Formal Response to RFP
#201400844

North Carolina Department of Administration, Division of Veterans Affairs
Raleigh, North Carolina

August 5, 2014
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INTRODUCTION – RFP SECTION 1

Purpose – 1.02

1.02. The North Carolina Division of Veterans Affairs (NCDVA) is seeking proposals from experienced and qualified entities desiring to manage and operate all North Carolina State Veterans Homes. The NC State Veterans Homes are Medicare/Medicaid and VA certified facilities.

These homes are located in Salisbury, Fayetteville, Kinston, and Black Mountain and any additional homes that are opened for business during this contract period. Additional homes will be included in this contract regardless of the start-up dates.

The terms of the contract and the contents of this RFP will require the successful Contractors to operate each home as a highly qualified Licensed Skilled Nursing Facility.

Response: Health Dimensions Group (HDG), a Minneapolis-based health care consulting and management company, is pleased to present this technical proposal in response to RFP #201400844. Based on HDG's review of provided information and analysis of NCDVA’s current situation and expectations for this engagement, HDG is more than confident that it possesses a background, specific experiences, and the collective expertise to be a significant resource and qualified partner to assist the NCDVA in providing care for our nation’s servicemen and women.

Background – 1.03

1.03. Pursuant to Federal Regulations, the United States Department of Veterans Affairs (USDVA) is authorized to make certain grants to states for construction and acquisition of state home facilities. In 1999, the North Carolina General Assembly enacted legislature (GS 165-46) that authorizes the NCDVA to construct, acquire, and operate veteran’s homes.

The NC State Veterans Home in Salisbury, NC, is located on the VA Medical Center’s campus (Building 10), is a 99-bed licensed skilled nursing facility and has been in operation for 10 years. The Salisbury Facility is a three-story brick building (63,826 sq. feet) containing four (4) units of 22-30 beds each, with ancillary support and mechanical space. The residents occupy the first and second floor. The ground floor is used for dietary, laundry, staff locker rooms, storage, physical therapy and several offices.

The State Veterans Home in Fayetteville, NC (Fayetteville Facility) has been in operation for 15 years. The Fayetteville Facility is located adjacent to the Fayetteville Veterans Affairs Medical Center (VAMC). It is a one story building (82,000 sq. ft.) comprised of 150 beds with ancillary support and mechanical space. There are three (3) wings with fifty (50) beds in each unit. One of the wings’ includes an MSU 20-bed unit, and one 30-bed unit.
The State Veterans Home in Black Mountain (Black Mountain Facility) has been in operation since October 2012. The Black Mountain Facility is located at 62 Lake Eden Road, Black Mountain, NC. It is a one story building (111,000 sq. ft.) with 100 private rooms. It is comprised of 4 residential buildings and one administrative building.

The State Veterans Home in Kinston (Kinston Facility) has been in operation since March 2013. This facility is located at 2150 Hull Road, Kinston, NC. It is a mirror image of the Black Mountain facility.


The North Carolina Division of Veterans Affairs Commission (NCVAC) is vested under NCGS 165-50 with the authority to select and recommend for award a contract to an Offeror whose proposal it deems most advantageous to the veterans and the State. The Commission operates under the supervision and direction of the Secretary of NC Department of Administration (NCDOA). The Commission will monitor performance of the successful Offeror through the NCDVA State Veterans Homes Program Manager.

Response: Offeror has read and agrees.

**Contract Term –1.04**

1.04. The effective term of the contract established for this RFP shall be for five (5) years, beginning December 1, 2014 and ending November 30, 2019; with the option of a yearly renewal up to an additional 5 years. The Fayetteville, Salisbury, Black Mountain, Kinston, and any new facility that opens during this contract period will begin December 1, 2014.

Response: Offeror has read and agrees with the contract term.

**Contract Administrator –1.05**

1.05. For the purpose of this contract, the NC Department of Administration, NC Division of Veterans Affairs (NCDVA), hereinafter is referred to as the “Contracting Agency”. The Contract Administrator is Department of Administration, Division of Veterans Affairs, and the contact person will be James A. Woodard, State Veterans Homes Program Manager.

Response: Offeror has read and agrees.
STATEMENT OF WORK – RFP SECTION 2

Contractor Responsibilities – 2.01

2.01A. Nursing services are 24 hours per day, seven (7) days per week to each facility. This excludes the director of health services and the assistant director of nursing. The mix and number of staff shall meet resident needs as set forth by USDVA, CMS and State Nursing Home regulation (DFS), whichever is more stringent. USDVA requires a registered nurse (RN) be on duty in each facility at all hours of the day, every day. NCDVA requires a minimum daily average and will not drop below 4.25 hours of nursing services per resident per day to meet the need of the residents.

Response: Offeror has read and agrees to this responsibility.

2.01B. Provide a primary care physician licensed by the State of North Carolina to be the Medical Director for each facility. The Medical Director shall perform administrative duties and provide medical supervision at each facility, which will comply with USDVA, CMS and State requirements, whichever are more stringent.

Response: Offeror has read and agrees to this responsibility.

2.01C. Maintain written transfer agreements with local civilian and nearby VAMC with NCDVA for acute care situations. Contractor shall arrange transportation in such events and maintain contact with the receiving facility to ensure the return of the resident to the NC State Veterans Home or any additional State Veterans Homes that are opened and managed under this contract at the earliest possible date. Obtain contract with outside physicians, ambulance, radiology, labs, and others for 70% disabled residents.

Response: Offeror has read and agrees to this responsibility.

2.01D. Take all measures to pursue Medicare, Medicaid and any other third-party payment plan pursuant to the requirements of this RFP, Federal and State Law, rules and regulations for collecting and accounting for third-party payments. In the event the resident is a beneficiary of Medicare or any other third-party payment plan, all deductibles, co-insurance, or charges and fees for non-covered items and services shall be the responsibility of the resident. The liability for lack of billing and collection efforts will be the responsibility of the Contractor and reimbursement will be made to NCDVA.

Response: Offeror has read and agrees to this responsibility.

2.01E. Provide complete mortuary policies and procedures that ensure the sensitivity and expediency of death notification, documentation and disposition of the remains.

Response: Offeror has read and agrees to this responsibility.
2.01F. Implement a Volunteer Program that maximizes utilization of community resources to enhance the quality of life for all residents. The Contractor shall provide an Activity Director who will also serve as the Volunteer Services Coordinator to ensure integration with volunteer service programs within the community.

Response: Offeror has read and agrees to this responsibility.

2.01G. Protect and hold all confidential materials and information to meet State and Federal regulations, requirements and law. The Contractor shall comply with the provisions of the Federal Privacy Act, Freedom of Information Act, HIPAA, State requirements and other pertinent guidelines for safeguarding the confidentiality of such data.

Response: Offeror has read and agrees to this responsibility.

2.01H. NCDVA - NC State Veterans Homes owns the state passenger vehicles including vans, minivans, buses with wheelchair lifts capabilities, and pick-up trucks. All state vehicles are licensed by the state with State license plates and insurance. The two 20-passenger vehicles require a CDL driver’s license. A request shall be submitted by the Contractor to the NCDVA, State Veterans Home Program Manager, in order for a driver to be permitted to drive the State vehicles.

This request should include the following information and shall not be limited to: Current North Carolina driver’s license, social security card, drug test results, and the Transportation Training Forms must be dated and signed. In order for the Contractor’s employees to operate State-owned passenger/non-passenger vehicles, the Contractor must have the minimum automobile insurance coverage set forth in Insurance, Automobile Insurance, Section 3:06 A.5. Such coverage must provide liability coverage for the Contractor’s employees operating the subject vehicles and Contractor’s insurance shall provide primary coverage if a Contractor’s employee is involved in an accident while operating a State-owned passenger/non-passenger vehicle. (Contractor may have to obtain a rider or other document reflecting its insurer’s acknowledgement that its policy will be primary in the event of the specified accident.)

Response: Offeror has read and agrees to this responsibility.

2.01I. The Contractor and management contract will be overseen by NC Veterans Affairs Commission (NCVAC) and the State Veterans Homes Program Manager. Therefore, all special needs/services should be approved through the State Veterans Homes Program Manager.

Response: Offeror has read and agrees to this responsibility.
2.01J. The Contractor will be responsible for collections of all past due receivables according to the Collections Policy in the NC State Veterans Home Handbook. Collections shall be addressed immediately and every effort should be made to collect the debts. Contractor is responsible for keeping the non-payments to a minimum and closed out within 90 days.

Response: Offeror has read and agrees to this responsibility.

2.01K. NC State Veterans Homes Medicare and Medicaid Cost Reports are not a part of this contract.

Response: Offeror has read and agrees to this responsibility.

2.01L. NC State Veterans Homes Program Manager must approve all new type of expenses to the homes. This information must be approved prior to expense being included on the books.

Response: Offeror has read and agrees to this responsibility.

2.01M. The annual budget will include the number of positions and will be approved by the NC State Veterans Homes Program Manager. Any increases/decreases in staffing must be approved by the State Veterans Homes Program Manager prior to implementation.

Response: Offeror has read and agrees to this responsibility.

2.01N. The Contractor’s Management Regional person shall be limited to 10 homes or less, to include the four (4) State Veterans Homes. There shall only be one Regional Person over the NC State Veterans Homes.

Response: Offeror has read and agrees to this responsibility.

Maintenance –2.02

The Contractor Shall:

2.02A. Keep each of the facilities in good repair, with the exception of normal wear and tear. The Contractor shall maintain the facilities in the same condition, as noted at the inception of the contract and shall return the facilities to the NCDVA in the same condition at contract termination.

Response: Offeror has read and agrees to this responsibility.

2.02B. Utilize properly trained and/or certified in-house personnel or third party personnel to maintain each of the facility’s equipment, systems, and the facility’s grounds including, but not limited to, landscaping, lawns, planted beds, gardens, and parking areas.

Response: Offeror has read and agrees to this responsibility.
**Personnel for Each Facility –2.03**

**2.03A The Contractor Shall Designate:**

2.03A1: A licensed administrative officer for each facility, (hereafter the “Administrator”), who shall operate the facility and its program. The State Veterans Homes Program Manager shall have the final approval for the hiring or firing of an administrator for any and all of the NC State Veterans Homes. NCDVA reserves the right to terminate administrator/director, or any other employee, for cause.

*Response: Offeror has read and agrees.*

2.03A2: A Director of Health Services and Medical Director for each facility. The State Veterans Homes Program Manager shall have the final approval for the hiring or firing of a Director of Health Services for any and all of the NC State Veterans Homes. NCDVA reserves the right to terminate administrator/director, or any other employee, for cause.

*Response: Offeror has read and agrees.*

2.03B. The Contractor shall insure that all physicians practicing within each of the facilities are credentialed according to USDVA requirements and that each physician maintains said credentials.

*Response: Offeror has read and agrees.*

2.03C. The Contractor warrants and represents that all persons assigned to perform work under this contract shall be employees of the Contractor or an authorized sub-contractor. The Contractor shall ensure that licensure and certification requirements of both full-time and part-time personnel meet both Federal and State specifications both in-kind and in number.

*Response: Offeror has read and agrees.*

2.03D. The NCDVA State Veterans Homes Program Manager or any State or Federal governing agency with the approval to do so may require the Contractor to conduct more extensive investigations on key personnel. Personnel files will be open to inspection by State Veterans Homes Program Manager during the hours of 8:00 a.m. to 5:00 p.m. if required.

*Response: Offeror has read and agrees.*

2.03E. The Contractor shall not, as part of its agreement with employees or sub-contractor, prevent any employees or sub-contractor from working at the NC State Veterans Homes in the event of cancellation or termination of the contract for any reason.

*Response: Offeror has read and agrees.*
2.03F. The Contractor shall ensure continued operation and staff coverage in the event of a labor dispute or strike.

*Response: Offeror has read and agrees.*

2.03G. All contracts established by the Contractor, above $10,000.00, must be maintained at the homes; and records must be available for immediate review by NCDVA at time of request.

*Response: Offeror has read and agrees.*

**Administration – RFP Section 2.04**

2.04 The Contractor Shall:

2.04A. Develop, implement and maintain all standard policies and procedures necessary for maintenance of resident care in accordance with Federal and State standards. NCDVA State Veterans Homes Program Manager shall review and approve all policies and procedures proposed and in use at the NC State Veterans Homes that are not healthcare related. All policies and procedures shall be maintained in each facility and will become the property of the NCDVA. The Contractor shall submit the policies and procedures to NCDVA, within ninety (90) days after contract award, for approval before implementation.

*Response: Offeror has read and agrees.*

2.04B. Develop and maintain an admission policy to admit new residents to each facility and to make the veterans aware of the services and benefits available to veterans at each facility. Contractor’s programs shall be subject to NCDVA State Veterans Homes Program Manager’s approval; in addition shall have final approval of public information, media releases, and informational materials disseminated. The Contractor shall submit the policies and procedures to NCDVA, within ninety (90) days after contract award, for approval before implementation.

*Response: Offeror has read and agrees.*

2.04C. Verbally notify NCDVA State Veterans Homes Program Manager immediately when a facility is notified of any abuse or suspected abuse of a resident, any unexpected or unexplained injury or death of a resident, or any immediate threat to the health or safety of a resident, and of other notifications as required by all Federal and State entities. Finalized notification shall be submitted in writing.

*Response: Offeror has read and agrees.*
Safety – 2.05

2.05 The Contractor will comply with all Federal, State, and local fire, safety, and health regulations to either meet or exceed requirements.

Response: Offeror has read and agrees.

Equipment Responsibilities of the Contractor – 2.06

2.06A. The following items shall be provided by the Contractor:

2.06A1. The Contractor shall provide the computers and software necessary for maintaining Contractor’s accounting system and Medical Records to Contractor’s corporate office or such other location that Contractor uses to maintain its accounting system(s). NCDVA does not PAY FOR TRAINING on the accounting system.

Response: Offeror has read and agrees.

2.06A2. Contractor shall be responsible for maintaining PM (preventive maintenance) for all warranties equipment and notify Program Manager immediately of all warranty service issues for follow-up.

Response: Offeror has read and agrees.

2.06A3. Contractor shall be responsible for routine maintenance on all equipment and maintain the facility.

Response: Offeror has read and agrees.

Responsibilities of NCDVA – 2.07

2.07A. NCDVA State Veterans Homes Program Manager:

2.07A1. The State Veterans Homes Program Manager shall contract with a third party entity to review records and perform audits.

Response: Offeror has read and will work cooperatively with the Manager.

2.07A2. The State Veterans Homes Program Manager/VSO shall have the right to attend any committee meeting relating to the management operations of the facilities or meetings to discuss health care.

Response: Offeror has read and will work cooperatively with the Manager.
2.07A3. The State Veterans Homes Program Manager/VSO shall have the right to schedule meetings in the conference rooms. NCDVA State Veterans Homes Program Manager/VSO will exert every effort not to schedule meetings that will conflict with the Contractor’s needs. All scheduled requests shall be made by NCDVA, via email or phone call, to the Manager/VSO.

Response: Offeror has read and will work cooperatively with the Manager.

2.07A4. The State Veterans Homes Program Manager shall, upon request, assist the Contractor in resolving resident care complaints and other issues related to the facility.

Response: Offeror has read and will work cooperatively with the Manager.

2.07A5. The State Veterans Homes Program Manager/VSO shall be the liaison between the Contractor and the VAMC designated by the USDVA to have jurisdiction over the particular facility.

Response: Offeror has read and will work cooperatively with the Manager.

2.07A6. The State Veterans Homes Program Manager will schedule four (4) management meetings yearly and additional if needed. Meetings will be conducted in-person, and the schedule mutually agreed upon between NCDVA and the Contractor.

Response: Offeror has read and will work cooperatively with the Manager.

2.07A7. The State of North Carolina, NC Division of Veterans Affairs shall provide all installed equipment (building), other computers, software, supplies for the daily operations of the home (except for accounting computers and software); and will retain ownership for the computers, software and any and all information stored on the computers as it pertains to the daily operation of the home.

Response: Offeror has read and agrees.

2.07A8. The State shall purchase all equipment, except in areas where the parties agree that it is advantageous for the Contractor to supply the equipment to the State. In such cases, upon receipt of a copy of the invoice for such equipment, the State Veterans Home Program Manager must approve such purchases and the State will reimburse the Contractor the actual cost of the equipment.

Response: Offeror has read and agrees.

2.07A9. Contractor will not contact the VAMC’s unless designated by policy (Sentinel Events). The Liaison for the VAMC is the Veterans Service Officer and Program Manager. The Program Manager will sign all MOU (Memorandum of Understanding) contracts with the VAMC.

Response: Offeror has read and agrees.
2.07A10. NCDVA is responsible for the cost of daily operations of all four State Veterans Homes.

Response: Offeror has read and will work cooperatively with the Manager.

2.07B. NCDVA Veterans Service Officer:

2.07B1. The VSO at each facility shall provide appropriate assistance to veterans seeking admission to the NC State Veterans Homes. Work closely with the Contractor (Admission Director) in soliciting applicants with the goal of achieving and maintaining full occupancy.

Response: Offeror has read and will work cooperatively with the Manager.

2.07B2. The VSO at each facility shall prepare and execute resident claims for all VA benefits or entitlements from the USDVA.

Response: Offeror has read and will work cooperatively with the Manager.

2.07B3. The VSO is responsible for military service verification for the Admission Director.

Response: Offeror has read and will work cooperatively with the Manager.

2.07B4. The VSO prepares all reports required to be submitted to the USDVA for the Federal per diem.

Response: Offeror has read and will work cooperatively with the Manager.

2.07B5. The VSO schedules the quarterly meetings with the VAMC and notify the State Veterans Homes Program Manager and Administrator of the meeting.

Response: Offeror has read and will work cooperatively with the Manager.

2.07B6. VSO is responsible for putting all fixed Asset Tags from State on all capital equipment.

Response: Offeror has read and will work cooperatively with the Manager.

Offeror’s Point of Contact – 2.08

2.08. The Contractor will designate individuals within the management company for the State to contact and they will be limited to 2 (two) contacts. This is to include preparation of the monthly invoices and information for cost reports.

Response: Offeror has read and will work cooperatively with the Manager.
GENERAL INFORMATION AND REQUIREMENTS – RFP SECTION 3

Limitations of Offeror – 3.01

The procurement process shall be limited to Healthcare Management entities that:

3.01A. Have not been forced to close a nursing home due to resident care issues.

Response: Neither HDG nor any of its affiliates or subcontractors have ever faced a scenario where a nursing home was forced to close due to resident care issues.

3.01B. Can obtain a $5 million dollars ($5,000,000.00) performance bond (See Execution of Proposal Page).

Response: HDG can obtain a performance bond for $5 million dollars.

3.01C. Can obtain sufficient liability insurance. (See North Carolina General Contract Terms and Conditions, Insurance, Section 8.06, Paragraph 17).

Response: HDG can obtain sufficient liability insurance.

3.01D. The systems in the NC State Veterans Homes are currently being converted to American HealthTech (Smart Charting). The Offeror must have an integrated Computer/Accounting and Resident Tracking System in place prior to submission of the proposal. This system must be operating in the Offerors homes prior to start-up. Electronic Charting System must be compatible with current resident information systems above.

Response: HDG currently uses a fully integrated electronic health records platform in all its managed/operated facilities; however, many members of HDG’s management team have used other systems and can adapt training, policies, and procedures to fit the needs of the NCDVA’s EHR systems.

3.01E. No interest expense from Management Company shall be charged to NC State Veterans Homes. Interest expense on cash flow must be a part of the bid process included as part of revenue.

Response: HDG will not charge any interest expense to NC State Veterans Homes.

3.01F. Systems in place to produce financial reports/medical reports and other required reporting requirements.

Response: HDG has systems in place for producing financial reports/medical reports and other required reports.
3.01G. It is projected that the cost per month for 4 (four) facilities is $2.5 million. Based on history after receipt of the invoice on the 15th of the following month, the State has 30 days for review and to approve for payment. It generally takes up to 30 days for the payment process. Thus, $9 to $10 million cash flow must be available by the Contractor.

Response: HDG understands the funding demands, and affirms it has sufficient access to the required 9-10 million dollar reserves to allow proper funding of the operations.

3.01H. With the addition of any NC State Veterans Homes, the cash flow of $9 to $10 million may increase and must be available by Contractor.

Response: HDG affirms it would have access to an increased cash flow should any NC State Veterans Homes be added during the term of the contract.

3.01I. The administrator’s salary and related expenses shall be part of the management fees.

Response: HDG understands and agrees.

3.01J. Define Management Fee is a percentage of net revenue – See Invoice Appendix A.

Response: HDG understands and agrees.

3.01K. Define Operational Costs is the cost of operation of the home which excludes management fee and Administrator’s salary and benefits. See Invoice Appendix A.

Response: HDG understands and agrees.

An Offeror’s proposal shall be rejected if it fails to comply, demonstrate and/or satisfy any of the foregoing limitations.
Procurement Timetable – 3.02

3.02. An estimated timetable has been provided as a reference to Offerors. This timetable is only a reference and no guarantees will be made of how strictly it is followed. The estimated timetable, for obtaining and evaluation of proposals is as follows:

<table>
<thead>
<tr>
<th>Event</th>
<th>Dates</th>
</tr>
</thead>
<tbody>
<tr>
<td>RFP Issued</td>
<td>Thursday, 6/26/2014</td>
</tr>
<tr>
<td>Pre-Proposal Conference</td>
<td>Wednesday, 7/9/2014 – 9:00 a.m.</td>
</tr>
<tr>
<td>Site Visit – Kinston</td>
<td>Wednesday, 7/9/2014 – 9:30 a.m.</td>
</tr>
<tr>
<td>Site Visit – Fayetteville</td>
<td>Wednesday, 7/9/2014 – 2:00 p.m.</td>
</tr>
<tr>
<td>Site Visit – Salisbury</td>
<td>Thursday, 7/10/2014 – 9:00 a.m.</td>
</tr>
<tr>
<td>Site Visit – Black Mountain</td>
<td>Thursday, 7/10/2014 – 2:00 p.m.</td>
</tr>
<tr>
<td>Deadline for Questions from Offerors</td>
<td>Monday, 7/14/2014 – 12:00 noon</td>
</tr>
<tr>
<td>Addendum Posted with Questions/Answers</td>
<td>Monday, 7/21/2014 – 2:00 p.m.</td>
</tr>
<tr>
<td>Proposals Due</td>
<td>Tuesday, 8/5/2014 – 2:00 p.m.</td>
</tr>
<tr>
<td>Projected Contract Award</td>
<td>Tuesday, 9/9/2014</td>
</tr>
<tr>
<td>Current Contract Termination</td>
<td>Sunday, 11/30/14</td>
</tr>
<tr>
<td>New Contract Effective Date</td>
<td>Monday, 12/1/2014</td>
</tr>
<tr>
<td>Termination of Contract –</td>
<td>Saturday, 11/30/2019</td>
</tr>
</tbody>
</table>

Conflict between Guidelines and Regulations – 3.03

3.03. When there is a conflict between State and Federal Guidelines and Regulations, the stricter of the guidelines will prevail. Any conflict between the North Carolina General Contract Terms and Conditions and specific conditions and terms stated in the body of this RFP, the specific conditions and terms will control. North Carolina State Law will prevail when issues/matters are not addressed in Contract.

Response: Offeror understands and agrees.

NCDVA Reserves the Right to – 3.04

3.041. NCDVA will reject any offer that does not tie to responses to sections/sub-sections reference by restating what the RFP indicates is needed and address their response to that particular section only.

