

STATE OF NEW YORK
PUBLIC HEALTH AND HEALTH PLANNING COUNCIL

SPECIAL ESTABLISHMENT AND PROJECT REVIEW COMMITTEE

AGENDA

June 20, 2024

*Immediately following the Committee on Codes, Regulations and Legislation meeting
(Scheduled to begin at 9:30 a.m.)*

90 Church Street, 4th Floor, Conference Rooms 4 A/B, NYC, 10007

I. COMMITTEE ON ESTABLISHMENT AND PROJECT REVIEW

Peter Robinson, Chair

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

Residential Health Care Facilities – Establish/Construct

Number

Applicant/Facility

232025 E

Palmer Avenue SNF Operations LLC d/b/a Sarah Neuman Center
for Rehabilitation and Nursing
(Westchester County)

*****To be distributed under separate*****



Project # 232025-E
Palmer Avenue SNF Operations LLC d/b/a Sarah Neuman Center for Rehabilitation and Nursing

Program: Residential Health Care Facility
Purpose: Establishment

County: Westchester
Acknowledged: August 2, 2023

Executive Summary

Description

Palmer Avenue SNF Operations, LLC, a Delaware limited liability company authorized to conduct business in New York State, requests approval to be established as the new operator of The New Jewish Home, Sarah Neuman, a 301-bed (including one respite bed), voluntary not-for-profit, Article 28 Residential Health Care Facility (RHCF) at 845 Palmer Avenue, Mamaroneck, (Westchester County). The facility will be named Sarah Neuman Center for Rehabilitation and Nursing if approved.

On May 17, 2023, Jewish Home Lifecare, Sarah Neuman Center, which is the current operator and real property owner, entered into an Operational Asset Purchase Agreement (OAPA) with Palmer Avenue SNF Operations, LLC for the sale and acquisition of the RHCF operating interests for \$2,000,000 plus certain liabilities determined at closing. Concurrently, Jewish Home Lifecare, Sarah Neuman Center, Westchester, entered into a Real Estate Asset Purchase Agreement (REAPA) with 845 Palmer Avenue Realty, LLC for the sale and acquisition of the real property for \$74,000,000 plus certain liabilities determined at closing. The applicant will lease the premises from 845 Palmer Avenue Realty, LLC. There is a relationship between Palmer Avenue SNF Operations, LLC and 845 Palmer Avenue Realty, LLC.

Ownership of the operations before and after the requested change in ownership is as follows:

<u>Current Operator</u>	
Jewish Home Lifecare, Sarah Neuman Center	
Not-For-Profit Corporation (100%)	

<u>Proposed Operator</u>	
Palmer Avenue SNF Operations, LLC*	
<u>Members:</u>	
Palmer Avenue SNF Operations Holdings, LLC	100%
Esther Klein	95%
Kathryn Perez	5%

**Palmer Avenue SNF Operations Holdings, LLC, will serve as the Manager. Esther Klein is the manager of Palmer Avenue SNF Operations Holding, LLC.*

OALTC Recommendation
Contingent Approval.

Need Summary
There will be no changes to beds or services as a result of this application. Based upon weekly census data, current occupancy, as of April 24, 2024, was 92.7% for the facility and 87.6% for Westchester County.

Program Summary
The individual background review indicates the applicants have met the standards set forth in Public Health Law §2801-a(3).

Financial Summary

There are no project costs associated with this proposal. The purchase price for the RHCF operations is \$2,000,000, funded by members' equity, with Palmer Avenue SNF Operations, LLC, assuming certain liabilities. 845 Palmer Avenue Realty, LLC will purchase the realty for \$74,000,000 plus certain liabilities to be funded with members' equity of \$13,200,000 and a three-year \$60,800,000 loan, interest at 5.5% plus one-month CME Term SOFR (currently 5.3%) or 10.8%. Repayment terms are interest-only during the three-year loan period. The loan is meant to serve as a bridge-to-HUD loan. The balloon payment at the end of three years is \$60,800,000, as no principal payments will be made. The real property members are unable to cover the balloon payment if acceptable refinancing isn't available.

The proposed budget is as follows:

<u>Budget:</u>	<u>Year One</u>	<u>Year Three</u>
Revenues	\$53,580,387	\$54,273,218
Expenses	<u>53,550,972</u>	<u>53,963,540</u>
Net Income	\$29,415	\$309,678

Health Equity Impact Assessment

This project does not require a Health Equity Impact Assessment as it does not meet the requirements under Public Health Law §2802-B.

Recommendations

Long-Term Care Ombudsman Program
LTCOP recommends Approval. (See LTCOP Attachment A)

Health Systems Agency
There will be no HSA recommendation for this project.

Office of Aging and Long-Term Care

Approval contingent upon:

1. Submission of an executed lease agreement acceptable to the Department of Health. [BFA]
2. Submission of an executed three to five-year self-amortizing working capital loan commitment acceptable to the Department of Health. [BFA]
3. Submission of an executed loan commitment for purchasing the real property, acceptable to the Department of Health. [BFA]
4. Submission of two rent reasonable letter acceptable to the Department of Health [BFA]
5. Submission of a commitment signed by the applicant which indicates that, within two years from the date of the council approval, the percentage of all admissions who are Medicaid and Medicare/Medicaid eligible at the time of admission will be at least 75 percent of the planning area average of all Medicaid and Medicare/Medicaid admissions, subject to possible adjustment based on factors such as the number of Medicaid patient days, the facility's case mix, the length of time before private paying patients became Medicaid eligible, and the financial impact on the facility due to an increase in Medicaid admissions. [RNR]
6. Submission of a plan to continue to enhance access to Medicaid residents. At a minimum, the plan should include, but not necessarily be limited to, ways in which the facility will:
 - a. Reach out to hospital discharge planners to make them aware of the facility's Medicaid Access Program;
 - b. Communicate with local hospital discharge planners on a regular basis regarding bed availability at the nursing facility; and
 - c. Identify community resources that serve the low-income and frail elderly population who may eventually use the nursing facility and inform them about the facility's Medicaid Access policy. [RNR]
7. Submission of a photocopy of an amended and executed Certificate of Assumed Name, acceptable to the Department. [CSL]
8. Submission of a photocopy of an amended and executed Certificate of Formation, acceptable to the Department. [CSL]
9. Submission of a photocopy of the Application for Authority, acceptable to the Department. [CSL]
10. Submission of a photocopy of an amended and executed Limited Liability Company Agreement, acceptable to the Department. [CSL]
11. Submission of a photocopy of the plan for Organization and Administration, in accordance with 10 NYCRR 415.26, acceptable to the Department. [CSL]
12. Submission of a photocopy of an amended and executed Lease Agreement, acceptable to the Department. [CSL]
13. Submission of a photocopy of an amended and executed Consulting Agreement, acceptable to the Department or an Attestation regarding Removal of the Consulting Agreement, acceptable to the Department. [CSL]
14. Submission of a photocopy of an amended and executed Certificate of Formation for Palmer Avenue SNF Operations Holdings LLC, acceptable to the Department. [CSL]
15. Submission of a photocopy of the Application for Authority for Palmer Avenue SNF Operations Holdings LLC, acceptable to the Department. [CSL]
16. Submission of a photocopy of an amended and executed Limited Liability Company Agreement for Palmer Avenue SNF Operations Holdings LLC, acceptable to the Department. [CSL]

17. Submission of a photocopy of the plan for Organization and Administration, in accordance with 10 NYCRR 415.26, for Palmer Avenue SNF Operations Holdings LLC, acceptable to the Department. [CSL]
18. Submission of a photocopy of an amended and executed Operational Asset Purchase Agreement, acceptable to the Department. [CSL]
19. Submission of a photocopy of an amended and executed Real Estate Asset Purchase Agreement, acceptable to the Department. [CSL]

Approval conditional upon:

1. This project must be completed by **one year from the date of the approval letter**, including all pre-opening processes, if applicable. Failure to complete the project by this date may constitute an abandonment of the project by the applicant and the expiration of the approval. It is the responsibility of the applicant to request prior approval for any extensions to the project approval expiration date. [PMU]

