

Lourdes Senior Community Boards



Tuesday, February 6, 2024

1:30 – 4:30 p.m.

In-person Meeting held at

LRHC – Main Chapel

If joining by telephone only:

Dial: 646-558-8656

Meeting ID: 850 4508 8764

Passcode: 805626

Click for Zoom meeting (with video and audio):

<https://us02web.zoom.us/j/85045088764?pwd=R0hKc1VUa2l5YkcyMEw4L0lyRlR0Zz09>

Agenda

Time	Subject	Presenter	Action/ Disposition	Supporting Document	Page
1:30	I. Welcome	Brian Condit	Welcome		
1:35	II. Prayer	Rich Acho	Pray		
1:40	III. Lourdes Master Plan A. Independent Living Expansion – Architect Proposals B. Marian Hall - Angela Hospice C. Property Tax Update	Rich Acho	Update	Proposals MI Tax Tribunal Responses House Bill 5380	3-13 14-18 19-25
2:00	IV. Skilled Nursing and Healthcare in 2024	Dr. Fadi Salloum	Update		
2:20	V. Department Spotlight – Pastoral Care and the Extension of Dominican Charism	Sr. Teresita Lipar, OP	Information	Report	26-30
2:40	VI. Board Retreat – April 23, 2024	Brian Condit Rich Acho	Discuss		
3:00	VII. Management Reports A. Plant Operations B. Human Resources C. Lourdes Rehabilitation and Healthcare Center (LRHC) D. Finance and Information Technology E. Marketing/Communications/ Development F. Clausen Manor G. Fox Manor H. Mendelson Home I. Compliance	Jason Mize Rebecca Latta Maureen McGee David Krolikowski Wendy Mosella Colleen Burke Robin McClintock Robin McClintock Robin McClintock	Information	Report Report Report Report Report Report Report Report and Ethics Guide	31 32-35 36-37 38-40 41-43 44-45 46-47 48-49 50-54 55-85
3:30	VIII. Break				

Lourdes Senior Community Boards



Time	Subject	Presenter	Action/ Disposition	Supporting Document	
	EXECUTIVE SESSION				
3:40	IX. Dominican Sisters of Peace	Sr. Janice Bachman, OP	Discussion		
3:50	X. Report of the Chair	Brian Condit	Discussion		
4:00	XI. Report of the President/ Chief Executive Officer	Rich Acho	Discussion	Report	86-90
4:10	XII. Committee Reports A. Quality / Resident Care B. Audit and Compliance C. Finance D. Human Resources E. Governance and Nominating F. Philanthropy G. Continuing Support Fund	Linda Gifford Sr. Peggy Martin, OP John Noone Steve Kastner Brian Condit Brian Condit Rich Acho	Information Recommend	Report	91-92
4:20	XIII. Consent Agenda: A. Approval of November 14, 2023 Meeting Minutes B. Policy C. CEO Performance Metrics D. Testimonial E. Educational Article	All	Approve Approve Information Information Information	Minutes Legionella policy Metrics Testimonial “U.S. Not for Profit Life Plan Communities...” <i>FitchRatings</i> , 12/4/23.	93-97 98-100 101-106 107-109 110-114
4:30	Adjournment				

Lourdes Senior Community Mission Statement

Lourdes Senior Community, inspired by the gospel of Jesus and sponsored by the Dominican Sister of Peace, provides a broad continuum of care for older adults and their families. All who minister at Lourdes honor the uniqueness of each person with compassion, love, respect and dignity.

You are hereby notified that the meeting will be recorded.

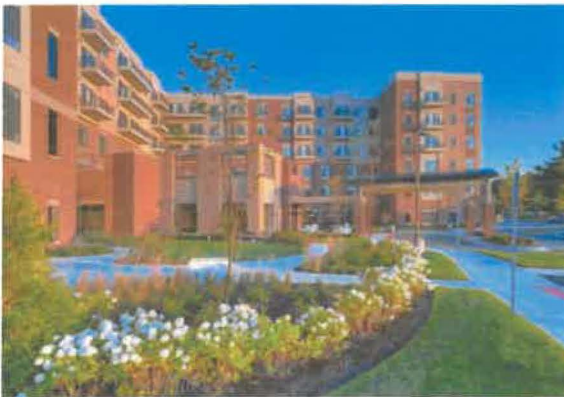
You will be deemed to consent to the recording of the meeting by your participation.



**PROPOSAL
FOR**



January 22, 2024



FUSCO, SHAFFER & PAPPAS, INC.
ARCHITECTS AND PLANNERS

CEDARBROOK OF ROCHESTER

ROCHESTER, MICHIGAN



INDEPENDENT SENIOR LIVING
ASSISTED LIVING
MEMORY CARE



THE DAMONE GROUP

Construction Cost
\$49,500,000
Conventional Financing

193,275 SF
80 Independent Living Units
36 Assisted Living Beds
35 Memory Care Beds
6 Stories

2020 PCBC Gold Nugget Award



FUSCO, SHAFFER & PAPPAS, INC.
ARCHITECTS AND PLANNERS

CEDARBROOK OF ROCHESTER

ROCHESTER, MICHIGAN



INDEPENDENT SENIOR LIVING
ASSISTED LIVING
MEMORY CARE

THE DAMONE GROUP

Construction Cost
\$49,500,000
Conventional Financing

193,275 SF
80 Independent Living Units
36 Assisted Living Beds
35 Memory Care Beds
6 Stories

AWARDS:

2020 PCBC Gold Nugget Awards Best Service
Enriched Senior Community



BLOSSOM SPRINGS

OAKLAND TOWNSHIP, MICHIGAN

ASSISTED LIVING
MEMORY CARE



MOCERI COMPANIES

Construction Cost

\$15,000,000

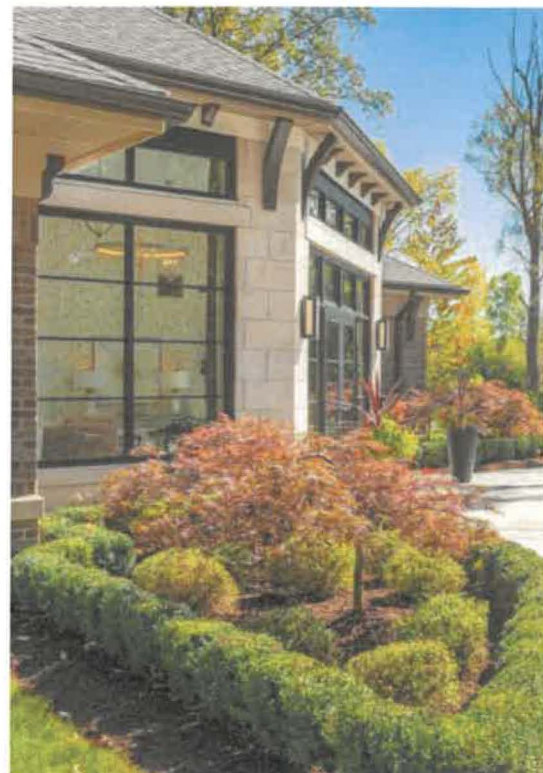
Private Financing

45,150 SF

46 Assisted Living Beds

1 Story

2021 Detroit Home Design Award (DDA)
Commercial Building Architecture



FUSCO, SHAFFER & PAPPAS, INC.
ARCHITECTS AND PLANNERS



FIRM PROFILE

FUSCO, SHAFFER & PAPPAS, INC. ARCHITECTS AND PLANNERS

550 East Nine Mile Road
Ferndale, Michigan 48220
248.543.4100 (Office)
248.543.4141 (Fax)
www.fsparchitects.com

FIRM OVERVIEW

Michigan Corporation

Established in 1963

Staff Professional Licensers:

Arizona, Colorado, Delaware, Florida,
Illinois, Indiana, Maryland, Michigan,
New York, Nevada, North Carolina,
Ohio, Pennsylvania, South Carolina,
Texas, Utah, Virginia and Washington

FIRM PHILOSOPHY

Our firm philosophy is to provide each and every client with the highest level of service possible, starting at the inception of a client's goals, throughout construction and into full occupancy of the facility. FSP is at the forefront of the latest design concepts in housing, healthcare, senior, renovation and specialized communities aligning strategy, architecture and planning with the most imaginative definitions of the client's vision.

STAFF

Licensed Professionals - 8
Professional Staff - 19
Administrative Staff - 2
Marketing Staff - 1
Total In-House Staff - 30

SPECIALIZED EXPERIENCE

Housing Communities

Multi-Family Living
Mixed Use
Supportive Housing
Senior Apartments

Care Communities

Skilled Nursing
Assisted Living
Memory Care
Independent Senior Living
Transitional Care
Adult Foster Care
Senior Day Care
Homeless Shelters
Senior Community Centers
Wellness and Rehabilitative Centers
Children's Housing Communities

Specialized Communities

Parking Decks
Historic Preservation
Adaptive Reuse of Existing Buildings
Ecclesiastical



FUSCO, SHAFFER & PAPPAS, INC.
ARCHITECTS AND PLANNERS



January 22, 2024

Mr. Rich Acho, MBA, MSF
President and Chief Executive Officer
Lourdes Senior Community
29667 Wentworth
Livonia, MI 48154-3256

Re: Lourdes Senior Community
Independent Living Project

Dear Mr. Acho:

Thank you for including Edmund London & Associates in your architectural/engineer selection process.