3.042. Reject any and all offers or portions of offers that do not meet mandatory requirements and/or when such rejection is deemed to be in the best interest of the State of NC.

3.043. Withdraw this RFP at any time and for any reason. Receipt of the proposal materials by NCDVA or submission of a proposal to NCDVA confers no rights upon the Offeror nor obligates NCDVA in any manner.
3.04. Waive any minor irregularity, informality or non-conformance with the provisions or procedures of this RFP, and to seek clarification from the Offerors, if required.

3.045. If all proposals are rejected, then the State may negotiate Best and Final Offers from Offerors that submitted proposals for a final contract based on the scope of work set forth in the RFP.

Response: Offeror has read and agrees to all provisions of Section 3.04.

Termination – 3.05

3.05. In no event shall Contractor terminate this contract until NCDVA State Veterans Homes Program Manager has designated a replacement Contractor and the State of North Carolina, NC Division of Veterans Affairs has at least 180 days after this date for the replacement Contractor to start operations.

3.05A. Upon delivery by certified mail to the Contractor of a Notice of Termination, the Contractor shall:

3.05A1. Prepare a complete inventory of all assets and submit to NCDVA State Veterans Homes Program Manager within thirty (30) days of termination.

3.05A2. Stop work under the contract on the date and to the extent specified in the Notice of Termination.

3.05A3. Cooperate with NCDVA State Veterans Homes Program Manager and any replacement Contractor for a smooth transition in operations.

3.05A4. Permit access to the premises for any replacement Contractor and allow any replacement Contractor to communicate with Contractor’s employees, Subcontractor’s and Subcontractor’s employees without any threat, legal action, or liability.

3.05B. For Convenience:

NCDVA may terminate performance of work under the contract in whole for any reason NCDVA determines, including but not limited to, termination is in the best interest of NCDVA and the State of North Carolina.

In the event of termination for convenience, Contractor shall not be entitled to receive any amount for lost revenues or anticipated profits or for any expenditures associated with this or any other contract. Likewise, Contractor shall not be liable to NCDVA for any costs associated with NCDVA as procurement of similar services.

Response: Offeror has read and agrees to all provisions of Section 3.05.
**Insurance – 3.06**

3.06. The limits of coverage under all such insurance policies shall be as set forth in this section and shall not be reduced or modified without prior written approval from NCDVA, State Veterans Home Program Manager and compliance with all legal requirements. State Property Fire Fund shall insure State owned buildings, contents, and business personal property. This section controls over the North Carolina General Contract Terms and Conditions, Affirmative Action, Section 8.06, Paragraph 16.

*Response: Offeror has read and agrees.*

3.06A. Property:

3.06A1. General Liability:

Insurance with a combined single limit of not less than one million dollars ($1,000,000.00) per individual claim and two million dollars ($2,000,000.00) per occurrence for bodily injury and property damage.

3.06A2. Commercial General Liability:

General Liability Coverage, on a Comprehensive Broad Form, on an occurrence basis in the minimum amounts of $1,000,000/$5,000,000 Combined Single Limit (C.S.L.). (Defense cost shall be in excess of the limits of liability). In addition, there shall be sub-limits of $1,000 premises medical payment per person; $10,000 premises medical payment per accident; and $100,000 care, custody and control per occurrence.

3.06A3. Professional Liability:

Insurance with a combined single limit of not less than one million dollars ($1,000,000.00) per occurrence and three million dollars ($3,000,000.00) aggregate limit. This is to cover damages caused by error or negligent acts related to professional services provided by this contract.

3.06A4. Medical Liability:

Professional Medical Liability Coverage on a Comprehensive Broad Form in the minimum amounts of $1,000,000/$3,000,000. (Defense cost shall be in excess of the limits of liability).

3.06A5. Commercial Automobile:

Insurance with a combined single limit of not less than two million dollars ($2,000,000.00) combined single limit and three million dollars ($3,000,000.00) per each accident for bodily injury and property damage, including uninsured, hired and non-owned auto liability.

*Response: Offeror has read and agrees.*
3.06B. Workers Compensation and Employees Liability:

The Contractor shall take out and maintain during the life of this contract Worker’s Compensation Insurance as required by law for all of his employees. The Contractor shall require each Subcontractor to provide Worker’s Compensation Insurance as required by law for all its employees, unless such employees are covered by the protection afforded by the Contractor. Employers Liability (Workers Compensation and Employees Liability, Workers Compensation, Section B, 1) of limits of $1,000,000.

Response: Offeror has read and agrees.

3.06C. Performance Bond:

The Contractor shall submit a Performance Bond in the amount of three million dollars ($3,000,000.00) as a guarantee of its performance under the terms and conditions of the contract. The Bond shall be submitted and acceptable to NCDVA. Breach of contract by the Contractor will result in forfeiture of the Bond. The Bond shall be for the entire contract period and shall be renewable for any subsequent extension of the contract. The Bond must be in force for a minimum of six (6) months following the termination of the contract.

Response: Offeror has read and agrees.

3.06D. Fidelity Bond:

The Contractor shall submit a Fidelity Bond in the amount of one million dollars ($1,000,000.00) as a guarantee against employee dishonesty and acts of others. Such policy shall ensure for comprehensive perils including, but not limited to dishonesty, theft, and burglary by principals and employees of the Contractor as well as third parties. The Bond shall be submitted to and acceptable to NCDVA. Breach of contract by the Contractor will result in forfeiture of the Bond. The Bond shall be for the entire contract period and shall be renewable for any subsequent extension of the contract. The Bond must be in force for a minimum of six (6) months following the termination of the contract.

Response: Offeror has read and agrees.

3.06E. The above section covering insurance requirements shall control over the North Carolina General Contract Terms and Conditions, Compliance with Laws, Section 15.

Response: Offeror has read and agrees.
PAYMENTS – RFP SECTION 4

General Provisions 4.01

4.01A. The Contractor is required to submit to NCDVA as soon as possible after the close of books for each month an invoice based on the year to date percentage of Net Revenues (Trial Balance driven invoice tied to financials by cost centers). The monthly invoice shall be accompanied with documentation substantiating services, and any other amounts specifically reimbursable under this contract, as established by NCDVA. The invoice will incorporate expenses and management fees. (See Appendix A).

Prior payments will be removed to leave a management fee for the month under review. The monthly invoice to NCDVA cannot be submitted unless all required management reports are included with the monthly invoice.

The State will not be responsible for costs or expenses such as penalties, legal fees and as denoted as non-payable in the policies and procedures and such should not be included on the invoice.

Response: For the purposes of invoicing, payments, incentives, and penalties, HDG interprets Section 4 of the RFP to imply that all current NCDVA centers are siloed and not aggregated, meaning that HDG will bill for expenses from each center independently. Further, both incentives and penalties applicable to one of the centers affect only that center and not all four. For example, a survey outcome penalty is triggered at Kinston, the retroactive reduction in fees paid to the Offeror applies only to Kinston and not the other three locations.

4.01B. Related party is defined as ownership (individuals or legal entities with individual ownership) of at least 5% of the entity doing business with Contractor and/or business activity of greater than 20% of monthly revenues of the related party. The activity of the related party shall be identified before each invoice is submitted each month and the lower of actual cost or market value will be substituted for operational expenses to NCDVA. If determined to be related by control for Medicare or Medicaid, then a Home Office Cost Report must be prepared by the Contractor and filed with the NCDVA Cost Reports.

Residents that are included as census for the facilities are to be included as doing business with the related party. Related party is also defined as identified by any State and or Federal Agency. Any adjustments, penalties, or payback to the State or Federal agencies will require Contractor to reimburse each NC State Veterans Home that same amount.

Related Party will also consider any determination by State and/or Federal Agency that a relationship exists. In the event a related party has been established, all transactions to the Facility and or Agency will revert to cost. Any payment in excess of cost will be paid back to NCDVA.

Response: Offeror has read and agrees.
4.01 C. NCDVA is dependent on the Contractor for expertise in operations of the facilities. Any denial of payments by government programs will be at the expense of the Contractor. The Contractor will reimburse NCDVA for such loss either by direct payment, management fee reductions, or both.

Response: Offeror has read and agrees.

4.01 D. All funds collected from State and Federal entities will be deposited into a State Account established by the NC State Treasurer’s Office. Therefore, there will not be consideration for interest accrued to the Contractor.

Response: Offeror has read and agrees.

Incentives – 4.02

4.02 NCDVA places a high value on facility surveys conducted by the State and Federal government. Surveys conducted by either the State or Federal government shall be used as an evaluation tool for payment for the management services. Deficiency free surveys on resident care will be recognized by NCDVA with an increase of ½ of 1% with a maximum of ½ of 1% per facility per fiscal year. The calculation for the increase will be on the previous 12 months and will be paid on the next invoice. This recognition will be given yearly over the life of the contract based on a deficiency free survey. Incentives, if earned, will not be subject to additional Management Fee calculations.

Response: Offeror has read and agrees.

Penalties – 4.03

4.03 If a survey receives one Level J finding on resident(s) care, Contractor’s fee will be reduced by ½ of 1% for the previous 12 months and will be deducted on the next invoice. Any survey that receives more than two (2) Level G’s and higher finding on resident(s) care, Contractors fees will be reduced by 2% for the previous 12 months and will be deducted on the next invoice. Legal fees and expenses incurred by the Contractor to remove fines and penalties are the Contractor’s sole responsibility and will not be reimbursed by NCDVA. Any loss of revenue due to admission hold will be reimbursed to NCDVA by the Contractor based on actual census for the average of the three prior weeks to this admission hold.

Response: Offeror has read and agrees.

Star Ratings – 4.04

4.04 A Star Rating of 5.0 is the desired goal for each NC State Veterans Home, minimum of a 3 Star is acceptable. Facilities that receive this 5.0 star rating will receive special recognition by NCDVA.

Response: Offeror has read and agrees.
**Inspection of Facility – 4.05**

4.05. Periodic, scheduled and unannounced inspections of the facilities shall be conducted during the term of the contract by NCDVA, its representatives, USDVA, and other state and federal agencies.

*Response: Offeror has read and agrees.*

**SCOPE OF PROPOSAL – RFP SECTION 5**

**General – 5.01**

The Contractor/Operator Selected Shall:

5.01A. Assume full responsibility for management and supervision of the daily operations for the NC State Veterans Nursing Homes.

*Response: HDG will assume full responsibility for management and supervision of the daily operations for the NC State Veterans Nursing Homes.*

5.01B. Provide all services associated with operational and management of a licensed nursing facility as required by all applicable laws, rules, regulations, standards and policies, of Federal, State and local governments, and any other entity that has relevant jurisdiction.

*Response: HDG will provide all services associated with operational and management of a licensed nursing facility as required by all applicable laws, rules, regulations, standards and policies, of Federal, State and local governments, and any other entity that has relevant jurisdiction.*

5.01C. Establish and implement policies and procedures to provide 24-hour a day licensed nursing facility care that meets or exceeds licensure and certification standards of the most current versions of the following standards:

5.01C1. US Department of Veterans Affairs Standards for Nursing Home Care

5.01C1a. VA Publication M-1 Part I, Chapter 3

5.01C1b. VA Publication M-5 Part VIII, Chapter 2

5.01C1c. Guide for Inspections of State Veterans Homes

5.01C2. Title 38 Code of Federal Regulations, Part 17

5.01C3. Centers for Medicare and Medicaid Services (CMS)

5.01C4. Rules of Governing for Licensing of Nursing Home 10 ANCAC 13D

5.01C5. 42CFR (Code of Federal Regulations)
5.01C6. Health Insurance Portability and Accountability Act (HIPAA)

5.01C7. Affordable Care Act (ACA)

Response: HDG will establish and implement policies and procedures to provide 24-hour a day licensed nursing facility care that meets or exceeds licensure and certification standards of the most current versions of all the listed standards.

5.01D. Prepare all materials and employment procedures necessary to maintain State licensing, VA Certification and Medicare/Medicaid Certification for the provision of comprehensive, licensed nursing facility, always deferring to the highest standard applicable. Failure to maintain the proper license or to meet the criteria of any accrediting agency is a material breach of this RFP and contract.

Response: HDG will prepare all materials and employment procedures necessary to maintain State licensing, VA Certification, and Medicare/Medicaid Certification.

5.01E. Manage and operate the facilities in a manner that respects the rights and dignity of the residents, the residents’ rights to nursing care services, and the survey requirements.

Response: HDG will manage and operate the facilities in a manner that respects the rights and dignity of the residents, the residents’ rights to nursing care services, and survey requirements, drawing on our values of integrity, respect, hospitality, and stewardship.

5.01F. Develop, implement, and operate all necessary administrative systems including, but not limited to, accounting (billing, collections, tracking of residents income, and personal funds), personnel, reporting administrative records, medical records, purchasing, etc.

5.01F1. All resident records shall remain with each respective facility.

5.01F2. All records of each facility and all of the Contractor’s records shall be available for review as allowed under law, for a period of 10 years after death of resident.

Response: HDG agrees to all provision of Section 5.01F.

5.01G. Prepare and provide to NCDVA routine reports and any reasonable information, which may, from time to time, be specifically requested. Such reports and information shall include but not be limited to:

5.01G1. Monthly Revenue and Expense Report with Fiscal Year ending June 30.

5.01G2. Complaints and grievances

5.01G3. Incident Reports

5.01G4. Nursing Hours per resident per day by employee type on the Census Report
5.01G5. Quality Assurance

5.01G6. Infection Control

5.01G7. Family survey/satisfactory/not in compliance

5.01G8. Annual Budget – must be approved by the State Program Manager in advance of implementation.

5.01G9. Daily Summarized Census Report

5.01G10. Monthly Accounts Receivable Aging Report; submitted with monthly invoice

5.01G11. Actual operation compared to budget

5.01G12. Month and year to date operating statements

5.01G13. Information to prepare Medicaid/Medicare Cost Reports and includes any and all regulatory agencies.

5.01G14. Copies of all contracts entered into between the NC State Veterans Homes, to include any and all entities (included and not limited to management corporation owned related parties and their Offerors.) The NC Division of Veterans Affairs, State Veterans Homes Program Manager reserves the right to be consulted before any and all contracts are signed, especially in the events a contract would exceed the life term of this contract.

5.01G15. The Offeror’s home A/P staff member is responsible for the review of invoices and approval by the administrator. If any and all offset in the Medicare or Medicaid Cost Reports by Federal and/or State agencies due to improper activities or lack of documentation will be paid back by the Contractor in full.

5.01G16. Employee Job Descriptions – Prior to starting this contract the Contractor must give the NCDVA State Veterans Homes Program Manager employee job descriptions for each position and they must be written to serve the NC State Veterans Homes.

Response: HDG will timely prepare and submit to the NCDVA all routine and requested information and reports. Job descriptions will be provided upon award of contract and prior to the beginning on the contract term.

5.01H. Request for Cost Report Stats – due August 15th (Cost Report Information)

5.01I. Cost Report - First draft of Home Office Allocations – September
5.01J. Cost Report - All Information – due October 15th

Response: HDG has on staff several experts in cost report preparation who will prepare and submit timely cost reports for the facilities if requested by NCDVA.

5.01K. Contractor Representatives and administrators must attend a monthly meeting (first 6 month), bi-monthly (next 6 months) and after the first year at the discretion of the State Veterans Homes Program Manager or designee. These meetings shall be held in-person and the scheduled date/time shall be mutually agreed upon between NCDVA and the Contractor.

Response: HDG representatives will attend monthly and bi-monthly meetings as requested by the NCDVA.

5.01L. It is the responsibility of the Contractor to collect all receivables in a timely manner as dictated by policy. Failure to adapt to these policies would be the responsibility of the Contractor and not the State.

Response: HDG understands and agrees.

5.01M. If an outside review by an accounting firm is required by the State, it will be the responsibility of NCDVA.

Response: HDG understands and agrees.

5.01N. Bad Debt/Allowance (reserve) on Invoice prior to Management Fee calculations.

Response: HDG understands and agrees.

5.01O. The Contractor will sign for receipt of, and maintain control and care over State property under Contractor’s control. Within thirty (30) days of contract award, NCDVA shall provide the Contractor with an inventory list.

Response: HDG understands and agrees.
PROPOSAL SUBMISSION REQUIREMENTS – RFP SECTION 6

General Information – 6.01

All Offerors competing for this contract must address each requirement when preparing their proposals. Offerors will be evaluated on the overall quality of content and responsiveness to the purpose and specifications of this RFP. Therefore, Offerors are encouraged to think creatively and offer high quality services. (Do not limit yourself to minimum standards as set forth in the publications in Payments, Section IV, General Provisions 4:01, C) All Offerors must reference by Sections in their response.

All proposals must be complete and convey all of the information requested in order to be considered responsive. Unless stated otherwise herein, the basic and governing language of the contract resulting from the solicitation shall be comprised of the RFP documents, including any attachments and addendums, and the successful Offeror’s signed proposal. In the event of a conflict between the two (2) documents, the RFP shall govern.

All proposals are subject to the provisions as specified in this RFP. All responses will be controlled by the terms and conditions included by NCDVA. The attachment of other terms and conditions by the Offeror will be grounds for rejection of the proposal.

Response: HDG understands and agrees to all provisions of Section 6.01.

Minimum Proposal Submission Requirements – 6.02

6.02A. With its proposal submission, the Offeror shall include responses to the minimum fiscal and statutory requirements below. Responses shall be submitted in the form of a standard business letter and signed by an individual authorized to legally bind the Offeror.

6.02A1. A statement indicating that the Offeror is a corporation or other legal entity that does operate other licensed skilled nursing facilities licensed either by the State of North Carolina or within another state.

6.02A2. Provide the information required in the General Information on Submitting Proposals, Offeror’s Representative, Section 8.08, Paragraph 11.

6.02A3. A statement that no attempt has been made or will be made by the Offeror to induce any other person or firm to submit or not submit a proposal.

6.02A5. A statement that specifically stipulates that the Offeror accepts all terms and conditions in this RFP.
6.02A6. Describe the Offeror’s ability to operate a State Veterans Homes; please include a response to these questions:

6.02A6a. Explain the difference between a NC State Veterans Home and other nursing homes?

6.02A6b. Explain how a 70% resident in a NC State Veterans Home is, or is not, beneficial?

6.02A6c. Should there be a limitation for admitting 70% residents to NCDVA?

6.02A6d. Give procedures that NCDVA could implement that would offer better care and increase cash flow?

6.02A6e. If NCDVA offered respite care; would it be viable?

6.02A7. Describe the Offeror’s ability to achieve and maintain JCAHO and the number of its current facilities that have received JCAHO Accreditation.

6.02A8. Describe the Offeror’s ability to provide a continuum of services in the NC State Veterans Homes.

6.02A9. Describe the Offeror’s knowledge and experience with operating under North Carolina regulations and guidelines; as well as under USDVA regulations and guidelines.

6.02A10. A statement that the Offeror has cash flow in excess of $9 million for the operation of these homes.

6.02A11. List the total number of skilled nursing homes in operation in the past three years.

6.02A12. List the total number of “J” tags that the skilled nursing homes received in the past three years.

Response: HDG’s responses to all the above required information are addressed in the cover letter in front of the Technical Proposal of this response to RFP #201400844.
Technical Proposal – 6.03

6.03A. The Offeror shall prepare a narrative response describing how the following services will be provided in each of the facilities using no more pages than specified below:

6.03A1. Physician coverage (1 page); rehabilitative services (2 pages); pharmacy (1 page); health, safety and security program (2 pages); preventive maintenance for the facility (1 page); grounds maintenance (1 page); infection control (3 pages); nursing services (3 pages); dietetics (2 pages); quality improvement program (3 pages); quality assurance (2 pages); pressure ulcer care and monitoring program (1 page); volunteer services (1 page).

6.03A2. Describe any additional or innovative services, either outpatient or inpatient, that could be provided to a particular facility, if the NCDVA desires and approves such a service or program.

Response: Please refer to pages 48-57 of the Technical Proposal for the information requested in section 6.03 of the RFP.

Organizational and Financial Stability – 6.04

6.04A. Experience:

6.04A1. Describe your organization’s philosophy or approach to resident healthcare services, personnel management, and fiscal management. Include the length of time your organization has been in business, relevant experience, and applicable service capabilities. Demonstrate your organization’s knowledge and understanding of nursing home care.

6.04A2. Provide a list of all skilled care nursing facilities, assisted living facilities, personal care facilities, or other health care facilities, providing services to primarily elderly individuals, that your organization has operated in the last five (5) years. For each facility, include name, address, phone number, Administrator, and number of beds in the facility.

6.04A3. Provide a list of all related entities and holding companies of your organization, and provide a list of the individual ownership of such entities and holding companies. Include a flow chart for each related entity.

6.04A4. Provide a list of all G level and higher surveys received by facilities under your organization’s management and/or control for the past two (2) years.

6.04A5. Provide a list of any admission hold your organization has experienced, how long, corrective actions, and outcome for the past two (2) years.

6.04A6. Provide a list of any homes that were closed due to survey issues.

Response: Please refer to pages 58-79 of the Technical Proposal for response to the information requested in Section 6.04A.
6.04B. References:

Provide a minimum of three (3) of the most recent references for whom the Offeror has performed within the last five (5) years, similar or related services to those called for in this RFP. If the Offeror does not manage any facilities, three (3) references must be from entities qualified to judge the Offeror’s operating capabilities. Include a brief description such as size and length of contract and scope of the services performed. Include name, title, address and current phone number of a representative for each reference who can provide information about their professional experience in dealing with your organization.

Response: Please refer to page 80 of the Technical Proposal.

6.04C. Organization Profiles:

Provide an organizational chart, demographic profile and resumes of key personnel, as well as a description and organization chart showing the structures your organization would use while operating the Salisbury Facility, Fayetteville Facility, Kinston and the Black Mountain Facility.

Response: Please refer to pages 81-82 of the Technical Proposal.

6.04D. Organization Capability:

Describe your organization’s ability to respond quickly to changes in the health care environment, including, but not limited to, regulations, technology, staffing ratios, and training requirements.

Response: Please refer to page 84 of the Technical Proposal.

6.04E. Management Capability:

Describe your organization’s management capabilities to successfully operate the NC State Veterans Homes in accordance with all applicable Federal, State, and local laws, regulations, and policies in accordance with the requirements of this RFP.

Response: Please refer to pages 84-85 of the Technical Proposal.

6.04F. Financial Stability:

6.04F1. Provide financial statements prepared by an independent certified public accountant (CPA), as well as consolidated statements for holding companies and affiliates with opinions, if applicable, for the last three (3) fiscal years of the business entity that would have fiduciary responsibility for this proposed contract. Include a full disclosure of all events, liabilities, tax obligations, financing arrangements/relationships, or contingent liabilities that could affect your organization’s financial ability to perform this contract. The financial statements shall include balance sheets, income statement/profit loss statement, cash flow statement, and statement of retained earnings and auditors notes regarding those statements. If audited financial statements have not been prepared for the current fiscal
year, or have not been prepared in the six months preceding the issuance date of this RFP, Offeror shall provide its internally prepared financial statements from the most recent audited financial statements through June 2013. All financial statements will be kept confidential, if Offeror complies with the General Information in Submitting Proposals, Proprietary Information, Section 13. You must indicate the ability to maintain $9 million dollars excess cash flow for the NC State Veterans Homes.

6.04F2. Demonstrate your organization’s financial status with information such as balance sheets, income statement of changes in financial position, annual reports, and any other statements or documents that attest to your organization’s strength and ability to continually fulfill the contractual obligations as managers. Include financial statements, including notes, auditor’s report, and summary of significant accounting policies prepared by an independent CPA.

6.04F3. Failure to submit financial statements may be grounds for the rejection of Offeror’s proposal.