Council Action Date
June 20, 2024

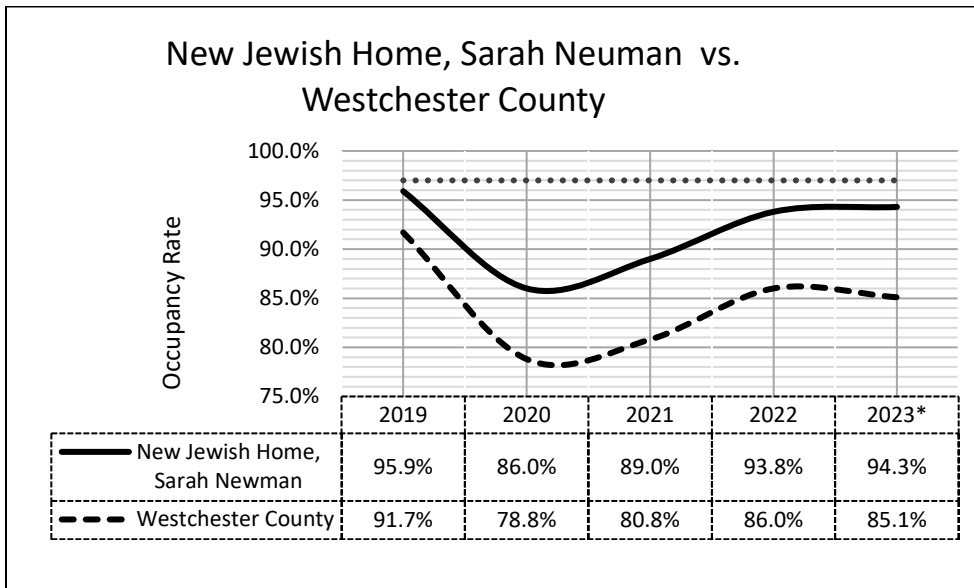
Need Analysis

Background and Analysis

The primary service area is Westchester County, which has a population projected to increase to 1,033,428 by 2029 based on Cornell Program of Applied Demographic estimates. Demographics for the primary service area are noted below including a comparison with New York State.

Demographics	Westchester County	New York State
Total Population (2022 Estimate)	997,904	19,994,379
Hispanic or Latino (of any race)	25.8%	19.5%
White (non-Hispanic)	51.2%	53.8%
Black or African American (non-Hispanic)	13.3%	13.8%
Asian(non-Hispanic)	6.1%	8.8%
Other (non-Hispanic)	3.6%	4.1%

Source: American Community Survey (5-Year Estimates Data Profile)



*2023 data is self-reported and not certified. Occupancy through 2022 is from the RHCf cost reports.

As of April 24, 2024, occupancy was 92.7% for the facility and 87.6% for Westchester County.

The table below shows the CMS Rating and the utilization of the closest RHCf's to The New Jewish Home, Sarah Neuman in New York State.

Facility Name	CMS Overall Rating As of 4/2024	Number of Beds	Distance from other RHCf's Miles/Time	Occupancy			
				2020	2021	2022	2023*
New Jewish Home, Sarah Neuman	3	300	0 miles/0 mins	86.1%	89.0%	93.8%	94.3%
The Osborn	3	84	3.7 miles/11 mins	79.7%	82.1%	90.3%	89.8%
Sutton Park Rehab	2	160	3.6 miles/10 mins	82.6%	83.0%	93.4%	92.6%
Schaffer Extended Care	3	150	3.7 miles/10 mins	90.6%	91.7%	95.5%	95.4%
United Hebrew Geriatric	5	294	4.5 miles/17 mins	90.0%	88.6%	86.7%	63.5%
The Wartburg Home	3	210	5.1 miles/ 17 mils	68.4%	58.2%	58.2%	48.9%
Dumont Center Rehab	5	181	5.6 miles/14 mins	82.6%	88.5%	95.8%	95.9%

*2023 data is self-reported and not certified. Occupancy through 2022 is from the RHCf cost reports.

The following table provides the Case Mix Index (CMI) for the facility and surrounding RCHFs, which reflects the relative resources predicted to provide care to a resident. The higher the case mix weight, the greater the resource requirement for the residents.

Case Mix Index	2021		2022		2023	
	All Payor Mix	Medicaid Only	All Payor Mix	Medicaid Only	All Payor Mix	Medicaid Only
New Jewish Home, Sarah Neuman	1.154	1.038	1.2446	1.1176	1.2887	1.187
The Osborn	N/A	N/A	N/A	N/A	N/A	N/A
Sutton Park Rehab	1.051	1.117	1.2267	1.1653	1.3846	1.3127
Schaffer Extended Care	0.975	0.853	0.9608	0.889	0.9946	0.8613
United Hebrew Geriatric	1.204	1.048	1.209	1.0843	1.2375	1.1113
The Wartburg Home	1.184	1.096	1.2314	1.1925	1.2117	1.1475
Dumont Center Rehab	1.382	1.294	1.321	1.2971	1.7141	1.9042

Medicaid Access

To ensure that the Residential Health Care Facility needs of the Medicaid population are met, 10 NYCRR §670.3 requires applicants to accept and admit a reasonable percentage of Medicaid residents in their service area. The benchmark is 75% of the annual percentage of residential healthcare facility admissions that are Medicaid-eligible individuals in their planning area. This benchmark may be increased or decreased based on the following factors:

- the number of individuals within the planning area currently awaiting placement to a residential health care facility and the proportion of total individuals awaiting such placement that are Medicaid patients and/or alternate level of care patients in general hospitals.
- the proportion of the facility's total patient days are Medicaid patient days and the length of time that the facility's patients who are admitted as private paying patients remain such before becoming Medicaid eligible.
- the proportion of the facility's admissions who are Medicare patients or patients whose services are paid for under provisions of the federal Veterans' Benefit Law.
- the facility's patient case-mix is based on the intensity of care required by the facility's patients or the extent to which the facility provides services to patients with unique or specialized needs.
- the financial impact on the facility due to an increase in Medicaid patient admissions.

An applicant will be required to make appropriate adjustments in its admission policies and practices to meet the resultant percentage. The facility's Medicaid admissions rate was below the threshold of 75% of the Westchester County rate for the years 2020 through 2022.

Medicaid Access	2020	2021	2022
Westchester County Total	31.3%	27.5%	25.9%
<i>Westchester Threshold Value</i>	23.5%	20.6%	19.4%
New Jewish Home, Sarah Neuman	16.1%	14.2%	15.9%

Conclusion

There will be no changes to beds or services as a result of this application. Based upon weekly census data, current occupancy, as of April 24, 2024, was 92.7% for the facility and 87.6% for Westchester County.

Program Analysis

Project Proposal

	Existing	Proposed
Facility Name	The New Jewish Home, Sarah Neuman	Sarah Neuman Center for Rehabilitation and Nursing
Address	845 Palmer Avenue, Mamaroneck, New York 10543	Same
RHCF Capacity	300 Beds	Same
ADHCP Capacity	N/A	N/A
Type of Operator	Non-for-Profit Corporation	Limited Liability Company
Class of Operator	Voluntary	Proprietary
Operator	Jewish Home Lifecare, Sarah Neuman Center	Palmer Avenue SNF Operations LLC <u>Membership:</u> Palmer Avenue SNF Operations Holdings, LLC 100% <u>Membership:</u> Esther Klein 95% Kathryn Perez 5%

Palmer Avenue SNF Operations, LLC d/b/a Sarah Neuman Center for Rehabilitation and Nursing has indicated there will be an administrative services agreement with Palmer Avenue SNF Consulting LLC. The sole member of Palmer Avenue SNF Consulting LLC is Palmer Avenue SNF Consulting Holdings LLC and the members of Palmer Avenue SNF Consulting Holdings LLC are Solomon Klein and Chava Wolofsky. As noted in the consulting and services agreement, Palmer Avenue SNF Consulting LLC shall do the following for the subject facility: resident relations, personnel, service contracts, maintenance and repair, collection, expenses, reports, records, legal proceedings, process insurance claims, maintenance of licenses, rate schedules, accounting and report supervision, cost reports and tax returns, compliance with legal requirements, and rates. The Department takes no position on whether the rates for consulting services reflect fair market value or not.

