ 1,895,193
Accrued Payroll and Other Expenses	683,674	466,846
Due to Medicaid	270,442	40,248
Notes Payable - Current Portion	<u>234,102</u>	<u>-</u>
TOTAL CURRENT LIABILITIES	<u>3,692,492</u>	<u>2,402,287</u>
LONG-TERM LIABILITIES		
Line of Credit	794,274	962,062
Notes Payable - Less Current Portion	43,980	-
Due to Related Parties	467,572	747,247
Patients Trust Fund Payable	<u>132,263</u>	<u>114,589</u>
TOTAL LONG-TERM LIABILITIES	<u>1,438,089</u>	<u>1,823,898</u>
TOTAL LIABILITIES	<u>5,130,581</u>	<u>4,226,185</u>
COMMITMENTS AND CONTINGENCIES		
MEMBER'S DEFICIT	<u>(2,514,489)</u>	<u>(1,237,762)</u>
TOTAL LIABILITIES AND MEMBER'S DEFICIT	<u>\$ 2,616,092</u>	<u>\$ 2,988,423</u>

RUBY CARE, LLC
d/b/a EMERALD NORTH NURSING AND REHABILITATION CENTER
(A Limited Liability Company)

STATEMENTS OF INCOME AND MEMBER'S DEFICIT

For the Years Ended December 31, 2017 and 2016

	<u>2017</u>		<u>2016</u>	
	<u>Amount</u>	<u>Cost Per Patient Day</u>	<u>Amount</u>	<u>Cost Per Patient Day</u>
OPERATING REVENUES				
Routine and Ancillary Revenues	\$ 6,207,556	\$ 236.79	\$ 6,679,106	\$ 240.73
Other Revenues	<u>1,300</u>	<u>0.05</u>	<u>6,082</u>	<u>0.22</u>
TOTAL OPERATING REVENUES	<u>6,208,856</u>	<u>236.84</u>	<u>6,685,188</u>	<u>240.95</u>
OPERATING EXPENSES				
Nursing and Medical	2,891,436	110.31	2,672,338	96.32
Therapy and Ancillaries	623,467	23.78	615,304	22.19
Social Services	37,482	1.43	45,314	1.63
Leisure Time Activities	72,386	2.76	99,135	3.58
Cleanliness and Safety	516,253	19.70	518,380	18.68
Food and Nutrition	667,613	25.47	591,704	21.33
General and Administration	1,345,972	51.36	1,495,022	53.87
Property	692,409	26.43	650,159	23.44
Non-Comparable	271,243	10.34	224,622	8.09
Non-Allowable Expenses	<u>367,322</u>	<u>14.02</u>	<u>401,585</u>	<u>14.47</u>
TOTAL OPERATING EXPENSES	<u>7,485,583</u>	<u>285.55</u>	<u>7,313,563</u>	<u>263.60</u>
NET LOSS	(1,276,727)	<u>\$ (48.71)</u>	(628,375)	<u>\$ (22.65)</u>
MEMBER'S DEFICIT - BEGINNING OF YEAR	<u>(1,237,762)</u>		<u>(609,387)</u>	
MEMBER'S DEFICIT - END OF YEAR	<u>\$ (2,514,489)</u>		<u>\$ (1,237,762)</u>	

Affiliated Nursing Homes (Page 1)

		# of Beds			
		County			
The Center for Rehab at Dutchess, LLC	The Grand Rehabilitation & Nursing at Pawling	122 Dutchess	<u>8/31/2018</u>	<u>12/31/17</u>	<u>12/31/16</u>
Current Assets			\$4,534,878	\$6,741,697	\$5,369,359
Fixed Assets			\$5,047,661	\$5,311,241	\$5,540,482
Total Assets			\$9,582,539	\$12,052,938	\$10,909,841
Current Liabilities			\$1,785,942	\$2,675,064	\$1,912,795
Long Term Liabilities			\$3,458,072	\$365,914	\$2,680,689
Total Liabilities			\$5,244,014	\$3,040,978	\$4,593,484
Net Assets			\$4,338,525	\$9,011,960	\$6,316,357
Working Capital Position			\$2,748,936	\$4,066,633	\$3,456,564
Revenue			\$8,774,386	\$13,401,146	\$13,071,348
Expenses			\$8,374,387	\$12,816,091	\$12,245,488
Net Income			\$399,999	\$585,055	\$825,860
Clearview Operating Co., LLC	The Grand Rehabilitation & Nursing at Queens	179 Queens	<u>8/31/2018</u>	<u>12/31/17</u>	<u>12/31/16</u>
Current Assets			\$5,206,889	\$5,794,859	\$5,134,721
Fixed Assets			\$15,328,065	\$17,675,699	\$18,451,922
Total Assets			\$20,534,954	\$23,470,558	\$23,586,643
Current Liabilities			\$4,291,263	\$5,828,999	\$4,701,884
Long Term Liabilities			\$1,727,591	\$1,023,175	\$1,503,536
Total Liabilities			\$6,018,854	\$6,852,174	\$6,205,420
Net Assets			\$14,516,100	\$16,618,384	\$17,381,223
Working Capital Position			\$915,626	-\$34,140	\$432,837
Revenue			\$17,032,170	\$25,065,082	\$25,461,068
Expenses			\$16,304,714	\$23,866,103	\$22,785,222
Net Income			\$727,456	\$1,198,979	\$2,675,846
Rome Center, LLC	The Grand Rehabilitation & Nursing at Rome	160 Oneida	<u>8/31/2018</u>	<u>12/31/17</u>	<u>12/31/16</u>
Current Assets			\$4,448,335	\$7,874,825	\$4,938,062
Fixed Assets			\$1,592,406	\$1,947,915	\$3,942,963
Total Assets			\$6,040,741	\$9,822,740	\$8,881,025
Current Liabilities			\$3,562,902	\$4,640,763	\$3,861,762
Long Term Liabilities			-\$7,913	\$0	\$133,985
Total Liabilities			\$3,554,989	\$4,640,763	\$3,995,747
Net Assets			\$2,485,752	\$5,181,977	\$4,885,278
Working Capital Position			\$885,433	\$3,234,062	\$1,076,300
Revenue			\$10,159,784	\$15,719,774	\$15,581,409
Expenses			\$9,303,864	\$14,958,075	\$14,549,040
Net Income			\$855,920	\$761,699	\$1,032,369