Response: Please refer to page 85 of the Technical Proposal and Appendix C.

6.04G. Vendor’s Certifications

Offeror shall provide a statement wherein it responds to each of the limitations found in General Information and Requirements, Limitations of Offeror, Section 3:01 and a statement that it has or will obtain the insurance specified in General Information and Requirements, Insurance, 3:06.

Response: Please refer to page 85 of the Technical Proposal.

6.04H. Clarification

The NCDVA reserves the right to seek clarification pursuant to RFP.

Response: HDG has read and understands.

Staffing – 6.05

The Offeror shall provide a proposed organizational chart, classification of employees and number of each, minimum qualifications for each classification, and the number and classification of staff on each shift for each facility.

Response: Please refer to pages 86-91 of the Technical Proposal.

Statement of Legal Action – 6.06

The Offeror shall provide a statement as to any past or pending legal actions against the Offeror its employees, and/or its subcontractors.

Response: Please refer to pages 92-93 of the Technical Proposal.
PROPOSAL EVALUATIONS – RFP SECTION 7

General – 7.01

7.01. NCVAC may contract with persons or other non-governmental entities to operate each facility. NCVAC may contract with the Offeror whose proposal is most advantageous to the veterans and the State taking into consideration experience, past performance, excellence of program design, Offeror’s resources, financial condition of Offeror, management plan, key personnel, program suitability, cost, and any other qualities deemed necessary by the NCVAC and set out in the solicitation for proposals. The NCVAC is not required to select the Offeror offering the lowest cost proposal, but shall select the Offeror who, in NCVAC’s sole discretion, offers the proposal most advantageous to veterans of North Carolina.

NC General Statutes, § 165-50, The Veterans Affairs Commission is not required to select or recommend the vendor offering the lowest cost proposal but shall select or recommend the vendor who, in the opinion of the Commission, offers the proposal most advantageous to the veterans and the State of North Carolina.

Response: HDG has read and understands.

Proposal Evaluations – 7.02

7.02A. Evaluation Process:

NCDVA will conduct a comprehensive, fair, and impartial evaluation of proposals received in this solicitation. A Proposal Evaluation Committee will be appointed to review all submitted proposals. The Evaluation Committee shall consider the Offerors’ compliance with General Information and Requirements,; Scope of Proposal, General Section 5:01; Proposal Requirements Sections 6:02 through 6:06.

7.02B. This is a Two-Step Evaluation. Technical proposals will be evaluated first. Upon completion of the technical evaluation, the cost proposals of those firms whose technical proposals have been deemed acceptable will be publicly opened. The total cost offered by each firm will be tabulated and become a matter of public record. Interested parties are cautioned that these costs and their components are subject to further evaluation for completeness and correctness and therefore may not be an exact indicator of an Offeror’s pricing position.

7.02C. Oral Presentations

At their option, the evaluators may request oral presentations or discussion with any or all Offerors for the purpose of clarification or to amplify the materials presented in any part of the proposal. However, Offerors are cautioned that the evaluators are not required to request clarification; therefore, all proposals should be complete and reflect the most favorable terms available from the Offeror.
7.02B. Evaluation Criteria:
The following is the criteria of evaluation, listed in order of importance:

7.02B1. Experience:
7.02B1a. Offeror’s experience in community long-term care and the ownership and/or management of a skilled nursing care facility. Experience managing any State or Federal healthcare facility.
7.02B1b. Offeror’s history of contracting for management of a skilled nursing care facilities.

7.02B2. Quality of Response:
7.02B2a. Offeror’s technical understanding of the scope of work.
7.02B2b. Quality and comprehensiveness of Offeror’s plans and programs for providing the required services.

7.02B3. Financial Stability:
7.02B3a. Offeror’s financial stability, resources, and ability to support a project of this size. Offeror must state the ability to meet cash flow demands of $9 to $10 million in developing this proposal.

7.02B4. References:
7.02B4a. References, similar in size and scope to the requirements of this RFP.
7.02B4b. The State reserves the right to visit on Offeror’s site, prior to contract award, to view the operation and management of the facility.

7.02B5. Independent Verification of Offerors’ Qualifications:
The Evaluation Committee may conduct independent research, investigation, and/or verification of publicly available information concerning the Offerors’ qualifications, including but not limited to verification of licenses, complaints filed against Offerors with any regulatory or licensing agency, board or commission (federal, state or local), debarments of Offerors by any agency (federal, state or local), payment or nonpayment of tax obligations, news stories concerning any Offeror and/or such other publicly available information concerning the Offerors.

Response: HDG has read and understands the evaluation process and evaluation criteria.
COST PROPOSAL – RFP SECTION 8

General – 8.01

8.01A. The Offeror’s Cost Proposal must be submitted in a sealed package labeled “Cost Proposal”, RFP number, entity’s name, and opening date. See Cost Proposal Example, Cost Proposal Section 8:02.

Response: HDG has read and understands.

8.01B. See Cost Proposal Section 8:02. Offeror shall execute the Cost Proposal and return with proposal submission. Additional pages shall be attached to itemize all costs.

Response: HDG has read and understands

8.01C. In addition to reimbursement for monthly expenses, the cost proposal shall be proposed on these parameters:

Management Fees are computed on Net Income less reserves for Bad Debts
Cost Reports Settlements will not be used in computing Management Fees
Administrator’s Salary and all related expenses are not to be included as claimed expense.
Current Financial Statements do not represent all Charges at Net

Current Census does not reflect census below.
Posted Room Rates used to determine revenue for Management Fee.
Medicare will be actual RUG’s Rate.
Medicaid will be payment rate of $195, until next change by NCDMA.

Fayetteville – Census 142:

<table>
<thead>
<tr>
<th>Type</th>
<th>Residents</th>
<th>Posted Room Rate</th>
<th>Medicare</th>
<th>Average Rugs Rate</th>
<th>Medicaid</th>
<th>Posted Room Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Private Pays</td>
<td>72</td>
<td>$182</td>
<td></td>
<td></td>
<td>11 Residents</td>
<td>$408</td>
</tr>
<tr>
<td>Medicare</td>
<td>11</td>
<td></td>
<td></td>
<td></td>
<td>41 Residents</td>
<td>$195</td>
</tr>
<tr>
<td>Medicaid</td>
<td>41</td>
<td></td>
<td></td>
<td></td>
<td>3 Residents</td>
<td>$195+$10</td>
</tr>
<tr>
<td>Hospice</td>
<td>3</td>
<td></td>
<td></td>
<td></td>
<td>10 Residents</td>
<td>$356</td>
</tr>
<tr>
<td>Other VA</td>
<td>10</td>
<td></td>
<td></td>
<td></td>
<td>5 Residents</td>
<td>$192</td>
</tr>
<tr>
<td>Insurance</td>
<td>5</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Part B</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$112,000</td>
</tr>
<tr>
<td>Other Income</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$5,000</td>
</tr>
</tbody>
</table>
Salisbury – Census 95:

<table>
<thead>
<tr>
<th>Category</th>
<th>Residents</th>
<th>Rate Description</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Private Pays</td>
<td>33</td>
<td>Posted Room Rate</td>
<td>$182</td>
</tr>
<tr>
<td>Medicare</td>
<td>12</td>
<td>Average Rugs Rate</td>
<td>$455</td>
</tr>
<tr>
<td>Medicaid</td>
<td>30</td>
<td>Posted Room Rate</td>
<td>$195</td>
</tr>
<tr>
<td>Hospice</td>
<td>3</td>
<td>Room Rate</td>
<td>$195+$10</td>
</tr>
<tr>
<td>Other VA</td>
<td>12</td>
<td>Posted Room Rate</td>
<td>$340</td>
</tr>
<tr>
<td>Insurance</td>
<td>5</td>
<td>Posted Room Rate</td>
<td>$192</td>
</tr>
<tr>
<td>Part B</td>
<td></td>
<td></td>
<td>$87,000</td>
</tr>
<tr>
<td>Other Income</td>
<td></td>
<td></td>
<td>$5,000</td>
</tr>
</tbody>
</table>

Kinston (note below) – Admissions 95 effective 12/1/2014:

<table>
<thead>
<tr>
<th>Category</th>
<th>Residents</th>
<th>Rate Description</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Private Pays</td>
<td>30</td>
<td>Posted Room Rate</td>
<td>$225</td>
</tr>
<tr>
<td>Medicare</td>
<td>12</td>
<td>Average Rugs Rate</td>
<td>$455</td>
</tr>
<tr>
<td>Medicaid</td>
<td>33</td>
<td>Posted Room Rate</td>
<td>$195</td>
</tr>
<tr>
<td>Hospice</td>
<td>3</td>
<td>Posted Room Rate</td>
<td>$195+$10</td>
</tr>
<tr>
<td>Other VA</td>
<td>12</td>
<td>Posted Room Rate</td>
<td>$340</td>
</tr>
<tr>
<td>Insurance</td>
<td>5</td>
<td>Posted Room Rate</td>
<td>$225</td>
</tr>
<tr>
<td>Part B</td>
<td></td>
<td></td>
<td>$87,000</td>
</tr>
<tr>
<td>Other Income</td>
<td></td>
<td></td>
<td>$5,000</td>
</tr>
</tbody>
</table>

Black Mountain – Admissions 95:

<table>
<thead>
<tr>
<th>Category</th>
<th>Residents</th>
<th>Rate Description</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Private Pays</td>
<td>30</td>
<td>Posted Room Rate</td>
<td>$225</td>
</tr>
<tr>
<td>Medicare</td>
<td>12</td>
<td>Average Rugs Rate</td>
<td>$455</td>
</tr>
<tr>
<td>Medicaid</td>
<td>33</td>
<td>Posted Room Rate</td>
<td>$195</td>
</tr>
<tr>
<td>Hospice</td>
<td>3</td>
<td>Posted Room Rate</td>
<td>$195+$10</td>
</tr>
<tr>
<td>Other VA</td>
<td>12</td>
<td>Posted Room Rate</td>
<td>$353</td>
</tr>
<tr>
<td>Insurance</td>
<td>5</td>
<td>Posted Room Rate</td>
<td>$225</td>
</tr>
<tr>
<td>Part B</td>
<td></td>
<td></td>
<td>$87,000</td>
</tr>
<tr>
<td>Other Income</td>
<td></td>
<td></td>
<td>$5,000</td>
</tr>
</tbody>
</table>

The information is provided to assist in calculating the estimated revenue to determine percentage of management fee. The information above is an example for calculation purposes only and is not guaranteed.
What is not included in the Management Fee? Interest, penalty, Administrator’s cost, etc.

Actual revenue information shall be provided based on the past year. Use a disclaimer on information based on past history.

Note 1: Information above is given to help proposal in determine NCDVA estimates for census and room rates. Census will change from month to month based on operations. It is not acceptable to make changes from this information to assure all management fees computations are equal.

Note 2: Kinston is still increasing patient to meet full capacity, current census is 60 residents.

8.01D. Management Fees shall be the percentage offered in this RFP. No additional fees will be permitted.

Management Fees along with facility expenses shall be billed monthly on the form presented in Appendix A. Monthly Invoices shall be submitted along with all financial information after the month has closed. The invoice shall be e-mailed to James A. Woodard (james.woodard@doa.nc.gov) approved.

8.01E. See Appendixes:
Appendix A, Page 35 Sample of Monthly Invoice
Appendix B, Page 36 Income Statement – NC State Veterans Home - Fayetteville
Appendix C, Page 47 Income Statement – NC State Veterans Home - Salisbury
Appendix D, Page 58 Income Statement – NC State Veterans Home - Black Mountain
Appendix E, Page 68 Income Statement – NC State Veterans Home - Kinston
Appendix F, Page 79 List of State Policies/Procedures

Response: HDG has read and understands all provisions of Section 8.01.

8.02. See enclosed envelope marked “Cost Proposal.”

8.03. See Appendix A.

8.04. See Appendix A.
General Information on Submitting Proposals – 8.05

8.051. Exceptions: All proposals are subject to the terms and conditions outlined herein. All responses shall be controlled by such terms and conditions and the submission of other terms and conditions, price lists, catalogs, and/or other documents as part of an Offeror's response will be waived and have no effect either on this Request for Proposals or on any contract that may be awarded resulting from this solicitation. Offeror specifically agrees to the conditions set forth in the above paragraph by signature to the proposal.

8.052. Certification: By executing the proposal, the signer certifies that this proposal is submitted competitively and without collusion (G.S. 143-54), that none of our officers, directors, or owners of an unincorporated business entity has been convicted of any violations of Chapter 78A of the General Statutes, the Securities Act of 1933, or the Securities Exchange Act of 1934 (G.S. 143-59.2), and that we are not an ineligible vendor as set forth in G.S. 143-59.1. False certification is a Class I felony.

8.053. Oral Explanations: The State shall not be bound by oral explanations or instructions given at any time during the competitive process or after award.

8.054. Reference to Other Data: Only information that is received in response to this RFP will be evaluated; reference to information previously submitted shall not be evaluated.

8.055. Elaborate Proposals: Elaborate proposals in the form of brochures or other presentations beyond that necessary to present a complete and effective proposal are not desired.

In an effort to support the sustainability efforts of the State of North Carolina we solicit your cooperation in this effort.

It is desirable that all responses meet the following requirements:

- All copies are printed double sided.
- All submittals and copies are printed on recycled paper with a minimum post-consumer content of 30% and indicate this information accordingly on the response.
- Unless absolutely necessary, all proposals and copies should minimize or eliminate use of non-recyclable or non re-usable materials such as plastic report covers, plastic dividers, vinyl sleeves, and GBC binding. Three-ringed binders, glued materials, paper clips, and staples are acceptable.
- Materials should be submitted in a format that allows for easy removal and recycling of paper materials.
8.056. Cost for Proposal Preparation: Any costs incurred by Offerors in preparing or submitting offers are the Offeror’s sole responsibility; the State of North Carolina will not reimburse any Offeror for any costs incurred prior to award.

8.057. Time for Acceptance: Each proposal shall state that it is a firm offer that may be accepted within a period of ninety (90) days. Although the contract is expected to be awarded prior to that time, the ninety (90) day period is requested to allow for unforeseen delays.

8.058. Titles: Titles and headings in this RFP and any subsequent contract are for convenience only and shall have no binding force or effect.

8.059. Confidentiality of Proposals: In submitting its proposal the Offeror agrees not to discuss or otherwise reveal the contents of the proposal to any source outside of the using or issuing agency, government or private, until after the award of the contract. Only those communications with the using agency or issuing agency authorized by this RFP are permitted. All Offerors are advised that they are not to have any communications with the using or issuing agency during the evaluation of the proposals (i.e., after the public opening of the proposals and before the award of the contract), unless the State’s purchaser contacts the Offeror(s) for purposes of seeking clarification. An Offeror shall not: transmit to the issuing and/or using agency any information commenting on the ability or qualifications of other Offerors to perform the advertised contract and/or the other Offerors’ proposals and/or prices at any time during the procurement process; or engage in any other communication or conduct attempting to influence the evaluation and/or award of the contract that is the subject of this RFP. Offerors not in compliance with this provision may be disqualified, at the option of the State, from contract award. Only discussions authorized by the issuing agency are exempt from this provision.

8.0510. Right to Submitted Material: All responses, inquiries, or correspondence relating to or in reference to the RFP, and all other reports, charts, displays, schedules, exhibits, and other documentation submitted by the Offerors shall become the property of the State when received.

8.0511. Offeror’s Representative: Each Offeror shall submit with its proposal the name, address, and telephone number of the person(s) with authority to bind the firm and answer questions or provide clarification concerning the firm’s proposal.

8.0512. Subcontracting: Offerors may propose to subcontract portions of the work provided that their proposals clearly indicate what work they plan to subcontract and to whom and that all information required about the prime Contractor is also included for each proposed subcontractor.
8.0513. **Proprietary Information:** Trade secrets or similar proprietary data which the Offeror does not wish disclosed to other than personnel involved in the evaluation or contract administration will be kept confidential to the extent permitted by NCAC T01:05B.1501 and G.S. 132-1.3 if identified as follows: Each page shall be identified in boldface at the top and bottom as "CONFIDENTIAL". Any section of the proposal that is to remain confidential shall also be so marked in boldface on the title page of that section. Cost information may not be deemed confidential. In spite of what is labeled as confidential, the determination as to whether or not it is shall be determined by North Carolina law.

8.0514. **Historically Underutilized Businesses:** Pursuant to General Statute 143-48 and Executive Order #150, the State invites and encourages participation in this procurement process by businesses owned by minorities, women, disabled, disabled business enterprises and non-profit work centers for the blind and severely disabled.

8.0515. **Protest Procedures:** When an Offeror wants to protest a contract awarded by the Secretary of Administration or by an agency over $25,000 resulting from this solicitation, they must submit a written request to the State Purchasing Officer at Purchase and Contract, 1305 Mail Service Center, Raleigh, NC 27699-1305. This request must be received in the Division of Purchase and Contract within thirty (30) consecutive calendar days from the date of the contract award. When an Offeror wants to protest a contract awarded by an agency or university resulting from this solicitation that is over $10,000 but less than $25,000 for any agency, or any contract awarded by a university, they must submit a written request to the issuing procurement officer at the address of the issuing agency. This request must be received in that office within thirty (30) consecutive calendar days from the date of the contract award. Protest letters must contain specific reasons and any supporting documentation for the protest. Note: Contract award notices are sent only to those actually awarded contracts, and not to every person or firm responding to this solicitation. Contract status and Award notices are posted on the Internet at [http://www.state.nc.us/pandc/](http://www.state.nc.us/pandc/). All protests will be handled pursuant to the North Carolina Administrative Code, Title 1, Department of Administration, Chapter 5, Purchase and Contract, Section 5B.1519. (See Protest Information at [http://www.doa.state.nc.us/PandC/protests.pdf](http://www.doa.state.nc.us/PandC/protests.pdf) for more information.)

8.0516. **Tabulations:** The Division has implemented an Interactive Purchasing System (IPS) that allows the public to retrieve proposal tabulations electronically from our Internet web site: [http://www.state.nc.us/pandc/](http://www.state.nc.us/pandc/). Click on the IPS PROPOSALS icon, click on Search for Proposal, enter the RFP number, and then search. Tabulations will normally be available at this web site not later than one working day after opening. Lengthy tabulations may not be available on the Internet, and requests for these verbally or in writing cannot be honored.
8.0517. **Vendor Registration And Solicitation Notification System:** Vendor Link NC allows vendors to electronically register free with the State to receive electronic notification of current procurement opportunities for goods and services available on the Interactive Purchasing System. Online registration and other purchasing information are available on our Internet web site: [http://www.state.nc.us/pandc/](http://www.state.nc.us/pandc/).

8.0518. **Reciprocal Preference:** G.S. 143-59 establishes a reciprocal preference law to discourage other states from applying in-state preferences against North Carolina’s resident Offerors. The “Principal Place of Business” is defined as the principal place from which the trade or business of the Offeror is directed or managed.

**Response:** HDG has read and understands all provisions of Section 8.05

**North Carolina General Contract Terms and Conditions – 8.06**

8.061. **Governing Law:** This contract is made under and shall be governed and construed in accordance with the laws of the State of North Carolina.

8.062. **Situs:** The place of this contract, its situs and forum, shall be North Carolina, where all matters, whether sounding in contract or tort, relating to is validity, construction, interpretation and enforcement shall be determined.

8.063. **Independent Contractor:** The Contractor shall be considered to be an independent Contractor and as such shall be wholly responsible for the work to be performed and for the supervision of its employees. The Contractor represents that it has, or will secure at its own expense, all personnel required in performing the services under this agreement. Such employees shall not be employees of, or have any individual contractual relationship with the Agency.

8.064. **Key Personnel:** The Contractor shall not substitute key personnel assigned to the performance of this contract without prior written approval by the Agency’s Contract Administrator. The individuals designated as key personnel for purposes of this contract are those specified in the Contractor’s proposal.

8.065. **Subcontracting:** Work proposed to be performed under this contract by the Contractor or its employees shall not be subcontracted without prior written approval of the Agency’s Contract Administrator. Acceptance of an Offeror’s proposal shall include any subcontractor(s) specified therein.

8.066. **Performance and Default:** If, through any cause, the Contractor shall fail to fulfill in timely and proper manner the obligations under this agreement, the Agency shall thereupon have the right to terminate this contract by giving written notice to the Contractor and specifying the effective date thereof. In that event, all finished or unfinished deliverable items under this contract prepared by the Contractor shall, at the option of the
Agency, become its property, and the Contractor shall be entitled to receive just and equitable compensation for any satisfactory work completed on such materials. Notwithstanding, the Contractor shall not be relieved of liability to the Agency for damages sustained by the Agency by virtue of any breach of this agreement, and the Agency may withhold any payment due the Contractor for the purpose of setoff until such time as the exact amount of damages due the Agency from such breach can be determined.

In case of default by the Contractor, the State may procure the services from other sources and hold the Contractor responsible for any excess cost occasioned thereby. The State reserves the right to require performance bond or other acceptable alternative guarantees from successful Offeror without expense to the State.

In addition, in the event of default by the Contractor under this contract, the State may immediately cease doing business with the Contractor, immediately terminate for cause all existing contracts the State has with the Contractor, and de-bar the Contractor from doing future business with the State.

Upon the Contractor filing a petition for bankruptcy or the entering of a judgment of bankruptcy by or against the Contractor, the State may immediately terminate, for cause, this contract and all other existing contracts the Contractor has with the State, and de-bar the Contractor from doing future business.

Neither party shall be deemed to be in default of its obligations hereunder if and so long as it is prevented from performing such obligations by any act of war, hostile foreign action, nuclear explosion, riot, strikes, civil insurrection, earthquake, hurricane, tornado, or other catastrophic natural event or act of God.

8.067. Termination: The Agency may terminate this agreement at any time by thirty (30) days notice in writing from the Agency to the Contractor. In that event, all finished or unfinished deliverable items prepared by the Contractor under this contract shall, at the option of the Agency, become its property. If the contract is terminated by the Agency as provided herein, the Contractor shall be paid for services satisfactorily completed, less payment or compensation previously made.

8.068. Payment Terms: Payment terms are Net not later than 30 days after receipt of correct invoice(s) or acceptance of services, whichever is later, or in accordance with any special payment schedule identified in this RFP. The using agency is responsible for all payments to the Contractor under the contract. Payment by some agencies may be made by procurement card and it shall be accepted by the Contractor for payment if the Contractor accepts that card (Visa, MasterCard, etc.) from other customers. If payment is made by procurement card, then payment may be processed immediately by the Contractor.
8.069. **Availability of Funds:** Any and all payments to the Contractor are dependent upon and subject to the availability of funds to the Agency for the purpose set forth in this agreement.

8.0610. **Confidentiality:** Any information, data, instruments, documents, studies or reports given to or prepared or assembled by the Contractor under this agreement shall be kept as confidential and not divulged or made available to any individual or organization without the prior written approval of the Agency.

8.0611. **Care of Property:** The Contractor agrees that it shall be responsible for the proper custody and care of any property furnished it for use in connection with the performance of this contract or purchased by it for this contract and will reimburse the State for loss of damage of such property.

8.0612. **Copyright:** No deliverable items produced in whole or in part under this agreement shall be the subject of an application for copyright by or on behalf of the Contractor.

8.0613. **Access to Persons and Records:** The State Auditor and the using agency’s internal auditors shall have access to persons and records as a result of all contracts or grants entered into by State agencies or political subdivisions in accordance with General Statute 147-64.7 and Session Law 2010-194, Section 21 (i.e., the State Auditors and internal auditors may audit the records of the Contractor during the term of the contract to verify accounts and data affecting fees or performance).