Character and Competence

Esther Klein discloses employment as a Teacher’s Coach/Mentor at Catapult Learning Center, LLC in Camden, New Jersey, and has been a self-employed skilled nursing home Operator since October 2018. Esther received a high school diploma from Yeshiva Kehilath Yakov and discloses the following ownership interests:

Nursing Homes

Ten Broeck Center for Rehabilitation and Nursing (NY) (27.5%)	10/2018 to Present
Westhampton Care Center (NY) (3%)	01/2018 to Present
Valencia Hills Health and Rehabilitation Center (FL) (11.25%)	02/2022 to Present
Seven Hills Health and Rehabilitation Center (FL) (11.25%)	02/2022 to Present
Springs at Boca Ciega Bay (FL) (11.25%)	02/2022 to Present
Springs at Lake Pointe Woods (FL) (11.25%)	02/2022 to Present
Surrey Place Healthcare and Rehabilitation (FL) (11.25%)	02/2022 to Present
Diamond Ridge Health and Rehabilitation Center (FL) (11.25%)	02/2022 to Present
Madison Health and Rehabilitation Center (FL) (11.25%)	02/2022 to Present
Tampa Lakes Health and Rehabilitation Center (FL) (11.25%)	02/2022 to Present
Scott Lake Health and Rehabilitation Center (FL) (11.25%)	02/2022 to Present
Sullivan County Adult Care Center (NY) (95%)	Pending

End Dated Ownership

Abbey Woods Center for Rehabilitation and Healing (MO) (30%)

04/2017 to 06/2019

Kathryn Perez lists employment as Regional Director of Operations at Infinite Care, a skilled nursing consulting company located in Lakewood, NJ, and was previously employed as the Administrator at Ten Broeck Commons in Lake Katrine, New York. Kathryn holds a bachelor’s degree in education/recreation Therapy from SUNY Cortland, is a Licensed Nursing Home Administrator in good standing with New York State and is also a Certified Therapeutic Recreation Specialist with an active certification through the National Council for Therapeutic Recreation Certification. Kathryn discloses the following health facility ownership interests.

Nursing Homes

Sullivan County Adult Care Center (NY) (5%)

Pending

End Dated Ownership

Evergreen Commons (NY) (5%)

05/2008 to 04/2016

Ten Broeck Center for Rehabilitation & Nursing (NY) (8.5%)

09/2004 to 09/2018

Quality Review

The proposed applicant has been evaluated, in part, on the distribution of CMS Star ratings for their portfolio. For the proposed owner, the distribution of CMS star ratings for their facilities meets the standard described in state regulations.

CMS Star Rating Criteria					
		Duration of Ownership*			
		< 48 Months		48 months or more	
Proposed Owner	Total Nursing Homes	Number of Nursing Homes	Percent of Nursing Homes With a Below Average Rating	Number of Nursing Homes	Percent of Nursing Homes With a Below Average Rating
Esther Klein	11	9	22%	2	0%
Kathryn Perez	0	N/A	N/A	N/A	N/A

*Duration of Ownership as of 06/20/2024

Data date: 4/2024

New York. The proposed owner’s portfolio includes ownership in two New York facilities. Both of the New York facilities in the ownership portfolio have a CMS overall quality rating of average or higher.

Florida. The proposed owner’s portfolio includes ownership of nine Florida facilities. Seven of the Florida facilities in the ownership portfolio have a CMS overall quality rating of average or higher. The remaining facilities, Diamond Ridge Health and Rehabilitation Center and Scott Lake Health and Rehabilitation Center have a CMS overall quality rating of below average or lower. To improve the overall quality rating at Diamond Ridge Health and Rehabilitation Center and Scott Lake Health and Rehabilitation Center the applicant indicated the following:

Diamond Ridge Health and Rehabilitation Center has 2 stars overall and 3 stars for staffing. Regarding the overall rating of two (2) stars, this was the result of an Immediate Jeopardy (IJ) violation received by the facility during an annual survey that was conducted from October 21-24, 2019. It is important to note that this IJ was received by the facility prior to Ms. Klein’s affiliation. The IJ related to a three-(3)-minute delay in staff providing Cardio-Pulmonary Resuscitation (CPR) to a resident who was having a heart attack. The resident subsequently passed away. This IJ was subsequently removed on October 25, 2019, and the following actions have been implemented by the facility:

- *Regular audits are conducted to verify that all licensed nurses have current CPR certification.*
- *Re-education was provided to nursing staff by the facility’s Staff Development Office regarding the proper procedures to utilize when responding to emergency care issues.*

- Mock drills are performed on a regular basis to assess staff response to emergency care; and
- Random weekly audits are conducted by the Director of Nursing to ensure the proper procedures for emergency care are performed. Results of these audits are presented to the Quality Assurance and Improvement Committee monthly.

Diamond Ridge Health and Rehabilitation Center is waiting for its next annual survey to take place. Once the survey has been conducted, the facility expects to show three (3) stars in the Overall category.

Scott Lake Health and Rehabilitation Center received three (3) Immediate Jeopardy tags on May 19, 2023, all of which were corrected on June 19, 2023. A Civil Monetary Penalty (CMP) in the amount of \$15,592 relating to these tags was paid by the facility on August 8, 2023.

Since then, the facility Administrator has been replaced. Additional support has been added from the facility's clinical consultant team. The clinical consultant team continues to provide daily oversight to improve facility practices related to policy, procedures and programming. This oversight includes training of staff, auditing of processes and observation of the care being provided to facility residents. Further, to improve the facility's quality measures, the facility is in the process of hiring a Resident Services Director who will have the education and experience to support the facility's initiative to increase the quality of care provided to its residents. Finally, the facility will increase its Registered Nurse hours by filling its vacant unit manager position with an experienced Registered Nurse. The facility is optimistic that these initiatives will lead to an increase in the Overall star rating of the facility.

Facility	Ownership Since	Overall	Health Inspection	Quality Measure	Staffing
New York					
The New Jewish Home, Sarah Neuman	Subject Facility	***	***	****	**
Ten Broeck Center for Rehabilitation & Nursing	Current	****	***	*****	**
	10/2018	*****	****	*****	**
Westhampton Care Center	Current	****	***	*****	**
	1/2018	****	***	*****	***
Florida					
Valencia Hills Health and Rehabilitation Center	Current	***	**	*****	****
	2/2022	*	**	****	*
Seven Hills Health and Rehabilitation Center	Current	****	****	****	****
	2/2022	****	***	**	****
Springs at Boca Ciega Bay	Current	****	***	*****	****
	2/2022	****	***	***	****
Springs at Lake Pointe Woods	Current	***	***	****	***
	2/2022	*****	*****	*****	***
Surrey Place Healthcare and Rehabilitation	Current	*****	*****	*****	***

Facility	Ownership Since	Overall	Health Inspection	Quality Measure	Staffing
	2/2022	*****	****	*****	****
Diamond Ridge Health and Rehabilitation Center	Current	**	*	*****	***
	2/2022	**	*	*****	***
Madison Health and Rehabilitation Center	Current	*****	*****	**	****
	2/2022	*****	*****	***	****
Tampa Lakes Health and Rehabilitation Center	Current	****	***	*****	***
	2/2022	***	**	****	*****
Scott Lake Health and Rehabilitation Center	Current	*	*	****	****
	2/2022	****	***	****	****

Data date: 4/2024

End Dated Ownership					
New York					
Ten Broeck Commons	9/2018	*****	****	*****	**
	9/2004 (ratings started 1/2009)	*****	*****	***	**
Evergreen Commons	4/2016	*	*	****	**
	5/2008 (ratings started 1/2009)	*	*	**	*
Missouri					
Abbey Woods Center for Rehab and Healing	6/2019	**	*	*****	**
	4/2017	***	**	**	****

Enforcement History

New York

A review of the operations of Westhampton Care Center for the time period indicated above reveals the following:

- The facility was fined \$14,000.00 pursuant to Stipulation and Order NH-22-116 for surveillance findings on 1/18/2022. Deficiencies were found under 415.19(a)(1)(2) Infection Control – PPE: Facility staff were observed exiting and entering room of residents on droplet precautions without doffing and donning PPE and 415.12 (h)(2) Quality of Care: A resident, who required total dependence of two persons for bathing, sustained a fall with head injury when care to the resident was provided without assistance. A federal CMP in the amount of \$11,435.00 was also assessed for surveillance findings on 1/18/2022.
- The facility was fined \$10,000.00 pursuant to Stipulation and Order NH-19-003 for surveillance findings on 9/10/2018. Deficiencies were found under 415.4(b) abuse, verbal, sexual, physical, and

mental, corporal punishment, and involuntary seclusion. A federal CMP in the amount of \$7,036.25 was also assessed for surveillance findings on 9/10/2018.