Since 1959, Edmund London & Associates, Inc. has specialized in facilities to house and care for the elderly including long-term care, dementia care, adult day care, sub-acute rehabilitation, hospice and assisted living facilities and independent living communities. We are pleased to participate in this selection process and are excited at the prospect of joining your team to expand and enhance the beautiful Lourdes Senior Community campus.

Following is our updated proposal. Please let me know if there is anything else you need from us at this time. ELA is willing to adjust or negotiate our fee to best meet your needs.

Sincerely,

Jordan London, AIA
President

20750 civic center drive, suite 650, michigan 48034 ph: 248-353-4820 fx: 248-353-2920

ELA Relevant Experience

For 65 years, Edmund London & Associates (ELA) has designed a wide variety of healthcare building types. During those decades, we have particularly focused on the design of facilities to house and care for the elderly and have become one of the Midwest's leading designers of sub acute and long-term care facilities, assisted living facilities, congregate care and independent apartments for the elderly.

Recent completed senior independent living projects include the 96-bed The Rivers of Grosse Pointe, StoryPoint of Ann Arbor, StoryPoint of Grand Rapids, Glacier Hills Retirement Community, Village Manor Retirement Community, Marycrest Heights Senior Living, and Saginaw Indian Tripe of Michigan Andahwod Continuing Care Community.

ELA is currently working on several senior living projects including Lockwood Senior Living – Ann Arbor, StoryPoint of Portage, StoryPoint of Jackson Twp. Ohio, Park Meadows Village, and River Walk Manor.

ELA clients include not-for-profit organizations, municipal authorities and counties, hospitals, and private developers. Recent religious not-for-profit clients include Trinity Continuing Care Services, Presbyterian Villages of Michigan, Church of Christ Care Center, Martin Luther Memorial Homes, and United Methodist Retirement Communities.

We are also very familiar with current Waterford Township planning and zoning requirements as we are currently working on two projects in the Township (River Walk Manor and Teal Island Luxury Living Community).

Following is an overview of our firm, which includes descriptions of recent projects.

edmund london & associates, inc. architects & planners



65 years of creative and cost effective healthcare design

ela

Edmund London & Associates has specialized in the design of healthcare facilities for 65 years.

ELA architects and associated engineers are experienced in a variety of healthcare facility types including additions and alterations to acute care hospitals, psychiatric hospitals, ambulatory care centers, and medical office buildings. We are one of the Midwest's leading designers of facilities to house and care for the elderly including skilled nursing, assisted living, memory care, sub acute rehab, senior wellness centers and independent living facilities.

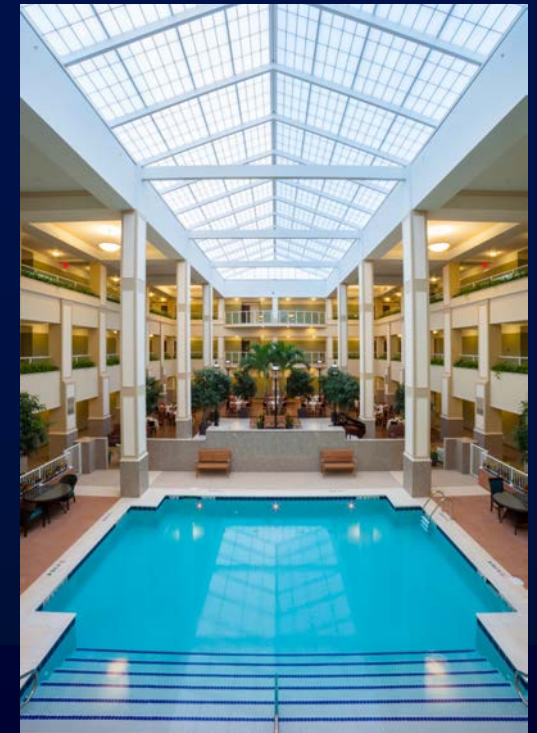
ELA clients include religious not for profit organizations, municipal authorities and counties, hospitals and private developers.

ELA enjoys excellent working relationships with federal, state and local regulatory agencies.

ELA employs "Green" design principles, Evidence Based Design, Universal Design, and The Eden Alternative throughout our design process.

ELA combines our past experience with the vision of our clients to create unique projects

ELA is proud of our ability to predict and control construction costs without sacrificing design quality



PROJECT: *The Rivers of Grosse Pointe*
Grosse Pointe, Michigan

PROJECT DESCRIPTION:
A continuing care retirement community containing 84 unit independent living facility, a 60 unit assisted living, and a 90 bed nursing home.

PROJECT CONSTRUCTION COST: \$35,000,000.

PROJECT COMPLETION DATE: 2015





PROJECT: StoryPoint of Ann Arbor
Pittsfield Township, Michigan

CLIENT: StoryPoint Senior Living

PROJECT DESCRIPTION:
A senior living community featuring 92 unit independent living units, 30 harbors units and 36 assisted living / memory care units.

PROJECT CONSTRUCTION COST:
Phase one: \$20,500,000

PROJECT COMPLETION DATE: 2016



edmund london & associates, inc. architects & planners

**STATE OF MICHIGAN
DEPARTMENT OF LICENSING & REGULATORY AFFAIRS
MICHIGAN OFFICE OF ADMINISTRATIVE HEARINGS AND RULES
MICHIGAN TAX TRIBUNAL**

LOURDES, INC.

MOAHR Docket No. 23-002567

Petitioner,

v.

WATERFORD TOWNSHIP,

Respondent.

Erica J. Shell (P80106)
BODMAN PLC
6th Floor at Ford Field
1901 St. Antoine Street
Detroit, Michigan 48226
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1750 S. Telegraph Road, Suite 202
Bloomfield Hills, Michigan 48302
(248) 731-3089
Attorneys for Respondents

**PETITIONER'S RESPONSES TO RESPONDENT'S
FIRST REQUEST FOR PRODUCTION OF DOCUMENTS**

Petitioner, Lourdes, Inc., through its attorneys, Bodman PLC, and in response to Respondent's First Request for Production of Documents to Petitioner in this matter states as follows:

REQUEST NO. 1: Documents showing the base rental rate for the independent living, assisted living, memory care, rehab care, and any other area of the property for which a rental rate or similar amount is charged, by room type, in effect during the 2022 calendar year.

RESPONSE: See Lourdes_.

REQUEST NO. 2: Documents showing services offered at the subject property that are not included in the base rental rate (e.g., hair cut, laundry, dressing assistance, medication, etc.) that were offered at the subject property during the 2022 calendar year along with the cost thereof.

RESPONSE: Lourdes objects to Request No. 2 because it is vague and overbroad, and further objects because the costs of ancillary services that are available to residents of the subject property are not relevant to this tax appeal. Subject to, and without waiving these objections, see Lourdes_.

REQUEST NO. 3: The application packet or similar document(s) required to be filled out by a prospective tenant or user of the independent living, assisted living, memory care, and rehab care, that was used during the 2022 calendar year

RESPONSE: Lourdes objects to Request No. 3 because it is vague and overbroad. Subject to, and without waiving these objections, see Lourdes_.

REQUEST NO. 4: Documents relating to any rental or other financial assistance available to residents or other occupants of the subject property during the 2022 calendar year including qualification requirements, application steps, internal review criteria, etc.

RESPONSE: Lourdes objects to Request No. 4 because it is vague and overbroad, and objects to the extent it seeks documents that are not in its possession, custody, or control (e.g. applications for financial assistance submitted by residents to third parties). Subject to, and without waiving these objections, see Lourdes_.

REQUEST NO. 5: Documents showing the number of individuals that received charitable, rental, or other financial assistance at the subject property during the 2022 calendar year and the amount each received, what that assistance could be used for, and any conditions placed on the assistance.

RESPONSE: Lourdes objects to Request No. 5 because it is vague and overbroad, and objects to the extent it seeks personal financial information of Lourdes residents, who are third parties to this action. Subject to, and without waiving these objections, see Lourdes_, which is produced without the names of the residents in question.

REQUEST NO. 6: Floor plans for each area of the property and for each unit type.

RESPONSE: Lourdes objects to Request No. 6 because it is has no relevance to the central issue in this tax appeal. Subject to, and without waiving these objections, see Lourdes_, which is produced without the names of the residents in question.

REQUEST NO. 7: 2022 calendar year detailed income and expense reports for the subject property and each area thereof.

RESPONSE: Lourdes objects to Request No. 7 because it is vague and overbroad, and objects to the extent it seeks Lourdes' confidential financial information. Subject to, and without waiving these objections, see Lourdes_.

REQUEST NO. 8: Sample occupancy, rental agreement, or similar document for each area of the subject property that were utilized during the 2022 calendar year.

RESPONSE: Documents responsive to Request No. 8 have already been produced in response to Request No. 3.

REQUEST NO. 9: Any leases or management agreements related to entities, i.e., not individual users, that were in effect at the subject property during the 2022 calendar year.

RESPONSE: None.

REQUEST NO. 10: Articles of Incorporation, bylaws, and meeting minutes from the 2022 calendar year.

RESPONSE: Lourdes objects to Request No. 10 because it is vague and overbroad. Subject to, and without waiving these objections, see Lourdes_.

REQUEST NO. 11: Rent rolls for each area of the property showing occupancy during the 2022 calendar year.

RESPONSE: See Lourdes__.

REQUEST NO. 12: Documents showing the number [of] religious professionals (priest, rabbi, imam, deacon, etc.) employed by Petitioner at the subject property and the number thereof.