8.0614. **Assignment:** No assignment of the Contractor’s obligations nor the Contractor’s right to receive payment hereunder shall be permitted. However, upon written request approved by the issuing purchasing authority, the State may:

8.0614a. Forward the Contractor’s payment check(s) directly to any person or entity designated by the Contractor, or

8.0614b. Include any person or entity designated by Contractor as a joint payee on the Contractor’s payment check(s).

In no event shall such approval and action obligate the State to anyone other than the Contractor and the Contractor shall remain responsible for fulfillment of all contract obligations.

8.0615. **Compliance with Laws:** The Contractor shall comply with all laws, ordinances, codes, rules, regulations, and licensing requirements that are applicable to the conduct of its business, including those of federal, state, and local agencies having jurisdiction and/or authority.
8.0616. **Affirmative Action:** The Contractor shall take affirmative action in complying with all Federal and State requirements concerning fair employment and employment of people with disabilities, and concerning the treatment of all employees without regard to discrimination by reason of race, color, religion, sex, national origin, or disability.

8.0617. **Insurance:** During the term of the contract, the Contractor at its sole cost and expense shall provide commercial insurance of such type and with such terms and limits as may be reasonably associated with the contract. As a minimum, the Contractor shall provide and maintain the following coverage and limits:

8.0617a. **Worker’s Compensation** - The Contractor shall provide and maintain Worker’s Compensation Insurance, as required by the laws of North Carolina, as well as employer’s liability coverage with minimum limits of $150,000.00, covering all of Contractor’s employees who are engaged in any work under the contract. If any work is subcontracted, the Contractor shall require the subcontractor to provide the same coverage for any of its employees engaged in any work under the contract.

8.0617b. **Commercial General Liability** - General Liability Coverage on a Comprehensive Broad Form on an occurrence basis in the minimum amount of $500,000.00 Combined Single Limit. (Defense cost shall be in excess of the limit of liability.

8.0617c. **Automobile** - Automobile Liability Insurance, to include liability coverage, covering all owned, hired and non-owned vehicles, used in connection with the contract. The minimum combined single limit shall be $150,000.00 bodily injury and property damage; $150,000.00 uninsured/under insured motorist; and $1,000.00 medical payment.

Providing and maintaining adequate insurance coverage is a material obligation of the Contractor and is of the essence of this contract. All such insurance shall meet all laws of the State of North Carolina. Such insurance coverage shall be obtained from companies that are authorized to provide such coverage and that are authorized by the Commissioner of Insurance to do business in North Carolina. The Contractor shall at all times comply with the terms of such insurance policies, and all requirements of the insurer under any such insurance policies, except as they may conflict with existing North Carolina laws or this contract. The limits of coverage under each insurance policy maintained by the Contractor shall not be interpreted as limiting the Contractor’s liability and obligations under the contract.

8.0618. **Advertising:** The Offeror shall not use the award of a contract as part of any news release or commercial advertising.

8.0619. **Entire Agreement:** This contract and any documents incorporated specifically by reference represent the entire agreement between the parties and supersede all prior oral or
written statements or agreements. This Request for Proposals, any addenda thereto, and the Offeror’s proposal are incorporated herein by reference as though set forth verbatim.

All promises, requirements, terms, conditions, provisions, representations, guarantees, and warranties contained herein shall survive the contract expiration or termination date unless specifically provided otherwise herein, or unless superseded by applicable Federal or State statutes of limitation.

8.0620. Amendments: This contract may be amended only by written amendments duly executed by the Agency and the Contractor. The NC Division of Purchase and Contract shall give prior approval to any amendment to a contract awarded through that office.

8.0621. Taxes: G.S. 143-59.1 bars the Secretary of Administration from entering into contracts with vendors if the vendor or its affiliates meet one of the conditions of G. S. 105-164.8(b) and refuse to collect use tax on sales of tangible personal property to purchasers in North Carolina. Conditions under G. S. 105-164.8(b) include: (1) Maintenance of a retail establishment or office, (2) Presence of representatives in the State that solicit sales or transact business on behalf of the vendor and (3) Systematic exploitation of the market by media-assisted, media-facilitated, or media-solicited means. By execution of the proposal document the vendor certifies that it and all of its affiliates, (if it has affiliates); collect(s) the appropriate taxes.

8.0622. General Indemnity: The Contractor shall hold and save the State, its officers, agents, and employees, harmless from liability of any kind, including all claims and losses accruing or resulting to any other person, firm, or corporation furnishing or supplying work, services, materials, or supplies in connection with the performance of this contract, and from any and all claims and losses accruing or resulting to any person, firm, or corporation that may be injured or damaged by the Contractor in the performance of this contract and that are attributable to the negligence or intentionally tortious acts of the Contractor provided that the Contractor is notified in writing within 30 days that the State has knowledge of such claims. The Contractor represents and warrants that it shall make no claim of any kind or nature against the State’s agents who are involved in the delivery or processing of Contractor goods to the State. The representation and warranty in the preceding sentence shall survive the termination or expiration of this contract.

8.0623. Outsourcing: Any vendor or subcontractor providing call or contact center services to the State of North Carolina shall disclose to inbound callers the location from which the call or contact center services are being provided.

If, after award of a contract, the Contractor wishes to outsource any portion of the work to a location outside the United States, prior written approval must be obtained from the State agency responsible for the contract.
Vendor must give notice to the using agency of any relocation of the vendor, employees of the vendor, subcontractors of the vendor, or other persons performing services under a state contract outside of the United States.

8.0624. Gifts or Favors to State Employees: Per N.C. G.S.§ 133-32, it is unlawful for any vendor or Contractor (i.e. architect, bidder, Contractor, construction manager, design professional, engineer, landlord, Offeror, seller, subcontractor, supplier, or vendor), to make gifts or to give favors to any State employee of the Governor’s Cabinet Agencies (i.e., Administration, Commerce, Correction, Crime Control and Public Safety, Cultural Resources, Environment and Natural Resources, Health and Human Services, Juvenile Justice and Delinquency Prevention, Revenue, Transportation, and the Office of the Governor). This prohibition covers those vendors and Contractors who:

(1) have a contract with a governmental agency; or

(2) have performed under such a contract within the past year; or

(3) anticipate bidding on such a contract in the future.

For additional information regarding the specific requirements and exemptions, vendors and Contractors are encouraged to review G.S. Sec. 133-32.

Response: HDG has read and understands all terms and conditions of Section 8.06.

APPENDICES

Response: HDG has read and understands all appendices included as part of RFP #201400844.
TITLE PAGE

RFP Subject: Operation and Management of Licensed Nursing Facilities (Veteran Homes in NC primarily for the use of Veterans only) - #201400844

Offeror’s Firm: Health Dimensions Consulting, Inc., d/b/a Health Dimensions Group

Local Address:
4400 Baker Road
Suite 100
Minneapolis, MN 55343

Telephone: 763.537.5700

Contact Person: Craig Abbott, CEO

Date: August 5, 2014
COVER LETTER – RFP SECTION 6.02

6.02A: With its proposal submission, the Offeror shall include responses to the minimum fiscal and statutory requirements below. Responses shall be submitted in the form of a standard business letter and signed by an individual authorized to legally bind the Offeror.
August 5, 2014

Margaret Serapin, Division of Purchase and Contract
North Carolina Department of Veterans Affairs
Administration Building, 4th Floor
116 W. Jones St.
Raleigh, NC 27603
Re: RFP #201400844 – Section 6.02A

To the North Carolina Department of Veterans Affairs:

Health Dimensions Group (HDG) is pleased to present this letter to address the information asked for in the Request for Proposal #201400844.

HDG is a privately owned corporation that operates and/or manages skilled nursing facilities (SNFs) licensed by the respective states of Minnesota, Wisconsin, Illinois, Iowa, Pennsylvania, and Nebraska. Within the state of Wisconsin, HDG has partnered with the state to manage the Wisconsin Veterans Home at Chippewa Falls. (6.02A1)

I, Craig Abbott, will serve as HDG’s representative for this engagement and have the authority to bind HDG and answer questions or provide clarification concerning this proposal. My contact information is as follows:

Craig Abbott, CEO
4400 Baker Road, Suite 100
Minneapolis, MN 55343
763.225.8617
(6.02A2)

As HDG’s representative, I attest that HDG has not attempted, nor will it attempt, to induce any other person or firm to submit or not submit a proposal in response to the above-referenced RFP (6.02A3). HDG accepts all terms and conditions of RFP #201400844; however, the substance of this response is not intended as a contract offer, but rather is intended to set out the general terms which, taken together with the required contractual
provisions outlined in RFP #201400844, form the basis for negotiation of a final agreement, which must be mutually acceptable to the parties. (6.02A5)

From our experience in managing a veterans’ home, we recognize that caring for veterans typically requires greater staff training, awareness, and adaptation to this population’s unique mental health needs, as these needs usually vary dramatically from the non-veterans long-term care population. In certain cases, mental health issues have resulted in the development of aggressive behaviors on the part of some veterans. In response, HDG has taken steps in its veterans’ home to ensure all staff receives additional training and competency testing to ensure each staff member’s ability to meet the veterans’ psychosocial needs and appropriately handle aggressive and/or non-compliant behaviors. (6.02A6a)

HDG has also observed that volunteerism in a veterans’ home is significantly more robust than what is found in a typical long-term care facility. HDG speaks further to the topic of volunteerism in its Technical Proposal. (6.02A6a)

HDG feels strongly that, regardless of disability rating, veterans should have access to a home where only the highest quality of care and services are provided. Provided that the veterans’ home is efficient with its care delivery, 70% veterans may also provide an attractive financial outcome to the centers in the form of greater and timelier cash flow. As a result, HDG embraces the admission of 70% veterans and sees no reason to place limits on admitting 70% veterans, so long as the staff are capable of meeting each veteran’s needs – physical and otherwise. (6.02A6b-d)

HDG currently provides respite care in all its managed facilities. Respite care is a much needed service that provides in-home family caregivers the opportunity to rest, rejuvenate, and continue the often difficult and stressful work of caring for a loved one in his own home. The viability of respite care in any particulate geographic area is difficult to assess without the completion of a formal demand study. If awarded the management oversight contract for the North Carolina veterans’ homes, HDG would complete such a study for each of the four current, and any future, locations and add these services to the veterans’ homes – if not already in place – should these services prove viable. (6.02A6e)

At this time, HDG does not manage facilities in markets where there is either competitive or market requirements indicating facilities should have joint commission accreditation. HDG recognizes states and markets are different and, should NCDVA seek to maintain or expand its accreditation with joint commission, HDG has appropriate resources and content experts to support that overall process. HDG employs registered nurse specialists with experience in JCAHO accreditation who are familiar with both the application and operating standards necessary to both obtain and maintain accreditation. (6.02A7)
HDG’s team of experienced professionals has the knowledge and expertise throughout the entire continuum of health care to maximize the NCDVA’s success. In addition to a complete array of consulting services, HDG provides management services for long-term care, assisted living, independent living, and senior care campuses. (6.02A8)

By listening to each client’s unique and specific needs, HDG meets and exceeds client expectations by creating custom strategies that lead to measurable results. Some of the services we provide include:

- Strategic planning and positioning
- Health care continuum alignments
- Market growth strategies
- Payor-provider model development, including accountable care organizations (ACOs)
- Senior service line development
- Operational and performance improvement (clinical, financial and billing, regulatory compliance, and reimbursement advisory)
- Transitional leadership services
  - Interim management
- Transaction advisory solutions
- Home health and hospice management
- Turnaround and full-service management

HDG currently operates in several states and, as part of the process when beginning operations in a new state, HDG researches state-specific rules in comparison to federal regulations. The more stringent of these regulations is applied to HDG’s facilities. (6.02A9)

HDG has experience with the USDVA regulations and survey process through its work with the veterans’ home in Chippewa Falls, Wisconsin, as well as through consulting work, including past engagements with the Minnesota Veterans Home. HDG has worked with the Chippewa Falls veterans’ home since before the facility opened and has assisted through two successful VA surveys at the location.

HDG has many banking and financing/funding relationships with trusted banking and funding partners. HDG understands the funding demands as outlined in the RFP, and affirms that it can/will pursue financing structures that would provide the means to obtain the required 9-10 million dollar reserves to allow proper funding of the operations until the completion of the billing and payment cycle to/from the NCDVA. (6.02A10)
HDG provides management across the full continuum of post-acute care, including skilled nursing, assisted living, independent living, and home care. Over the past three years, HDG has managed a total of 18 skilled nursing facilities, as well as other lower-acuity settings. Since July 1, 2011, HDG managed facilities have been assessed only three level J citations at three different facilities: Frazee Care Center in November 2013, Villa Pines in July 2012, and Belmont Nursing and Rehabilitation in March 2012. The section titled Level III & IV Citations/Admission Holds speaks more specifically to these results. (6.02A11-12)

In closing, I welcome you to visit any of our sites of service and would appreciate the opportunity to meet in person and respond to any questions you may have at the conclusion of your review of this RFP response.

This proposal and the information contained herein are valid for 90 days from the date of the proposal.

Thank you for your consideration of this proposal.

Sincerely,

Health Dimensions Group

Craig Abbott
Chief Executive Officer
TECHNICAL PROPOSAL – RFP SECTION 6.03

Physician Coverage – 6.03A1

HDG follows all federal and state guidelines to ensure each center contracts with a physician to serve as medical director and oversee all aspects of care delivery. In addition, HDG encourages a high level of engagement from the medical director to also serve as an integral member of each center’s senior leadership team. In that role, added responsibilities typically include involvement in strategic planning, staff training and education, specialty physician recruitment, and new attending physician training.

HDG expects that all medical directors will take an active role in the American Medical Directors Association (AMDA) through participation in both local and national conferences. HDG supports each physician’s pursuit of Medical Director certification through the AMDA.

HDG works in concert with facility medical directors to identify, recruit, credential, and add attending physicians to provide residents optimal choice with respect to physician services.

Rehabilitation Services – 6.03A1

HDG provides therapy oversight with a focus on outcomes, compliance, and efficiencies. HDG provides an initial assessment to determine areas of opportunity in regards to best practices, documentation, and financials. Follow up involves individualized training to address the areas of opportunity found in the assessment. Involved in the training is the therapy staff, MDS completers, administration, business office, nursing management, social services, and others as appropriate for each site.

Semi-annual training and auditing are conducted on site to assess opportunities, as well as to update on any new educational areas in the changing health care environment.

Additionally, a monthly off-site assessment is conducted related to the overall scorecard and areas that pertain to therapy services. Routine phone time for questions, webinars, and overall support is provided.

Weekly phone calls are conducted to address all skilled veterans and ascertain if all services are being provided that can be, as well as to work with the Medicare team to assure that the complicated Medicare regulations are being followed.
**Pharmacy Services – 6.03A1**

The following is the typical process HDG uses to assure pharmacy services meet the needs of those in our communities.

HDG management would typically submit a request for proposal to various potential pharmacy vendors capable of supplying medications and necessary services to the skilled nursing environment. These RFPs will address areas including medication packaging, delivery options, ability to interface with the electronic medical record, medication charts, return of medications for credit, pricing, delivery service and timing, and consultative services and Quality Council meeting support. This agreement ensures the provision of routine and emergency drugs for the community. The objective is to assure the accurate acquiring, receiving, dispensing, and administering of all medications to meet the needs of each veteran according to the regulatory requirement 483.60 Pharmacy Services.

Consultative services typically included the required monthly medication regimen review, pharmacy policies and procedures, and participation in the Quality Council or QAA Committee. It is the expectation of HDG to have consultation by pharmacists who are well versed in long-term care regulations and updates.

The RFPs are analyzed, with side-by-side comparison provided as HDG partners in choosing the contract pharmacy vendor that will be the best fit and provide the highest quality of service at the best possible pricing.

HDG collaborates with the licensed pharmacist and the facility leadership to coordinate pharmaceutical services and to identify and address pharmaceutical concerns and issues as required by regulation. HDG collaborates with the licensed pharmacist and facility staff on ensuring compliance with the regulatory requirement at 483.25 Unnecessary Drugs, with the objective that each veteran’s drug regimen is free from unnecessary drugs.
Health/Safety/Security Program – 6.03A1

The creation of a strong safety culture within an HDG community helps ensure a comprehensive approach to the identification of actual or potential loss sources and ensures the development of appropriate controls to eliminate or reduce the potential for accidents. In an HDG community with a strong safety culture, all employees work together to ensure that unsafe conditions are not created and unsafe acts are not tolerated. The ultimate creation and success of a safety culture is dependent on two important elements: management commitment and involvement, and engaging employees to actively participate in the process. These elements help to bring about the safety culture “product,” which is that observable degree of effort to which all organization members direct their attention and action toward improving safety on a daily basis. Every employee, from the administrator to line staff, must understand the goal and their role in creating a safe work environment.

HDG provides training on the process and assistance in implementing the key elements of a cultural safety process. The process ensures HDG’s communities focus on the behavioral causes of accidents. Behavior modification is based on coaching, correcting, or recognizing safety behaviors that affect the work environment, and human factors that contribute to injury. At the heart of this process lie the analysis, continuous observation, and mitigation of “at-risk” behaviors. This process leads to continuous improvement of the safety culture.

One of the leading causes of injury in any health care community is strains or sprains related to the transfer of residents/patients. The most effective way to control the risk of transfer-related injuries is to implement a formal low lift or safe transfer process. Many organizations make the mistake of thinking that just providing mechanical lifts will reduce the transfer risk and lower injury rates and costs. The implementation of a safe patient transfer process (low lift) requires a significant change in thinking and practice – a paradigm shift. The low lift process is designed to mitigate or reduce the frequency and severity of musculoskeletal strains and sprains associated with resident transfers. This is accomplished by limiting the amount of manual lifting required by staff. The basic premise is to limit the weight that any one individual lifts to no more than 30 pounds. This means eliminating one- and two-person manual transfers, and identifying opportunities to reduce the risk associated with other high-risk tasks, such as ambulating residents while pulling a wheelchair behind, boosting, and repositioning. Implementation of a safe transfer process not only reduces the physical stress faced by staff during transfers, but also enhances the quality of care provided to residents. The low lift process ensures that both resident and caregiver are involved with the safest method of transfer possible.

Often, employees who have repeat minor injuries will eventually incur a potentially significant injury if the unsafe conditions or behaviors that caused the injury are not identified and corrected. An accident repeater program is designed to communicate the importance of safety and each community’s commitment to the prevention of injuries. HDG can conduct an accident repeater meeting with this group of employees to discuss the
general nature of frequently occurring accidents and the unsafe acts or unsafe conditions that may have contributed to the occurrence of the repeat injuries. As part of this meeting, HDG would engage this group of employees in exploring ways to prevent future injuries and to discuss opportunities for improving safety within the organization.

**Preventive Maintenance – 6.03A1**

The appearance and physical integrity of HDG’s managed properties is extremely important. HDG feels strongly that clean, well-maintained properties not only enhance veteran and employee safety, but also create a marketing competitive advantage for the communities. Maintenance of properties under HDG management is typically overseen by a maintenance director employed by the center. The maintenance director and his direct reports are responsible for all facets of center preventive maintenance and unanticipated repairs. Contractual arrangements are put in place with local contractors to address services that require a technician to address any type of repair that would require specific certification according to local codes (electricians, HVAC technicians, etc.).

**Grounds Maintenance – 6.03A1**

Where appropriate, grounds maintenance (other than daily cleaning and removal of debris) is typically completed by a local, reliable, contracted service provider. These services would include weekly lawn, shrub, and bed care and maintenance that are seasonally appropriate. HDG demands immaculate upkeep of center grounds, without exception. Lawns are always mowed, trees and shrubs are always properly pruned, and flower/shrub beds are never to be without proper mulch covering.

**Infection Control – 6.03A1**

The following procedure is used to provide a structure for developing and maintaining an effective infection control program in the communities. The objective is to prevent, treat, and monitor infections according to standards of care.

- APIC (Association for Professionals in Infection Control and Epidemiology) is the reference and resource used by HDG nurse consultants in collaboration with the community clinical staff to develop and maintain a successful infection control program.

- A successful infection control program includes such issues as: meeting regulatory requirements, surveillance and reporting, infection prevention, immunization programs, and staff education.

HDG’s clinical consultants work in collaboration and as a resource for community staff to maintain an effective infection control program.
Nursing Services – 6.03A1

HDG’s managed facilities provide a wide range of services to the communities they serve. Residents of HDG’s facilities generally fall into one of two categories: traditional long-term care, or short-stay transitional care. Residents receiving long-term care typically suffer from a chronic condition requiring periodic evaluation by a licensed nurse. These residents often suffer a decline in activities of daily living, such as bathing, toileting, transferring, or eating, and require staff assistance. Long-term care patients also include those living with some form of dementia. These residents receive services more in the form of a social model where programming and daily activities are structured with the intent of preserving and promoting memory, rather than a medical model. The average length of stay for this long-term care population may span 2-3 years or more.

Residents receiving transitional care are typically recovering from a hospitalization and receive intense therapy with the goal of being discharged to their home or to a lower level of care, such as assisted living. In many instances, those within the short-stay population are recovering from respiratory complications and/or cardiac and/or orthopedic procedures. The average length of transitional stays across all HDG managed communities is 23 days. Through consulting oversight of other centers, HDG also has experience with the service lines of home care, adult day care, and early learning and development.

The day-to-day activities of the nursing department function are detailed in the regulatory and quality assurance portions of this proposal. Structurally, the department is led by a director of nursing services who reports to the center’s administrator. Depending on the size of the center, nursing supervisors are assigned specific units or floors and are responsible for the overall direction and oversight of line staff.

Dietetics – 6.03A1

HDG understands the importance that proper nutrition plays in maintaining proper health and assisting in the recovery of an acute illness. Each center’s nutritional services program is managed by a dietary supervisor who is responsible for meal preparation and delivery. Menu planning is coordinated by a registered dietician. Menus are developed with veteran choices and preferences in mind, with menu cycles changing no less frequently than quarterly.

In most cases, meals are served buffet-style, which provides veterans the chance to review food options and enjoy the meal’s aromas. Veterans choosing to dine in common dining rooms enjoy a home-like environment and serving staff eager to assist as needed.
Quality Improvement/Quality Assurance Programs – 6.03A1

Quality assurance at HDG managed facilities is led under the direction of a Quality Council at each facility. This council, made up of employees and consultants, including the medical director, assumes responsibility for the facility’s services related to quality of care, quality of life, customer satisfaction, regulatory compliance, and continuous quality improvement opportunities. The council is accountable for maintaining and improving systems that result in care and services to all customers. The purpose of the Quality Council is to combine quality assessment and quality assurance with quality improvement.

The Quality Council monitors the care and services delivered to veterans and their families. The council assures quality deficiencies within the facility have been identified and that actions for improvement have been implemented, along with monitoring systems that are effective for continued compliance and improvement. The core of the Quality Council meets monthly, with the medical director and consultants joining the meetings at least quarterly.

The Quality Council reviews issues and statistics that are noted in scheduled reports, and analyzes issues, concerns, and other data to develop action plans for improvement. This includes establishing and maintaining systems that provide two-way communication with facility staff to keep all staff informed of Quality Council activities and progress, and to obtain input from staff regarding current or potential quality issues and possible solutions. The council also maintains systems to keep veterans and families informed of improvement opportunities and their progress.

The council oversees process and quality improvement teams, as well as safety, infection control, and related committees at the facility. Records of council activities are maintained and remain privileged and confidential information.