A review of the operations of Ten Broeck Center for Rehabilitation & Nursing for the period indicated above reveals no enforcements.

A review of the operations of Evergreen Commons for the period indicated above reveals the following:

- The facility was fined \$12,000.00 pursuant to Stipulation and Order NH-16-150 for surveillance findings on 9/8/2014. Deficiencies were found under 415.11(c)(3)(ii) Resident assessment services must meet professional standards and 415.12 Quality of care highest practicable potential.
- The facility was fined \$10,000.00 pursuant to Stipulation and Order NH-16-064 for surveillance findings on 5/13/2014. Deficiencies were found under 415.12(h)(1) Quality of Care accident-free environment.

Florida

A review of the operations of Valencia Hills Health and Rehabilitation Center for the period indicated above reveals the following:

- On 12/20/2023 the facility was cited under F689 as immediate jeopardy for failure to protect each resident from all types of abuse such as physical, mental, sexual abuse, physical punishment, and neglect by anybody. The facility was also cited under F600 as immediate jeopardy for failure to ensure that a nursing home area is free from accident hazards and provides adequate supervision to prevent accidents. The federal CMP has not yet been disclosed by CMS.

A review of the operations of Seven Hills Health and Rehabilitation Center for the period indicated above reveals no enforcements.

A review of the operations of Springs at Boca Ciega Bay for the period indicated above reveals no enforcements.

A review of the operations of Springs at Lake Pointe Woods for the period indicated above reveals the following:

- The facility was assessed a federal CMP of \$1,748.00 on 10/30/2023 and \$3,145.00 on 10/10/2023 for failure to report COVID data.

A review of the operations of Surrey Place Healthcare and Rehabilitation for the period indicated above reveals no enforcements.

A review of the operations of Diamond Ridge Health and Rehabilitation Center for the period indicated above reveals no enforcements.

A review of the operations of Madison Health and Rehabilitation Center for the period indicated above reveals no enforcements.

A review of the operations of Tampa Lakes Health and Rehabilitation Center for the period indicated above reveals no enforcements.

A review of the operations of Scott Lake Health and Rehabilitation Center for the period indicated above reveals the following:

- The facility was assessed a CMP of \$15,593.00 based on surveillance findings on 5/19/2023 under F609 for failure to timely report suspected abuse, neglect, or theft and report the results of the investigation to proper authorities, F689 for failure to ensure that a nursing home area is free from accident hazards and provides adequate supervision to prevent accidents, and F757 for failure to ensure each resident's drug regimen must be free from unnecessary drugs.

Missouri

Information provided by the State of Missouri for Abbey Woods during the period indicated above revealed the following:

- A Federal CMP was paid for surveillance findings on 7/18/2017. Findings were related to tag 684 Quality of Care cited at a G level. A revisit survey was completed on 8/23/2017 and the facility was found to be in compliance.

Conclusion

The individual background review indicates the applicants have met the standards set forth in Public Health Law §2801-a(3).

Financial Analysis

Operating Budget

The applicant has provided the current year, 2022, and the first and third-year operating budgets after the change in ownership in 2024 dollars, summarized as follows:

	<u>Current Year</u>		<u>Year One</u>		<u>Year Three</u>	
<u>Revenues</u>	<u>Per Diem</u>	<u>Total</u>	<u>Per Diem</u>	<u>Total</u>	<u>Per Diem</u>	<u>Total</u>
Medicaid FFS	\$301.61	\$20,488,981	\$318.00	\$18,444,954	\$317.99	\$18,684,738
Medicaid MC	\$305.47	2,982,044	\$315.00	3,265,605	\$315.01	3,307,955
Medicare FFS	\$753.29	7,778,430	\$850.00	19,713,200	\$850.02	19,969,472
Medicare MC	\$633.53	2,221,781	\$850.00	6,269,600	\$849.99	6,351,106
Private Pay	\$566.20	6,310,258	\$566.20	4,601,477	\$566.17	4,661,296
Assessment Rev		0		1,007,477		1,020,577
Other*		<u>2,837,280</u>		<u>278,074</u>		<u>278,074</u>
Total		\$42,618,774		\$53,580,387		\$54,273,218
<u>Expenses</u>						
Operating	\$460.16	\$47,246,227	\$382.65	\$40,967,987	\$378.82	\$41,085,517
Capital	<u>\$28.37</u>	<u>2,913,254</u>	<u>\$117.53</u>	<u>12,582,985</u>	<u>\$118.74</u>	<u>12,878,023</u>
Total Expenses	\$488.53	\$50,159,481	\$500.18	\$53,550,972	\$497.56	\$53,963,540
Net Income		<u>\$(7,540,707)</u>		<u>\$29,415</u>		<u>\$309,678</u>
Patient Days		102,673		107,065		108,457
Utilization		93.45%		97.45%		98.72%

*Cash discounts \$12,803, TV rentals \$10,219, Record and Abstract fees \$26,570, Caring Communities Dividends \$51,558, VAP \$1,417,604, JLA basic grant \$140,000, FEMA grant \$1,001,602 and Other \$176,924. The only "Other Income" items that will continue in the first and third years are Cash discounts, TV rentals, Record and abstract fees, Caring Communities dividends, and Other.

The following is noted concerning the operating budget:

- The Current Year reflects the facility's 2022 revenues and expenses.
- The Medicaid FFS rate is based on the facility's July 2023 Medicaid Regional Pricing rate. Medicaid MC Care rate is projected to be slightly below the Medicaid FFS rate.
- The Medicare rate is projected based on the facility's forecast. The private payer rate is based on 2022 rates as a conservative measure.
- Operating expenses are based on 2022 expenses increased by 2% on most non-payroll items with a reduction in certain expenses based on expected efficiencies. Administrative expenses, professional fees, and purchase services are expected to decline with increased rent expenses.
 - The projected percentage of direct care staffing costs to projected facility revenues is 49.17% in Year One and 48.55% in Year Three, exceeding the 40% requirement in Public Health Law 2808.
 - The percentage of direct resident care costs to projected facility revenue is 74.71% in Year One and 73.94% in Year Three, exceeding the 70% requirement in Public Health Law 2808.
 - The facility's projected profit percentage is forecasted to be 0.05% in Year One and 0.57% in Year Three, less than the 5% maximum outlined in Public Health Law 2808.
- The projected utilization for the facility is 97.00% in Year One and 97.35% in Year Three. It was noted that the facility's annual occupancy averages for 2019, 2020, 2021 and 2022 were 95.7%, 86.1%, 88.7%, and 93.45%, respectively. Occupancy was 94.7% for the week ending May 8, 2024 (self-reported information to the Department). The applicant plans to increase Medicare occupancy by:
 - Hiring two new Physical Therapists, two new Occupational Therapists and two new Speech Therapists.
 - Leveraging its network of referral sources to market the facility to residents needing rehabilitation services more effectively.