RESPONSE: Lourdes objects to Request No. 12 because it is confusing and overbroad, and is more properly the subject of an interrogatory. Lourdes further objects to the use of the term “religious professionals” because it is vague and poorly defined. Subject to, and without waiving these objections, and interpreting “religious professionals” to mean “ordained individuals” that are employed or compensated by Lourdes, see Lourdes_. Lourdes further answers that additional individuals volunteer their services in a religious capacity to residents, including outreach groups from local churches.

REQUEST NO. 13: Documents showing the number of religious professionals that maintain offices or other permanent space at the subject property, the identity of each professional, and the space maintained by those individual(s)

RESPONSE: Lourdes objects to Request No. 13 because it is vague and overbroad. See Lourdes__. In further answer, some of the individuals identified in response to Request No. 12 do not maintain “offices or other permanent space” at the subject property, including volunteers and members of the St. Benedict monastery, Jesuit community, and other ordained priests who provide occasional religious services at the property but who are not employed there full-time.

REQUEST NO. 14: Petitioner's 2022 filed IRS form 990 with all attachments.

RESPONSE: See Lourdes__.

As to responses and objections:

/s/ Erica J. Shell

Erica J. Shell (P80106)

BODMAN PLC

6th Floor at Ford Field

1901 St. Antoine St.

Detroit, Michigan 48226

(313) 259-7777

eshell@bodmanlaw.com

Attorneys for Petitioner

Dated: January __, 2024.

HOUSE BILL NO. 5380

November 14, 2023, Introduced by Reps. Farhat and Brenda Carter and referred to the Committee on Tax Policy.

A bill to amend 1893 PA 206, entitled
"The general property tax act,"
by amending section 7o (MCL 211.7o), as amended by 2006 PA 681.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 7o. (1) Real or personal property owned and occupied by a
2 nonprofit charitable institution while occupied by that nonprofit
3 charitable institution solely for the purposes for which that
4 nonprofit charitable institution was incorporated is exempt from
5 the collection of taxes under this act.

6 (2) Real or personal property owned and occupied by a

1 charitable trust while occupied by that charitable trust solely for
2 the charitable purposes for which that charitable trust was
3 established is exempt from the collection of taxes under this act.

4 (3) Real or personal property owned by a nonprofit charitable
5 institution or charitable trust that is leased, loaned, or
6 otherwise made available to another nonprofit charitable
7 institution or charitable trust or to a nonprofit hospital or a
8 nonprofit educational institution that is occupied by that
9 nonprofit charitable institution, charitable trust, nonprofit
10 hospital, or nonprofit educational institution solely for the
11 purposes for which that nonprofit charitable institution,
12 charitable trust, nonprofit hospital, or nonprofit educational
13 institution was organized or established and that would be exempt
14 from taxes collected under this act if the real or personal
15 property were occupied by the lessor nonprofit charitable
16 institution or charitable trust solely for the purposes for which
17 the lessor charitable nonprofit institution was organized or the
18 charitable trust was established is exempt from the collection of
19 taxes under this act.

20 (4) For taxes levied after December 31, 1997, real or personal
21 property owned by a nonprofit charitable institution or charitable
22 trust that is leased, loaned, or otherwise made available to a
23 governmental entity is exempt from the collection of taxes under
24 this act if all of the following conditions are satisfied:

25 (a) The real or personal property would be exempt from the
26 collection of taxes under this act under section 7m if the real or
27 personal property were owned or were being acquired pursuant to an
28 installment purchase agreement by the lessee governmental entity.

29 (b) The real or personal property would be exempt from the

1 collection of taxes under this act if occupied by the lessor
2 nonprofit charitable institution or charitable trust solely for the
3 purposes for which the lessor charitable nonprofit institution was
4 organized or the charitable trust was established.

5 (5) Real property owned by a qualified conservation
6 organization that is held for conservation purposes and that is
7 open to all residents of this state for educational or recreational
8 use, including, but not limited to, low-impact, nondestructive
9 activities such as hiking, bird watching, cross-country skiing, or
10 snowshoeing is exempt from the collection of taxes under this act.
11 As used in this subsection, "qualified conservation organization"
12 means a nonprofit charitable institution or a charitable trust that
13 meets all of the following conditions:

14 (a) Is organized or established, as reflected in its articles
15 of incorporation or trust documents, for the purpose of acquiring,
16 maintaining, and protecting nature sanctuaries, nature preserves,
17 and natural areas in this state, that predominantly contain natural
18 habitat for fish, wildlife, and plants.

19 (b) Is required under its articles of incorporation, bylaws,
20 or trust documents to hold in perpetuity property acquired for the
21 purposes described in subdivision (a) unless both of the following
22 conditions are satisfied:

23 (i) That property is no longer suitable for the purposes
24 described in subdivision (a).

25 (ii) The sale of the property is approved by a majority vote of
26 the members or trustees.

27 (c) Its articles of incorporation, bylaws, or trust documents
28 prohibit any officer, shareholder, board member, employee, or
29 trustee or the family member of an officer, shareholder, board

1 member, employee, or trustee from benefiting from the sale of
 2 property acquired for the purposes described in subdivision (a).

3 (6) If authorized by a resolution of the local tax collecting
 4 unit in which the real or personal property is located, real or
 5 personal property owned by a nonprofit charitable institution that
 6 is occupied and used by the nonprofit charitable institution's
 7 chief executive officer as ~~his or her~~ **the chief executive officer's**
 8 principal residence as a condition of ~~his or her~~ employment and
 9 that is contiguous to real property that contains the nonprofit
 10 charitable institution's principal place of business is exempt from
 11 the collection of taxes under this act.

12 (7) A charitable home of a fraternal or secret society, or a
 13 nonprofit corporation whose stock is wholly owned by a religious or
 14 fraternal society that owns and operates facilities for the aged
 15 and chronically ill and in which the net income from the operation
 16 of the corporation does not inure to the benefit of any person
 17 other than the residents, is exempt from the collection of taxes
 18 under this act.

19 (8) Real and personal property owned and occupied by a
 20 nonprofit corporation that meets all of the following conditions is
 21 exempt from the collection of taxes under this act:

22 (a) The nonprofit corporation is exempt from taxation under
 23 section 501(c)(3) of the internal revenue code, 26 USC 501.

24 (b) The nonprofit corporation meets 1 of the following
 25 conditions:

26 (i) Is a **nursing home**, skilled nursing facility, or home for
 27 the aged ~~—~~ licensed under the public health code, 1978 PA 368, MCL
 28 333.1101 to 333.25211, ~~or~~ is an adult foster care facility licensed
 29 under the adult foster care facility licensing act, 1979 PA 218,

MCL 400.701 to 400.737, **or is a continuing care community registered under the continuing care community disclosure act, 2014 PA 448, MCL 554.901 to 554.993.** As used in this subparagraph:

(A) "Adult foster care facility" means that term as defined in section 3 of the adult foster care facility licensing act, 1979 PA 218, MCL 400.703.

(B) "Continuing care community" means that term as defined in section 3 of the continuing care community disclosure act, 2014 PA 448, MCL 554.903.

(C) ~~(B)~~ "Home for the aged" means that term as defined in section 20106 of the public health code, 1978 PA 368, MCL 333.20106.

(D) "Nursing home" means that term as defined in section 20109 of the public health code, 1978 PA 368, MCL 333.20109.

(E) ~~(C)~~ "Skilled nursing facility" means that term as defined in section 20109 of the public health code, 1978 PA 368, MCL 333.20109.

(ii) Provides housing, rehabilitation services, diagnostic services, medical services, or therapeutic services to 1 or more disabled persons, ~~. As used in this subparagraph, "disabled person" means that term as defined in section 7d.~~

~~(c) The nonprofit corporation meets either of the following conditions:~~

~~(i) The and either the~~ real and personal property of the nonprofit corporation was being treated as exempt from the collection of all taxes under this act on ~~the effective date of the amendatory act that added this subsection.~~

~~(ii) The~~ **January 10, 2007, or the** real and personal property of the nonprofit corporation had been treated as exempt from the

1 collection of all taxes under this act on December 31, 2004 and
 2 there has been no transfer of ownership of that property during the
 3 period of time beginning the last day the property was treated as
 4 exempt until ~~the effective date of the amendatory act that added~~
 5 ~~this subsection.~~ **January 10, 2007.** As used in this ~~sub-~~
 6 ~~subparagraph,~~ "transfer **subparagraph:**

7 **(A) "Disabled person" means that term as defined in section**
 8 **7d.**

9 **(B) "Transfer of ownership" means that term as defined in**
 10 **section 27a.**

11 (9) If real or personal property owned and occupied by a
 12 nonprofit corporation is not eligible for an exemption under
 13 subsection (8), that nonprofit corporation is not precluded from
 14 applying for exemption under subsection (1).

15 (10) As used in this section:

16 (a) "Charitable trust" means a charitable trust registered
 17 under the supervision of trustees for charitable purposes act, 1961
 18 PA 101, MCL 14.251 to 14.266.

19 (b) "Governmental entity" means 1 or more of the following:

20 (i) The federal government or an agency, department, division,
 21 bureau, board, commission, council, or authority of the federal
 22 government.

23 (ii) This state or an agency, department, division, bureau,
 24 board, commission, council, or authority of this state.

25 (iii) A county, city, township, village, local or intermediate
 26 school district, or municipal corporation.

27 (iv) A public educational institution, including, but not
 28 limited to, a local or intermediate school district, a public
 29 school academy, a community college or junior college established

1 ~~pursuant to~~**under** section 7 of article VIII of the state
2 constitution of 1963, or a state 4-year institution of higher
3 education located in this state.

4 (v) Any other authority or public body created under state
5 law.