Duties of the Quality Council include evaluating clinical indicators/measures and making recommendations for resolutions and action plans; reviewing Customer Satisfaction Surveys and assuring that action plans for improvement are in place; communicating the vision of Quality Care and Services; analyzing data to determine patterns and trends and to prioritize improvement efforts; developing and/or implementing recognition processes that support the organization’s values; evaluating industry trends related to quality management and improvement; and facilitating the annual review of resident care policies, as well as any other facility policies.

Traditionally, the Quality Council at HDG managed facilities have comprised, at minimum, the administrator or executive director, the director of nursing, the medical director, a representative from each department, a pharmacy representative, an infection control nurse, and a rehabilitation services representative. The Quality Council may also include veterans at the facility, family members, other MDs, nurse practitioners, physician assistants, other consultants, chaplains/religious/spiritual leaders, or direct care staff. The administrator of
the facility serves as the Quality Coordinator/Chairperson and approves agendas, facilitates Quality Council meetings, maintains membership of the council, keeps the council on task, and maintains all documentation of quality management activities.

The Quality Council program addresses all systems of management practices, including clinical care, quality of life, and resident choices, and encompasses all state and federal regulations related to quality assurance. Through the quality assurance performance improvement practice rooted in the Quality Council, HDG managed facilities aim for safety and high-quality clinical outcomes and utilize evidence-based practices to define measureable goals. It is through the Quality Council and strong quality assurance program that best practices are maintained in HDG facilities.

**Pressure Ulcer Care and Management – 6.03A1**

HDG has an established policy and protocol in place for the prevention, identification, treatment, and documentation of pressure ulcers. The staging system is defined according to current NPUAP guidelines and is used in assessment and description of wounds.

Upon admission, a head-to-toe visual inspection and assessment of the skin is completed by the licensed nurse. The assessment includes specific, individualized risk factors that might increase the risk of development, or affect the healing, of pressure ulcers.

All residents are preventatively placed on pressure reduction mattresses and wheelchair cushions, based on the skin assessments. Appropriate turning and repositioning schedules are established based on assessment and an initial/immediate care plan is initiated.

A weekly skin check is completed for all residents at risk for pressure ulcers. Residents are reassessed for skin risk quarterly, with change of condition, and upon development of any pressure ulcer.

There is an interdisciplinary approach to pressure ulcer treatment, including physician orders, nutritional assessment and support, rehabilitative services when indicated, and pain assessment. The interdisciplinary team (IDT) meets weekly to discuss pressure ulcer issues and progress toward healing. Pressure wounds are measured, assessed, and evaluated by the licensed nurse at least weekly.

HDG’s clinical staff includes a nurse consultant with current wound certification. Some, but not all, communities also have wound care-certified staff. HDG has coordinated efforts to obtain certification for staff in communities when requested.
**Volunteer Services – 6.03A1**

HDG values the contributions of the hundreds of volunteers who serve its residents and promotes a cross-generational approach to ensure residents are engaged with groups and individuals of all ages. Each center has a designee responsible for the coordination of volunteer recruitment, programming, scheduling, and recognition. As a component of each center’s marketing plan, HDG assists its centers with a volunteer development and community engagement plan that helps each center integrate with the town and communities where they reside.

Volunteers are engaged in a variety of activities, including religious services, ice cream and ethnic food socials, exercise programs, small group support sessions, resident birthday celebrations, shopping outings, and reading clubs, to name a few.

All volunteers are formally recognized no less than annually through a luncheon or dinner celebration. Many volunteers have received local and regional recognition for the outstanding contributions they have made in the service of HDG residents.

**INNOVATIVE SERVICES – RFP SECTION 6.03A2**

The following are several programs that HDG has implemented in its managed communities.

**Therapy Services – 6.03A2**

There are many specialized modalities offered in HDG’s managed facilities, including treatments for pain, lymphedema, balance – falls reduction, and wound care.

**Outpatient Therapy – 6.03A2**

Seventeen of HDG’s 18 managed SNF communities offer outpatient therapy. Manitowoc Health and Rehabilitation Center is highly involved with offering any necessary outpatient therapy to discharged residents, including evaluation for outpatient therapy on day of discharge, and even providing transportation when necessary. Waukesha Springs Health and Rehabilitation Center has an independent living attached to the SNF and provides outpatient therapy for these neighbors.

**Ventilator Care – 6.03A2**

HDG manages a community that has cared for ventilator-dependent residents for more than 20 years. This community partners with a contracted respiratory therapist and pulmonologist in the care of this specialized group of residents.
**Innovative Activity/Programming Approach – 6.03A2**

HDG manages an assisted living community in Denver that developed and implemented a “course” approach to involve staff members and residents in highly individualized areas of interest/activity. A “course” list is distributed and residents are able to sign up for classes of interest, which are led by staff members. Many residents who had previously chosen not to attend group activities have been reached through this effort. Courses have included such things as ceramics, a book group that listens to and discusses audio books together, physical activities, art projects, outings, etc.

**Wisconsin Music and Memory Program – 6.03A2**

Four of HDG’s managed communities in Wisconsin participate in the Wisconsin Music and Memory Program, which is designed to bring personalized music to individuals with dementia. The training for this program includes personalized music as a therapeutic tool, reduction of certain medications, and designing a customized music playlist.

**Information Technology – 6.03A2**

**Electronic Health Record and Other Software**

HDG’s management team has extensive experience with various electronic health record (EHR) systems and other related software utilized for daily operations. HDG began using PointClickCare (PCC) EHR in 2005 and currently uses PCC in all its managed/operated facilities. PCC is a web-based EHR platform for long-term care providers. It is used for pre-admission to discharge, and PCC’s integrated approach to EHR streamlines and connects clinical, billing, and administrative processes.

HDG understands that North Carolina State Veterans Homes are currently being converted to American HealthTech (Smart Charting) for its current EHR and billing software. Many members of HDG’s management team have used other systems and can adapt training, policies, and procedures to fit the needs of the NCDVA’s EHR systems. Additionally, HDG is in the process of completing a system-wide IT Strategic Planning Initiative with the intent of implementing complete and consistent EHR utilization across all HDG managed facilities. It would be HDG’s approach to include the North Carolina State Veterans Homes as part of this initiative.

**IT Strategic Planning Initiative for Managed Facilities**

In 2013, HDG engaged VCPI to provide consultation in forming HDG’s IT Strategic Plan and Electronic Health Records project for HDG’s independently owned/managed skilled nursing and assisted living facilities. VCPI has led the effort with direct input from HDG’s internal technology team, made up of 10 members from varying areas of the company. Technology team members include: principal, executive leadership, nursing home administrator, clinical staff, business office manager, and IT leadership.
VCPI’s extensive experience has helped to determine the best IT foundation, EHR software, and hardware selection, as well as the overall IT strategic plan for HDG’s managed facilities. The project covered the following areas:

- IT infrastructure of facilities
- EHR software and Point of Care (POC) hardware selection (HL7 compliance)
- Implementation plan for each building and/or system wide
- Processes and training of EHR software and POC hardware
- IT security and regulatory compliance
- Financial pro forma for implementing IT strategic plan
- Ongoing IT strategy to ensure technology stays current now and into the future

Implementation of recommendations is currently in process.

**Other**

Other programs and services provided in some HDG managed communities include clinical treatments such as:

- Peritoneal dialysis
- Total parenteral nutrition
- Bladder scanners as part of a program to restore function
- INR programs – INRs obtained in house for residents on anticoagulant therapy
- Wound vats
ORGANIZATIONAL AND FINANCIAL STABILITY – RFP SECTION 6.04

HDG Experience – 6.04A

Health Dimensions Group has more than 25 years of experience managing and staffing various senior care entities throughout the country, with a proven track record of extremely successful engagements, transitions, and partnerships.

HDG’s nationwide consulting and management experiences give the organization a unique perspective on the latest, most cutting-edge approaches to senior care and services. The organization is blessed with the ability to incorporate these learning opportunities into the communities it owns and manages.

Background and History of Health Dimensions Group – 6.04A1

Health Dimensions Consulting, Inc., d/b/a Health Dimensions Group (HDG), is a privately held entity formed in April of 2000 and headquartered in Minneapolis, Minnesota. HDG’s roots are deeply set within the acute and post-acute industry, and HDG leadership has been serving a diverse group of clients for more than 25 years. HDG has served more than 700 clients and has experience working in all 50 states. HDG is governed by a board of directors and employs 80+ central office staff throughout the country. The organization provides management services and day-to-day operational support for more than 3,000 residents and approximately 3,000 full and part-time staff throughout its managed communities.

Mission and Values – 6.04A1

Today, HDG is one of the nation’s leading health care management and consulting firms, serving the needs of hospitals, health systems, home- and community-based, long-term care, and senior living providers across the nation. The organization strives to ensure the technical competencies it offers are consistently delivered with a commitment to HDG’s core values of Integrity, Respect, Hospitality, Stewardship, and Humor. In addition to their significance and impact on the services HDG provides, these core values represent permanence to those HDG serves.

HDG provides consulting and management services to health care organizations and providers. In addition, the ownership of skilled nursing and senior housing facilities is integral to the organization’s ongoing mission. HDG is committed to designing integrated solutions for the achievement of the community health goals of its managed facilities and consulting clients.
Commitment to Total Solutions – 6.04A1

HDG believes that success in the changing health care environment requires innovation, as well as knowledge and experience—a total solutions approach. As your total solutions partner, HDG will work with you to help your organization adapt, reposition, and refine products and services to meet the rapidly changing needs of your clients. HDG will be with you every step of the way, from assessment to evaluation, to recommendations, through implementation.

The aging services and post-acute care industry continues to undergo major transformation, and HDG understands the opportunities and challenges inherent with these uncertain and unsettling times. HDG’s experienced industry leaders will create customized approaches specific to your unique circumstances to ensure you are well positioned and well equipped to navigate the landscape of change in senior care.

Meeting Today’s Challenges – 6.04A1

Many health care and senior service providers are sensing confusion and uncertainty about the future. “How will we stay current on changes in our nation’s dynamic health care and senior service delivery systems? How will we prepare to serve the ever-growing senior population? What about fundamental operational challenges in reimbursement systems, regulatory compliance, financial management, leadership development, strategic planning, technology, and other vital areas of operations? How can we contain costs and diversify revenue?” These questions and more are why so many health care providers are turning to HDG for answers.

As a health care provider, you quickly discover that all the services you provide are interrelated; that’s a key reason to choose HDG. HDG’s team members have extraordinary qualifications and experience. They also understand how each health care component impacts the whole. The depth of knowledge and expertise of HDG’s team can help your organization attend to the details while addressing the big picture.

Skilled Nursing Facility Solutions – 6.04A1

HDG’s skilled nursing services team provides a full range of consulting services to nursing centers seeking to develop or enhance their care. HDG’s professionals are seasoned in clinical, operational, and financial issues through hands-on experience. HDG’s team is made up of industry leaders with well-established processes, policies, and procedures that have proven successful for skilled nursing providers across the country.

Fiscal Management, Personnel Management, and Other HDG Approaches – 6.04A1

HDG offers a comprehensive approach to facility management. The areas listed below are included in HDG’s services:
• **Personnel**: HDG will oversee the management of all facility personnel, utilizing the current HR function supported by its central office HR team. Salaries, benefits, and all training required to meet facility objectives will be coordinated and directed by HDG; this is done by working cooperatively with facility HR and management staff.

• **Clinical Consulting, Staff Development, and Program Implementation**: HDG will assist with clinical policy making and provide general clinical consulting support, as well as oversee staff development and implementation of resident programs.

• **Certification, Licensure, Registration, and Legal Requirements**: To retain state licensure and comply with state, federal, and NCDVA regulations, HDG will prepare all necessary materials and follow-up procedures. On a continual basis, HDG will monitor and direct performance to ensure compliance with applicable state, federal, and local regulations.

• **Operational Policies**: HDG will review existing operational policies and procedures, implement revisions, and, as necessary, institute new policies and procedures.

• **Periodic Reviews and Reports**: HDG will review resident care policies, documentation, procedures, and other occupational policies to ensure they conform to industry standards and meet regulatory requirements.

• **Budget Preparation Approval**: HDG will prepare and provide to the NCDVA cash flow projections and a proposed budget; close monitoring of budget performance is a priority for the HDG team.

• **Full Financial Management**: HDG provides full payables, receivables, payroll, billing, and collections support. On-site education and consultation is a regular part of HDG’s management services. HDG also provides for all cash management functions.

• **Administrative and Legal Matters**: HDG will consult with legal counsel on all administrative and legal matters related to the operation of the center.

• **Legal Notice to Residents**: HDG will be responsible for legally required notices.

• **Confidentiality of Facility Records**: HDG will maintain the confidentiality of all facility files and records.

• **Supplies and Equipment**: HDG will, consistent with budgets, purchase supplies and non-capital equipment necessary and appropriate for operation of the facility. HDG will contract for and supervise all repairs to the physical property and equipment as necessary and subject to NCDVA approval, as appropriate.

• **Ancillary Services**: Consistent with budgets approved by the NCDVA, HDG will either provide or arrange for the provision of facility ancillary services, e.g., marketing, promotion, training, construction, physical therapy, and chaplaincy services.

• **Customer Relations**: HDG will develop and implement facility customer relations and marketing programs.
• **Advisory Support:** HDG will provide timely assistance to each facility with respect to special requests for meetings with legislators, requests for market analyses, business plans, program planning, etc.

• **Insurance Policy Coordination:** HDG will assist the NCDVA, where needed, in the placement of all insurance policies, including property, casualty, professional and general liability, worker’s compensation, etc.

• **Monthly Management Reports:** HDG will prepare and present reports that include information related to quality, employee relations, regulatory compliance, and financial performance. HDG will present these reports at the direction of center leadership; HDG’s typical reporting structure is monthly.

• **Quality Scorecard Reports:** A quarterly scorecard report will be prepared and presented to facility leadership; the scorecard report presents measurable outcomes in the areas of clinical, financial, human resources, collections, quality, and regulatory performance.

Other services offered by HDG encompass:

• Strategic planning
• Repositioning strategies
• Facility and program enhancements
• Market and feasibility demand studies for expansion and program additions
• New revenue source development
• Assistance with facility closure
• Operational improvements
• Benchmarking and margin improvement plans
• Compliance audits and plans
• Marketing and referral development programs
• Regulatory and financial turnarounds
• Reimbursement optimization
• Medicare prospective payment system (PPS) education and training
• Medicare facility audits
Consulting Solutions – 6.04A1

HDG provides a complete array of consulting services for the entire continuum of health care and senior services. The HDG team of experienced professionals has the knowledge and expertise throughout the continuum to maximize an organization’s success. HDG works closely with its managed centers to develop total solutions that respond to the unique challenge each center faces. Some of the consulting services HDG provides include:

- Strategic planning
- Operations performance and process improvement
- Post-acute care strategies
- Sales and marketing solutions
- Market demand analysis and consumer research
- Financial feasibility and reimbursement advisory solutions
- PACE development
- Home- and community-based services
- Rehabilitation programs and solutions
- Home health operations and assessments
- Development support and owner’s representation
- 501(c)(3) joint ventures
Current and Previous VA Experience – 6.04A1

Wisconsin Veterans Home at Chippewa Falls, Chippewa Falls, Wisconsin

The Wisconsin Veterans Home at Chippewa Falls is a new, 72-bed skilled nursing facility based on the neighborhood concept. In keeping with a forward-looking model of care and creating a more home-like environment, the facility has two neighborhoods, each comprising two 16-bed households. The households were constructed with private rooms, private showers, two bariatric suites equipped with ceiling lifts, and a small, intimate dining area.

HDG, in collaboration with the Wisconsin Department of Veterans Affairs (WDVA), worked to prepare the brand-new facility to accept members in early February 2013. The facility opened its doors on February 4, 2013, and the first four members were admitted to the home. The Home reached 100 percent occupancy within three months of opening. HDG looks forward to many years of partnership with the WDVA and veterans service organizations to ensure high-quality, compassionate care and service for our nation’s heroes.

In addition to its current management of the Wisconsin Veterans Home at Chippewa Falls, HDG has a long history of partnering with state Veterans Homes and the federal Veterans Administration. HDG staff have served on the Geriatrics and Gerontology Advisory Committee of the Veterans Administration and testified before Congress on matters related to how best to provide long-term care services to the nation’s veterans. One member of the HDG consulting team served as a 2006 at-large delegate to the White House Conference on Aging. HDG projects with State Veterans Home programs include development of demand studies, detailed financial feasibility studies, transition plans from existing programs to State Veteran Home-funded programs, and assistance with management and operational planning. A brief summary of engagements HDG has had with various state VA programs are provided over the following pages.

Minnesota

HDG began working with the Minnesota Veterans Home by conducting a comprehensive review of the five Minnesota Veterans Homes. Over the two-year engagement, HDG’s review included an evaluation of the organizational issues at each home, assessment and evaluation of the skills and expertise of the staff, an organizational and financial assessment of each veterans’ home, a financial management review, and a review of the quality program. The results of this review were developed into a formal Operational Improvement Plan for each facility, which was presented to the Board of Directors and the State Senate. HDG also provided for the Minneapolis Veterans Home Campus consultation that included placement of an administrator and clinical staff to provide oversight and services. This project included the development of systems, processes, policies, and procedures in key
areas, including regulatory compliance, nursing quality assurance, therapy, activities, and dietary services. HDG also implemented education and monitoring of systems.

**Alabama**

HDG conducted a feasibility assessment and financial study for the long-term health care needs of Alabama veterans. The study identified location, size, and programs for a new state home, and modifications to existing state homes to ensure continuous quality services are provided to Alabama veterans. This project involved a survey of veterans in the state to determine their desires related to state veterans’ homes.

**Alaska**

HDG completed a two-phase project to conduct a needs assessment and feasibility study for a full range of long-term care services for the Alaskan veteran population for the State of Alaska Department of Military & Veterans Affairs. This study included a review of the current long-term care infrastructure in the state, identification and assessment of current long-term care services for Alaskan veterans, a demographic analysis of the Alaskan veteran populations and future need for long-term care services, and recommendations relative to methods to assess long-term care preferences of Alaska’s veterans. The study also included a review of funding sources available to Alaskan veterans for long-term care, a projection of the number of veterans utilizing other long-term care services, and the financial implication associated with the development of a State Veterans Home, including estimated construction costs. In association with the McDowell Group, HDG conducted a feasibility study for an Alaska State Veterans Home for the State of Alaska Legislative Budget and Audit Committee. The next year, HDG developed a transition plan for the conversion of the Palmer Pioneer Home into a VA State Home. The plan included development of ramp-up scenarios and occupancy estimates for the proposed facility.

**Hawaii**

HDG conducted a feasibility analysis for a State Veterans Home in Hawaii for Hawaii Health System Corporation. The analysis included recommendations relative to the size, staffing, and programming for a state home to be located in Hilo, Hawaii. HDG developed the scope of services and RFOP for Hawaii Health Systems Corporation for the management and operations of the first State Veterans Home in Hawaii. In addition, HDG participated in the selection of the management company, along with contract negotiations for the selected contractor.
Iowa

HDG, in association with Schemmer Associates, conducted a facility assessment and master plan to meet the current and future needs of veteran members, making optimal use of existing buildings and land. The project involved determining the demand for additional services to serve the veteran population in Iowa, along with a survey of veterans in the state to determine their desires related to state veterans’ homes. In addition, HDG provided implementation assistance with resident-centered care to the 637-bed nursing facility and 113-bed domiciliary.

Nebraska

HDG, in association with Schemmer Associates, prepared and presented demand and program recommendations in support and development of a new veterans’ home in Nebraska. This project included a review of the utilization of State Veterans and community nursing homes, a demand analysis for long-term, domiciliary care, and assisted living beds for the veteran population, as well as recommendations relative to programs required to meet the needs of the veteran population.

Public to Private Partnering Experiences – 6.04A1

In addition to the VA experiences noted above, Health Dimensions Group has been engaged in the consultation, management, operations, staffing, and ownership of several communities previously operated by other governmental entities. The result of HDG’s individualized approach, management expertise, and customized partnership models with respective counties/municipalities/agencies have resulted in improved care, better quality, increased employee and resident satisfaction, improved financial health, and stability of the nursing home as a preferred provider and employer for the future. HDG understands that transitions of this nature come with a great degree of uncertainty and potential unrest. HDG’s significant experience has availed it with great learning opportunities, and the organization has been very successful in working through the political, community, staff, and resident priorities. **HDG has enjoyed a staff retention rate in excess of 95 percent** while working through public to private transitions, has enlisted the support of county stakeholders through the creation of Safety Net Advisory Boards that have given HDG the forum to ensure optimal outcomes for current and future residents, and has demonstrated consistent qualitative and quantitative outcomes in each of our experiences. A few examples are included below.
Chris Jensen Health and Rehabilitation Center, St. Louis County, Minnesota

Chris Jensen was owned and operated by St. Louis County for more than 100 years; however, operating costs, including wages and benefits for the center, were far exceeding current revenue sources. St. Louis County provided financial support to the facility in excess of $2,000,000 per year. In November 2009, St. Louis County made the decision to lease operations to HDG. St. Louis County and HDG partnered to contribute almost $1 million dedicated to center capital improvements. With an experienced, professional management group overseeing Chris Jensen, the center turned profitable almost immediately. Prior to acquisition in November 2009, the facility had a one-star CMS rating for health inspections, stemming from regulatory and survey performance. Through HDG leadership, Chris Jensen achieved a four-star CMS rating for health inspections. Chris Jensen continues to be a community landmark providing excellent care to 170 residents and is now a revenue source for St. Louis County.

Sunny Ridge Health and Rehabilitation Center, Sheboygan County, Wisconsin

HDG has managed Sunny Ridge since May 2007. Prior to HDG management, the center was losing between $1-2 million per year due to a variety of operational issues. HDG and the county agreed to make capital improvements of more than $1 million and partner with Sunny Ridge to make it an even better place for its 189 residents. HDG was able to remove a $1-2 million loss from the county budget, as well as improve an important source of care for the community.

Carlyle Care Center, City of Spokane, Washington

HDG managed the Carlyle from 2007 to 2011. The Carlyle was a special place to the people of Spokane, as it was a restored landmark and historical hotel in downtown Spokane and cared for 138 community members living with mental illness. In 2007, the property was foreclosed due to occupancy and financial issues. The lender engaged HDG to manage operations during foreclosure and the turnaround of the property. Through HDG leadership, the Carlyle was able to achieve and maintain a high level of occupancy and outstanding quality outcomes. Subsequently, the historical building and operations were sold to the City of Spokane, which continued the management relationship with HDG. In 2011, the property was sold to a private, local, non-profit organization in a sale that benefitted the city.
Winchester House, Lake County, Illinois

In October 2011, HDG was selected to provide operational, management, and staffing solutions for Winchester House in partnership with Lake County, Illinois. Due to an unsustainable financial model, as well as Winchester House losing its position in the marketplace, the county had been funding the center’s losses in excess of $4.5 million per year. This is a true testament to the increasing opportunity for creative and robust public/private partnerships. In this case, the ownership of the facility and the maintenance of the license were important elements that the County Board desired to retain, but they also wanted a partner who knew the industry, would take on risk, and would assume the previous county staff into a more financially stable, industry-driven wage and benefit model. The county has been pleased with the fact that management by HDG, started December 1, 2011, has reduced costs, maintained dedication to the center’s mission, and ultimately saved the county more than $2 million annually. In addition, Winchester House has enjoyed resident and family satisfaction scores exceeding industry averages, and has seen greatly improved regulatory outcomes. HDG is now in the process of exploring the potential of building a new facility in Lake County that will ensure the needs of current and future residents are served in a more state-of-the-art setting.