- o Reaching out to local hospitals to establish referral relations regarding individuals needing short-term rehabilitation services.
- o Adding rehabilitation equipment and to modernize and upgrade the therapy spaces.
- o Updating and beautifying the residents' rooms and their dining rooms.

Utilization by payor source is projected as follows:

Payor	Current Year		First Year		Third Year	
	Days	%	Days	%	Days	%
Medicaid FFS	67,933	66.16%	58,003	54.18%	58,758	54.18%
Medicaid MC	9,762	9.51%	10,367	9.68%	10,501	9.68%
Medicare FFS	10,326	10.06%	23,192	21.66%	23,493	21.66%
Medicare MC	3,507	3.42%	7,376	6.89%	7,472	6.89%
Private Pay/Other	11,145	10.85%	8,127	7.59%	8,233	7.59%
Total	102,673	100%	107,065	100%	108,457	100%

- The facility's Medicaid admissions were 14.2% in 2021 and 15.9% in 2022, below Westchester County's 75% threshold rate of 20.6% for 2021 and 19.4% for 2022.
- The applicant's New York State Affiliated SNF had the following Medicaid and Medicare utilization:
 - o For 2022, Westhampton Care Center – Medicaid 50.3% and Medicare 39.2%.
 - o In 2018, Westhampton Care Center – Medicaid 56.1% and Medicare 35.5%.
 - o For 2022 Ten Broeck Center – Medicaid 69.5% and Medicare 23%.
 - o In 2018, Ten Broeck Center – Medicaid 77.9% and Medicare 10.4%.
- Breakeven occupancy for the first and third year is projected at 97.91% and 98.72% respectively.

Operational Asset Purchase Agreement

The applicant has submitted an executed OAPA to acquire the RHCF's operating interests, effectuated if approved. The terms are summarized below:

Date:	May 17, 2023
Seller:	Jewish Home Lifecare, Sarah Neuman Center, Westchester d/b/a The Jewish Home, Sarah Neuman
Buyer:	Palmer Avenue SNF Operations, LLC
Asset Acquired:	Rights, title, and interest in non-real estate personal property assets, including operational permits, assumed contracts, books and records, patient lists, supplier data, resident security deposits, Medicare and Medicaid provider numbers, furniture, equipment, inventories, computers, the name "Sarah Neuman." After the effective date, claims against the third party, accounts receivable, cash equivalents, retroactive reimbursements, and adjustments.
Excluded Assets:	Before the effective date, cash, accounts receivable, residents' personal property, overpayments, claims, proceeds from governmental and private payors, intercompany accounts, and records that must be kept or do not pertain to operations. Trade names and employee plans.
Assumption of Liabilities:	Liabilities and obligations arising concerning the Facility's operation on and after the effective date, plus assumption of 1199 CBA payroll increases effective July 1, 2023.
Purchase Price:	\$2,000,000 plus certain liabilities to be determined at closing
Payment of Purchase Price:	\$2,000,000 at closing and the assumption of assumed liabilities

Members' equity will be used to satisfy the \$2,000,000 purchase price for the operations. BFA Attachment A.1 presents their net worth summary, which reveals sufficient resources to cover the purchase price. The members of Palmer Avenue SNF Operations, LLC, have provided affidavits to contribute additional liquid resources to cover the assumed liabilities, if necessary.

The applicant has submitted an original affidavit, which is acceptable to the Department, in which the applicant agrees, notwithstanding any agreement, arrangement, or understanding between the applicant

and the transferor to the contrary, to be liable and responsible for any Medicaid overpayments made to the facility and surcharges, assessments or fees due from the transferor under Article 28 of the Public Health Law concerning the period before the applicant acquiring its interest, without releasing the transferor of its liability and responsibility. As of May 10, 2024, the facility had no outstanding Medicaid liabilities.

Jewish Home Lifecare, Sarah Neuman Center, reports that it has been operating the RHCF at a financial loss. They also state that given the facility's troubled financial condition, the Center sought out experienced nursing home operators from across the region who could provide the best possible patient care and maintain employee jobs. Palmer Avenue SNF Operations was chosen to operate the facility after the selection process.

Real Estate Asset Purchase Agreement (REAPA)

The applicant has submitted an executed REAPA for the sale of the RHCF's realty, expected to close in the fourth quarter of 2024. The terms are summarized below:

Date:	May 17, 2023
Seller:	Jewish Home Lifecare, Sarah Neuman Center, Westchester
Purchaser:	845 Palmer Avenue Realty, LLC
Asset Transferred:	Real Property located at 845 Palmer Avenue, Mamaroneck, NY 10543 (Tax ID No. Block 905, Lot 54)
Purchase Price:	\$74,000,000 plus certain liabilities to be determined at closing
Payment of Purchase Price:	\$500,000 paid upon execution \$2,500,000 paid 45 days after execution \$71,000,000 paid at closing + certain liabilities to be determined at closing

The purchase price of the real property is proposed to be satisfied as follows:

Equity from real property member Chava Wolofsky	\$13,200,000
Loan - 3 years, interest at 5.5% plus 1-month CME Term SOFR (currently 5.3%) or 10.8%. Repayment terms are interest-only during the three-year loan period	<u>60,800,000</u>
Total	<u>\$74,000,000</u>

The applicant reports that the loan is meant to serve as a bridge-to-HUD loan. Greystone has provided a letter of interest.

BFA Attachment A.2, Net Worth Summary for the Proposed Members of 845 Palmer Avenue Realty, LLC (real property owner), shows sufficient resources to meet the project's equity requirement. It is noted that liquid resources may not be available in proportion to the proposed ownership interest. Chava Wolofsky has provided an affidavit stating that she will contribute the \$13,200,000 disproportionate to her membership interest. BFA Attachment E provides the members of 845 Palmer Avenue Realty, LLC.

The applicant states that SEAM NY 2020 Trust (NY)—Esther Klein is the sole beneficiary—is not contributing any capital toward the project (which represents 47.525% of the real property ownership), and CW Palmer Avenue Holdings, LLC (owned by Chava Wolofsky) has no assets or liabilities. The balloon payment at the end of three years is \$60,800,000, as no principal payments will be made. The real property members are unable to cover the balloon payment if acceptable refinancing isn't available.

Consulting Agreement

Palmer Avenue SNF Operations LLC entered a draft Consulting Services Agreement with Palmer Avenue SNF Consulting LLC; terms are summarized below:

Facility Operator:	Palmer Avenue SNF Operations LLC
Service Provider:	Palmer Avenue SNF Consulting LLC
Term:	One year and renews for five (5) successive additional terms of one (1) year and then annually.
Services:	Provide or assist with resident relations, personnel, service contracts, maintenance and repair, collection, expenses, reports, records, legal proceedings, process

	insurance claims, maintenance of licenses, rate schedules, accounting and report supervision, cost reports and tax returns, and compliance with legal requirements.
Compensation:	\$1,800,000 per year (\$150,000 per month)

Palmer Avenue SNF Operations LLC has submitted an executed attestation stating that the applicant understands and acknowledges that there are powers that must not be delegated, the applicant will not willfully engage in any illegal delegation and understands that the Department will hold the applicant accountable.

The sole member of Palmer Avenue SNF Consulting LLC is Palmer Avenue SNF Consulting Holdings LLC. Palmer Avenue SNF Consulting Holdings LLC members are Solomon Klein (50%) and Chava Wolofsky (50%).