Affiliated Nursing Homes (Page 2)

BFA Attachment E cont

		# of Beds				
		County				
Chittenango Center, LLC	The Grand Rehabilitation & Nursing at Chittenango	80	Madison	<u>8/31/2018</u>	<u>12/31/17</u>	<u>12/31/16</u>
Current Assets				\$3,172,906	\$5,159,707	\$4,185,545
Fixed Assets				\$962,157	\$1,060,263	\$1,369,792
Total Assets				\$4,135,063	\$6,219,970	\$5,555,337
Current Liabilities				\$1,430,453	\$1,712,907	\$1,075,668
Long Term Liabilities				\$33,967	\$49,957	\$167,728
Total Liabilities				\$1,464,420	\$1,762,864	\$1,243,396
Net Assets				\$2,670,643	\$4,457,106	\$4,311,941
Working Capital Position				\$1,742,453	\$3,446,800	\$3,109,877
Revenue				\$5,466,546	\$8,522,124	\$8,286,901
Expenses				\$4,843,776	\$8,131,961	\$7,067,622
Net Income				\$622,770	\$390,163	\$1,219,279
Guilderland Operator, LLC	The Grand Rehabilitation & Nursing at Guilderland	127	Albany	<u>8/31/2018</u>	<u>12/31/17</u>	<u>/31/2016-48 da</u>
Current Assets				\$2,230,964	\$3,872,894	\$3,557,429
Fixed Assets				\$6,201,012	\$6,389,003	\$6,564,176
Total Assets				\$8,431,976	\$10,261,897	\$10,121,605
Current Liabilities				\$3,323,121	\$5,291,576	\$5,931,510
Long Term Liabilities				\$851,037	\$5,940,827	\$4,423,111
Total Liabilities				\$4,174,158	\$11,232,403	\$10,354,621
Net Assets				\$4,257,818	-\$970,506	-\$233,016
Working Capital Position				-\$1,092,157	-\$1,418,682	-\$2,374,081
Revenue				\$7,500,807	\$11,386,324	\$1,316,254
Expenses				\$7,878,421	\$11,951,985	\$1,549,270
Net Income				-\$377,614	-\$565,661	-\$233,016
River Valley Operating Associates, LLC	The Grand Rehabilitation & Nursing at River Valley	160	Dutchess	<u>8/31/2018</u>	<u>12/31/17</u>	<u>/31/2016-162 d</u>
Current Assets				\$5,536,526	\$5,796,496	\$3,809,110
Fixed Assets				\$5,758,588	\$5,984,052	\$5,536,573
Total Assets				\$11,295,114	\$11,780,548	\$9,345,683
Current Liabilities				\$2,862,005	\$2,649,557	\$3,861,032
Long Term Liabilities				\$37,946	\$12,915,459	\$6,888,564
Total Liabilities				\$2,899,951	\$15,565,016	\$10,749,596
Net Assets				\$8,395,163	-\$3,784,468	-\$1,403,913
Working Capital Position				\$2,674,521	\$3,146,939	-\$51,922
Revenue				\$11,998,603	\$17,094,839	\$7,206,983
Expenses				\$12,245,705	\$19,357,223	\$8,610,896
Net Income				-\$247,102	-\$2,262,384	-\$1,403,913

Affiliated Nursing Homes (Page 3)

		# of Beds				
		County				
			236	<u>8/31/2018</u>	<u>/31/2017-25 de</u>	<u>12/31/16</u>
		Columbia				
Barnwell Operating Associates, LLC	The Grand Rehabilitation & Nursing at Barnwell					
Current Assets				\$5,447,845	\$1,807,617	\$0
Fixed Assets				\$2,073,741	\$1,602,225	\$0
Total Assets				\$7,521,586	\$3,409,842	\$0
Current Liabilities				\$4,243,975	\$3,300,871	\$0
Long Term Liabilities				\$1,704,220	\$117,553	\$0
Total Liabilities				\$5,948,195	\$3,418,424	\$0
Net Assets				\$1,573,391	-\$8,582	\$0
Working Capital Position				\$1,203,870	-\$1,493,254	\$0
Revenue				\$14,757,171	\$1,515,913	\$0
Expenses				\$13,830,911	\$1,524,495	\$0
Net Income				\$926,260	-\$8,582	\$0

EN Operations Acquisitions, LLC d/b/a The Grand Rehabilitation and Nursing at Delaware Park