Traverse County Care Center, Traverse County, Minnesota

HDG has managed Traverse and the Prairieview Place independent living apartments since December 2010. Similar to other county-operated facilities, Traverse County was faced with the challenges and complexities of diminishing reimbursement and increasing costs in the operations of the 50-bed skilled nursing facility and 20-unit independent living apartments. Through HDG management, expertise was brought to the operations, which provided self-sustainability and preserved the county’s mission to provide quality senior services to rural western Minnesota.

Manitowoc Health and Rehabilitation Center, Manitowoc County, Wisconsin

HDG has managed Manitowoc since March 2008. Manitowoc County invested $14 million to build a new, 150-bed, single occupancy, state-of-the-art skilled nursing facility. After operating Manitowoc, the county board of supervisors realized the need to divest these assets and transfer operations to experts in senior care. The county sold this property to HDG because of HDG’s history, dedication to the community, and vision for this center. With this transition, quality and services were maintained in the community and annual taxpayer support of $4-6 million was eliminated. Concerns for the care of local Medicaid recipients were addressed with the creation of the Safety Net Accountability Advisory Board, a partnership of HDG and Manitowoc County. The board meets quarterly to evaluate Manitowoc’s services.
**HDG Managed Facilities – 6.04A2**

The following chart gives an overview of all the facilities HDG has managed in the past five years and information related to those facilities.

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<th>Administrator Name and Phone Number</th>
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<tr>
<td><strong>Belmont Nursing &amp; Rehabilitation Center</strong></td>
<td>90</td>
<td>Managed since July 2004</td>
<td>Megan Simpson 608.249.7391</td>
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<tr>
<td>110 Belmont Road Madison, WI 53714 Dane County (Skilled Nursing Facility)</td>
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### Facility Details

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<td>Diane Peters 570.275.4221</td>
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<td>600 Schoolhouse Road</td>
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<tr>
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<td>Harold Lutz 847.377.7341</td>
</tr>
<tr>
<td>1125 North Milwaukee Avenue</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Libertyville, IL 60047</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lake County</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Skilled Nursing Facility)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>McHenry Villa</td>
<td>104</td>
<td>Managed since January 2014</td>
<td>Noreen Zaio 815.344.0246</td>
</tr>
<tr>
<td>3516 West Waukegan Road</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>McHenry, IL 60050</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Independent Living)</td>
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<td></td>
<td></td>
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<tr>
<td>Marycrest Assisted Living – Harmony Residence</td>
<td>48</td>
<td>Managed since May 1998</td>
<td>Julie Callender 303.433.0282 x244</td>
</tr>
<tr>
<td>2800 Columbine Road</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Denver, CO 80221</td>
<td></td>
<td></td>
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<tr>
<td>(Assisted Living)</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Marycrest Assisted Living – Serenity Residence</td>
<td>90</td>
<td>Managed since May 1998</td>
<td>Julie Callender 303.433.0282 x244</td>
</tr>
<tr>
<td>2850 Columbine Road</td>
<td></td>
<td></td>
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<td>Denver, CO 80221</td>
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<tr>
<td>(Assisted Living)</td>
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<td></td>
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</tr>
<tr>
<td>Facility</td>
<td>Licensed Beds</td>
<td>Owned/Managed</td>
<td>Administrator Name and Phone Number</td>
</tr>
<tr>
<td>-------------------------------------------------------</td>
<td>---------------</td>
<td>-----------------------------</td>
<td>-------------------------------------</td>
</tr>
<tr>
<td><strong>The Wisconsin Veterans Home at Chippewa Falls</strong></td>
<td>72</td>
<td>Managed since October 2012</td>
<td>Austin Blilie 715.720.6630</td>
</tr>
<tr>
<td>(Newly Opened Facility – February 2013)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2175 East Park Avenue</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Chippewa Falls, WI 54729</td>
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<tr>
<td>Chippewa County (Skilled Nursing Facility)</td>
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<td></td>
<td></td>
</tr>
<tr>
<td><strong>Westwing Place</strong></td>
<td>77</td>
<td>Oversight</td>
<td>Glen Roebuck Executive Director of Senior Services &amp; Strategy (563) 421-2784</td>
</tr>
<tr>
<td>1118-11th Street</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>DeWitt, IA 52742 (Skilled Nursing Facility)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Crosstown Square</strong></td>
<td>82 (IL)</td>
<td>Oversight</td>
<td>Glen Roebuck Executive Director of Senior Services &amp; Strategy (563) 421-2784</td>
</tr>
<tr>
<td>900 Crosstown Avenue</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Silvis, IL 61282 (Independent Living Apartments)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Illini Restorative Care</strong></td>
<td>120</td>
<td>Oversight</td>
<td>Glen Roebuck Executive Director of Senior Services &amp; Strategy (563) 421-2784</td>
</tr>
<tr>
<td>1455 Hospital Road</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Silvis, IL 61282 (Skilled Nursing Facility)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Mercer County Nursing Home</strong></td>
<td>92</td>
<td>Oversight</td>
<td>Glen Roebuck Executive Director of Senior Services &amp; Strategy (563) 421-2784</td>
</tr>
<tr>
<td>309 NW 9th Avenue</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Aledo, IL 61231 (Skilled Nursing Facility)</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td><strong>Carlyle Care Center</strong></td>
<td>151</td>
<td>Managed 2007-2011</td>
<td>No longer under HDG management</td>
</tr>
<tr>
<td>206 S. Post St.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Spokane, WA 99201 (Assisted Living Facility</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Specializing in Mental Health)</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td><strong>Ashbrook Nursing and Rehabilitation Center</strong></td>
<td>120</td>
<td>Managed 2009-2011</td>
<td></td>
</tr>
<tr>
<td>1610 Raritan Road</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Scotch Plains, NJ 07076 (Skilled Nursing Facility)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Facility</td>
<td>Licensed Beds</td>
<td>Owned/Managed</td>
<td>Administrator Name and Phone Number</td>
</tr>
<tr>
<td>---------------------------------------------------------</td>
<td>---------------</td>
<td>---------------</td>
<td>-------------------------------------</td>
</tr>
<tr>
<td>Cornell Hall</td>
<td>177</td>
<td>Managed 2009-2011</td>
<td>No longer under HDG management</td>
</tr>
<tr>
<td>234 Chestnut Street&lt;br&gt;Union, NJ 07083&lt;br&gt;(Skilled Nursing Facility)</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Greenbrook Manor Nursing and Rehabilitation Center</td>
<td>180</td>
<td>Managed 2009-2011</td>
<td></td>
</tr>
<tr>
<td>303 Rock Avenue&lt;br&gt;Green Brook, NJ 08812&lt;br&gt;(Skilled Nursing Facility)</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Llanfair House Care and Rehabilitation Center</td>
<td>180</td>
<td>Managed 2009-2011</td>
<td></td>
</tr>
<tr>
<td>1140 Black Oak Ridge Road&lt;br&gt;Wayne, NJ 07470&lt;br&gt;(Skilled Nursing Facility)</td>
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<tr>
<td>Kensington Manor Care Center</td>
<td>228</td>
<td>Managed 2009-2011</td>
<td></td>
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<tr>
<td>94 Stevens Road&lt;br&gt;Toms River, NJ 08755&lt;br&gt;(Skilled Nursing Facility)</td>
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<td></td>
<td></td>
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<tr>
<td>St. Barnabas Assisted Living at Lakewood</td>
<td>45</td>
<td>Managed 2009-2011</td>
<td></td>
</tr>
<tr>
<td>77 Williams Street&lt;br&gt;Lakewood, NJ 08701&lt;br&gt;(Assisted Living)</td>
<td></td>
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<tr>
<td>Clara Maass Continuing Care Center at Belleville</td>
<td>132</td>
<td>Managed 2009-2011</td>
<td></td>
</tr>
<tr>
<td>1 Franklin Avenue&lt;br&gt;Belleville, NJ 07109&lt;br&gt;(Skilled Nursing Facility)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Clara Maass Continuing Care Center at Kearny</td>
<td>120</td>
<td>Managed 2009-2011</td>
<td></td>
</tr>
<tr>
<td>195 Belgrove Drive&lt;br&gt;Kearny, NJ 07032&lt;br&gt;(Assisted Living)</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Clara Maass Continuing Care Center at West Hudson</td>
<td>120</td>
<td>Managed 2009-2011</td>
<td></td>
</tr>
<tr>
<td>206 Bergen Avenue&lt;br&gt;Kearny, NJ 07032&lt;br&gt;(Skilled Nursing Facility)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lutheran Care Center</td>
<td>76</td>
<td>Managed 2007-2012</td>
<td></td>
</tr>
<tr>
<td>1200 First Avenue NE&lt;br&gt;Little Falls, MN 56345&lt;br&gt;(Skilled Nursing Facility)</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Related Entities – 6.04A3

Health Dimensions Consulting, Inc., d/b/a Health Dimensions Group, is a consulting and management company, providing services to governmental entities and to affiliated and unaffiliated for-profit and nonprofit entities across the country. It is owned equally by David Briscoe and Sergei Shvetzoff. The company provides management services in Wisconsin through a subsidiary, HDG-WI, LLC.

Through a holding company, HDG Real Estate, LLC, Mr. Briscoe and Mr. Shvetzoff own various health care and senior housing properties, which are leased to operating companies also owned by Mr. Briscoe and Mr. Shvetzoff’s holding company, Dimensions Health Strategies Corporation. All of these properties are managed by Health Dimensions Group (HDG). Certain of these properties and operating companies were formed to contain 25% ownership interests in other companies, as shown in subsequent parts of this section.

Dimensions Health Strategies Corporation owns a workers’ compensation insurance company that insures facilities managed by HDG, which provides loss control services to those facilities.

Mr. Briscoe and Mr. Shvetzoff own a holding company, Dimensions Staffing Solutions, LLC, that contains staffing entities providing services through HDG to the Wisconsin Department of Veterans’ Affairs (Dimensions Management of Chippewa Falls, LLC) and to Lake County, Illinois (Staffing Dimensions of Libertyville, LLC).

Through another holding company, Dimensions Home and Community Care Services, Inc., Mr. Briscoe and Mr. Shvetzoff own a home care agency located in Gurnee, Illinois.

It is anticipated that each managed facility would have staffing and operations contained in a single-purpose entity, formed in Minnesota and qualified to do business in North Carolina. Those entities would be single member LLCs owned by Dimensions Staffing Solutions, Inc.
Entities Owned by David Briscoe (50%) and Sergei Shvetzoff (50%)

- Health Dimensions Consulting, Inc.
- Dimensions Health Strategies Corporation
- HDG Real Estate, LLC
- Dimensions Staffing Solutions, LLC
- Dimensions Home and Community Care Services, Inc.

Entities Owned 100% by Health Dimensions Consulting, Inc.

- HDG – WI, LLC

Entities Owned 100% by Dimensions Health Strategies Corporation

- Chris Jensen, LLC
- Highland Chateau Suites, LLC
- Nazareth Care Suites, LLC
- Manitowoc Care Suites, LLC
- McHenry Villa, LLC
- MNCap Works, LLC
- Villa Pines Care Suites, LLC
- Carlyle Care Suites, LLC (inactive)
- Frazee Care Suites, LLC (inactive)
- Maple Manor, LLC (inactive)

Entities Owned 100% by HDG Real Estate, LLC

- Chateau Care Suites, LLC
- Dimensions Properties III, LLC
- Dimensions Properties IV, LLC (Villa Pines)
- Dimensions Properties V, LLC (Nazareth)
- Dimensions Properties VI, LLC (Manitowoc)
- Dimensions Properties VIII – McHenry Villa, LLC
- Dimensions Properties IX – Chris Jensen, LLC
- Dimensions Properties VII – Maple Manor, LLC (inactive)
Entities Owned 100% by Dimensions Staffing Solutions, Inc.
• Staffing Dimensions of Libertyville, LLC
• Dimensions Management of Chippewa Falls, LLC

Entities Owned 100% by Dimensions Home and Community Care Services, Inc.
• Dimensions Home Health Care, LLC

Entities Owned 25% by Villa Pines Care Suites, LLC
• Villa Pines Facilities, LLC

Entities Owned 25% by Nazareth Care Suites, LLC
• Nazareth Facilities, LLC

Entities Owned 25% by Manitowoc Care Suites, LLC
• Manitowoc Health Care Center, LLC

Entities Owned 25% by Dimensions Properties IV, LLC
• Villa Pines Properties, LLC

Entities Owned 25% by Dimensions Properties V, LLC
• Nazareth Properties, LLC

Entities Owned 25% by Dimensions Properties VI, LLC
• Manitowoc Health care Properties, LLC

Following is an organizational chart showing the ownership structure of these entities.
Formal Response to RFP #201400844

August 5, 2014

Level III and IV Citations/Admission Hold – 6.04A4-6

The following sets forth an overview of all level 3 and 4 citations received at skilled nursing facilities managed by HDG since July 1, 2012. During this period, no facility has been placed on an admission hold by any regulatory authority. HDG has never experienced a scenario where any facility was forced closure by regulatory authorities.

Level 3 or Level 4 Citations and Admission Hold Days: June 1, 2012 through submission date

- HDG is currently managing 18 SNF communities
  - 11 of 18 communities have not had any level 3 or level 4 citations during this time period
  - 0 of 18 communities have had admission hold days during this time period

Communities with Level 3 or 4 Citations

<table>
<thead>
<tr>
<th>Community</th>
<th>Survey(s)</th>
<th>Deficiencies Level 3 or 4</th>
<th>Admission Hold Days*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Frazee Care Center</td>
<td>Complaint survey – self-report related to ventilator alarm issue on 11/26/2013</td>
<td>F224=G, F328=J, both deficiencies related to same issue, tags cleared on first revisit</td>
<td>None</td>
</tr>
<tr>
<td>Lutheran Homes</td>
<td>1 annual survey - 11/29/12: deficiency due to resident falling because staff member with resident had not used gait belt</td>
<td>11/29/12: F323=G, 5/17/13: F309=G, both cleared on first revisit</td>
<td>None</td>
</tr>
<tr>
<td>Community</td>
<td>Survey(s)</td>
<td>Deficiencies Level 3 or 4</td>
<td>Admission Hold Days*</td>
</tr>
<tr>
<td>------------------</td>
<td>--------------------------------</td>
<td>--------------------------</td>
<td>----------------------</td>
</tr>
<tr>
<td>Sunny Ridge</td>
<td>1 complaint survey</td>
<td>F323=K</td>
<td>None</td>
</tr>
<tr>
<td></td>
<td>- 7/26/12: related to resident behavior issue</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Villa Pines</td>
<td>1 annual survey</td>
<td>F323=J</td>
<td>None</td>
</tr>
<tr>
<td></td>
<td>- 7/24/12: deficiency related to resident with multiple falls</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Waukesha Springs</td>
<td>1 complaint survey</td>
<td>F323=G</td>
<td>None</td>
</tr>
<tr>
<td></td>
<td>- 8/16/12</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Winchester House</td>
<td>2 annual surveys</td>
<td>10/1/12: F323=G</td>
<td>No admission hold days</td>
</tr>
<tr>
<td></td>
<td>- 10/1/12</td>
<td>10/31/13: F323=G</td>
<td>- 29 denial of payment days following annual survey 10/31/13</td>
</tr>
<tr>
<td></td>
<td>- 10/31/13</td>
<td></td>
<td>- Complaint visit done 9/4/13; revisit at same time as annual survey on 10/31/13. Complaint tags (level 2) were cleared on revisit, but survey cycle from 9/4/13 timeframe continued due to annual survey not being deficiency free</td>
</tr>
</tbody>
</table>

*Defined as directive from state or federal authorities to cease new admissions for any amount of time.
References – 6.04B

The Wisconsin Veterans Home at Chippewa Falls
Randy Nitschke, Division Administrator, 262.424.1614
201 W. Washington Ave., PO Box 7843
Madison, WI 53707

HDG management of the Wisconsin Veterans Home at Chippewa Falls began in October 2012. The initial term of the management agreement is three years, with two one-year renewals. Annualized revenues for the center are approximately $6,216,704. HDG is compensated based on a percentage of net revenue.

Chris Jensen Health and Rehabilitation Center, St. Louis County
Kevin Gray, County Administrator, 218.726.2448
2501 Rice Lake Road
Duluth, MN 55811

HDG has managed Chris Jensen Health and Rehabilitation Center since November 2009, after an HDG-affiliated entity leased the property from the County of St. Louis. Another HDG affiliate purchased the center from the County in 2014. The HDG management agreement was renewed in 2014 and will renew for successive one-year terms. Chris Jensen Health and Rehabilitation Center is expected to generate $13,550,000 in revenue in 2014.

Winchester House
Ryan Waller, Lake County Assistant County Administrator, 847.997.7471
1125 North Milwaukee Avenue
Libertyville, IL 60048

HDG has managed Winchester House since December 2011. HDG’s current management agreement extends through December 2014. Winchester House compensates HDG based on a percentage of net revenue, plus or minus incentive payments or penalty take-backs, respectively. Winchester House is expected to generate annualized revenue $13,671,238 in 2014.

Sunny Ridge Health and Rehabilitation Center, Sheboygan County, Wisconsin
Adam Payne, County Administrator, 920.459.3103
508 New York Avenue – Room 311
Sheboygan, WI 53081

HDG has managed Sunny Ridge Health and Rehabilitation Center since May 2007, with three-year renewal terms. HDG is currently in its second management term with Sunny Ridge Health and Rehabilitation Center, the initial term having expired in April 2012. Sunny Ridge Health and Rehabilitation Center compensates HDG based on a percentage of net revenue. The facility is anticipated to generate $8,630,712 in revenue in 2014.
**Organization Profiles – 6.04C**

The following are the HDG resources that will be engaged with the management and oversight of the CCNH. All of these individuals provide periodic on-site support and education, as well as 24/7 phone and email access.

**Craig Abbott, Chief Executive Officer.** Mr. Abbott provides leadership and direction-setting for the organization. Prior to his appointment as CEO, Mr. Abbott was the chief operating officer. He has more than 20 years of management and consultation experience.

**Gini Anderson, Vice President of Financial Services.** Ms. Anderson is responsible for overseeing all financial services provided to all managed facilities.

**Tim Getty, Vice President of Senior Living.** Mr. Getty has more than 25 years of experience providing development and sales and marketing consulting for senior living communities and senior health care. He is responsible for conducting quantitative and qualitative market and consumer research.

**Betty Ice, Vice President of Marketing and Communications.** Ms. Ice is responsible for the oversight and management of all HDG marketing activities.

**Kathy Karr, Vice President of Operations.** Ms. Karr provides executive-level leadership to HDG’s managed communities, as well as to the management services support team.

**Amber Rogotzke, Vice President of Human Resources.** Ms. Rogotzke provides leadership in the ongoing development of the work processes, systems, and organizational culture, specifically related to the recruitment, retention, and development of a superior workforce.

**Tom Stitt, CPA, CHFP, Vice President of Financial Analysis and Reimbursement.** Mr. Stitt specializes in financial modeling and reimbursement advisory services and has more than 23 years of experience in health care finance and reimbursement.

**Pennie Viggiano, Executive Director of Strategic Partnerships and Managed Care.** Ms. Viggiano is responsible for developing strategic partnerships and relationships with care providers on behalf of HDG’s managed communities. She provides oversight of managed care contracts and assists in the development of marketing plans, programs, and strategies for business growth and development.

**Randi Hansen, RN, LNCC, Director of Corporate Compliance/Regulatory Affairs.** Ms. Hansen brings more than 25 years of nursing expertise to clients. She is responsible for establishing and implementing HDG compliance and HIPAA programs and policies, as well as monitoring and reporting results of the compliance and ethics efforts of the company.

**Colin Higgins, Director of Analytics and Research.** Mr. Higgins specializes in conducting market research, demand analysis, competitive assessment, and providing other data analysis for post-acute and long-term care providers across the continuum of care.
Darrin Hull, Director of Business Development. Mr. Hull is responsible for researching, identifying, and securing business development opportunities. He serves as the company’s payor relations representative and oversees all managed care contracting with affiliated skilled nursing centers. Mr. Hull also leads physician outreach and development activities, and provides operations turnaround support to both managed and client centers.

Diana Johnson, Director of Clinical Assessment and Reimbursement. HDG provides a dedicated professional to support facilities in addressing the clinical, reimbursement, and technological issues associated with completion of the minimum data set (MDS) assessment tool. Ms. Johnson serves as a point of reference and support for MDS professionals in HDG’s managed communities.

Michelle Kastenholz, OTR, Director of Therapy for Managed Facilities. Ms. Kastenholz provides direction and review of therapy department performance to ensure patients receive their optimal benefit for services. Whether facilities have their own rehabilitation staff or contract for these services, Ms. Kastenholz ensures performance that meets resident needs within regulatory guidelines.

Denise Callaway, Accounts Payable Manager. Ms. Callaway is responsible for managing the accounts payable processes provided to the managed facilities.

Tammy Golkowski, Business Office Consulting Manager. Ms. Golkowski has in-depth knowledge of facility management and the skills necessary to successfully operate multiple facilities. She provides oversight of HDG’s business office consulting team and coordinates the services provided to facility billing staff.

Deb Huber, Financial Services Manager. Ms. Huber is responsible for financial services provided to HDG’s managed facilities, including accounting, financial reporting and analysis, cash management, and the development of financial policies and procedures.

Ben Wadell, Research Consultant and Analyst. Mr. Wadell has experience in market research, research on federal, state, and local regulations pertaining to senior care facilities, new product development, business development, and strategic planning and implementation.

Complete professional biographical/resume information for the project team is included in Appendix B.
An organizational chart representing the typical reporting relationship from the oversight authority (in this scenario, the Assistant Secretary of NCDVA) to line staff of the employing entity.
Organization Capability – 6.04D

Over the last 14 years, HDG has developed a reputation as one of the nation’s premier health care management and consulting firms. As a result, more than 700 clients throughout all 50 states have relied on HDG for guidance in the development and execution of their strategic plans. HDG has become a prominent thought leader in the health care sector through its numerous memberships and affiliations with policy-making organizations and associations. HDG is honored to sit on many state and national health care association boards where the organization plays a key role in shaping discussions regarding the delivery of health care in the United States. So trusted and valued is HDG’s advice and counsel that members of the firm are often invited to speak at state and national forums and conventions, as well as testify before Congress.

Oversight of the complex activities occurring at all HDG managed communities is monitored daily through an integrated, computerized relay of data from each community to the operators and functional specialists charged with monitoring and course correcting performance trends and metrics inconsistent with board-selected goals. Additionally, HDG contracts with the nation’s largest SNF survey firm, which annually provides outcomes to key leadership members on each community’s success in achieving customer services objectives.

The HDG central office employs more than 40 operational and functional professionals. These professionals serve as an invaluable resource to the HDG communities and provide real-time guidance to each community in areas such as monitoring of and compliance with regulatory trends, reimbursement, finance, labor law and wage and hour regulations, recruitment, sales and marketing, market research, safety, information technology, therapy services, and managed care contracting. This strong and extremely capable management team is available 24 hours per day to assist with any needs the leadership at an HDG community may have at any time.

Management Capability – 6.04E

HDG has successfully demonstrated its management capabilities through the growth the organization has realized over the past decade. The organization’s principals and executive leadership team have a combined 100 years of experience in acquisition and development activities. Though the firm has the scope and revenue of much larger organizations, its size helps it remain extremely agile and capable of responding very quickly to emerging opportunities.