6 (c) "Public school academy" means a public school academy
7 organized under the revised school code, 1976 PA 451, MCL 380.1 to
8 380.1852.

Sr. Teresita Lipar, OP – Pastoral Care
REPORT TO THE LOURDES SENIOR COMMUNITY BOARDS
February 2024

Today we will embark on a special journey with St. Dominic Guzman, a man born in 1170 in a small mountain village of Caleruega in Spain. He grew up in a pious family, steeped in the teachings of the Gospels. With the inspiration of His priest uncle, Dominic grew in his intention and desire to embrace a religious vocation at the age of 24, he was ordained a priest and soon became a Canon in the Cathedral of Osma. During this time, he developed a close friendship with Bishop Diego a local ordinary, and at one point accompanied him on one of his mission trips.

On one such trip, they stopped at a village where many pagans dwelt and learned of a very dangerous heresy, the Albigensian heresy which had sprung up among the people. (A heretical sect that adhered to the dualist belief that the material world is evil and that humans must renounce the world to free their spirits.) The Pops of the time, Innocent III sent Bishop Diego and Dominic among the heathens to preach the truth. Upon returning to their homeland, the bishop Diego died leaving Dominic with the responsibility of helping the people to come to the light – truth of God's creation. Because of his persuasive preaching and his deep fervent prayer for them, he gained their respect and helped them to learn a new way of belief.

Dominic felt a calling to establish a new kind of community in his day. Those called and identifying with his gift were recognized by their desire for learning, research, and pursuit of truth (Veritas), adoration of the Eucharist, and a call for action. As itinerant preachers, they carried the Word of God in their hearts and on their tongues to all those who did not know the Lord. Dominic encouraged his followers to always speak to or of God.

The Dominican order grew and included priests, brothers, cloistered sisters, apostolic sisters, and associates. Creatively they helped people to discover the "Good News" of Jesus' great love for humankind. They helped people to abandon the things that had led them astray and to embrace the pure, and authentic meaning of life as lived through contemplation and meditation on the Word of God in Jesus and His Holy Spirit.

An abbreviated development of Dominic's instruction to those joining him embraced the four pillars of the Dominican life: prayer, study, common life, and ministry.

Prayer included contemplation and giving to others the fruit of their prayer: interceding for the needs of the order as well as their corporate ministries.

Study involved reflection on theology and study of the Old and New Testaments and Philosophy.

The component of common life included living together, praying together and eating together and sharing God's grace as received in their hearts through daily Mass, Rosary, and shared meditation.

Dominicans were sent out two by two to preach, teach, and help people learn how best to give themselves to God.

The Pastoral Care Department of Lourdes fulfills the Dominican charism through its members in the following ways:

Deacon Paul Latcha manages the spiritual activities and liturgical season at Fox Manor by
Advent

- Daily Rosary with meditations
- Spiritual, religious film series four times a month
- Sacrament of Reconciliation monthly
- Day of Reflection with guest speaker and luncheon

Lent:

- Distribution of Ashes on Ash Wednesday
- Stations of the Cross weekly
- Increased adoration of Blessed Sacrament
- Holy Thursday and Good Friday services



Ordinary Time

- Visitation and individual opportunities for discussion
- Blessing of Throats
- Mass on Fridays and Wednesdays
- Prepare and officiate at funeral services when asked

Chaplain Mary Boyhtari guides the spiritual and liturgical season at Mendelson Assisted Living by

Advent

- Joint ecumenical services with Pastor Lois comprising the four weeks of Advent liturgical readings
- Adoration of Blessed Sacrament
- Daily Communion Services with preaching for residents
- Christmas and New Year Services

Lent:

- Ashes on Ash Wednesday
- Reconciliation Services
- Stations of the Cross once a week
- Joint Lenten discussion with Pastor Lois on readings for each week of Lent
- Good Friday service for Catholics and an interfaith service for anyone
- Distribution of Palms
- Rosary and meditation of mysteries
- Anointing of all residents as needed, requested and annually



Ordinary Time

- Attend the Day of Reflection for leadership
- Integrate the mission statement into ministry
- Lead a grief support group
- Have blessing of throats
- Bible stories and discussions with residents
- Mass on Thursdays
- Sit with hospice residents and their families when needed
- Help family members prepare for funeral services when needed

Pastoral Care Director Sister Teresita Lipar, OP, coordinates the liturgical activities at each of the buildings

Advent

- Plan Masses in preparation for Christmas
- Weekly Rosary with meditation on Advent themes
- Thursday televised Communion services with preaching
- Interfaith Reflections on closed circuit tv

Lent:

- Distribute Ashes to all of the Catholic residents
- Planned reconciliation group services for those attending Eucharist
- Individual blessing of the sick in their rooms



- Distribution of daily reflection booklets to all residents desiring them
- Weekly stations of the cross televised on closed-circuit television
- Distribution of Palms to all those desiring them
- Holy Thursday and Good Friday services

Ordinary Time

- Coordinate the 33 volunteers giving their time for visitation and distribution of Eucharist on the campus
- Sitting with family members as they prepare for the death of their loved ones
- Offer consolation to staff and resident families as the resident prepares to part from this life
- Orchestrate funeral services to be celebrated in the campus chapels
- Integrate the mission statement in staff meetings
- Prepare for the blessing of throats
- Learn the profiles of each family residing on the campus

Both Deacon Paul and Chaplain Mary provide liturgical, religious experiences for the members of Clausen Manor. They are abbreviated prayer rituals and visitation to each resident and their families.

The Dominican adventure continues as the team enfleshes Dominic's vision and dream in the work of building on each other's gifts and talents while sensitively assisting the elderly, the sick, and those preparing for the next phase of their travel through life. As itinerant preachers, we yield to the will of God daily, monthly, and yearly, developing and implementing God's graces on this campus in tangible ways while embracing the changes of this century.

Jason Mize- Director of Plant Operations
REPORT TO THE LOURDES SENIOR COMMUNITY BOARD
February 2024

Current projects and room updates:

FOX:

- Currently underway is the construction of the activities and fitness room. This should be completed by the end of February 2024.
- We have budgeted to paint the hallways and plan to move forward with that once construction of the fitness and activities rooms are complete.
- We are budgeted to replace the siding at Fox and will evaluate for this year.
- To date we have remodeled 30 apartments. We have 24 remaining.

MENDELSON:

- Cameras are installed on all three floors.
- To date we have remodeled 31 apartments. We have 29 remaining.

CLAUSEN:

- Rooms are being remodeled with new paint color, flooring, sink, outlets, and lights. We have budgeted for 5 new closets this year and to date, we are in the process of installing 2 of the 5.
- This year we plan to paint the common areas and replace the flooring.
- We budgeted for HVAC replacement in a couple of rooms. These will be replaced once it gets a little warmer outside.
- To date we have remodeled 16 rooms. We have 4 remaining.

LOURDES:

- We are in the process of making Marion Hall ready for Andela Hospice.

Rebecca Latta, Director – Human Resources
REPORT TO THE LOURDES SENIOR COMMUNITY BOARDS
February 2024

WeCare Connect (through the LeadingAge Michigan Workforce Stabilization Grant)

Update: The first ongoing survey took place beginning December 4, 2023, through January 4, 2024. One hundred and eighteen employees (118) were sent to WeCare Connect to participate in the survey, and sixty-five (65) responded. Each of the participants will receive \$100 for participating. The Human Resources Committee met on January 25, 2024. Steve Kastner will go over the findings of the survey in the executive session.

Turnover – The average turnover of all four homes through 2023 is 54%, as compared to 2022 at 66%. All homes saw a decrease in turnover except Clausen Manor which stayed the same as last year. Our staffing remains consistent with last year's numbers.

Work Force

Recruiting –

We continue to seek new avenues to attract new talent to our community.

- Online recruiting – we continue to see an increase in applications and interviews for our open positions.
- New Hire Bonuses – Open positions are reviewed pending the need and applications received.
- Response time – we continue to respond within 24 – 48 hours upon receipt of the applications. Depending on the response from the applicant we are scheduling interviews within 72 hours.
- On-Site Open Interviews – This is on hold as we have had so many applications through online recruiting.
- Facebook recruiting – we have had some success with posting Resident Assistant positions on Facebook.
- International hiring – We have requested two RNs through the agency.

Retention –

Our employees are our best asset. Retaining our current talent is a top priority. We are hoping to use the insights from the survey to assist us in retaining our talent.

- Wages – we continue to monitor the market to ensure our wages are competitive. In February we will be giving a 3% increase and some positions received more as we looked at the market benchmarks.

- Rich held town hall meetings in January to communicate to our employees our future plans and to allow them to ask questions.
- Reduced work weeks – This continues to be a popular benefit for our employees. We have had four successful transitions to a four-day work week.
- Employee Engagement– We continue to have fun activities for our employees. Crossword puzzles, candy jar contests, and our annual picnic. The coloring poster has been a big hit at most of the homes with two of the homes completing theirs already.

This is all a work in progress, and we are constantly reassessing to see what other changes we can make to improve our employee's lives.