Lease Agreement

The applicant submitted a draft lease agreement, the terms of which are summarized below:

Premises:	301-bed (including one respite bed) RHCf located at 845 Palmer Avenue, Mamaroneck, NY
Landlord:	845 Palmer Avenue Realty, LLC
Lessee:	Palmer Avenue SNF Operations, LLC
Term:	Ten years with three (3) 10-year renewable terms
Rent:	\$9,500,000 (\$791,667 per month). Base rent will increase by three (3)% over the prior year's rent. On the Third anniversary of the Commencement Date and every three (3) years after that, the Base Rent shall be set at fair market value. Base Rent hereunder shall not be less than an amount equal to the product of 1.10 multiplied by the total of (i) Landlord's debt service payments for principal and interest due to each Lender (\$6,566,000 of interest *1.1 or \$7,222,600) plus (ii) annual real estate property taxes (estimated at \$680,000) plus (iii) annual property insurance premiums (estimated at \$86,000) [plus (iv) any amounts due under Section 5.7 hereof for CapEx Reserve] estimated at \$650,000. For a total of \$8,638,600.
Provisions:	Triple Net

The lease arrangement is a non-arms-length agreement. The applicant has submitted an affidavit attesting to the relationship between the landlord and the operating entity.

Capability and Feasibility

The purchase price for the RHCf operations is \$2,000,000, funded by members' equity, with Palmer Avenue SNF Operations, LLC, assuming certain liabilities. 845 Palmer Avenue Realty, LLC will purchase the real property for \$74,000,000 plus certain liabilities to be funded via members' equity of \$13,200,000 and a three-year \$60,800,000 loan, interest at 5.5% plus 1-month CME Term SOFR (currently 5.3%) or 10.8%. Repayment terms are interest-only during the three-year loan period. The applicant reports that the loan is meant to serve as a bridge-to-HUD loan. Greystone has provided a letter of interest. There are no project costs associated with this proposal. The balloon payment at the end of three years is \$60,800,000, as no principal payments will be made. The real property members are unable to cover the balloon payment if acceptable refinancing isn't available.

The working capital requirement is estimated at \$8,925,162 based on two months of first-year expenses funded by \$4,771,226 in members' equity and a \$4,153,936 three-year loan at 5.5% plus 1-month CME Term SOFR (currently 5.3% or 10.8% interest). Repayment terms are three years with principal and interest. Greystone has provided a letter of interest. BFA Attachment A.1, Members' Net Worth Summary reveals sufficient resources to meet equity requirements. The Palmer Avenue SNF Operations LLC members have provided affidavits stating their willingness to contribute additional liquid resources to cover the assumed liabilities, if necessary.

The budget projects a net income of \$29,415 in the first year and \$309,678 by the third year. Total revenues in the first year are expected to increase by \$10,961,613 as the utilization mix changes (Medicaid drops 11.81% and Medicare increases 15.07%). Overall expenses are projected to increase by \$3,391,491 in the first year, from a \$9,221,106 rent increase, a \$448,625 interest expense increase, and a \$6,278,240 drop in operating expenses. The decline in operating costs is attributed to a drop in three categories: \$1,265,497 in professional fees, \$2,833,991 in purchased services, and \$3,237,775 in other direct expenses. Wages and fringe benefits are expected to increase by \$1,002,504 and \$56,519 in various other classifications. Employee benefits are projected to be 42.30% in the first and third years, a decline of 0.74% from the current 43.04% of salaries and wages. BFA Attachment B, Palmer Avenue SNF Operations, LLC's Pro Forma Balance Sheet, shows the entity will start with \$6,771,226 in members' equity as of the first day of operations.

BFA Attachment C, 2020-2022 Jewish Home Lifecare, Sarah Neuman Center's Financial Summary, shows the RHCf had average positive net assets, average negative working capital, and an average operating loss for the period.

BFA Attachment D presents the Proposed Members' Ownership Interests in New York and Out-of-State Affiliated RHCfs and Their Financial Summaries. Based on the Certified Financial Statements from 2020 through 2022, the New York State facilities had average positive working capital of \$1,358,161, average net assets of \$4,246,317, and an average net income of \$2,927,588. The nine out-of-state affiliated nursing homes were bought in February 2022. Based on Internal Financial Statements for 2022 and 2023, the out-of-state facilities had average positive working capital of \$470,458, average net assets of \$674,865, and an average net income of \$484,024.

Conclusion

Based on the information submitted to the Department, the applicant has presented a basis to proceed in a financially feasible manner, assuming all revenue projections and other projected figures are achieved.

Attachments

LTCOP Attachment	Long-Term Care Ombudsman Program Recommendation
BHFP Attachment	Map
BFA Attachment A-1	Members' Net Worth Summary - Palmer Avenue SNF Operations, LLC
BFA Attachment A-2	Members' Net Worth Summary - 845 Palmer Avenue Realty, LLC
BFA Attachment B	Pro Forma Balance Sheet - Palmer Avenue SNF Operations, LLC
BFA Attachment C	Financial Summary Jewish Home Lifecare, Sarah Neuman Center 2021-2022
BFA Attachment D	Proposed Members' Ownership Interest in the NYS Affiliated and Out-of-State RHCfs and Financial Summary
BFA Attachment E	Members of 845 Palmer Avenue Realty, LLC



Office of the State Long Term Care Ombudsman

Two Empire State Plaza
Fifth Floor, Albany, NY 12223-1251
www.ltcombudsman.ny.gov

Claudette Royal
State Ombudsman
1-855-582-6769

To: Public Health and Health Planning Council

Re: 232025 Palmer Avenue SNF Operations LLC d/b/a/ Sarah Neuman Center for Rehabilitation and Nursing

Date: June 17, 2024

Long Term Care Ombudsman Program Review:

The Office of the State Long Term Care Ombudsman has received and reviewed the application for change in ownership submitted by Palmer Avenue SNF Operations LLC d/b/a/ Sarah Neuman Center for Rehabilitation and Nursing. The Office reviewed the two facilities currently operated by the proposed owners. There is a regular and consistent Ombudsman presence in both facilities. Based on the Office's review of any programmatic interactions and complaints received for these two facilities, the Office has no objections to the approval of this application.

A handwritten signature in cursive script that reads "Claudette Royal".

Claudette Royal
New York State Ombudsman



CON 232025-New Jewish Home, Sarah Newman

The New Jewish Home, Sarah Neuman

3 miles

The Wartburg Home

Sutton Park Center for Nursing and Rehabilitation

Schaffer Extended Care Center

United Hebrew Geriatric Center

Dumont Center for Rehabilitation and Nursing Care

Palmer Avenue SNF Operations LLC
Doing Business As
Sarah Neuman Center for Rehabilitation and Nursing

Pro Forma Balance Sheet (AS OF APPROVAL DATE)

	<u>Operating Co.</u>
<u>ASSETS:</u>	
Cash and Cash Equivalents	\$ 8,925,162
Total Current Assets	<u>\$ 8,925,162</u>
Operating assets	\$ 2,000,000
TOTAL ASSETS	<u>\$ 10,925,162</u>
<u>LIABILITIES *:</u>	
Current Liabilities	<u>-</u>
Long-Term Liabilities - Working Capital Loan	\$ 4,153,936
TOTAL LIABILITIES	<u>\$ 4,153,936</u>
Members' Equity	<u>\$ 6,771,226</u>
TOTAL LIABILITIES AND MEMBERS' EQUITY	<u>\$ 10,925,162</u>

* The amount of the assumed liabilities will be determined at closing.