Today, HDG employs 3,000 team members providing exceptional care and services to our 3,000 customers in a variety of settings, including skilled nursing facilities, assisted living facilities, memory care centers, and independent senior living housing. Additionally, HDG,
through its affiliates, owns and/or operates two home health agencies and a health care staffing organization.

Much of the success in the area of growth and development at the various SNF sites has resulted from extremely close relationships with local acute care providers. HDG understands the importance of health care interaction and the development of continuing care networks, and has provided consulting for numerous health systems seeking to build partnerships with post-acute providers that understand hospitals “pain points” and will partner and work in concert with the hospital to support its need for reliable, high-quality discharge placement options that help manage and reduce the risk of rehospitalizations. HDG communities become preferred post-acute partners with area hospitals through frequent data sharing of key metrics on a no less than quarterly basis. These joint operating committees are typically attended by local and regional HDG team members, as well as key C-suite executives from the area’s hospitals.

HDG promotes active outreach to the medical community and strives to establish a medical advisory board (MAB) in each community. The MAB serves as an exceptional forum to allow area attending physicians, nurse practitioners, and other medical constituents to share best practices, learn strategies to avoid unnecessary rehospitalizations, and optimize physician and nurse practitioner awareness related to the current clinical capabilities of each community, as well as those new clinical programs under development.

HDG’s future plans are clear. The organization expects to experience 20% growth year over year for the next five years through the continuous acquisition and/or management of skilled nursing centers and other senior care/living communities, as well as expansion and development of its consulting practice. This carefully managed expansion of the organization will be realized with no compromising of its core values of hospitality, stewardship, integrity, respect, and humor. It’s not only what HDG does, but how it does that, that makes the organization a national leader in health care management and consulting.

Financial Stability – 6.04F

Appendix C includes the full financial statements for years 2011, 2012, and 2013, which includes income statements, balance sheets, statement of cash flow, and statement of retained earnings.

Vendor’s Certifications – 6.04G

HDG will provide insurance coverage for itself, including coverage for equipment, personal property, injury, and general liability to employees, residents, and third parties. HDG will provide worker’s compensation for all employees.
The following sets forth proposed staffing models to be utilized at each of the communities, based on a December 1 projected census as outlined in the RFP.

Through review of public data which HDG evaluated in preparation of this proposal, HDG identified numerous areas of the operation where hours of labor for several nonclinical departments were considered higher than industry and DVA benchmarks. HDG views this as an opportunity to potentially save the NCDVA dollars to be invested into new and different services and enhance the quality of life for current and future veterans.
## NC State Veterans Home at Black Mountain

### Proposed Staffing / Dedicated Resources Summary

**Estimated Average Daily Census:** 95  
**Open Units:** 4

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#### Minimum Nurse Services PPD

**Total House:** 8.724

#### Therapy Services

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**Total House:** 8.724

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North Carolina State Veterans Home at Black Mountain

Formal Response to RFP #201400844

Page 87

August 5, 2014
North Carolina State Veterans Home at Fayetteville

### Proposed Staffing / Dedicated Resources Summary

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North Carolina State Veterans Home at Kinston

Proposed Staffing / Dedicated Resources Summary

Estimated Average Daily Census: 95
Open Units 4

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Total Nursing Services 4.851 26.5 19.1 12.0 57.6

Minimum Nurse Services PPD 4.250

Therapy Services

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Total Therapy Services 0.589 7.0 0.0 0.0 7.0

Activities 0.337 3.0 1.0 0.0 4.0

Social Services 0.168 2.0 0.0 0.0 2.0

Other / Barber Beauty 0.084 1.0 0.0 0.0 1.0

Dietary 0.0

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Total House 8.724 65 27 12 104
## North Carolina State Veterans Home at Salisbury

### Proposed Staffing / Dedicated Resources Summary

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#### Minimum Nurse Services PPD

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<td>0.0</td>
<td>0.0</td>
<td>3.0</td>
</tr>
<tr>
<td>Transportation</td>
<td>0.253</td>
<td>3.0</td>
<td>0.0</td>
<td>0.0</td>
<td>3.0</td>
</tr>
<tr>
<td>Executive Director</td>
<td>0.084</td>
<td>1.0</td>
<td>0.0</td>
<td>0.0</td>
<td>1.0</td>
</tr>
<tr>
<td>Administration</td>
<td>0.337</td>
<td>4.0</td>
<td>0.0</td>
<td>0.0</td>
<td>4.0</td>
</tr>
<tr>
<td>Human Resources</td>
<td>0.084</td>
<td>1.0</td>
<td>0.0</td>
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<td>1.0</td>
</tr>
<tr>
<td>Marketing</td>
<td>0.084</td>
<td>1.0</td>
<td>0.0</td>
<td>0.0</td>
<td>1.0</td>
</tr>
<tr>
<td><strong>Total Nonclinical</strong></td>
<td>3.368</td>
<td>32.0</td>
<td>8.0</td>
<td>0.0</td>
<td>40.0</td>
</tr>
<tr>
<td><strong>Total House</strong></td>
<td>8.808</td>
<td>65.5</td>
<td>27.1</td>
<td>12.0</td>
<td>104.6</td>
</tr>
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</table>
### Staffing Position and Classification Summary

<table>
<thead>
<tr>
<th>Employee Description</th>
<th>Classification</th>
<th>Status</th>
<th>Department</th>
<th>Minimum Qualifications</th>
</tr>
</thead>
<tbody>
<tr>
<td>DON</td>
<td>Full Time</td>
<td>Exempt</td>
<td>Nursing Administration</td>
<td>A registered nurse that meets or exceeds licensure and regulatory standards for the state of North Carolina. Minimum three years experience as Director of Nursing.</td>
</tr>
<tr>
<td>ADON</td>
<td>Full Time</td>
<td>Exempt</td>
<td>Nursing Administration</td>
<td>A registered nurse that meets or exceeds licensure standards for the state of North Carolina</td>
</tr>
<tr>
<td>MDS Coordinator</td>
<td>Full Time</td>
<td>Exempt</td>
<td>Nursing Administration</td>
<td>A registered nurse that meets or exceeds licensure standards for the state of North Carolina</td>
</tr>
<tr>
<td>Medical Records</td>
<td>Full Time</td>
<td>Non-Exempt</td>
<td>Nursing Administration</td>
<td>Individual with experience in the management and retention of resident records - both paper and electronic formats</td>
</tr>
<tr>
<td>Staffing</td>
<td>Full Time</td>
<td>Non-Exempt</td>
<td>Nursing Administration</td>
<td>Individual with experience with budgets and staffing to meet staffing standards at all times</td>
</tr>
<tr>
<td>Inservice / Training</td>
<td>Full Time</td>
<td>Exempt</td>
<td>Nursing Administration</td>
<td>A registered nurse that meets or exceeds licensure standards for the state of North Carolina</td>
</tr>
<tr>
<td>RN Nursing Supervisor</td>
<td>60% FT, 40% PT</td>
<td>Exempt</td>
<td>Nursing Administration</td>
<td>A registered nurse that meets or exceeds licensure standards for the state of North Carolina</td>
</tr>
<tr>
<td>RN</td>
<td>70% FT, 30% PT</td>
<td>Non-Exempt</td>
<td>Nursing - Direct Care</td>
<td>A registered nurse that meets or exceeds licensure standards for the state of North Carolina</td>
</tr>
<tr>
<td>Agency RN</td>
<td>NA</td>
<td>Non-Exempt</td>
<td>Nursing - Direct Care</td>
<td>A registered nurse that meets or exceeds licensure standards for the state of North Carolina</td>
</tr>
<tr>
<td>LPN</td>
<td>70% FT, 30% PT</td>
<td>Non-Exempt</td>
<td>Nursing - Direct Care</td>
<td>A licensed practical nurse that meets or exceeds licensure standards for the state of North Carolina</td>
</tr>
<tr>
<td>Agency LPN</td>
<td>NA</td>
<td>Non-Exempt</td>
<td>Nursing - Direct Care</td>
<td>A licensed practical nurse that meets or exceeds licensure standards for the state of North Carolina</td>
</tr>
<tr>
<td>Nursing Assistant</td>
<td>70% FT, 30% PT</td>
<td>Non-Exempt</td>
<td>Nursing - Direct Care</td>
<td>Individual that meets state certification standards</td>
</tr>
<tr>
<td>Agency Nursing Assistant</td>
<td>NA</td>
<td>Non-Exempt</td>
<td>Nursing - Direct Care</td>
<td>Individual that meets state certification standards</td>
</tr>
<tr>
<td>Medication Aides</td>
<td>70% FT, 30% PT</td>
<td>Non-Exempt</td>
<td>Nursing - Direct Care</td>
<td>Individual that meets state certification standards for medication administration</td>
</tr>
<tr>
<td>Agency Medication Aides</td>
<td>NA</td>
<td>Non-Exempt</td>
<td>Nursing - Direct Care</td>
<td>Individual that meets state certification standards for medication administration</td>
</tr>
<tr>
<td>Adult Day Care Aide</td>
<td>NA</td>
<td>Non-Exempt</td>
<td>Nursing - Direct Care</td>
<td>NA</td>
</tr>
<tr>
<td>Ward Clerk</td>
<td>Full Time</td>
<td>Non-Exempt</td>
<td>Administration</td>
<td>Individual with secretarial and/or administrative assistant experience</td>
</tr>
<tr>
<td>Central Supply</td>
<td>Full Time</td>
<td>Non-Exempt</td>
<td>Administration</td>
<td>Individual with experience managing ordering/procurement and supplies distribution</td>
</tr>
<tr>
<td>Physical Therapy</td>
<td>Full Time</td>
<td>Non-Exempt</td>
<td>Ancillary</td>
<td>A licensed physical therapist</td>
</tr>
<tr>
<td>Occupational Therapy</td>
<td>Full Time</td>
<td>Non-Exempt</td>
<td>Ancillary</td>
<td>A licensed occupational therapist</td>
</tr>
<tr>
<td>Speech Therapy</td>
<td>Full Time</td>
<td>Non-Exempt</td>
<td>Ancillary</td>
<td>A licensed speech/language pathologist</td>
</tr>
<tr>
<td>Activities</td>
<td>70% FT, 30% PT</td>
<td>Non-Exempt</td>
<td>Activities/Social Services</td>
<td>Individuals meeting/exceeding state regulatory requirements</td>
</tr>
<tr>
<td>Social Services</td>
<td>Full Time</td>
<td>Exempt</td>
<td>Activities/Social Services</td>
<td>Bachelor of social work</td>
</tr>
<tr>
<td>Other / Barber Beauty</td>
<td>Part Time</td>
<td>Non-Exempt</td>
<td>Administration</td>
<td>Individual licensed in cosmetology</td>
</tr>
</tbody>
</table>
STATEMENT OF LEGAL ACTION – RFP SECTION 6.06

The following summary of litigation relates to Health Dimensions Consulting, Inc., d/b/a Health Dimensions Group, and its subsidiary, HDG-WI, LLC.

HDG anticipates providing some services under its agreement with the North Carolina Department of Veterans Affairs through an affiliate yet to be formed. That affiliate would be a Minnesota limited liability company qualified to do business in the state of North Carolina, and its sole member would be Dimensions Staffing Solutions, Inc.

Because that entity is not yet formed, it has no history of litigation.

Active Litigation – As of August 1, 2014

- Opland v. State of Wisconsin (defendants include Health Dimensions Group and employees of Health Dimensions Consulting, Inc.)
  Case No: 14CV190 (WI)
  Filed: 5/23/14
- Watts v. County of Lake (defendants include Health Dimensions Consulting, Inc.)
  Case No: 14IL220 (IL)
  Filed: 3/28/14

Resolved Litigation

- Rannow v. Benedictine Living Community (defendants included Health Dimensions Consulting, Inc.)
  Case No: 52-CV-10-860 (MN)
  Filed: 10/28/2010
- Mottel v. Sunny Ridge (defendants included Health Dimensions Consulting, Inc. and HDG-WI, LLC)
  Case No: 2010CV001451 (WI)
  Filed: 12/03/2014
- Chase v. Sunny Ridge (defendants included Health Dimensions Consulting, Inc.)
  Case No: 2012CVV001507 (WI)
  Filed: 12/15/2010
- Health Dimensions Consulting, Inc. v. Robin Eggert
  Case No: 27-CV-08-2330 (MN)
  Filed: 1/23/2008
• Jones v. Bel Air (defendants included Health Dimensions Consulting, Inc. and HDG-WI, LLC)
  Case No: 2007CV000551 (WI)
  Filed: 1/12/2007

• Cadry v. Highland Chateau Suites, LLC (defendants included Health Dimensions Consulting, Inc.)
  Case No: 62-C1-05-006165 (MN)
  Filed: 6/20/2005
APPENDIX A: EXECUTED PROPOSAL PAGE, SIGNED ADDENDA, AND SERVICE CONTRACTS PAGE
8:03 EXECUTION OF PROPOSAL

By submitting this proposal, the potential Contractor certifies the following:

□ This proposal is signed by an authorized representative of the firm.
□ It can obtain insurance certificates as required within 10 calendar days after notice of award.
□ The cost and availability of all equipment, materials, and supplies associated with performing the services described herein have been determined and included in the proposed cost.
□ All labor costs, direct and indirect, have been determined and included in the proposed cost.
□ The Offeror can and will provide the specified performance bond or alternate performance guarantee.
□ The potential Contractor has read and understands the conditions set forth in this RFP and agrees to them with no exceptions.
□ The Offeror is registered in NC E-Procurement @ Your Service or agrees to register within two days after notification of contract award.
□ As required by G.S. §143-48.5 (Session Law 2013-418), the Bidder certifies that it, and each of its subcontractors for any contract awarded as a result of this solicitation, complies with the requirements of Article 2 of Chapter 64 of the NC General Statutes, including the requirement for each employer with more than 25 employees in North Carolina to verify the work authorization of its employees through the federal E-Verify system.

Therefore, in compliance with this Request for Proposals, and subject to all conditions herein, the undersigned offers and agrees, if this proposal is accepted within 90 days from the date of the opening, to furnish the subject services.

OFFEROR: Health Dimensions Consulting, Inc., d/b/a Health Dimensions Group

ADDRESS: 4400 Baker Road, Suite 100

CITY, STATE, ZIP: Minneapolis, MN 55343

TELEPHONE NUMBER: 763-537-5700 FAX: 763-537-9200

E-MAIL: craig@hdgi1.com

Principal Place of Business if different from above (See General Information on Submitting Proposals, Item 18.):

Will any of the work under this contract be performed outside the United States? □ Yes □ No
(If yes, describe in technical proposal.)

BY: ___________________________ TITLE: Chief Executive Officer DATE: 8/5/16

(Signature)

Craig Abbott
(Printed name)

=================================================================================================

ACCEPTANCE OF PROPOSAL

(Using Agency Name)

BY: ___________________________ TITLE: ___________________________ DATE: ________________

THIS PAGE MUST BE SIGNED AND INCLUDED IN YOUR PROPOSAL.
Unsigned proposals will not be considered.
IMPORTANT RFP ADDENDUM

July 21, 2014

THIS RFP ADDENDUM DOES NOT HAVE TO BE RETURNED:

BID Number: 201400844
ADDENDUM Number: 01
PURCHASER: Margaret Serapin

COMMODITY: Management/Operation of Licensed Nursing Facilities (Veteran Homes in NC)
USING AGENCY: DEPARTMENT - Administration
OPENING DATE/TIME: August 5, 2014 @ 2:00

INSTRUCTIONS:

1. Return one properly executed copy of this addendum with RFP response.

2. Attached are the responses to questions submitted regarding the above referenced Request for Proposal.

3. Check ONE of the following options:
   - [x] Proposal has not been sent. Any changes resulting from this addendum are included in our proposal.
   - [ ] Proposal has already been sent. No changes resulted from this addendum.
   - [ ] Proposal has already been sent. Changes resulting from this addendum are as follows:

   Execute Addendum:

   Vendor: Health Dimensions Consulting, Inc. d/b/a Health Dimensions Group
   Authorized Signature:
   Name and Title (Typed): Craig Abbott, Chief Executive Officer
   Date: July 21, 2014
IMPORTANT ADDENDUM

July 22, 2014

THIS ADDENDUM DOES NOT HAVE TO BE RETURNED:

BID Number: 201400844
ADDENDUM Number: 02
PURCHASER: Margaret Serapin

COMMODITY: Management/Operation of Licensed Nursing Facilities (Veteran Homes in NC)
USING AGENCY: DEPARTMENT - Administration
OPENING DATE/TIME: August 5, 2014 @ 2:00

INSTRUCTIONS:

1. Return one properly executed copy of this addendum with RFP response.

2. Changes to Proposal (identified by strikethrough and red-colored font):

   Replace Section 6.02 Minimum Proposal Submission Requirements, Paragraph 2; as follows:

   2. Provide the information required in the General Information on Submitting Proposals, Offeror's Representative, Section 8.08 8.05, Paragraph 11.

3. Attached are the responses to questions submitted regarding the above referenced Request for Proposal.

4. Check ONE of the following options:

   X Proposal has not been sent. Any changes resulting from this addendum are included in our proposal.
   □ Proposal has already been sent. No changes resulted from this addendum.
   □ Proposal has already been sent. Changes resulting from this addendum are as follows:

   Execute Addendum:

   Vendor: Health Dimensions Consulting, Inc., d/b/a Health Dimensions Group
   Authorized Signature: [Signature]
   Name and Title (Typed): Craig Abbott, Chief Executive Officer
   Date: July 22, 2014
IMPORTANT RFP ADDENDUM

July 29, 2014

THIS RFP ADDENDUM DOES NOT HAVE TO BE RETURNED:

BID Number: 201400644
ADDENDUM Number: 03
PURCHASER: Margaret Serapin

COMMODITY: Management/Operation of Licensed Nursing Facilities (Veteran Homes in
USING AGENCY: DEPARTMENT - Administration
OPENING DATE/TIME: August 5, 2014 @ 2:00

INSTRUCTIONS:

1. Return one properly executed copy of this addendum with RFP response.

2. Changes to Proposal (identified by strikethrough and red-colored font):

   Replace Section 8.01 General, Paragraph C; as follows:

   C. In addition to reimbursement for monthly expenses, the cost proposal shall be proposed on these parameters:

   Management Fees are computed on Net Income - Revenue less reserves for Bad Debts Cost Reports Settlements will not be used in computing Management Fees Administrator's Salary and all related expenses are not to be included as claimed expense. Current Financial Statements do not represent all Charges at Net

3. Check ONE of the following options:

   X Proposal has not been sent. Any changes resulting from this addendum are included in our proposal.
   [ ] Proposal has already been sent. No changes resulted from this addendum.
   [ ] Proposal has already been sent. Changes resulting from this addendum are as follows:

Execute Addendum:

Vendor: Health Dimensions Consulting, Inc., d/b/a Health Dimensions Group
Authorized Signature:

Name and Title (Typed): Craig Abbott, Chief Executive Officer
Date: July 29, 2014
In accordance with NC General Statute 143-59.4 (Session Law 2005-169), this form is to be completed and submitted with the Offeror’s (technical) proposal/bid.

Issuing Agency: Department of Administration

**Solicitation #** 201400844

**Agency Contact Person & phone #:** Margaret Serapin (919) 807-4529

Solicitation Title / Type of Services: **MANAGEMENT AND OPERATION OF LICENSED NURSING FACILITIES**

---

**OFFEROR:** Health Dimensions Consulting, Inc., d/b/a Health Dimensions Group

City & State: Minneapolis, Minnesota

---

<table>
<thead>
<tr>
<th>Service</th>
<th>City/Providence/State</th>
<th>Country</th>
</tr>
</thead>
<tbody>
<tr>
<td>Management Services for VA Homes</td>
<td>Minneapolis, MN</td>
<td>USA</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
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</tbody>
</table>

Location(s) from which services are anticipated to be performed outside the U.S. by the Contractor:

|                       |                       |         |
|                       |                       |         |
|                       |                       |         |

Location(s) from which services will be performed by subcontractor(s):

<table>
<thead>
<tr>
<th>Service</th>
<th>Subcontractor</th>
<th>City/Providence/State</th>
<th>Country</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Location(s) from which services are anticipated to be performed outside the U.S. by the subcontractor(s):

|                       | Subcontractor | City/Providence/State | Country |
|                       |              |                       |         |
|                       |              |                       |         |

(Attach additional pages if necessary.)
APPENDIX B: HEALTH DIMENSIONS GROUP PROFESSIONAL BIOGRAPHIES
Craig Abbott

Chief Executive Officer

As chief executive officer for Health Dimensions Group, Craig Abbott provides leadership and direction setting for the organization. Prior to his appointment as CEO, Mr. Abbott was the chief operating officer.

With more than 20 years of health care management and consulting experience, Mr. Abbott has provided leadership for communities ranging from small, rural nursing facilities to large, metropolitan continuing care retirement communities. Prior to joining Health Dimensions Group, Mr. Abbott served as the national director of assisted living operations/special projects for a national non-profit organization. Mr. Abbott’s experience includes work with nationally renowned not-for-profit and for-profit organizations as well as free-standing communities throughout the country.

Mr. Abbott’s areas of expertise include:
- Executive leadership and operational management
- Financial oversight, financial management, and fiscal improvement
- Staff management, development, and team building
- Quality improvement and regulatory compliance
- Program development and cultural enhancement
- Strategic planning and implementation
- Facility transition and turnaround expertise

In 2004, the Minnesota Health & Housing Alliance named Mr. Abbott the Kal Michaels Administrator of the Year. While leading the Minnesota Masonic Homes, it was recognized as one of Minnesota’s Great Places to Work by the Minneapolis Business Journal. He also received the Volunteers of America Human Service Leadership Award for his development and implementation of subacute/transitional care initiatives.
Gini Anderson

Vice President, Financial Services

As vice president of financial services for Health Dimensions Group, Gini Anderson is responsible for overseeing all financial functions of the corporation including the financial services provided to all owned and managed facilities as well as the corporate accounting and finance activities.

Ms. Anderson brings more than 20 years of extensive health care experience in the areas of accounting and business office organization and processes.

Ms. Anderson’s areas of expertise include the following:

- Financial analysis and forecasting
- Budget preparation and management
- Accounting oversight
- Coordination and management of audit functions
- Health reimbursement management

Prior to joining Health Dimensions Group, Ms. Anderson was the chief financial officer for Crest View Corporation where she managed all financial functions for eight divisions. She prepared internal and external financial reports including budgeting and forecasts. She also participated in board of directors meetings and strategic planning sessions.

As the controller and director of financial planning for Benedictine Health Dimensions, Ms. Anderson provided oversight for all services of the corporate accounting functions. She coordinated the budgeting process for twenty-nine long-term care facilities, six senior housing locations, and corporate headquarters. She also provided strategic planning expertise for the Accounting Department, served as a liaison with the company operations and corporate development divisions, and performed analysis of financial statements.
Timothy W. Getty

Vice President Senior Living

Tim Getty specializes in providing development and sales and marketing consulting for senior living communities and senior health care. With more than 25 years of experience, Mr. Getty has worked with over 500 communities nationwide, including continuing care retirement communities, independent living communities, assisted living communities, residences for patients with Alzheimer’s disease, and skilled nursing facilities.

As a sales and marketing professional, Mr. Getty has been responsible for conducting quantitative and qualitative market and consumer research for corporate-owned communities and clients nationwide. His efforts are designed to support development, acquisition, and direct marketing efforts for senior housing and services.