Requested Action: For Your Information

Rebecca Latta, Director - Human Resources
REPORT TO THE LOURDES SENIOR COMMUNITY BOARDS
 February 2024

STAFFING:			
CLAUSEN MANOR	2021	2022	2023
HIRES	20	10	14
TERMINATIONS	18	18	19
TURNOVER RATE	86%	86%	86%
FTE'S*	13.4	15.3	15.6

FOX MANOR	2021	2022	2023
HIRES	7	12	8
TERMINATIONS	11	11	9
TURNOVER RATE	61%	57%	45%
FTE'S*	8.0	9.2	9.7

LOURDES REHABILITATION AND HEALTHCARE CENTER	2021	2022	2023
HIRES	32	31	30
TERMINATIONS	58	50	30
TURNOVER RATE	59%	51%	32%
FTE'S*	72.8	73.0	70.0

MENDELSON	2021	2022	2023
HIRES	25	36	30
TERMINATIONS	32	45	34
TURNOVER RATE	38%	71%	54%
FTE'S*	44.4	47.0	47.8

CAMPUS (average/facility)	2021	2022	2023
HIRES	21	22.3	21
TERMINATIONS	30	31	23
TURNOVER RATE	61%	66%	54%

* FTE's are based on actual employee count.

Requested Action: For Your Information

Rebecca Latta, Director - Human Resources
REPORT TO THE LOURDES SENIOR COMMUNITY BOARDS
February 2024

Breakdown of Terminations			
CLAUSEN MANOR	2021	2022	2023
Resident Assistants	16	15	19
Housekeeper	0	0	0
Activities Assistant	2	3	0
Total	18	18	19

FOX MANOR	2021	2022	2023
Housekeeping	3	5	2
Dietary Aides	7	5	5
Massage Therapist	1	0	2
Administration		1 (retire)	0
Total	11	11	9

LOURDES REHABILITATION AND HEALTHCARE CENTER	2021	2022	2023
Nurses	16	15	14
Nurse Aides	20	13	10
Housekeeping/Laundry	5	9 (1 retire)	1
Dietary	13	5 (transfer to unidine)	0
Administration	3	5 (2 retire)	4
Activities	1	3	1
Total	58	50	30

MENDELSON	2021	2022	2023
Resident Assistants	22	30	24
Dietary	4	9	4
Activities	3	3	2
Administration	0	1	1
Housekeeping	2	2	3
Massage Therapist	1	0	0
Total	32	45	34

Total all four facilities	119	124	92
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Requested Action: For Your Information

Maureen McGee, Administrator - Lourdes Rehabilitation and Healthcare Center
REPORT TO THE LOURDES SENIOR COMMUNITY BOARD
February 2024

Census 2023

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
MNG	12	10	13	14	13	13	12	12	11	14	13	15
MCD	35	38	39	43	43	42	39	39	39	39	41	36
MCR	15	13	10	7	8	8	8	9	11	7	7	6
PVT	7	7	9	6	4	4	5	6	8	8	8	8
OTH	0	1	1	0	0	0	0	0	2	2	3	2
Total	69	68	72	70	68	67	64	66	71	70	72	67

Census 2024

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
MNG	13											
MCD	35											
MCR	9											
PVT	9											
OTH	1											
Total	67											

MNG – Managed Care

MCD – Medicaid

MCR – Medicare

PVT - Private

OTH – Other

COVID Update:

Lourdes had 7 residents and 5 staff members with COVID from November through January. None were seriously ill. All CDC guidelines were implemented. We are continuing wearing masks in patient care areas. Oakland County remains at “Medium” for COVID admissions to the hospital.

Pharmacy Initiatives:

Medication Interchange replacing high-cost medications with lower cost medications will be implemented in mid-February. The expected savings is approximately \$3000.00 per month. We will also be changing our dispensing system to a “roll packet” on the long-term care unit. All medications will be packaged in a pouch eliminating the need for punching pills out of individual containers. This is projected to save the nurses at least an hour for medication pass. There is no additional cost for utilizing this system.

Care Compare

FIVE STAR REPORT					
	Lourdes	White Lake	Canterbury	Regency	Wellbridge
Overall	5 Star	5 Star	1 Star	1 Star	4 Star
Inspection	4 Star	5 Star	1 Star	1 Star	5 Star
Staffing	4 Star	4 Star	4 Star	3 Star	3 Star
QM's	5 Star	5 Star	4 Star	3 Star	5 Star
Hours of Nursing Care / 24 hrs.	3.6 hrs.	4.7 hrs.	4 hrs.	4 hrs.	3 hrs.
Staff Turnover	34%	46%	35%	68%	80%

The next Care Compare refresh is scheduled for April 2024.

Vaccination Rates:

Residents up to date with COVID Vaccines –

56.3 percent Lourdes
 33.1 percent national average
 31.1 percent Michigan average

Staff up to date with COVID Vaccines –

6 percent Lourdes
 7.5 percent national average
 5.5 percent Michigan average

(Up to date per CDC is vaccinated with the Fall 23-24 vaccine or have received the bivalent within the last 60 days.

David Krolkowski, Director of Finance
REPORT TO THE LOURDES SENIOR COMMUNITY BOARDS
February 2024

November 2023 YTD Financial Statements:

Statement of Operations – Entity-specific and consolidated financial statements for YTD ending November 30, 2023, are summarized below. The Consolidated Loss from operations was (-\$32,636) to a budget of \$25,403 an unfavorable variance of (-\$58,039). The consolidated operating margin is -0.21% to a budget of 0.15%. The November 2023 YTD results are reflected by entity as follows:

	Actual	Budget	Variance	Operating Margin
Lourdes	(391,286)	(325,808)	(65,478)	-4.13%
Mendelson	98,382	179,767	(81,385)	2.93%
Clausen	22,116	28,118	(6,002)	1.70%
Fox	360,437	206,610	153,827	23.66%
Campus	(122,285)	(63,284)	(59,001)	0.00%
Total	(32,636)	25,403	(58,039)	
Consolidated Margin				-0.21%

Lourdes occupancy has operated at an average YTD level of 69.3 residents (69.34% of occupancy) with a Medicare/HMO mix of 24.27 residents or 32.0% of actual occupancy payer mix. We are receiving an average per day revenue on those payors of \$540, budgeted to be \$563, so we are seeing a \$23 decrease per patient day due to more managed-level payors.

On a YTD basis, Mendelson has operated at an occupancy rate of 86.85%, to a budget of 88.3% and Fox has operated at 94.33% occupancy to a budget of 88.89%, Clausen has a YTD occupancy rate of 88.44%, budgeted to be 90.0%.

On a consolidated YTD basis, revenue is unfavorable (-\$1,337,760), and expenses are favorable \$1,279,721. The YTD operating loss is (-\$32,636), compared to last year's YTD loss through November of (-\$1,390,883), favorable by \$1,358,247 year-over-year. We have given courtesy discounts in the amount of \$95.1K at Mendelson, \$48.5K at Clausen, and \$35.4K at Fox.

Some areas I would like to highlight where we have made significant financial improvements in 2023 are: Benefits favorable \$434K reduction in recruitment fees and lower health care premiums. Purchased services favorable \$359K renegotiation of our largest invoice therapy expenses. Professional Services favorable \$117K elimination of contracted nursing.

We are currently in the process of closing the financials for the year 2023. I would like to share some positive news that we have received from our 2021 and 2022 cost report

adjustment. I am pleased to report that the total favorable adjustments for Medicaid were \$438K, which we can record as income in the financial year 2023.

Statement of Financial Position - Consolidated operating cash as of November 30, 2023, is \$4.3MM.

We have received all of the ERC credits of \$3.427M. In addition, we have received \$327K in interest from the IRS. Philanthropy efforts for eleven months totaled about \$280.1K netted down to (-\$37.5K) when factoring in direct costs to raise the contributions (excluding salaries) and utilization of the funds. Investment valuations increased \$1.485MM, a 5.50% return from December 2022. A/R has decreased (-\$165K) from December 31, 2022. This is because of bringing our billing 100% in-house resulting in fewer days in accounts receivable.

SBA/IRS – ERC and Paycheck Protection Program 1 and 2

As stated above we have received the majority of the ERC money \$3.427MM including additional interest.

The PPP loan of \$2,051,000 was officially forgiven on June 5, 2021.

HHS Stimulus Provider Relief Funds and Grant Opportunities

We applied for and received grant funding related to COVID for 2020, 2021, 2022 and 2023. COVID testing reimbursement ended as of May 11, 2023.

Total for 2020 = \$3,579,000

Total for 2021 = \$902,971

Total for 2022 = \$336,808

Total for 2023 = \$33,127

Source of Funding 2023	Type	Lourdes	Mendelson	Clausen	Fox	Consolidated
covid testing reimbursement	Grant	\$ 24,167	\$ 7,813	\$ 1,148	\$ -	\$ 33,127
CMP Grant Air Purifier		\$ -				\$ -
HHS Grant		\$ -	\$ -	\$ -		\$ -
Total of all received funds		\$ 24,167	\$ 7,813	\$ 1,148	\$ -	\$ 33,127

Audit Status / Tax Return / Cost Report:

The Medicaid audit for FYE 2021 will be completed soon. The financial audit by Plante Moran for 2023 will begin on February 19th, 2024.

2023 Capital Spend:

As of November 2023, the total capital spend was \$554K compared to a budget of \$741.5K.

2023 and 2024 Continuing Support Fund:

The continuing support committee met on December 14, 2023. The committee approved spending for 2024 of \$135K based on the residents at the time who applied. In 2023, we have spent about \$72.2K thus far. Lourdes Rehabilitation has been added to the charter. An amendment to the Charter that was recommended by the Continuing Support Committee was approved at the August board meeting to give immediate assistance up to \$1,000 on a case-by-case basis to resident's families. Through November 2023, we have given courtesy discounts of \$179K.