Current Real Property Owners

1205 Delaware Avenue Realty, LLC
Benjamin Landa 100%

Proposed Real Property Owners

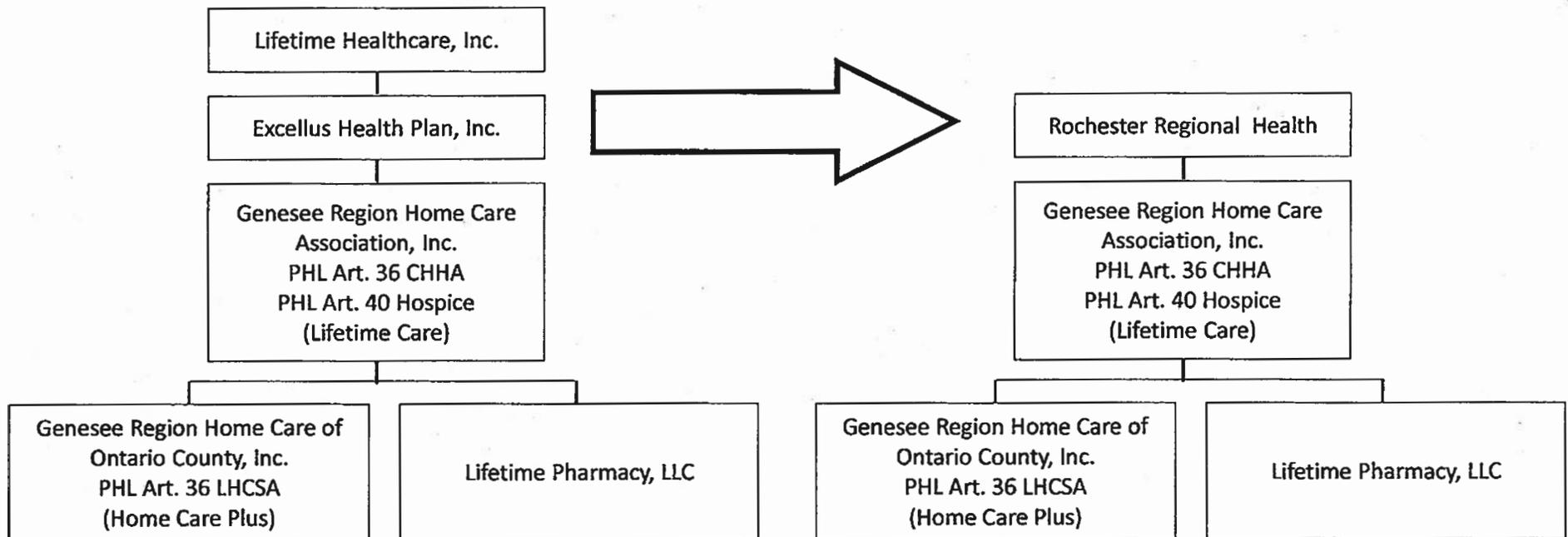
EN Realty Acquisitions, LLC
Jeremy Strauss 95%
Elliott Strauss 5%

LIST OF OMH AND OASAS CERTIFIED PROGRAMS

OMH/OASAS	DEPARTMENT_NAME	Program Name	Type
OASAS	BH CSH CLIFTON ARP	Clifton CD (W1)	Outpatient
OASAS	BH UHS CD @ EBHC	EBHC CD	Outpatient
OASAS	BH UHS CD @ GREECE	Greece CD	Outpatient
OASAS	BH UHS CD BRIGHTON	Brighton CD	Outpatient
OASAS	BH UHS CD DETOX	Detox	Ambulatory Detox
OASAS	BHN RGH ADDICTION SRVS	RMHC CD	Outpatient
OASAS	CSH IP ADDICT REHAB W3	Clifton CD W3	Inpatient
OASAS	UHS PRCD ADOL RES	Men's Residence	Community Residence
OASAS	UHS PRCD INP	Greece IP CD	Inpatient
OASAS	Barbara Wolk Schwartz	Women's Residence	Community Residence
OASAS	Hope Haven Inpatient Addiction Recovery Program	UMMC CD	Inpatient
OMH	BH CSH ADULT MH CDGA	Canandaigua MH	Outpatient
OMH	BH CSH ADULT MH CLFTN	Clifton MH (W1)	Outpatient
OMH	BH CSH CPEP OUTREACH	CPEP Outreach	CPEP
OMH	BH PC CLINTON FHC	Clinton FHC MH	DSRIP
OMH	BH PC GHS IM AND RFM	GHS IM MH	DSRIP
OMH	BH PC GHS REFUGEE	GHS Refugee MH	DSRIP
OMH	BH PC TWIG OPD AT RGMA	OPD TWIG MH	DSRIP
OMH	BH UHS ACIC	BHACC	Crisis
OMH	BH UHS ACT	ACT	ACT
OMH	BH UHS ADULT MH EBHC	EBHC MH	Outpatient
OMH	BH UHS ADULT MH GRCE	Pinewild MH	Outpatient
OMH	BH UHS HBCI	HBCI	HBCI
OMH	BH UHS PC HEALTHREACH	Health Reach MH	DSRIP
OMH	BH UHS PC ORCHARD ST	Orchard St MH	DSRIP
OMH	BH UHS PC ST BERNARDS	St Bernards MH	DSRIP
OMH	BH UHS PC ST MARYS FM	St Marys FM MH	DSRIP
OMH	BH UHS PROS	UHS PROS	PROS
OMH	BHN CHARLOTTE HS	Charlotte HS	SBHC
OMH	BHN DR F THOMAS LC	Freddie Thomas HS	SBHC
OMH	BHN DR MLK JR SCHOOL 9	MLK Jr HS	SBHC
OMH	BHN EDISON CAMPUS	Edison HS	SBHC
OMH	BHN GMHC ADULT CLINIC	GMHC MH	Outpatient
OMH	BHN GMHC CHILD & YOUTH	GMHC C&Y MH	Outpatient
OMH	BHN JOHN JAMES AUDUBON	JJ Audubon HS	SBHC
OMH	BHN RMHC ADULT CLINIC	RMHC MH	Outpatient
OMH	CSH IP MENTAL HLTH W2	Clifton MH W2	Inpatient
OMH	GMH GMHC PROS	RGH PROS	PROS
OMH	NWH 1 SOUTH	Newark MH 1S	Inpatient
OMH	RGH G1 PSYCH	RGH MH G1	Inpatient
OMH	UHS ST MARY IP PSYCH	St Marys MH 4300	Inpatient

RRH Proposal

RRH proposes a member substitution transaction in which Rochester Regional Health becomes the sole corporate member of Genesee Region Home Care Association, Inc.

