

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

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

Additional Materials on Loeb & Troper

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.