

Receiverships, Closures, Temporary Management, and Change of Ownership

Perspectives and Best Practice

Lisa Thomson
Chief Strategy and Marketing Officer
lisa.thomson@pathwayhealth.com
www.pathwayhealth.com

Consulting | Talent | Training | Resources

1

Objectives



Consulting | Talent | Training | Resources

1. Review current industry trends affecting post-acute care
2. Identify outcomes of industry trends impacting residents, providers and the state agency
3. Understand best practice strategies for smooth transitions and positive resident outcomes

7/23/2019

This document is for general informational purposes only. It does not represent legal advice for either state or regulatory jurisdiction or state, CMS or other regulatory entities. © Pathway Health Services, Inc. - All Rights Reserved - Copy with Permission Only - 2019

2

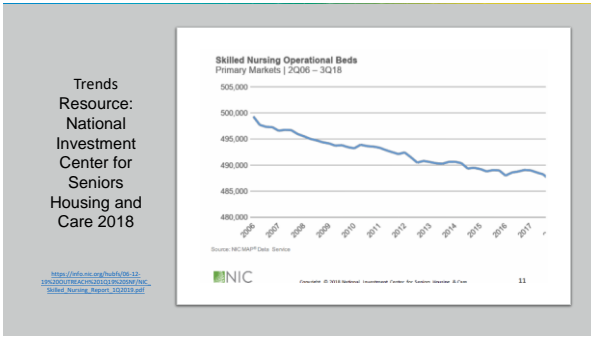



Since 1997, Pathway Health has kept a pulse on industry clinical, regulatory, quality and reimbursement trends, in order to guide our clients on the right path to success. All fifty States. Depth of Resources. Experience and Expertise

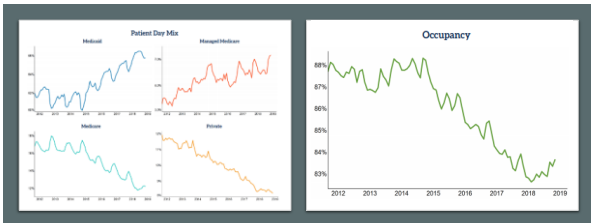
- Consulting Services
 - o Regulatory
 - Pre and Post
 - Performance Improvement/Turn around
 - Closures, Receivership, CHOW
- o Operation Assessment
- o Reimbursement
- o Operations
- o Clinical
- o ePath – EHR Consultation and Implementation
- Education and Training
 - o Pathway Learning Network
- INTERACT Training, Tools, Resources & Solutions
- Interim & Permanent Talent
- Pathway Investment Intelligence
 - o (for REITs, Lenders, Liability Carriers & Bond Trustees)
- Pathway Insights Data Solutions
 - Resources, Products & Tools

This document is for general informational purposes only. It does not represent legal advice for either state or regulatory jurisdiction or state, CMS or other regulatory entities. © Pathway Health Services, Inc. - All Rights Reserved - Copy with Permission Only - 2019

3



4

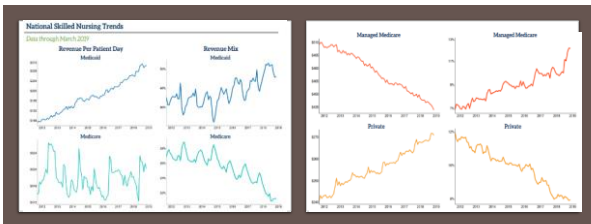


Resource: National Investment Center for Seniors Housing and Care Q1 2019

https://info.nic.org/hubfs/06-12-19%20NIC%20TRENDS%202019/NIC_Skilled_Nursing_Report_100019.pdf

This document is for general informational purposes only. It does not represent legal advice nor shall it be construed as a contractual agreement or service with NIC or other regulatory entities. © Englewood Health Services, Inc. All Rights Reserved - Only valid for Patient Stay Day - 2019

5



Resource: National Investment Center for Seniors Housing and Care Q1 2019

https://info.nic.org/hubfs/06-12-19%20NIC%20TRENDS%202019/NIC_Skilled_Nursing_Report_100019.pdf

This document is for general informational purposes only. It does not represent legal advice nor shall it be construed as a contractual agreement or service with NIC or other regulatory entities. © Englewood Health Services, Inc. All Rights Reserved - Only valid for Patient Stay Day - 2019

6



10



11



12

Perspective: Industry Trends

REITs

- Properties and Mortgage
- Finance
- New Lenders
- National and International
- Consolidation
- "rightsizing"
- REIT and Management Company Changes



This document is for general informational purposes only. It does not constitute an offer of insurance or any other financial product. © 2019 Health Services, Inc. All Rights Reserved. Copy with Permission Only. 2019

13

Perspective: Change of Ownership (CHOW)

• Current Activity Trend

- New Operators/Management Organizations
- Related entities
- Rate of growth

• Potential Outcomes

• Resources

- Policies and Procedures
- Support and Services

• Quality Outcomes

- External oversight – (OIG, AG, etc.)