Financial Summary

The New Jewish Home, Sarah Neuman

FISCAL PERIOD ENDED	<u>12/31/2022</u>	<u>12/31/2021</u>	<u>12/31/20</u>
ASSETS - CURRENT	\$7,595,312	\$8,112,000	\$6,579,000
ASSETS - FIXED AND OTHER	\$30,796,269	\$32,047,000	\$33,287,000
LIABILITIES - CURRENT	\$34,431,622	\$29,445,000	\$13,508,000
LIABILITIES - LONG-TERM	<u>\$0</u>	<u>\$519,000</u>	<u>\$15,243,000</u>
EQUITY	\$3,959,959	\$10,195,000	\$11,115,000
<hr/>			
INCOME	\$42,618,774	\$41,527,000	\$40,526,000
EXPENSE	<u>\$50,159,481</u>	<u>\$47,830,000</u>	<u>\$49,038,000</u>
NET INCOME	-\$7,540,707	-\$6,303,000	-\$8,512,000
<hr/>			
NUMBER OF BEDS	301	301	301
PERCENT OF OCCUPANCY (DAYS)	93.48%	88.44%	86.01%
<hr/>			
PERCENT OCCUPANCY (DAYS):			
MEDICAID	75.68%	76.40%	75.70%
MEDICARE	13.47%	13.00%	12.20%
PRIVATE/OTHER	10.85%	10.60%	12.10%
<hr/>			

Jewish Home Lifecare Sarah Neuman Center, Westchester
Balance Sheet
December 31, 2022

JHL,SARAH NEUMAN
CTR,WESTCHEST

Current Assets:	
Cash and cash equivalents	105,104
Resident Funds- Cash	566,984
Investment	417,354
Patient services receivable	4,348,513
Prepaid expense and other assets	230,494
Other receivable	1,861,226
Inventory	41,596
Total Current Assets	7,571,271
Other Assets	
Beneficial Interest in Related Organization	8,271,073
Fixed assets	22,335,660
Other Assets	30,606,733
Total Assets	38,178,004
Current Liabilities:	
Accounts payable and accrued liabilities	3,906,604
Accrued salaries and related liabilities	863,967
Deferred Taxes	446,209
Line of Credit	5,190,547
Insurance Deductible Reserve	806,530
Resident funds	434,742
Due to third parties	511,046
Total Current Liabilities	12,159,646
Long Term- Liabilities Current Liabilities:	
Loan payable	41,923
Due from related organizations	21,136,325
Mortgage payable	390,460
Other liabilities	489,687
Total Long Term Liabilities	22,058,395
Net Assets	
Change in Net Assets	(6,302,663)
Net assets without donor restriction	9,517,441
Net assets with donor restriction	745,185
Total Net Assets	3,959,963
Total Liabilities and Net Assets	38,178,004

Check -

Jewish Home Lifecare Sarah Neuman Center, Westchester
Statement of Operations
December 31, 2022

JHL,SARAH NEUMAN
CTR,WESTCHEST

Revenue

Patient Revenue	38,893,573
Other Revenue	1,787,021
Total Revenue	<u>40,680,594</u>

Expense

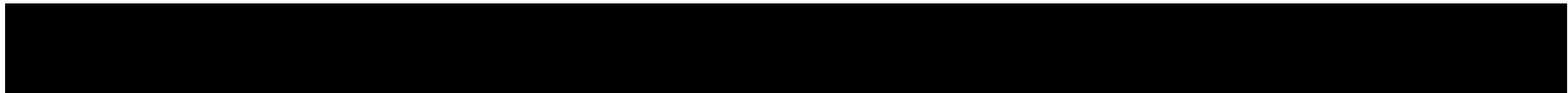
Salaries	18,825,926
Benefits	8,709,269
Interest Expense	45,153
Supplies Food	37,333
Utility	810,851
Insurance Expense	1,878,712
Other Direct Expense	2,112,446
Supplies	1,941,365
Fees	3,183,683
Depreciation Expense	2,378,837
Purchase Service	4,243,020
Home Office Allocation	5,396,481
Total Expense	<u>49,563,077</u>

Contribution Income	1,159,369
FEMA Income/Gov Grants	1,076,193
Operating Surplus/(deficit)	<u>(6,646,921)</u>

Nonoperation Revenue

Defined Pension Plan Adjustment	230,356
Changed in Beneficial Intrest	201,850
Investment income Gain/(loss)	(87,949)
Change in net Assets	<u>(6,302,663)</u>

Operator	Name of the facility	Date	Beds	County	Esther Klein
Kingston NH Holding, LLC	Ten Broeck Center for Rehab & Nursing	1-Oct-18	258	Ulster	27.50%
East End Health Care, Inc.	Westhampton Care Center	1-Jan-18	180	Suffolk	3%
Surrey Place of Lecanto, LLC	Diamond Ridge Health & Rehabilitation Cente	1-Feb-22		Lecanto, FL	11.25%
Consolidated Group of Madison, Inc	Madison Health & Rehabilitation Center	1-Feb-22		Madison, FL	11.25%
Lakeland SNF Investors, LLC	Scott Lake Health & Rehabilitation Cente	1-Feb-22		Lakeland, FL	11.25%
CHC Investors, LLC	Seven Hills Health & Rehabilitation Cente	1-Feb-22		Tallahassee, FL	11.25%
Boca Ciega Investors, LLC	Springs At Boca Ciega Bay	1-Feb-22		South Pasadena	11.25%
Lake Pointe Investors, Inc	Springs At Lake Pointe Woods	1-Feb-22		Sarasota, FL	11.25%
Surrey Place of Bradenton. LLC	Surrey Place Healthcare & Rehabilitation	1-Feb-22		Bradenton, FL	11.25%
LSV Investors, LLC	Tampa Lakes Health & Rehabilitation Cente	1-Feb-22		Lutz, FL	11.25%
Lakeland Investors, LLC	Valencia Hills Health & Rehabilitation Cente	1-Feb-22		Lakeland, FL	11.25%



Affiliated Nursing Homes (Page 1)

		Beds			
		County	<u>12/31/2022</u>	<u>12/31/2021</u>	<u>12/31/2020</u>
<u>Kingston NH Holding, LLC</u>	<u>Ten Broeck Center for Rehab & Nursing</u>	<u>258</u> <u>Ulster</u>			
Current Assets			\$7,625,676	\$11,329,790	\$11,710,161
Fixed Assets			\$228,390,843	\$4,571,896	\$3,521,819
Total Assets			\$236,016,519	\$15,901,686	\$15,231,980
Current Liabilities			\$9,730,794	\$5,809,394	\$8,878,776
Long Term Liabilities			\$220,881,985	\$2,705,585	\$886,477
Total Liabilities			\$230,612,779	\$8,514,979	\$9,765,253
Net Assets			\$5,403,740	\$7,386,707	\$5,466,727
Working Capital Position			-\$2,105,118	\$5,520,396	\$2,831,385
Revenue			\$31,900,651	\$33,495,564	\$31,912,648
Expenses			\$31,983,619	\$30,695,064	\$27,981,149
Net Income			-\$82,968	\$2,800,500	\$3,931,499
<u>East End Health Care, Inc.</u>	<u>Westhampton Care Center</u>	<u>180</u> <u>Suffolk</u>	<u>12/31/2022</u>	<u>12/31/2021</u>	<u>12/31/2020</u>
Current Assets			\$7,820,339	\$10,391,362	\$12,132,745
Fixed Assets			\$48,751,940	\$1,910,926	\$1,419,998
Total Assets			\$56,572,279	\$12,302,288	\$13,552,743
Current Liabilities			\$12,010,702	\$7,714,795	\$8,716,647
Long Term Liabilities			\$44,164,199	\$120,705	\$2,479,535
Total Liabilities			\$56,174,901	\$7,835,500	\$11,196,182
Net Assets			\$397,378	\$4,466,788	\$2,356,561
Working Capital Position			-\$4,190,363	\$2,676,567	\$3,416,098
Revenue			\$30,465,664	\$35,589,890	\$29,896,638
Expenses			\$31,235,074	\$27,216,690	\$26,583,933
Net Income			-\$769,410	\$8,373,200	\$3,312,705
<u>Surrey Place of Lecanto, LLC</u>	<u>Diamond Ridge Health & Rehabilitation Center</u>	<u>0</u> <u>Lecanto, FL</u>	<u>12/31/2023</u>	<u>12/31/2022</u>	<u>12/31/2021</u>
Current Assets			\$5,543,401	\$4,162,823	\$0
Fixed Assets			\$866,726	\$944,243	\$0
Total Assets			\$6,410,127	\$5,107,066	\$0
Current Liabilities			\$732,426	\$1,049,511	\$0
Long Term Liabilities			\$340,165	\$449,701	\$0
Total Liabilities			\$1,072,591	\$1,499,212	\$0
Net Assets			\$5,337,536	\$3,607,854	\$0
Working Capital Position			\$4,810,975	\$3,113,312	\$0
Revenue			\$16,655,153	\$15,895,520	\$0
Expenses			\$14,925,471	\$14,904,532	\$0
Net Income			\$1,729,682	\$990,988	\$0