Wendy Mosella, Director of Development
REPORT TO THE LOURDES SENIOR COMMUNITY BOARDS
February 2024

Direct Mail

The direct mail program now consists of three Continuum newsletters with an envelope option for constituents' return, a lapsed donor appeal, and one year-end appeal.

The Year End appeal arrived by Thanksgiving. The mailing was personalized as opposed to a general letter as that traditionally will yield a higher percentage of donations. This mailing reached just over 2,500 people – including resident families, former families, and donors in the last 5 years. Results to date are just over \$47,000 by 87 families, which equals a 3.5% return rate which is right in line with expectations with a direct mail appeal.

Grants

Grants funded in 2023 include:

The Mary Thompson Fund - \$7,500, Tovertofel funded.
Serra Foundation - \$10,000 - Art, Music and massage therapy
Catholic Foundation of Michigan – made through first round full application, not awarded.
Fr. Richard Fairbrother - \$20,000 - \$5,000 Clausen, \$5,000 Mendelson, \$10,000 LRHC
Pulte Foundation - \$40,000 towards villa home for Sisters
Dunlap - \$3,500 - Golf
Westerman \$2,000 - Clausen
Sieg - \$3,500 – Golf, \$8,500 Clausen

Upcoming Submissions:

Hess Foundation
St. Regis (in progress)

Events

The golf outing will continue in 2024 on June 20th. with a focus on increasing golf participants and sponsorships. It has a successful history and there is no need to alter this event concept. The Fountains Golf Course in Clarkston was chosen again for this year after a great experience there last year. The proximity also allows us to have our residents attend the dinner without a long travel distance. Golf Outing Total Income - \$58,279 before expenses. Returning sponsorship packets are currently being assembled to be sent out in early February.

Raffle results – 520 tickets sold for a total of \$26,000 raised. Prize reverted to a 50/50 drawing. Winner to receive \$13,000 prize but declined acceptance and donated it back to Fox as his mother-in-law resides there. Would like a special project to be done with the money. Project to be determined. The raffle will return in 2024 with some adjustments – including a maximum ticket quantity sold and an alternate time from earlier in the year.

We are currently working on details to host a fall “open house” style event on campus. Inviting families and others to visit our campus and participate in some fun family activities that day and take building tours, details TBD.

Planned Giving

We have begun to re-introduce information about estate planning and planned gifts in the Continuum newsletters and online. The information will be about ways to give through estate planning, such as leaving a percentage or specific amount for your favorite charities. Going forward we would like to keep some articles on the website for planned giving options. We will be looking into holding an estate planning seminar for our residents and donors in spring 2024. Plans are in the works now to finalize details.

Mailings going forward will include a way for donors to indicate if they have included Lourdes in their estate planning. Most non-profits have a group that they then can belong to be invited to special events such as an update with the CEO or activities of that nature. This encourages folks to let us know that Lourdes is included in their estate plan. This can help create a stronger relationship with the donors.

Communications

We have launched a revised website design. We will continue to upgrade analytics as we move forward with SEO utilization to increase our presence in search results. Social media with Facebook has been consistently increasing followers with interactive posts. Reels (short videos) are a great way to engage new followers. For example, the most recent one created during the employee appreciation lunch and dunk tank garnered 42 new followers in just a few days.

We will continue to increase and ask for Google reviews from those in our care as well as be able to respond promptly to reviews now that we have completed who has access to the account. So far we have had great reviews with an internal push for collecting them as well as automated emails.

Our goal moving forward is to complete a transfer of emails from our constant contact system to our fundraising software. They are maintained separately and are not always included in the donor base. This will allow us to manage and have better insight into those who interact with us and convert them into donors. This will allow us to expand our online giving, as currently, it does not get much utilization.

Major Gifts

While we have many generous family foundations, we need to create more giving opportunities for gifts of this nature. For example, the completed renovation of the Mendelson hair salon is a donor-funded project close to their hearts. A list of known opportunities has been created in presentation form so that we are always prepared when gifts or conversations arise. Connecting donors to projects that are meaningful or personal to them is the key. You need to find the right donor for the right projects, at times you must let the donor lead you to what they are interested in to maximize the giving opportunity.

For 2024 we will investigate narrowing down some potential projects that need to be accomplished and begin to work through our potential prospects and managing relationships. This will include phone calls, follow-up cards, meeting with donors, and bringing people to campus to see our new improvements. All this will be to prepare prospects for major gifts.

Advertising

Throughout 2023 we reviewed our attendance at community events and advertising. Having just finished our last marketing expo this December, we have obtained contact information for over 400 people from event attendance. We have used the attendee's information to send thank you letters for their participation as well as a brochure about Lourdes. This allows them to see what we have to offer on campus as they all are still living independently and lets them know that we offer tours of our buildings if they would like to begin planning their next steps.

Earlier this year, all advertisers in the Lourdes Senior Living magazine were contacted regarding getting involved with our events and supporting Lourdes. While many have had a positive response to us reaching out, we were at the end of their budget year. So, in the new year, we will be reaching back out, while tracking contacts, to invite them to participate in upcoming events this year and/or invite them to come and see what we do here.

We welcomed two different tour groups from Bloomfield Hills this last year. Each visit included a lunch, tour, and information about Lourdes to senior groups who are looking into their living options as they are getting older. These groups have come from their respective cities' senior centers. We have had a few inquiries from additional senior centers regarding tours. We are currently collecting the different options and will decide which events to host on campus.

Colleen Burke – Director of Clausen Manor
REPORT TO THE LOURDES SENIOR COMMUNITY BOARDS
February 2024

CENSUS INFORMATION: As of January 25, 2024	
CURRENT NUMBER OF RESIDENTS	17 (1 receiving hospice)
TOTAL NUMBER OF ADMISSIONS 2023	15
FROM CAMPUS 2023	9
TOTAL NUMBER OF ADMISSIONS 2024	1
FROM CAMPUS 2024	0
TOTAL NUMBER OF DISCHARGES 2023	12
DISCHARGES TO CAMPUS FACILITIES 2023	1
OFF-CAMPUS DISCHARGES 2023	4
NUMBER OF DEATHS 2023	7
TOTAL NUMBER OF DISCHARGES 2024	1
DISCHARGES TO CAMPUS FACILITIES 2024	0
OFF-CAMPUS DISCHARGES 2024	0
NUMBER OF DEATHS 2024	1
MAJOR ACTIVITIES FOR RESIDENTS	
<ul style="list-style-type: none"> • Christmas party was open to all families and guests and we welcomed approximately 50 people. • Santa Claus brought presents for all on Monday 12/18 • Continue to enjoy Tovertafel, chair yoga, and music. • No outings until spring due to weather and walking safety. 	
MAJOR FACILITY ISSUES	
<ul style="list-style-type: none"> • Nothing to report. • As I am retiring in May, I have started to create a calendar of tasks for the new director, including meetings, staff mandated trainings, campus events, etc. Additionally, I have listed on-campus educational trainings she/he will need prior to my last day (i.e. LSC history, payroll, purchasing, fire drill, Point Click Care, etc). Much of this was not new to me but will be new to someone off campus. Policies are completely updated. 	
FLU SHOTS:	
<ul style="list-style-type: none"> • Completed with 100% of residents receiving for 2023/2024. 	
TRENDS	
<ul style="list-style-type: none"> • Average Age: 83.5 (men=78.33, women=86.6) We have 6 married residents which is, I believe the most ever. Proof men are living longer. • Range of ages: 63-95 • Length of Stay: 591 Days • There are currently six men and eleven women. We have a married couple. • All residents are under the care of Dr. F. Salloum (our Medical Director). • One resident receives services from Mercy Hospice. • Occupancy END 2023: 81.5% Budget 2023 90% YTD 2024: 80.0% Budget 2024: 90% 	

DIRECTOR'S ADDITIONAL THOUGHTS:

- State was in for a complaint on Wednesday, January 10. The complaint was questioning the response of a resident in distress. After viewing the cameras the resident was addressed and 911 took her to SJMO within 20 minutes. Family was notified within 2 minutes and 911 was called within 3. We have not yet received a report from the surveyor on her findings.
- State was in for the annual survey on Thursday, January 11. Our surveyor cited us in ten areas. All of them except two were issues regarding procedures that have been in place for 10+ years. We have changed policies and procedures to accommodate their requests. The other two were regarding me and the education I should have taken and the timeliness of my TB test. These are both resolved.

STAFFING (All categories not applicable at all facilities)		Days	Afternoons	Midnights
DIRECT CARE		Total of 22 team members		
STATE REQUIREMENTS		3.0	2.0	2.0
FACILITY GOALS (census of 18)		4.0	4.0	2.0
ACTUAL STAFFING		3.8	3.8	2.0
RN	(Shared with Mendelson)			
DIETARY	(Shared with Mendelson)			
ACTIVITIES	1 FT (+pastoral care services from LSC)			
HOUSEKEEPING/DIETARY	1 70 hours per pay			
ADMINISTRATION	1 (+ share LSC Campus MSW and Admissions Coordinator)			

RESIDENT STORY: Eileen is 81 years. She and her husband met at Shrine High School and married in November of 1963. Eileen has lived here 2.5 years and in that time has gone through a significant decline. She no longer walks or feeds herself. Frank visits six days a week to spend time with her and feed her lunch. She is sweet and kind and absolutely wonderful. Frank and Eileen lived in Europe for a number of years when he was working for Chrysler Finance. They have three children and six grandchildren, all in college. A year ago she was placed on hospice but in November was removed from hospice as her health improved and she no longer qualified. She loves to visit though her verbal skills have pretty much disappeared. She sings when the entertainers are here and as is typical with the Irish, she sings loud but not well. LOL. We took Eileen to the cider mill this fall and she really enjoyed both the bus ride and the cider. This was her first time out of Clausen Manor, except for ambulance rides, in the two years I have been here. Both Eileen and Frank are real gifts to Clausen Manor.