• Quality Monitoring and Other Strategies (QIA)

© 2019 Health Services, Inc. All Rights Reserved. Copy with Permission Only. 2019

14

Perspective: Closures

• Downsizing and Relocation

- Reallocation of beds
- Financial

• Voluntary

- Financial
- Consolidation
- Change of service delivery
- Compliance

• Involuntary – Termination

• Unique cases

• Impact

- Residents
- Staff
- Community
- Provider Community

• Quality Monitoring and Other Strategies

• Understanding and Best Practice

© 2019 Health Services, Inc. All Rights Reserved. Copy with Permission Only. 2019

15

Perspective: Temporary Manager

- Temporary Manager
 - NHA
 - Facility Manager
 - Temp Manager and Team
- Variations
 - Oversee correction of deficiencies
 - Operating Control
 - Closure of the organization
- Judicial vs administrative
- Correction vs closure
- Payment of Services
 - CMP(?)
 - Provider pay
 - General Funds
- Understanding and Best Practice

16

Perspective: Receivership

- Bankruptcy proceedings
- Receivership
 - Not a federal remedy
 - Each state requirements differ
 - Requires a court order and judicial oversight
 - Receivers duty is defined by state statute and court proceedings
 - Perspective – Situations
 - Imminent threat
 - Financial
 - Lender requests
 - State requests
 - Receiver
 - Take over
 - financial control;
 - Stabilize
 - Potentially improve operations
 - Manage facility
 - Transition to new operator/owner
 - Less disruption
 - Does not jeopardize license
 - Understanding and strategies

17

Receivership Consulting | Talent | Training | Resources

Lessons Learned – Impact Varies (Financial, Closure)

- Operate under existing operators license
 - Carefully drafting receivers order
- Management
 - Need to identify who will operate the business
 - Examples
- Funding
 - Need for sufficient funds to operate the facility
 - Cash flow logistics
 - Working Capital and lenders
- Staff
 - Maintain
 - Incentives
- Residents
 - Receiver needs to improve census
 - Communication
 - If closure – whole set of criteria
- Bankruptcy
 - May need to consider having the case dismissed
 - Flow of funds

18

Considerations and Impact Closure

- Impact to displaced residents
- Move to other fragile facilities
- Impact to provider community in local marketplace
- County Agency coordination
- Lack of community-based care options
- Transfer Trauma/Relocation Stress Syndrome
- Continuation of services
- Staffing
- Funding Sources
- Communication with State Agency
- Roles and Responsibilities of all parties
- Communication Impact
- Leadership



19

Best Practices

Consulting | Talent | Training | Resources

Fragile Facilities – Consider

- o SIA Agreements
- o QIA process
- Notification and Communication is key
 - o Timing
 - o Resident and representatives
 - o Staff
 - o Stakeholders and Required Entities
 - o Media
 - o Vendors
- Communication Strategies
 - o Media
 - o Other facilities
 - o Ongoing to all above
 - o Talking points
- Communication between state, provider and others
- Engage and inform practitioners
- Define Roles and Responsibilities
- Continuity of Services

This document is for general informational purposes only. It does not represent legal advice and should not be construed as such. © Parkway Health Services, Inc. - All Rights Reserved - Copy with Permission Only - 2019

20

Best Practices

Consulting | Talent | Training | Resources

- Resident Rights
- Appropriate planning
 - o Internal
 - o DC
- Policies and Procedures and Understanding
- Staffing and Incentives
- Transfer trauma/relocation stress syndrome
 - o TLC process
 - o Care Plan
 - o Training!
- Access by other providers and receiving facility needs
- Staff stress and strategies
- Educate – all levels and stakeholders
- Ultimate goal is the resident!
- If a closure/relocation, not limited to: (we have a full checklist)
 - o Development of relocation team; relocation coordinator
 - o Resident engagement
 - o Transfer trauma
 - o Communication
 - o Integration of Agencies
 - o Grievance Process
 - o Ombudsman
 - o Guardianship
 - o PASARR
 - o Choice and tours
 - o DC Process and best practice
 - o Determination of equipment needs
 - o "warm hand off"
 - o DC Follow up ideas
 - o Staff implications and WARN process
 - o Fact Sheets
 - o And More!

This document is for general informational purposes only. It does not represent legal advice and should not be construed as such. © Parkway Health Services, Inc. - All Rights Reserved - Copy with Permission Only - 2019

21