Affiliated Nursing Homes (Page 2)

<u>Consolidated Group of</u> <u>Madison, Inc</u>	<u>Madison Health &</u> <u>Rehabilitation Center</u>	Beds	<u>12/31/2023</u>	<u>12/31/2022</u>	<u>12/31/2021</u>
		County 0 <u>Madison, FL</u>			
Current Assets			\$1,169,656	\$1,292,012	\$0
Fixed Assets			\$342,790	\$324,264	\$0
Total Assets			\$1,512,446	\$1,616,276	\$0
Current Liabilities			\$900,744	\$1,021,744	\$0
Long Term Liabilities			\$29,986	\$307,382	\$0
Total Liabilities			\$930,730	\$1,329,126	\$0
Net Assets			\$581,716	\$287,150	\$0
Working Capital Position			\$268,912	\$270,268	\$0
Revenue			\$6,227,195	\$6,131,515	\$0
Expenses			\$5,932,630	\$6,244,998	\$0
Net Income			\$294,565	-\$113,483	\$0
<u>Lakeland SNF Investors,</u> <u>LLC</u>	<u>Scott Lake Health &</u> <u>Rehabilitation Center</u>	0 <u>Lakeland, FL</u>	<u>12/31/2023</u>	<u>12/31/2022</u>	<u>12/31/2021</u>
Current Assets			\$1,176,439	\$2,267,909	\$0
Fixed Assets			\$475,762	\$402,059	\$0
Total Assets			\$1,652,201	\$2,669,968	\$0
Current Liabilities			\$2,725,337	\$3,543,023	\$0
Long Term Liabilities			\$398,219	\$1,081,530	\$0
Total Liabilities			\$3,123,556	\$4,624,553	\$0
Net Assets			-\$1,471,355	-\$1,954,585	\$0
Working Capital Position			-\$1,548,898	-\$1,275,114	\$0
Revenue			\$15,330,117	\$14,416,515	\$0
Expenses			\$14,846,887	\$14,614,484	\$0
Net Income			\$483,230	-\$197,969	\$0
<u>CHC Investors, LLC</u>	<u>Seven Hills Health &</u> <u>Rehabilitation Center</u>	0 <u>allahassee, FL</u>	<u>12/31/2023</u>	<u>12/31/2022</u>	<u>12/31/2021</u>
Current Assets			\$2,582,150	\$2,235,077	\$0
Fixed Assets			\$1,009,329	\$1,209,315	\$0
Total Assets			\$3,591,479	\$3,444,392	\$0
Current Liabilities			\$3,460,320	\$3,573,432	\$0
Long Term Liabilities			\$61,002	\$421,758	\$0
Total Liabilities			\$3,521,322	\$3,995,190	\$0
Net Assets			\$70,157	-\$550,798	\$0
Working Capital Position			-\$878,170	-\$1,338,355	\$0
Revenue			\$17,303,564	\$15,743,010	\$0
Expenses			\$16,682,610	\$16,204,560	\$0
Net Income			\$620,954	-\$461,550	\$0

Affiliated Nursing Homes (Page 3)

	<u>Springs At Boca Ciega</u>	<u>Beds</u> <u>County</u>	<u>12/31/2023</u>	<u>12/31/2022</u>	<u>12/31/2021</u>
<u>Boca Ciega Investors, LLC</u>	<u>Bay</u>	<u>0</u> <u>outh Pasadena</u>			
Current Assets			\$2,920,801	\$1,880,583	\$0
Fixed Assets			\$684,478	\$686,792	\$0
Total Assets			\$3,605,279	\$2,567,375	\$0
Current Liabilities			\$2,844,875	\$1,520,180	\$0
Long Term Liabilities			\$306,586	\$664,518	\$0
Total Liabilities			\$3,151,461	\$2,184,698	\$0
Net Assets			\$453,818	\$382,677	\$0
Working Capital Position			\$75,926	\$360,403	\$0
Revenue			\$13,955,212	\$13,115,267	\$0
Expenses			\$13,884,070	\$13,843,627	\$0
Net Income			\$71,142	-\$728,360	\$0
	<u>Springs At Lake</u>	<u>0</u>	<u>12/31/2023</u>	<u>12/31/2022</u>	<u>12/31/2021</u>
<u>Lake Pointe Investors, Inc</u>	<u>Pointe Woods</u>	<u>Sarasota, FL</u>			
Current Assets			\$6,873,321	\$4,136,798	\$0
Fixed Assets			\$647,723	\$632,619	\$0
Total Assets			\$7,521,044	\$4,769,417	\$0
Current Liabilities			\$2,274,202	\$1,076,860	\$0
Long Term Liabilities			\$57,888	\$505,421	\$0
Total Liabilities			\$2,332,090	\$1,582,281	\$0
Net Assets			\$5,188,954	\$3,187,136	\$0
Working Capital Position			\$4,599,119	\$3,059,938	\$0
Revenue			\$14,592,712	\$13,536,254	\$0
Expenses			\$12,590,893	\$11,690,886	\$0
Net Income			\$2,001,819	\$1,845,368	\$0
	<u>Healthcare &</u>	<u>0</u>	<u>12/31/2023</u>	<u>12/31/2022</u>	<u>12/31/2021</u>
<u>Surrey Place of Bradenton, LLC</u>	<u>Rehabilitation</u>	<u>Bradenton, FL</u>			
Current Assets			\$3,492,193	\$2,003,984	\$0
Fixed Assets			\$740,632	\$866,639	\$0
Total Assets			\$4,232,825	\$2,870,623	\$0
Current Liabilities			\$477,249	\$653,681	\$0
Long Term Liabilities			\$48,424	\$234,329	\$0
Total Liabilities			\$525,673	\$888,010	\$0
Net Assets			\$3,707,152	\$1,982,613	\$0
Working Capital Position			\$3,014,944	\$1,350,303	\$0
Revenue			\$11,104,287	\$9,096,301	\$0
Expenses			\$9,379,749	\$8,723,101	\$0
Net Income			\$1,724,538	\$373,200	\$0

Affiliated Nursing Homes (Page 4)

	<u>Tampa Lakes Health & Rehabilitation Center</u>	<u>Beds County 0 Lutz, FL</u>	<u>12/31/2023</u>	<u>12/31/2022</u>	<u>12/31/2021</u>
<u>LSV Investors, LLC</u>					
Current Assets			\$1,958,656	\$2,545,674	\$0
Fixed Assets			282,751	314,345	-
Total Assets			\$2,241,407	\$2,860,019	\$0
Current Liabilities			5,079,367	5,977,031	-
Long Term Liabilities			\$514,062	\$1,223,804	\$0
Total Liabilities			5,593,429	7,200,835	-
Net Assets			-\$3,352,022	-\$4,340,816	\$0
Working Capital Position			(3,120,711)	(3,431,357)	-
Revenue			\$22,041,781	\$20,500,671	\$0
Expenses			21,052,887	21,870,690	-
Net Income			\$988,894	-\$1,370,019	\$0
	<u>Valencia Hills Health & Rehabilitation Center</u>	<u>0 Lakeland, FL</u>	<u>12/31/2023</u>	<u>12/31/2022</u>	<u>12/31/2021</u>
<u>Lakeland Investors, LLC</u>					
Current Assets			\$3,929,132	\$3,973,335	\$0
Fixed Assets			1,066,966	993,233	-
Total Assets			\$4,996,098	\$4,966,568	\$0
Current Liabilities			4,546,039	4,219,674	-
Long Term Liabilities			\$692,992	\$1,959,580	\$0
Total Liabilities			5,239,031	6,179,254	-
Net Assets			-\$242,933	-\$1,212,686	\$0
Working Capital Position			(616,907)	(246,339)	-
Revenue			\$22,750,336	\$22,207,534	\$0
Expenses			21,780,584	22,717,854	-
Net Income			\$969,752	-\$510,320	\$0

Realty Organizational Chart