Mr. Getty provides expertise to numerous diverse clients in the areas of sales and marketing including:

- Development of marketing plans, strategies, and budgets to meet occupancy objectives
- Feasibility studies, consumer research, repositioning analysis, and due diligence analysis related to property acquisitions
- Qualitative and quantitative market research
- Sales and marketing audits
- Occupancy improvement
- Project development, assessment, and implementation

Prior to joining Health Dimensions Group, Mr. Getty was vice president of sales and marketing for the American Retirement Corporation where he was responsible for the successful occupancy of more than 7,800 retirement center housing and health care units. In addition, Mr. Getty has extensive senior management experience with The Good Samaritan Society and Walker Methodist.
Betty Ice

Vice President, Marketing and Communications

As the vice president of marketing and communications, Betty Ice is responsible for the oversight and management of Health Dimensions Group’s brand strategy, marketing, communications, and events.

Ms. Ice has over 15 years experience providing marketing and customer support as well as event planning. Ms. Ice’s areas of expertise include the following:

- Marketing plan and budget development
- Marketing communications coordination
- Advertising, sponsorship, and promotional activities
- Graphic design and development
- Event and trade show management

Previously Ms. Ice worked with the Benedictine Health System where she was responsible for marketing and communication activities including graphic design, copywriting, marketing and communications plans, and mission integration for the corporate office and over 70 participating organizations. Ms. Ice also worked in a variety of positions for Health Dimensions, Inc. including director of client relations and office manager.
Kathy Karr

Vice President of Operations

As Vice President of Operations, Kathy Karr provides regional support and oversight to managed facilities in Minnesota, Illinois, and Colorado, as well as leadership and direction in establishing strategies and initiatives to enhance the mission and vision of the organization.

Ms. Karr is responsible for partnering with administrators to establish expectations and operational priorities for the organization, including assisting with the development of business plans and annual facility budgets. She monitors facility performance in relationship to key factor goals, provides feedback, and develops action plans to achieve compliance. Ms. Karr also provides the necessary communication and operational reports for investors, boards, and regional support teams.

Ms. Karr’s areas of expertise include the following:

- Multi-facility and state operational oversight
- Extensive financial and budget preparation and monitoring
- Adept at financial analysis and cost containment
- Business plan development
- Risk management
- Mentoring and career development

Ms. Karr has nearly four decades of experience in health care, including positions as nursing assistant, LPN supervisor, registered nurse, director of nursing, and nursing home administrator. Prior to joining Health Dimensions Group, Ms. Karr was ManorCare’s regional director of operations, overseeing facilities in Indiana, Michigan, and Iowa.
Amber Rogotzke
Vice President of Human Resources

As vice president of human resources, Ms. Rogotzke provides leadership in the ongoing development of the work processes, systems, and organizational culture, specifically related to the recruitment, retention, and development of a superior workforce. Ms. Rogotzke also provides HR consultation services to the individual managed communities.

Ms. Rogotzke’s areas of expertise include the following:

- Employee relations
- Performance management
- Policy and procedure development
- Employee compensation and benefits

Prior to joining HDG, Amber served as the Area Human Resources Manager with Omnicare Pharmaceutical. Prior to that she was Regional HR Business Partner with General Parts and a HR Generalist at VRC Corporation.

Amber holds a Master’s degree in Human Resources Management from Concordia University in St. Paul and a Bachelor’s degree in Human Resources Management from Minnesota State University. In addition she earned her SPHR (Senior Professional in Human Resources) certification from the Society of Human Resources Management.
Thomas E. Stitt, CPA, CHFP

Vice President, Finance and Reimbursement

Tom Stitt specializes in financial modeling and reimbursement advisory services for a wide array of clients throughout the country. Mr. Stitt has more than 23 years of experience in health care finance and reimbursement and has become nationally known for his expertise. His professional accomplishments and experience include:

- Program of All-inclusive Care for the Elderly (PACE) feasibility studies, benchmark analyses, and development of a pro forma financial model for the National PACE Association
- Reimbursement advisory services for hospitals, skilled nursing facilities, and long-term acute care hospitals
- Financial feasibility studies for skilled nursing facilities, long-term acute care hospitals (LTACH), inpatient psychiatric facilities, inpatient rehabilitation facilities, home health agencies, hospice agencies, and senior housing developments
- Financial due diligence for acquisitions involving post-acute facilities
- Development of pro forma financial models as part of strategic planning projects involving all aspects of the health care continuum
- Financial turnaround engagements
- Medicare, Medicaid, and Blue Cross cost reporting and appeals work
- Analysis of the financial impact of provisions of the Affordable Care Act, including bundled payments, hospital readmissions, and value-based purchasing

Prior to joining Health Dimensions Group, Mr. Stitt worked for BDO Seidman, LLP, one of the nation’s largest public accounting firms, as a certified public accountant and manager in the health care consulting practice. He was also the director of reimbursement for a 280-bed hospital in the Chicago area with multiple provider licenses and a provider auditor for Blue Cross and Blue Shield of Illinois.

CONTACT
Phone: 763.225.8639
Email: toms@hdgi1.com

EDUCATION
Eastern Illinois University
Bachelor of Science Business

PROFESSIONAL ASSOCIATION
Certified Healthcare Financial Professional, Healthcare Financial Management Association
Pennie Viggiano
Executive Director of Strategic Partnerships and Managed Care

As Executive Director of Strategic Partnerships and Managed Care, Pennie Viggiano is responsible for developing strategic partnerships and relationships with care providers on behalf of Health Dimensions Group’s managed communities. Additionally, Ms. Viggiano provides oversight of managed care contracts and assists in the development of marketing plans, programs, and strategies for business growth and development.

Ms. Viggiano’s areas of expertise include the following:

- Medicare, Medicaid, and managed care
- Strategic planning
- Market development
- Health policy and reform
- Leadership consulting
- Process improvement

Ms. Viggiano has more than 25 years of experience in the health care industry. Previously, Ms. Viggiano was the system director of government and special populations for Health East Care System. She has also been a product manager for cardiac and pulmonary services, as well as an administrator for multiple nursing facilities.
Randi Hansen, RNC, LNCC

Director of Corporate Compliance/Regulatory Affairs

Randi Hansen brings more than 25 years of nursing expertise to her role as director of corporate compliance/regulatory affairs. Ms. Hansen provides oversight to many long-term care facilities.

As director of corporate compliance/regulatory affairs, Ms. Hansen establishes and implements HDG’s compliance and HIPAA programs and policies. She ensures that all members of HDG and its client facilities are in compliance with the rules and regulations of regulatory agencies and HIPAA, that company policies and procedures are being followed, and that behavior meets the organization’s Code of Conduct. Additionally, Ms. Hansen monitors emerging clinical and regulatory trends and policies and statutory developments impacting senior health care services.

Ms. Hansen’s areas of expertise include the following:

- Monitoring and making effective recommendations for modifications to existing facility processes, systems, policies, and practices to ensure efficient, effective, and compliant performance
- Developing action plans to assist facility management in overseeing implementation plans
- Providing consultation, training, analysis, and advice to assigned facilities

Ms. Hansen’s strengths include sound clinical judgment, support of nursing leadership within long-term care settings, adeptness at problem solving in high-stress conditions, and providing flexibility and adaptability in changing environments.

Ms. Hansen previously served as a nurse consultant and Director of Clinical Services at HDG.
Colin Higgins

Director, Analytics and Research

Colin Higgins specializes in conducting market research, demand analysis, competitive assessment, and providing other data analysis for post-acute and long-term care providers across the continuum of care.

Mr. Higgins’ consulting experience is in the areas of market feasibility studies, business plan development, program evaluation, and facility planning. With more than eight years of experience, he has conducted market feasibility studies and business plan development for both urban and rural acute and long-term care facilities. Additional experience in the areas of marketing and public relations include success in conducting and analyzing surveys that provide data and direction for corporate repositioning of products and services and all aspects of conducting an effective marketing campaign.

Since joining Health Dimensions Group, Mr. Higgins has worked on demand studies for long-term acute care hospitals (LTACH), Program of All-inclusive Care for the Elderly (PACE) projects, subacute rehabilitation, Medicare Part A, and home- and community-based services.

Mr. Higgins’ areas of expertise include the following:

- Market feasibility and demand studies
- Business plan development
- Competitive assessment and analysis
- Marketing strategies and plan development

Prior to joining Health Dimensions Group, Mr. Higgins worked for Health Planning and Management Resources where he was a market analyst and provided data assessment for their consulting clients.

CONTACT
Phone: 763.225.8623
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EDUCATION
St. Cloud State University
Bachelor of Arts
Mass Communications and Public Relations

PROFESSIONAL ASSOCIATIONS
Minnesota Health and Housing Alliance
National PACE Association
Darrin Hull
Director of Business Development

As director of business development for Health Dimensions Group, Darrin Hull is responsible for researching, identifying, and securing business development opportunities, including facility management, lease, acquisition, and consulting service lines of business. Mr. Hull serves as the company’s payor relations representative, overseeing all managed care contracting with affiliated skilled nursing facilities. He also leads physician outreach and development activities, and provides operations turnaround support to both managed and client centers. Mr. Hull has more than 20 years of multi-site post-acute operations management experience, with particular expertise in managing large-scale nursing centers.

Mr. Hull’s areas of expertise include the following:

- Regulatory compliance
- Strategic health system partnering
- Medical advisory board development and physician alignment
- Clinical program development
- Skilled nursing facility operational turnaround

Previously, Mr. Hull held multi-facility oversight positions with the nation’s largest post-acute providers, including Kindred Healthcare and Beverly Healthcare. Mr. Hull also organized and founded a consulting services company in 2007 to assist owners/operators in the business of senior health care services.

CONTACT
Phone: 262.865.8828
Email: darrinh@hdgi1.com

EDUCATION
University of Minnesota
Carlson School of Management
Bachelor of Science Business Administration

PROFESSIONAL LICENSURE
Nursing Home Administrator
Illinois
Wisconsin
Diana Johnson, RN, BSN
Director of Clinical Assessment and Reimbursement

Diana Johnson provides consultation, education, and training for clients and managed facilities. Ms. Johnson’s expertise in operational assessments, care planning and documentation management, survey processes, restorative programs, minimum data set (MDS), and prospective payment system (PPS) audits and compliance is a tremendous asset to clients across the country.

Ms. Johnson’s experience spans more than 20 years. In addition to opening both a freestanding skilled nursing facility and a hospital-based skilled nursing unit, Ms. Johnson has designed and implemented the philosophy, policies, procedures, and devices for the first restraint-free nursing facility of its kind in the Midwest. Ms. Johnson has assisted numerous acute care hospitals and long-term care facilities in the development, opening, and maintenance of Medicare beds. She has also designed user-friendly Medicare products to enhance the quality of life for seniors.

Ms. Johnson’s areas of expertise include the following:
Operational assessment, evaluation, and implementation
• Medicare audits for internal and external clients with compliance education as needed
• MDS and PPS audits and compliance
• Development of assessment tools for placement of residents into specialized programs and/or levels of care
• Regulatory oversight and operational assessment for Health Dimension Group’s managed facilities

Ms. Johnson presents workshops on Medicare compliance and other long-term care topics across the nation. She has assisted many facilities with the transition to, and implementation of, the PPS system. In addition, she has authored articles in Nursing Homes, Long Term Care Management, Geriatric Nursing, and various health care newsletters.
Michelle Kastenholz, OTR

Director of Therapy for Managed Facilities

As director of therapy for managed facilities, Michelle Kastenholz provides field operations management for Health Dimensions Group managed care facilities as well as external consulting clients. Ms. Kastenholz’s areas of expertise include:

- Performing Medicare audits to maintain compliance as well as maximize reimbursement
- Providing education and training
- Developing documentation
- Achieving overall quality improvement

With more than 12 years of experience in health care, Ms. Kastenholz has been a staff therapist, therapist team leader, and manager for multiple sites in acute, sub-acute, home health, and long-term care settings.
Denise Callaway
Accounts Payable Manager

As an Accounts Payable Manager with Health Dimensions Group, Denise Callaway is responsible for managing the accounts payable processes provided to the managed facilities.

Ms. Callaway brings extensive experience in accounts payable coding and management to Health Dimensions Group’s corporate financial department.

Ms. Callaway’s areas of expertise include the following:

- Accounts payable
- 1099 preparation
- Problem solving and resolution

Prior to joining Health Dimensions Group, Ms. Callaway was an Accounting Assistant with McNett Corporation where she was responsible for matching, coding, and entering all accounts payable invoices; processing checks; bank deposits; reconciling employee expense reports; and entering general ledger postings.

CONTACT
Phone: 763.504.0436
Email: denisec@hdgi1.com

EDUCATION
Glenn E Clark Business College
Tammy Golkowski
Business Office Consulting Manager

As business office consulting manager, Tammy Golkowski has in-depth knowledge of facility management and the skills necessary to successfully operate multiple facilities. She provides oversight of Health Dimensions Group’s business office consulting team and coordinates the services provided to facility billing staff. Her responsibilities also include monitoring facility accounts receivable balances and working with staff to achieve DSO goals; and ensuring that facility business office staff members receive training on the accounting and health care software and billing processes, as well as coordinating software set-up in new facilities.

Ms. Golkowski’s areas of expertise include the following:

- Training and orientation of facilities administrators as well as business office, admissions social workers, human resources, central, Medicare prospective payment system business office, and nursing staff
- Extensive experience working with Point Click Care health care accounting software
- Knowledge of computer information systems and networking systems
- Medicaid billing systems

Ms. Golkowski brings a wealth of billing experience to this position. In addition, she has an understanding of the interdisciplinary team effort needed to manage a successful facility business office. While working at Frazee Care Center, she was involved with billing and collections work, social services, and admissions.
Deb Huber

Financial Services Manager

As financial services manager for Health Dimensions Group, Deb Huber is responsible for financial services provided to our managed facilities including accounting, financial reporting and analysis, cash management, and the development of financial policies and procedures.

Ms. Huber brings more than 15 years of experience including auditing of health care organizations, understanding of sound accounting principles, and the ability to complete complex financial reports as needed.

Ms. Huber’s areas of expertise include the following:

- Financial management and reporting
- Audit preparation and oversight
- Accounting
- Cash management
- Development of financial policies and procedures

Prior to joining Health Dimensions Group, Ms. Huber served as controller for UCare Minnesota, a health maintenance organization serving the Medicare and Medicaid population. Prior to that, she was employed at the public accounting firm of Deloitte & Touche where she specialized in audits of health care organizations, nonprofit organizations, and the public sector.
Ben Wadell

Research Consultant and Analyst

As an analyst, Ben Wadell provides market research on a variety of elderly care services, including home- and community-based services and the Programs of All-inclusive Care for the Elderly (PACE). He also provides research on federal, state, and local regulations, which are often critical elements to consulting engagements. Mr. Wadell possesses skills necessary to analyze gathered data through a variety of software programs, including mapping and data tools such as Microsoft Excel and Access.

Mr. Wadell served as lead researcher and business developer for Health Dimensions Group’s Live at Home Program, a program designed to deliver senior-related services easily and efficiently from a central hub which enables seniors to live at home for as long as possible.

Mr. Wadell’s areas of expertise include the following:

- Market research for home- and community-based services, including PACE programs
- Research on federal, state, and local regulations pertaining to senior care facilities
- New product development and business development
- Strategic planning and implementation

Prior to joining Health Dimensions Group, Mr. Wadell attended the University of St. Thomas, focusing his studies in the areas of finance and entrepreneurship. Mr. Wadell’s educational background has enabled him to provide substantial market research and reasoning for home- and community-based services, as well as other services offered by Health Dimensions Group.
APPENDIX C: HEALTH DIMENSIONS GROUP FINANCIAL STATEMENTS

THE ITEMS INCLUDED IN THIS SECTION ARE CONFIDENTIAL
APPENDIX D: HEALTH DIMENSIONS GROUP STANDARD TERMS AND CONDITIONS
Our analyses are based on estimates, assumptions, and other information developed from our knowledge of the industry and meetings with you and your associates. The conclusions contained in the report depend in part on the accuracy and completeness of information we receive from you and your associates, as well as the level of cooperation we receive. Since the report and any projections contained in the report are based on estimates and assumptions which are inherently subject to uncertainty and variation depending upon evolving events, we do not represent the projections as results that will actually be achieved. In addition, unless expressly included in the proposal, evaluation of management’s effectiveness is not a part of this engagement, nor are we responsible for future operating efforts and other management actions and other conditions not within our control upon which actual results will depend.

Our proposed scope of services and professional fees include allowances for the elements and conditions we expect to encounter in the course of the engagement. In the event we encounter situations that indicate a need for revision or modification in the scope of work, our fees, expenses, or schedule, we will discuss with you the causes and likely effects of the required modifications both in terms of timing and fees and expenses before proceeding. In the event this engagement is terminated, our fees will be based upon hourly rates for the time and expenses incurred to that date.

The report and the analyses and the conclusions contained in the report are intended solely for your own internal use and apply only in the context described in this proposal and any RFP. Neither the report nor its contents may be referred to or quoted in any registration statements, prospectus, loan, or other agreement or document without our prior written consent. There may be differences between the forecasted and actual results because events and circumstances frequently do not occur as expected; therefore, the actual results achieved during the forecast period will vary from the forecast and the variations may be material.

The terms of this engagement are such that we have no obligation to revise reports to reflect events or conditions that occur after the date reports are prepared. However, we are available to evaluate the need for revisions in view of changes in the economic or market factors or subsequent events and conditions affecting the conclusions reached or recommendations made in the report.

In the event that it should be determined that Section 952 of the Omnibus Reconciliation Act of 1980 (P.O. 96-499) is applicable to this engagement, we agree to make available the appropriate books and records to the extent required by law for years covered by this Act. This proposal includes the attached letter of engagement, and is the sole property of Health Dimensions Group. It may not be disclosed, reproduced, or distributed without our prior written permission. If the letter of engagement is not completed between the client and Health Dimensions Group within 90 days, the client agrees to return the original and all copies of the proposal to Health Dimensions Group.

Unless the client makes a written request that we not do so, Health Dimensions Group is free to use the client’s name and a descriptor of the project in its marketing materials.

In order to provide the best and most cost-effective result to clients, Health Dimensions Group from time to time subcontracts portions of projects to independent contractors, so some of the people you encounter during this engagement may not be employees of the company. These are consultants who have impressed Health Dimensions Group with their expertise and high standards, and so your experience should be seamless; however, any variations in this proposal, changes in fees, expenses, and scope of the work must be approved by Health Dimensions Group’s CEO, one of its principals, or the Health Dimensions Group’s signer of this agreement, and not a subcontractor. Health Dimensions Group provides executive search services to fill critical positions in clients’ organizational charts. The client agrees not to recruit, solicit, or retain any Health Dimensions Group employee or consultant within twelve (12) months of the end of this engagement without Health Dimensions Group’s prior consent, which may be conditioned on payment of fees for employee search services. Health Dimensions Group shall be entitled to seek equitable remedies in addition to any monetary damages arising from the breach of this prohibition.

Miscellaneous Provisions

Headings. The section or paragraph headings in this proposal are for reference purposes only and do not affect meaning or interpretation.

Waiver. The failure of a party to insist upon the performance of any term in this proposal does not constitute a waiver of that term in the future. The failure to exercise any rights or privileges, or the waiver of any breach of this proposal, does not result in a future waiver of the breached term or the rights or privileges not exercised. Those terms, rights, and privileges remain in effect as if no such forbearance or waiver had occurred.

Entire Agreement. This proposal and the letter of engagement are the parties’ final expression of the parties’ agreement, and is the parties’ complete and exclusive understanding, notwithstanding any prior negotiations or agreements. Any changes to this proposal must be in writing, and signed by both parties.

Counterparts. This proposal and the letter of engagement may be executed in any number of counterparts, each of which will be an original, facsimile, or electronic record, and all such counterparts together will constitute but one and the same instrument.

Governing Law. This engagement is governed in all respects exclusively by the laws of the State of Minnesota. All parties submit to the exclusive jurisdiction of the federal and state courts of Minnesota, and venue in Hennepin County, Minnesota.

No Third Party Beneficiary Rights. This proposal is for the benefit of and is binding upon the parties and their respective successors and permitted assigns, and is not intended to apply to any person or entity other than the parties hereto.
Formal Response to RFP #201400844

Appendix D: Health Dimensions Group Standard Terms and Conditions

Severability. In the event any provision of this proposal and the letter of engagement is held to be unenforceable for any reason, the unenforceability thereof will not affect the remainder of this proposal and the letter of engagement, which will remain in full force and effect and enforceable in accordance with its terms.

Assignment. Neither this proposal and the letter of engagement nor any part thereof may be assigned by the parties without the prior written consent of the other party. Health Dimensions Group may assign this proposal and the letter of engagement pursuant to a reorganization of Health Dimensions Group, or to a subsidiary, parent or other related entity without first obtaining the client’s consent.

Non Discrimination. So long as required by federal law in compliance with Section 503 of the Rehabilitation Act of 1973, as amended (29 U.S.C. 793), which requires federal government contractors and subcontractors to take affirmative action to employ and advance in employment qualified individuals with disabilities, the clause set forth at 41 CFR 60-741.5(a) is incorporated by reference as though fully set forth herein. So long as required by federal law, in compliance with the Vietnam Era Veterans’ Readjustment Assistance Act of 1974, as amended (38 U.S.C. 4212, or VEVRAA) including the Jobs for Veterans Act (PL 107-288), which requires Government contractors and subcontractors to take affirmative action to employ and advance in employment qualified special disabled veterans and veterans of the Vietnam era, the clause set forth at 41 CFR 60-300.5(a) is incorporated by reference as though fully set forth herein. So long as required by federal law, in compliance with the Executive Order 11246 parts II, III, and IV, as modified, for the promotion and insuring of equal opportunity for all persons, without regard to race, color, religion, sex, or national origin, employed or seeking employment with Government contractors, the clause set forth at 41 CFR 60-1.4(a) is incorporated by reference as though fully set forth herein.

HIPAA Compliance

Except as expressly permitted or contemplated as integral to the performance of Health Dimensions Group’s services described in this Agreement, Health Dimensions Group is not entitled to information defined as Protected Health Information (“PHI”) in the Health Insurance Portability and Accountability Act of 1996, (“HIPAA”). If PHI is disclosed to Health Dimensions Group, it will comply with HIPAA, associated regulations, and other applicable laws in effect from time to time relating to the confidentiality and security of PHI, including without limitation the following:

(i) Not to use or further disclose the PHI other than as permitted or required by this Agreement;
(ii) Not to use or further disclose the PHI in a manner that would otherwise violate the requirements of HIPAA if such use or disclosure had been done by you;
(iii) To use appropriate safeguards as necessary to prevent use or disclosure of the PHI other than as provided for by this Agreement;
(iv) To report to you any use or disclosure of PHI not provided for by this Agreement of which Health Dimensions Group becomes aware;
(v) To ensure that any subcontractors or agents to whom Health Dimensions Group provides PHI received from you agree to the same restrictions and conditions that apply to Health Dimensions Group with respect to such PHI;
(vi) To make available PHI in Health Dimensions Group’s possession and obtained from you, in accordance with the rights of the individual to whom the PHI pertains, as required under HIPAA regulations;
(vii) To make available to the Secretary of Health and Human Services (for purposes of determining your compliance with HIPAA) Health Dimensions Group’s internal practices, books, and records that relate to the use and disclosure of PHI received from you;
(viii) At termination of this Agreement, Health Dimensions Group will remove all patient identifiers prior to storing or return PHI received from you, and if return or removal is not feasible, Health Dimensions Group will continue to extend protections of HIPAA to such PHI, and limit further use of such PHI to those purposes that make the return or removal infeasible, for so long as Health Dimensions Group maintains such PHI; and
(ix) To incorporate any amendments or corrections to PHI when notified.