Robin McClintock, CTRS, CALD – Fox Manor
REPORT TO THE LOURDES SENIOR COMMUNITY BOARDS
February 2024

CENSUS INFORMATION: As of January 24, 2024	
NUMBER OF RESIDENTS	52
TOTAL NUMBER OF ADMISSIONS 2023	16
FROM CAMPUS 2023	5
TOTAL NUMBER OF ADMISSIONS 2024	0
FROM CAMPUS 2024	0
TOTAL NUMBER OF DISCHARGES 2023	13
DISCHARGES TO CAMPUS FACILITIES 2023	8
OFF CAMPUS DISCHARGES 2023	1
NUMBER OF DEATHS 2023	4 (two were on hospice)
TOTAL NUMBER OF DISCHARGES 2024	3
DISCHARGES TO CAMPUS FACILITIES 2024	0
OFF CAMPUS DISCHARGES 2024	2
NUMBER OF DEATHS 2024	1
MAJOR ACTIVITIES FOR RESIDENTS	
<ul style="list-style-type: none"> Community Benefit: In October, the staff hosted a bake sale fundraiser for the Detroit Dog Rescue. Over \$900 was raised. In December, Fox Manor hosted one resident-driven fundraiser for Clothe the Children. Over \$300 was raised by selling brass banks that one of our former residents made. His wife hosts the sale in his memory. On Thanksgiving Day, only about 20 residents do not go out to their families for Thanksgiving. Fox hosts a special Thanksgiving meal, with special table décor put together by me and the staff. The residents sit at a long table just like family. This is an event the residents enjoy. On December 14th, Fox hosted the first family Christmas Party since 2019. The residents were limited to two guests each. Approximately 110 guests were in attendance. The residents and families who attended enjoyed themselves and expressed much gratitude after it was over. On January 15th, Fox hosted a 100th birthday party for our resident Fern Walch. Fern has called Fox Manor home since March of 2011. 	
MAJOR FACILITY ISSUES	
COVID 19 Strategies	
<ul style="list-style-type: none"> Reporting to the Oakland County Health Department only must be completed if the facility has a positive COVID case. Fox Manor had a COVID outbreak between January 8th and January 16th. Six residents tested positive during this time. 	
COVID 19 Cases:	
<ul style="list-style-type: none"> Residents: 2023= 13 Residents 2024 = 6 Employees: 2023 = 3 Employees 2024 = 0 	
Vaccines:	
<ul style="list-style-type: none"> Fox will be partnering with OneCare Pharmacy to provide COVID-19 vaccines to the residents. A date has not been set. 	
TRENDS	
<ul style="list-style-type: none"> The average age is 85 years old. The mode is 86. The average length of stay is 3.55 years. The resident with the longest length of stay is 15.72 years. The youngest resident is 69 years old, and the oldest resident is 100 40 of our 52 residents (77%) are Catholic. 43 women and 9 men 	

<ul style="list-style-type: none"> There are five married couples living at Fox Manor. 	
TRENDS CONTINUED:	
<ul style="list-style-type: none"> Occupancy YTD 2023: 90.7% Budget 2023: 88.9% YTD 2024: 87.04% Budget 2024: 94.4% 	
STAFFING	
DIETARY	1 full-time cook 1 part-time cook 10 part-time wait staff
ACTIVITIES	1 part-time activities coordinator
HOUSEKEEPING/LAUNDRY	1 full time resident apartment housekeeper 1 part-time resident apartment housekeeper 1 part-time common area housekeeper
DIRECTOR'S ADDITIONAL THOUGHTS:	
<ul style="list-style-type: none"> Currently Fox has seven vacancies. There are no admissions scheduled at this time. Winter is a slow time for admissions. There continue to be tours, but no one seems ready to move until spring. There are currently no planned discharges. Four residents are currently receiving support services from home healthcare and non-medical assistance companies. Admissions from referral sources: one A remodel project has started. The craft room known as the Arbor Room is being remodeled into an exercise room. It has more space and lots of natural light. The Arbor Room is being recreated in what was once was the exercise room. The project is expected to take approximately one month to complete. 	



Robin McClintock, CTRS, CALD - Mendelson Home
REPORT TO THE LOURDES SENIOR COMMUNITY BOARDS
February 2024

CENSUS INFORMATION: As of January 24, 2024	
NUMBER OF RESIDENTS	58
TOTAL NUMBER OF ADMISSIONS 2023	52 (5 respite)
FROM CAMPUS 2023	31
TOTAL NUMBER OF ADMISSIONS 2024	2
FROM CAMPUS 2024	1 (respite from LRHC)
TOTAL NUMBER OF DISCHARGES 2023	50
DISCHARGES TO CAMPUS FACILITIES 2023	14
OFF CAMPUS DISCHARGES 2023	10 (3 respite)
NUMBER OF DEATHS 2023	25
TOTAL NUMBER OF DISCHARGES 2024	2
DISCHARGES TO CAMPUS FACILITIES 2024	0
OFF CAMPUS DISCHARGES 2024	2
NUMBER OF DEATHS 2024	0
MAJOR ACTIVITIES FOR RESIDENTS	
<ul style="list-style-type: none"> On November 29th, the residents went to Pine Knob for the DTE drive-thru light show. The bus was at capacity and the residents really enjoyed it. On December 12th, Mendelson hosted the first family Christmas Party since 2019. For the first time ever, we set a limit on the number of guests each resident could have. The residents were limited to two guests each. Approximately 120 guests were in attendance. There was plenty of food, great entertainment, and a wonderful time was had by all. Starting with the January calendar, Mendelson will be having weekly pet therapy visits. Claire the golden retriever will be brightening the lives of the residents and staff each week. 	
MAJOR FACILITY ISSUES	
COVID 19 Strategies	
<ul style="list-style-type: none"> MDHHS has removed most of the COVID rules they had in place. If a resident tests positive, testing will have to begin. If contact tracing limits the possible exposure to others, only those in contact would need to be tested. Isolation protocols remain unchanged for residents and staff with COVID. Vaccination status no longer needs to be tracked. Reporting occurs only to the Oakland County Health Department if a resident or employee tests positive. Mendelson had a COVID outbreak between December 16th and December 30th. During that time nine residents and five employees tested positive. Testing was initiated and masks were mandated in the building. This outbreak came immediately following the family Christmas party on December 12th. We are seriously considering not hosting large indoor gatherings such as this in the future. 	
COVID 19 Cases:	
<ul style="list-style-type: none"> Residents 2023 = 22 Residents 2024 = 0 Employees 2023 = 12 Employees 2024 = 0 	
Vaccines:	
<ul style="list-style-type: none"> Mendelson will be partnering with OneCare Pharmacy in the near future to host a vaccine clinic. A date has not been set. 	

TRENDS

- Average Age: 87
- Average Length of Stay: 654 days
- Currently, there are fifty-one women and seven men.
- One married couple is living at Mendelson.
- There is one resident currently receiving hospice.
- Fifty-one residents utilize the services of Dr. Grivej.

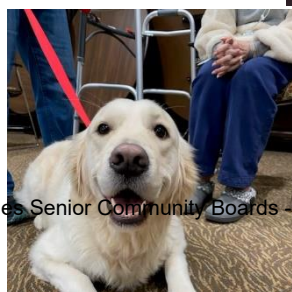
TRENDS CONTINUED:

- Occupancy YTD 2023: 96.7% Budgeted occupancy 2023: 89.2%
 YTD 2024: 95.0% Budgeted occupancy 2024: 88.3%

DIRECTOR'S ADDITIONAL THOUGHTS:

- There are currently three openings. One admission is scheduled in early February. One other admission is pending assessment. There are currently no planned discharges.
- There are currently two residents under respite care.
- Admissions from referral sources: five (unchanged from the previous report in August)
- New artwork has been added to brighten up the common areas and hallways.
- Mendelson experienced an outbreak of the stomach flu beginning on January 8th. It lasted roughly one week. Twenty-two residents and eight staff were infected. Symptoms in both groups lasted 24 hours with another recovery day.
- Employee Good news: Aubrey Slack, Activities Coordinator gave birth on January 9th to a baby boy named Barrett. There are three Resident Assistants currently expecting. Two of them are expecting twins!

STAFFING (All categories not applicable at all facilities)		Days	Afternoon	Midnight
DIRECT CARE		Total Direct Care staff: 32 resident assistants		
STATE REQUIREMENTS		There are no state requirements. Staffing is mandated to be whatever is needed to provide care based on the acuity of the residents.		
FACILITY GOALS (at budgeted occupancy)		6.0	5.5	4.0
ACTUAL STAFFING		6.0	5.5	4.0
RN	1 full time (shared with Clausen) 1 part-time			
DIETARY	1 full-time Manager, 3 cooks, 6 servers/dishwashers, 1 stock (some positions are shared with Clausen)			
ACTIVITIES	1 full-time director, 1 assistant, 1 contingent assistant			
HOUSEKEEPING	1 full-time Supervisor, 2 part-time (Supervisor shared with Clausen)			
HOUSEKEEPING/ROOM ATTN	2 full-time			
ADMINISTRATION	6 (3 are shared with Clausen)			



Robin McClintock, CTRS, CALD – Compliance
REPORT TO THE LOURDES SENIOR COMMUNITY BOARDS
February 2024

Excluded Provider/Criminal Background Check Process

Lourdes Senior Community continues our relationship with the Compliance Resource Center (CRC) to complete our monthly Excluded Provider checks. 2023 was our ninth year with CRC. I work very closely with Human Resources and administration to ensure the lists used have the most current and up-to-date information prior to sending it off each month. The Individual list includes employees, outside medical personnel, board members, committee members, and volunteers. The Entity list includes all of our vendors.