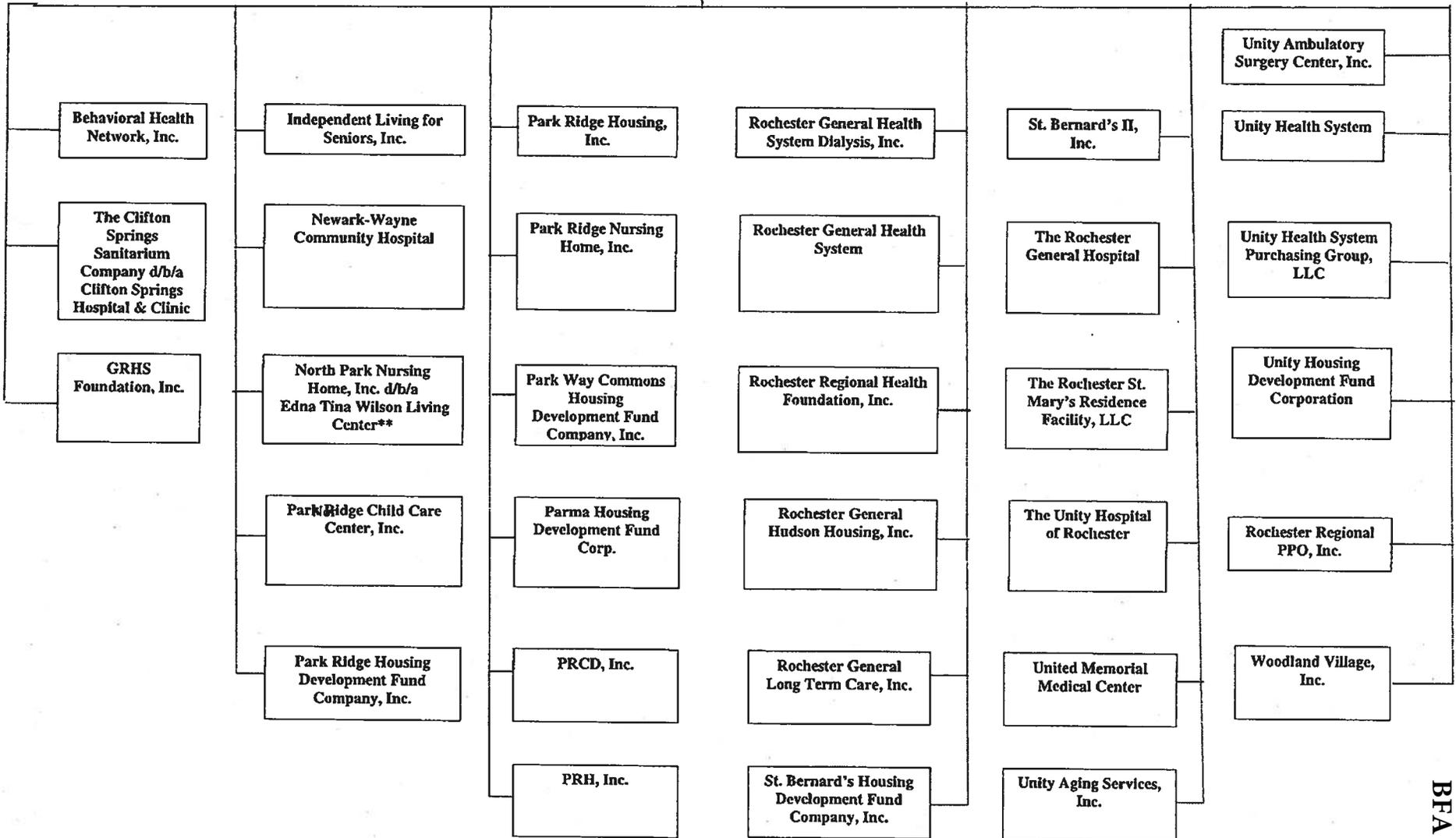


ROCHESTER REGIONAL HEALTH

*RRH Subsidiaries

**Licensed Home Care Service Agency Operating Certificate Attached

Rochester Regional Health



[H3138096.2]

Rochester Regional Health and Affiliates

CON #182159
BFA Attachment B

Consolidated Balance Sheets
(in thousands of dollars)

Assets	December 31,	
	2017	2016
Current assets:		
Cash and cash equivalents	\$ 126,406	\$ 142,627
Investments	122,268	107,552
Current portion of assets whose use is limited	36,977	33,322
Patient accounts receivable, net of allowance for doubtful accounts of approximately \$27,891 and \$26,563, respectively	171,669	153,506
Estimated third-party payor receivables	18,384	24,178
Pledges receivable, net	7,455	6,288
Inventories	14,962	13,902
Prepaid expenses and other	44,636	31,432
Total current assets	542,757	512,807
Assets whose use is limited:		
Funds held by bond trustees	164,277	36,243
Board designated funds	293,178	266,970
Assets held for self-insurance programs	82,754	84,289
Escrow fund	3,680	3,410
Donor restricted	64,712	56,327
Deferred compensation	11,300	11,050
Total assets whose use is limited, net of current portion	619,901	458,289
Property and equipment – net	949,576	867,621
Other assets:		
Interest in net assets of the Foundations	-	2,772
Goodwill	39,558	26,552
Estimated third-party payor receivables, net of current portion	4,572	6,876
Insurance recoveries receivable	23,195	17,246
Pledges receivable, net of current portion	21,176	21,952
Other	27,871	16,966
Total assets	\$ 2,228,606	\$ 1,931,081

Rochester Regional Health and Affiliates

CON #182159
BFA Attachment B

Consolidated Balance Sheets (Continued)
(in thousands of dollars)

Liabilities and net assets	December 31,	
	<u>2017</u>	<u>2016</u>
Current liabilities:		
Accounts payable	\$ 99,535	\$ 75,229
Accrued salaries, vacation, and payroll taxes	78,483	78,114
Accrued expenses and other	77,746	60,948
Accrued interest payable	6,000	5,531
Estimated third-party payor payables	50,564	35,764
Current portion of long-term debt, net	26,350	22,675
Total current liabilities	<u>338,678</u>	<u>278,261</u>
Long-term liabilities:		
Long-term debt, less current portion, net	692,338	505,606
Interest rate swap contracts	1,119	2,043
Accrued pension and postretirement benefits	424,496	359,382
Accrued insured and self-insured liabilities	133,047	131,995
Estimated third-party payor payables, less current portion	141,757	169,128
Deferred compensation	10,870	10,891
Other	10,577	8,735
Total long-term liabilities	<u>1,414,204</u>	<u>1,187,780</u>
Total liabilities	<u>1,752,882</u>	<u>1,466,041</u>
Net assets:		
Unrestricted	381,504	377,388
Non-controlling interest in net assets of affiliates	4,089	4,139
Total unrestricted net assets	<u>385,593</u>	<u>381,527</u>
Temporarily restricted	69,719	63,190
Permanently restricted	20,412	20,323
Total net assets	<u>475,724</u>	<u>465,040</u>
Total liabilities and net assets	<u>\$ 2,228,606</u>	<u>\$ 1,931,081</u>

