

Request for Qualifications: Sale of Golden Hill Health Care Center

Discussion Guide April 2012

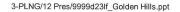


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Loeb & Troper at a Glance

- Established 1919
- Core capabilities: Audit, Tax, and Health Care Consulting
- Over 140 professionals serving the health care and not-for-profit industries
- Over 800 clients in the tri-state region
- In-depth knowledge of the health care continuum
- Specific expertise in the long-term care sector in providing financial management, strategic planning, clinical and operational consulting services



Loeb & Troper at a Glance

- Loeb & Troper is the market leader in providing professional services to the long-term care industry in New York State
 - Extensive experience in assisting not-for-profits, public and county nursing facilities with their unique strategic, operational and financial challenges
 - Specific experience with the counties of Nassau, Suffolk, Westchester and Onondaga in planning for the future of nursing facility care and long-term care in their communities
 - Consultants to the Greater New York Hospital Association, Continuing Care Leadership Coalition
 - Selected by DOH for role on Construction Standards Advisory Group (CSAG)
 - Advisor to nursing facilities in negotiations for the merger/acquisition/joint venture of health care beds and services
 - Extensive experience with replacement and major construction projects, renovation projects, establishment of new beds, bed conversions, and development of new programs and services
 - Success in obtaining nearly \$200 million in HEAL grant awards for our clients
 - Success in obtaining Assisted Living Program and other program slots secured through competitive processes
 - Preparation of numerous New York State Department of Health rate appeals and responses to New York State Department of Health and OMIG audits that have resulted in more than \$200 million in additional reimbursement to our clients

Key Organizational Experience Transfer of Ownership

- Identification and analysis of both the financial value and tangible benefits of the nursing facility
- Evaluating fair market pricing and comparing similar sales for baseline
- Identifying potential buyers
- Developing both a preliminary Request for Expression of Interest (RFEI) and a formal Request for Proposal (RFP) bid request in conjunction with your legal counsel



Key Experience

Our significant expertise in New York State transfers include:

- Metropolitan Jewish Geriatric Center (354 beds)
- St. Elizabeth Ann's (300 beds)
- Bishop Francis J. Mugavero (288 beds)
- Holy Family Home (200 beds)

Our Understanding

- GHLDC is striving to balance the transfer with:
 - Mission and service to the community
 - Preserve quality care
 - Maximize transfer price
 - To expedite the transfer to qualified provider

Our Approach

KEY PHASES:

- I. Outline goals and parameters of process
- II. Development of RFEI and RFP
- III. Review and evaluation of responses
- IV. Facilitate conclusion of bid process

I. Outline Goals and Parameters of Process

- Define assets to be transferred
- Identify specific terms and parameters of sale
 - Define key buyer attributes/characteristics
 - Additional buyer qualifications/terms
- Identify key evaluative processes associated with sale, e.g.
 - Financial capability
 - Character and competence
 - Historical experience with NYSDOH/other regulatory agencies
 - Other

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II. Development of RFEI and RFP

- Work with identified team to establish and incorporate results of previous worksteps into RFEI and RFP
 - Identify potential target buyers
 - Develop time frames for distribution and receipt of responses
- Draft RFEI solicitation
 - Distribute to agreed-upon potential buyers



III. Review and Evaluation of Responses

- Review responses to RFEI for completeness and responsiveness
- Based on meeting agreed-upon criteria, distribute RFP to select respondents
 - Release of facility-specific/financial supplemental information
- Review and evaluate received bids with GHLDC

IV. Facilitate Conclusion of Bid Process

- Negotiate the optimal sale price
 - Establish and negotiate key contract terms with team and buyer
 - Finalize the sale price
 - Work with team, buyer and attorney to negotiate contract terms
 - Identify/prepare financial information necessary to complete transaction
 - Assist with the transfer of ownership to the new operator
 - Monitor the Certificate of Need (CON) process to ensure that the buyer is proceeding appropriately and in a timely manner
 - Interface with NYSDOH, as applicable
- Participate in the sale closure process

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Additional Materials on Loeb & Troper

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Representative Client List

- Aging in America, Inc. (Morningside House)
- Amsterdam Nursing Home
- CenterLight Health System (formerly known as Beth Abraham Health Services)
- Bronx-Lebanon Hospital and Medical Center
- Buena Vida Continuing Care and Rehabilitation Center
- Eger Lutheran Homes and Services, Inc.
- Gouverneur Healthcare Services
- Gurwin Jewish Geriatric Center
- Hebrew Home for the Aged at Riverdale
- Jewish Board of Family and Children's Services
- Jewish Guild for the Blind
- Jewish Home and Hospital Lifecare System
- Kaleida Health System
- Long Island State Veterans Home
- Loretto System
- Metropolitan Jewish Health System
- Nassau Health Care Corporation
- Selfhelp Community Services
- Syracuse Home
- Village Center for Care
- Visiting Nurse Regional Health System
- Visiting Nurse Service of New York

Biographies of Engagement Team

- Mr. David Adest, CPA, Managing Partner, has served many of the major health care organizations in the greater New York area in a number of diversified consulting areas including long-range strategic planning, development of managed care programs and reimbursement consulting. Mr. Adest has been appointed to and serves on a number of health care advisory committees.
- Ms. Deborah Lynch, RN, LNHA, Principal, has over 20 years experience in health care administration and nursing facilities operation. Ms. Lynch has provided consultation to hospitals, continuing care providers and clinics on a wide range of topics. She interfaces with the NYSDOH on an ongoing basis to ensure the timely completion of projects. She has developed a strong working relationship with regulators. Ms. Lynch is involved in overseeing the preparation of CON submissions relating to transfers of ownership.
- Mr. Gerry Adest, CPA, Partner, interfaces and provides guidance to both buyers and sellers. Mr.
 Adest reviews and analyzes all financial information and troubleshoots throughout the engagement.
 He also plays a vital role in liaising with the Department of Health throughout the process.