Rochester Regional Health and Affiliates

Consolidated Statements of Operations and Changes in Net Assets
(in thousands of dollars)

	For The Years Ended December 31,	
	<u>2017</u>	<u>2016</u>
Unrestricted revenues, gains, and other support		
Patient service revenue, net of contractual allowances and discounts	\$ 1,927,469	\$ 1,824,342
Provision for bad debts	(27,273)	(31,460)
Net patient service revenue, less provision for bad debts	<u>1,900,196</u>	<u>1,792,882</u>
Capitation fees	67,107	62,058
Other revenue, gains, and other support	89,191	87,567
Net assets released from restrictions for operations	2,817	2,101
Total unrestricted revenues, gains, and other support	<u>2,059,311</u>	<u>1,944,608</u>
Expenses		
Salaries and wages	982,250	917,871
Employee benefits	201,114	185,679
Professional fees	211,245	199,658
Purchased services and supplies	494,361	450,976
Depreciation and amortization	87,784	87,635
Malpractice and workers' compensation expense	14,074	27,558
Interest	25,018	23,774
Other expenses	6,775	6,125
Total expenses	<u>2,022,621</u>	<u>1,899,276</u>
Income from operations	36,690	45,332
Income tax expense	(4,436)	(4,103)
Non-operating revenue:		
Other non-operating gains, net	266	779
Interest in net income of subsidiaries	271	286
Investment income, net	21,643	7,170
Total non-operating revenue, net	<u>22,180</u>	<u>8,235</u>
Excess of revenues over expenses	<u>\$ 54,434</u>	<u>\$ 49,464</u>

Rochester Regional Health
Statement of Operations
September Year To Date
(In Thousands)

2018
Actual

Total operating revenues	\$ 1,653,380
Operating expenses	
Salaries, benefits and professional fees	1,148,280
Supplies and other	399,966
Depreciation and amortization	67,544
Interest	18,318
Total operating expenses	<u>1,634,108</u>
Operating income (loss)	19,272
Nonoperating income (loss)	<u>8,116</u>
Revenues over (under) expenses	<u><u>\$ 27,388</u></u>

Rochester Regional Health
Balance Sheet
September Year To Date
(In Thousands)

Assets		Liabilities and Net Assets	
	Sep 2018		Sep 2018
Current Assets		Current Liabilities	307,269
Cash and short-term investments	\$ 236,462		
Accounts receivable, net	166,427		
Other current assets	62,562		
Total current assets	<u>465,451</u>		
Assets Limited as to Use	518,485	Long-term Liabilities	
		Long-term debt, net current portion	628,944
		Estimated third-party payor settlements, net	151,432
		Accrued pension and postretirement liabilities	432,798
		Other	132,367
		Total long-term liabilities	<u>1,345,541</u>
Property and equipment, net	934,829	Net Assets	
		Unrestricted	545,800
Other assets	375,260	Restricted	95,415
		Total net assets	<u>641,215</u>
Total Assets	<u>\$ 2,294,025</u>	Total Liabilities and Net Assets	<u>\$ 2,294,025</u>

**GENESEE REGION HOME CARE ASSOCIATION, INC.
AND SUBSIDIARIES**

**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS OF DECEMBER 31, 2017 AND 2016
(Dollar amounts in thousands)**

	2017	2016
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 3,603	\$ 5,556
Assets limited as to use	122	110
Accounts receivable—net of allowance for estimated uncollectible accounts of \$537 and \$422	12,552	12,811
Due from affiliates	125	11
Investments	8,724	6,225
Prepaid expenses and other current assets	<u>654</u>	<u>675</u>
Total current assets	<u>25,780</u>	<u>25,388</u>
ASSETS LIMITED AS TO USE:		
Board designated for hospice activities	2,797	2,375
Held by trustees	<u>1,115</u>	<u>1,108</u>
Subtotal	3,912	3,483
Less amount required to meet current obligations	<u>(122)</u>	<u>(110)</u>
Total assets limited as to use	3,790	3,373
PROPERTY AND EQUIPMENT—Net	4,204	4,411
GOODWILL	5,848	5,848
INDEFINITE LIFE INTANGIBLE ASSETS—Certificates of need	<u>1,500</u>	<u>1,500</u>
TOTAL ASSETS	<u>\$ 41,122</u>	<u>\$40,520</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES:		
Accounts payable	\$ 4,724	\$ 5,003
Unearned revenue	1,266	1,249
Accrued expenses	6,618	6,232
Due to affiliates	4	605
Current portion of capital leases	19	19
Third-party allowance	411	400
Defined contribution pension obligation	<u>350</u>	<u>350</u>
Total current liabilities	13,392	13,858
LONG-TERM OBLIGATIONS AND CAPITAL LEASES	<u>5,410</u>	<u>5,693</u>
Total liabilities	<u>18,802</u>	<u>19,551</u>
UNRESTRICTED NET ASSETS	<u>22,320</u>	<u>20,969</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 41,122</u>	<u>\$40,520</u>

See notes to consolidated financial statements.

**GENESEE REGION HOME CARE ASSOCIATION, INC.
AND SUBSIDIARIES**

**CONSOLIDATED STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016
(Dollar amounts in thousands)**

	2017	2016
REVENUE, GAINS, AND SUPPORT:		
Net service revenue	\$ 99,177	\$ 104,066
Provision for bad debts	<u>(483)</u>	<u>(503)</u>
Net service revenue after provision for bad debts	98,694	103,563
Contributions	593	306
Interest, dividends and gains	389	356
Net gain on investments	<u>635</u>	<u>322</u>
Total revenue, gains, and support	<u>100,311</u>	<u>104,547</u>
EXPENSES:		
Salaries and benefits	72,630	73,194
Purchased health services	12,635	14,818
Office expenses	5,454	5,616
Pharmacy costs	2,575	2,808
Occupancy	2,669	2,743
Mileage reimbursement	2,243	2,469
Depreciation	<u>754</u>	<u>674</u>
Total expenses	<u>98,960</u>	<u>102,322</u>
INCREASE IN NET ASSETS	1,351	2,225
NET ASSETS—Beginning of year	<u>20,969</u>	<u>18,744</u>
NET ASSETS—End of year	<u>\$ 22,320</u>	<u>\$ 20,969</u>

See notes to consolidated financial statements.

Lifetime Care
Balance Sheet
As of October 31, 2018

ASSETS

CURRENT ASSETS:

Cash and cash equivalents	\$ 7,132
Assets limited as to use	135
Accounts receivable - net of allowance	13,273
Investments	8,593
Prepaid expense and other current assets	687
Total current assets	<u>29,820</u>

ASSETS LIMITED AS TO USE/INVESTMENTS

Board designated for hospice activities	2,904
Held by trustees	1,127
	<u>4,031</u>
Less amount required to meet current obligations	(135)
	<u>3,896</u>

PROPERTY & EQUIPMENT - Net	3,675
INDEFINITE LIFE INTANGIBLES ASSETS - Certificates of need	1,500
GOODWILL AND OTHER ASSETS	<u>5,848</u>

TOTAL ASSETS	<u>\$ 44,739</u>
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LIABILITIES AND NET ASSETS

CURRENT LIABILITIES:

Accounts payable	\$ 4,295
Unearned revenue	1,614
Accrued expenses	8,882
Due to affiliates - Net	627
Current Portion of Capital Leases	19
Third-party allowance	411
Defined contribution pension obligation	292
Total current liabilities	<u>16,140</u>

LONG-TERM OBLIGATIONS & CAPITAL LEASES	<u>5,393</u>
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TOTAL LIABILITIES	21,533
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TOTAL NET ASSETS	<u>23,206</u>
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TOTAL LIABILITIES AND NET ASSETS	<u>\$ 44,739</u>
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Lifetime Care
Income Statement
Year to Date October 31, 2018

REVENUE, GAINS, AND SUPPORT:

Net service revenue	\$	80,972
Provision for bad debt		(397)
Net service revenue after bad debt		<u>80,575</u>
Contributions		249
Net service revenue & contributions		<u>80,824</u>
Interest, dividends and gains		293
Net gain (loss) on investments		(323)
Total revenue, gains, and support		<u>80,794</u>

EXPENSES:

Salaries and benefits		60,171
Purchased health services		8,487
Office expenses		4,401
Pharmacy costs		2,278
Occupancy		2,154
Mileage reimbursement		1,812
Depreciation and amortization		605
Total expenses		<u>79,908</u>

INCREASE IN NET ASSETS	\$	<u>886</u>
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Lifetime Care
Projected Balance Sheet Post Close (Day 1)

ASSETS

CURRENT ASSETS:

Cash and cash equivalents	\$	8,677
Accounts receivable - net of allowance		12,565
Prepaid expense and other current assets		685
Total current assets		<u>21,927</u>

PROPERTY & EQUIPMENT - Net		3,675
INDEFINITE LIFE INTANGIBLES ASSETS		1,500
GOODWILL AND OTHER ASSETS		5,848
TOTAL ASSETS	\$	<u>32,950</u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES:

Accounts payable	\$	4,295
Unearned revenue		1,614
Accrued expenses		6,296
Current Portion of Capital Leases		19
Third-party allowance		411
Defined contribution pension obligation		292
Total current liabilities		<u>12,927</u>

LONG-TERM OBLIGATIONS & CAPITAL LEASES		<u>29</u>
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TOTAL LIABILITIES		12,956
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UNRESTRICTED NET ASSETS		<u>19,994</u>
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TOTAL LIABILITIES AND NET ASSETS	\$	<u>32,950</u>
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MEMO

TO: CON Project File
RE: CON Project 182159
DATE: October 22, 2018

Service Location: 3111 South Winton Road
Rochester, NY 14623

Description:

The application seeks to establish Rochester Regional Health as the new sole member of Genesee Region Home Care Association, Inc. d/b/a Lifetime Care, an existing Certified Home Health Agency. The location of the proposed change is 3111 South Winton Road, Rochester NY. Rochester Regional Health, the proposed new member, is already an established system in the Finger Lakes region who has been a known provider of home care services.

Project Capital Cost:

\$0.00

Projected Changes to Community Capacity:

The proposed change in ownership does not create substantive change in community capacity.

Projected Changes to Community Access:

The proposed change in ownership does not create substantive change in community in access.

Comments:

Recommendation: Approval

Contingencies: None

Conditions: None

**FSNR CHHA, LLC
Doing Business As**

FOUR SEASONS NURSING AND REHABILITATION CERTIFIED HOME HEALTH AGENCY

ORGANIZATIONAL CHART

Members: Michael Manela Lea Sherman Alexander Sherman Jeffrey Goldstein Sheryl Frankel Howard Pomerantz Hindy Amsel	20.00% 40.00% 15.00% 10.00% 8.00% 5.00% 2.00% 100.00%
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<u>Doing Business As</u> <u>FOUR SEASONS NURSING AND REHABILITATION CERTIFIED HOME HEALTH AGENCY</u>

CHHA Administrator Direct Care Staff Support Staff Clerical Staff
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<u>FSNR ACQUISITION GROUP, LLC</u> (RHC Real Estate)	
Members: FSNR A-1, LLC Ashford FSNR, LLC Schon Family Foundation BMS Holding, LLC FS Equities Holding, LLC DDJ Partners, LLC Queens Investing, LLC Yamo Equities, LLC ZLW, LLC JSL Four Season, LLC SMG Capital, LLC	Members: Howard Pomerantz Mitchell Kuffik Jacob Muller Barry Friedman Samuel Sherman Israel Sherman Michael Manela Abraham Frankel Moshe Mendlowitz Jeffrey Goldstein 2.65% 46.75% 100.00%
	2.08% 1.39% 1.11% 0.57% 10.86% 5.86% 10.00% 4.00% 11.00% 6.38% 53.25%

FSNR ACQUISITION GROUP, LLC

MEMBERSHIP LIST

FSNR ACQUISITION GROUP, LLC		
(RHCF Real Estate)		
Members:		Members:
FSNR A-1, LLC	25.00%	Howard Pomerantz 2.08%
Ashford FSNR, LLC	1.11%	Mitchell Kuflik 1.39%
Schon Family Foundation	1.39%	Jacob Muller 1.11%
BMS Holding, LLC	0.80%	Barry Friedman 0.57%
FS Equities Holding, LLC	2.50%	Samuel Sherman 10.86%
DDJ Partners, LLC	1.39%	Israel Sherman 5.86%
Queens Investing, LLC	4.85%	Michael Manela 10.00%
Yamo Equities, LLC	0.28%	Abraham Frankel 4.00%
ZLW, LLC	2.50%	Moshe Mendlowitz 11.00%
JSL Four Season, LLC	4.28%	Jeffrey Goldstein 6.38%
SMG Capital, LLC	2.65%	
	46.75%	53.25%
	100.00%	

COMPOSITION OF ALL MEMBERSHIPS

FSNR A-1, LLC	25.00%	Individual Members	53.25%
Shlomo Rechnitz	22.22%	Howard Pomerantz	2.08%
Steve Rechnitz	5.56%	Mitchell Kuflik	1.39%
Moshe Mendlowitz	11.11%	Jacob Muller	1.11%
Morris Weinberg	11.11%	Barry Friedman	0.57%
Gershon Bassman	11.11%	Samuel Sherman	10.86%
David Blonder	5.56%	Israel Sherman	5.86%
Alan Jaffa	5.56%	Michael Manela	10.00%
Menashe Frankel	5.56%	Abraham Frankel	4.00%
Harry Reichman	22.22%	Moshe Mendlowitz	11.00%
	<u>100.00%</u>	Jeffrey Goldstein	6.38%
Ashford FSNR, LLC	1.11%		
Abraham Frankl	<u>100.00%</u>		
Schon Family Foundation	1.39%		
BMS Holding, LLC	0.80%		
Baron Schon	<u>100.00%</u>		
FS Equities Holding, LLC	2.50%		
Zalmen Horowitz	50.00%		
David Weinberger	50.00%		
	<u>100.00%</u>		
DDJ Partners, LLC	1.39%		
Joseph Rabinowitz	<u>100.00%</u>		
Queens Investing, LLC	4.85%		
Magda Manela	<u>100.00%</u>		
Yamo Equities, LLC	0.28%		
Michal Oelbaum	<u>100.00%</u>		
ZLW, LLC	2.50%		
Zalmen Wagschall	<u>100.00%</u>		
JSL Four Season, LLC	4.28%		
Jacob Steif	<u>100.00%</u>		
SMG Capital, LLC	2.65%		
Michael Manela	<u>100.00%</u>		
TOTAL	46.75%		53.25%

FOUR SEASONS NURSING & REHABILITATION CENTER
GATEWAY DIALYSIS CENTER
FSNR ACQUISITIONS, LLC
COMBINING BALANCE SHEET
December 31, 2017

Project # 182175
BFA Attachment C

ASSETS

	FACILITY #1	FACILITY #2	REALTY	ELIMINATION	COMBINED
CURRENT ASSETS:					
Cash	\$ 4,474,117	\$ 2,076,133	\$ 1,090,957	\$ -	\$ 7,641,207
Accounts Receivable (Net)	12,457,006	1,382,863	-	-	13,839,869
Inventory	127,487	63,656	-	-	191,143
Prepaid Expenses	897,365	22,236	-	-	919,601
Escrow Deposits	-	-	1,509,126	-	1,509,126
Exchanges	153,746	300,000	750,000	-	1,203,746
Due From FSNR	800,000	-	-	(800,000)	-
Loans Receivable - Related Parties	-	1,602,000	2,467,964	-	4,069,964
Due From Gateway Dialysis	<u>2,909,571</u>	<u>-</u>	<u>-</u>	<u>(2,909,571)</u>	<u>-</u>
TOTAL CURRENT ASSETS	21,819,292	5,446,888	5,818,047	(3,709,571)	29,374,656
FIXED ASSETS:					
Land	-	-	4,550,000	-	4,550,000
Building	-	-	40,950,000	-	40,950,000
Construction in Progress	339,790	-	-	-	339,790
Leasehold Improvements	6,167,911	412,726	-	-	6,580,637
Furniture & Equipment	<u>1,089,767</u>	<u>437,294</u>	<u>1,900,000</u>	<u>-</u>	<u>3,427,061</u>
	7,597,468	850,020	47,400,000	-	55,847,488
Less: Accumulated Depreciation & Amortization	<u>4,480,138</u>	<u>422,972</u>	<u>4,384,423</u>	<u>-</u>	<u>9,287,533</u>
TOTAL FIXED ASSETS	3,117,330	427,048	43,015,577	-	46,559,955
OTHER ASSETS:					
Interest Rate Swap Asset	-	-	447,473	-	447,473
Replacement Reserve	-	-	513,430	-	513,430
Security Deposits	24,360	-	-	-	24,360
Goodwill (Net)	-	-	15,000,000	-	15,000,000
Intangible Assets (Net)	118,557	-	130,000	-	248,557
Other Assets	39,894	-	-	-	39,894
Patients' Trust Fund	<u>111,039</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>111,039</u>
TOTAL OTHER ASSETS	293,850	-	16,090,903	-	16,384,753
TOTAL ASSETS	\$ <u>25,230,472</u>	\$ <u>5,873,936</u>	\$ <u>64,924,527</u>	\$ <u>(3,709,571)</u>	\$ <u>92,319,364</u>

**FOUR SEASONS NURSING & REHABILITATION CENTER
GATEWAY DIALYSIS CENTER
FSNR ACQUISITIONS, LLC
COMBINING BALANCE SHEET
December 31, 2017**

LIABILITIES & EQUITY

	FACILITY #1	FACILITY #2	REALTY	ELIMINATION	COMBINED
CURRENT LIABILITIES:					
Mortgage Payable	\$ -	\$ -	\$ 2,320,855	\$ -	\$ 2,320,855
Equipment Obligations	113,139	70,959	-	-	184,098
Accounts Payable	5,058,042	550,905	-	-	5,608,947
Accrued Payroll	221,643	98,233	-	-	319,876
Accrued Expenses & Taxes	111,918	17,792	139,576	-	269,286
Due to Prior Owner	-	-	100,000	-	100,000
Loan Payable Related Party	2,542,967	-	-	-	2,542,967
Due To Third Party Payors	112,280	-	-	-	112,280
Due to Four Seasons	-	2,909,571	800,000	(3,709,571)	-
Patients' Security Deposits	36,300	-	8,500	-	44,800
TOTAL CURRENT LIABILITIES	8,196,289	3,647,460	3,368,931	(3,709,571)	11,503,109
LONG TERM LIABILITIES:					
Mortgage Payable (Net)	-	-	42,441,975	-	42,441,975
Equipment Obligations	485,721	207,762	-	-	693,483
Patients' Trust Fund Payable	111,021	-	-	-	111,021
TOTAL LONG TERM LIABILITIES	596,742	207,762	42,441,975	-	43,246,479
MEMBERS' EQUITY	16,437,441	2,018,714	19,113,621	-	37,569,776
TOTAL LIABILITIES & MEMBERS' EQUITY	\$ 25,230,472	\$ 5,873,936	\$ 64,924,527	\$ (3,709,571)	\$ 92,319,364

**FOUR SEASONS NURSING & REHABILITATION CENTER
GATEWAY DIALYSIS CENTER
FSNR ACQUISITIONS, LLC
COMBINING STATEMENT OF OPERATIONS
For the year ended December 31, 2017**

	FACILITY #1	FACILITY #2	REALTY	ELIMINATION	COMBINED
TOTAL REVENUE FROM PATIENTS:	\$ 65,438,290	\$ 7,498,158	\$ -	\$ -	\$ 72,936,448
TOTAL RENTAL REVENUE	-	-	7,992,392	(7,469,340)	523,052
OPERATING EXPENSES:					
Payroll	1,995,875	2,140,790	-	-	4,136,665
Employee Benefits	596,414	296,527	-	-	892,941
Professional Care	29,157,635	2,496,018	-	-	31,653,653
Dietary & Housekeeping	7,701,626	15,739	-	-	7,717,365
Plant & Maintenance	12,586,401	614,985	4,274,344	(7,469,340)	10,006,390
General & Administrative	11,740,545	620,909	26,545	-	12,387,999
Long Term Home Health Care	<u>1,602,272</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,602,272</u>
TOTAL OPERATING EXPENSES	<u>65,380,768</u>	<u>6,184,968</u>	<u>4,300,889</u>	<u>(7,469,340)</u>	<u>68,397,285</u>
INCOME FROM OPERATIONS	57,522	1,313,190	3,691,503	-	5,062,215
OTHER INCOME	<u>254,797</u>	<u>4,705</u>	<u>6,105</u>	<u>-</u>	<u>265,607</u>
INCOME BEFORE TAXES	312,319	1,317,895	3,697,608	-	5,327,822
Less: NYC Unincorporated Business Taxes	<u>-</u>	<u>99,820</u>	<u>-</u>	<u>-</u>	<u>99,820</u>
NET INCOME	312,319	1,218,075	3,697,608	-	5,228,002
OTHER COMPREHENSIVE INCOME					
Unrealized Gain on Interest Rate Swap	<u>-</u>	<u>-</u>	<u>433,934</u>	<u>-</u>	<u>433,934</u>
TOTAL COMPREHENSIVE INCOME	<u>-</u>	<u>-</u>	<u>433,934</u>	<u>-</u>	<u>433,934</u>
TOTAL INCOME	<u>\$ 312,319</u>	<u>\$ 1,218,075</u>	<u>\$ 4,131,542</u>	<u>\$ -</u>	<u>\$ 5,661,936</u>

**FOUR SEASONS NURSING &
REHABILITATION CENTER**

Balance Sheet
Nov 30, 2018

Assets	
<i>Current Assets</i>	
Accounts Receivable	678,183
<i>Total Current Assets</i>	<u>678,183</u>
Total Assets	<u>678,183</u>
Liabilities and Equity	
Due to Medicare	3,238
Due to FSNR SNF	308,416
<i>Total Current Liabilities</i>	<u>311,654</u>
<i>Equity</i>	
Equity	366,529
<i>Total Equity</i>	<u>366,529</u>
Total Liabilities and Equity	<u>678,183</u>

FOUR SEASONS CHHA
 Profit & Loss
 January thru November 2018

Revenue			
Medicaid	664,513		
Medicare	1,861,587		
HMO	251,903		
Bad Debt W/O Prior	<u>(144,278)</u>		
Total Revenue		2,633,725	2,633,725
Payroll			
Admin - LTHHC	890,019		
RN-LTHHC	464,446		
PT-LTHHC	<u>44,527</u>		
		1,398,992	
Benefits		406,377	
Nursing-other	13,050		
Contracted HHA	467,387		
Contract-PT	283,635		
Contract-OT	5,465		
Contract-Speech	2,100		
Contract-Social Svc	<u>3,230</u>		
		774,867	
Total Contract, Payroll & Benefits(A-3)			2,580,236
Medical Supplies	6,447		
Electric	5,676		
Office Supplies	9,188		
Office-Svc	38,042		
Telephone	1,186		
Advertising-employment	6,869		
Advertising-promo	24,320		
Travel	<u>7,267</u>		
		98,995	98,995
TOTAL DIRECT EXPENSES			2,679,231
NET LOSS			<u>(45,506)</u>

FSNR CHHA, LLC

D/B/A FOUR SEASONS NURSING AND REHABILITATION CERTIFIED HOME HEALTH AGENCY

PRO FORMA BALANCE SHEET

ASSETS

Working Capital \$518,054

TOTAL ASSETS \$518,054

LIABILITIES AND NET ASSETS

LIABILITIES

Working Capital Loan \$0

APA Adjustment \$518,054

**TOTAL LIABILITIES AND
APA ADJUSMENT** \$518,054