2023 yielded positive results. Over the course of the year, there were no confirmed reports of any individual or entity (vendor) on our lists being excluded. Attached you will find a results spreadsheet and a sample letter we received from CRC for your review.

Criminal Background checks are completed on all employees, physicians and their representatives, volunteers, and board/committee members by the Human Resources Director. The checks completed differ based on the requirements of the facility's licensure. Those employees hired at Mendelson, Lourdes Rehab, and Clausen are fingerprinted as well.

Compliance Reporting

Section 6102 of the Patient Protection and Affordable Care Act states that all skilled nursing facilities must have an effective compliance program in place. The program must be effective in preventing and detecting criminal, civil, and administrative violations and in promoting quality of care. An important aspect to the compliance program is protocols for reporting concerns. There are three different ways compliance concerns can be reported;

- 1) Contacting the Compliance Officer (Robin McClintock) directly at 248-674-2241 ext. 5841,
- 2) Emailing the Compliance Office at compliance@lourdes-sc.org, or
- 3) Calling the Anonymous Compliance Hotline at 248-886-5050.

Over the course of 2023, I received no reports of violations via the hotline, my direct number, or to the compliance email address.

Code of Conduct

The Code of Conduct is a statement of principles that will guide the operations of an organization. A standard requirement for all compliance programs is to have a Code of Conduct that employees and board/committee members should read, sign, and abide by. The Code of Conduct is given to all new employees upon hire. There is a strong emphasis on the Gift and Gratuities policy within the Code of Conduct. Lourdes Senior Community's version of the Code of Conduct is our Ethics Guide. Attached you will find a copy of the Ethics Guide, as well as the Acknowledgement form. For those who are new to the board, please read through the Ethics Guide, sign the Acknowledgement, and return it to me (rmcclintock@lourdes-sc.org) or Debi Batchelder (dbatchelder@lourdes-sc.org). You can also bring the signed Acknowledgment with you if you are attending the board meeting in person.



SANCTION SCREENING AND VERIFICATION REPORT FOR INDIVIDUALS

Description of Services

Compliance Resource Center (CRC) provides sanction screening services to help clients identify sanctioned, excluded and/or high-risk individuals and entities across various federal and state health care agencies. In accordance with federal sanction screening guidelines, CRC provides screening against the Department of Health and Human Services (HHS) Office of Inspector General (OIG) List of Excluded Individuals and Entities (LEIE) and the General Services Administration (GSA) System for Award Management (SAM), as well as state Medicaid exclusion lists per the HHS Center for Medicaid and State Operations state Medicaid screening guidelines. Whereas the OIG LEIE has a user friendly system to aid in verification of potential hits, the GSA SAM does not. The only identifiers that they maintain within their system are Social Security Numbers ("SSNs"), Tax ID Numbers ("TINs") and Dun and Bradstreet Numbers ("DUNS Number").

Background and Methodology

CRC conducts sanction screening services on behalf of clients using the Sanction Screening Services (S³) tool. The S³ tool screens a list of individuals and/or entities provided by the client against the LEIE, SAM and applicable state databases. A unique series of algorithms identifies an exact match between the individuals and entities submitted and the names contained in the source data from the screened databases. The CRC also has the entire National Plan and Provider Enumeration System (NPPES), referred to as the NPI File that is checked. The OIG has recently upgraded their LEIE system to include NPI numbers that has facilitated a more efficient system of identification where incomplete or inaccurate information on individuals and entities have been provided.

In addition to the Sanction Screening and Verification Report, the results are displayed in three types of accompanying files:

- **Summary Results File:** Provides a summary as to whether each individual screened matched any of the source data.
- **Detailed Results File:** Provides all the available data from the source agencies for names where there was a name match. If an individual is found during the screening process not to match the source data, the Detailed File indicates "Not Found." Individuals that are found to match the source data are further investigated to determine the validity of the match.
- **Master Final Results File:** Provides the investigative results from the verification process. It defines results as "Confirmed Matches," "Possible Matches," and "Not a Match." In the event of a Possible Match, the action needed to complete the investigation is indicated in the Sanction Screening and Verification Report.

If an individual matches a name in one of the screened databases, CRC investigates to determine if the finding is a Confirmed Match. A Confirmed Match for an individual is the result of an exact name match (last name, first name, and middle name/middle initial, if available) and one or more of the following: date of birth, Social Security Number, UPIN/NPI, Medicaid Provider Number, or state license number.

Contact Information

For questions related to the services provided or the content of the report, please contact CRC at 1-855-272-1011 Option 1 or support@complianceresource.com.



SANCTION SCREENING AND VERIFICATION REPORT RESULTS

Executive Summary

The following table provides a summary of the services performed, as well the number of Potential Hits, Possible Matches, and Confirmed Matches.

Lourdes Senior Community – Employee	
File Name(s)	CRC Individual template
Report Date	December 20, 2023
Agencies Screened	<ul style="list-style-type: none">• Department of Health and Human Services (HHS) Office of Inspector General (OIG) List of Excluded Individuals and Entities (LEIE)• General Services Administration (GSA) System for Award Management (SAM)• Michigan Medicaid Sanction Provider List
Number of Records Submitted	782
Potential Hits	219
Possible Matches	0
Confirmed Matches	0

Investigation and Verification

In general, a list of Potential Hits is investigated to determine whether the individual names submitted for screening are a Confirmed Match to the information contained in the source data. Based on the investigation into the Potential Hits, CRC concluded that none of the individuals submitted are a Confirmed Match to any records in the exclusion databases searched.

Conclusion

Based on CRC's screening and investigative efforts, none of the individuals provided were determined to be a Confirmed Match to an exclusion record in any of the databases searched and therefore are not excluded from participation in federal health care programs and/or the state Medicaid program(s) for which the searches were completed.

Review Certification

CRC certifies it conducted the sanction screening process in accordance with the independence and objectivity guidelines of the Generally Accepted Government Audit Standards of the Government Accountability Office. The work entailed an objective and systematic examination of evidence to provide an independent assessment of the results. Staff assigned to perform the independent review possessed the necessary professional proficiency for the tasks required. They were free from impairments that could hinder objectivity and exercised



due professional care in the review and preparation of the report of findings. This report presents factual data accurately, fairly and objectively with findings, determinations and conclusions.

Independently reviewed and certified by

Ekaterina Malinova

Ekaterina Malinova
Compliance Resource Center



2023 Excluded Provider Checks

2023	Number of Entities Tested	Potential Hits	Possible Matches	Confirmed Matches	Number Ruled out by investigation		Number of Individuals Tested	Potential Hits	Possible Matches	Confirmed Matches	Number Ruled out by investigation	Number ruled out by Affidavit
January	442	41	0	0	n/a		711	217	0	0	n/a	n/a
February	442	41	0	0	n/a		720	221	0	0	n/a	n/a
March	442	40	0	0	n/a		686	207	0	0	n/a	n/a
April	442	40	0	0	n/a		701	207	0	0	n/a	n/a
May	441	41	0	0	n/a		713	208	0	0	n/a	n/a
June	441	40	0	0	n/a		722	213	0	0	n/a	n/a
July	441	41	0	0	n/a		734	217	0	0	n/a	n/a
August	441	41	0	0	n/a		743	217	0	0	n/a	n/a
September	441	41	0	0	n/a		750	216	0	0	n/a	n/a
October	441	41	0	0	n/a		758	217	0	0	n/a	n/a
November	441	42	0	0	n/a		768	217	0	0	n/a	n/a
December	442	42	0	0	n/a		782	219	0	0	n/a	n/a



Our Values and Ethics at Work Reference Guide

September 2017

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OUR VALUES AND ETHICS AT WORK

Each of us helps shape our culture by acting in accordance with our core values of compassion, dignity, spirituality, service, and standards of conduct. We all have a personal responsibility to behave ethically and appropriately.

The provision of health care is a complex industry. Many of the laws and regulations that govern health care are difficult to understand and to apply consistently. Lourdes Senior Community has created this booklet to help us understand these laws and regulations. This reference guide describes our standards of conduct and how to apply them.

The examples in this reference guide will help us to understand the importance of having honesty, directness, and respect in all of our interactions with residents and their family members, as well as co-workers.

The Lourdes Senior Community Our Values and Ethics at Work Reference Guide is designed to help us make decisions at work, however simple or difficult they may be. Of course, it is not possible to cover every situation in this reference guide. If you are struggling to determine the right thing to do in a particular situation, this booklet has information to help you.

Support for ethical decision-making is available at all times. For example, you may consult with the Director of Human Resources, or you may speak with your supervisor. Please call on that support to be confident in your decisions as you help shape and strengthen our healthcare ministry.

Many blessings,



Rich Acho

President and Chief Executive Officer

LOURDES SENIOR COMMUNITY MISSION AND CORE VALUES

Mission Statement

Lourdes Senior Community, inspired by the gospel of Jesus and sponsored by the Dominican Sisters of Peace, provides a broad continuum of care for seniors and their families. All who minister at Lourdes honor the uniqueness of each person with compassion, love, respect, and dignity.

Core Values

Dignity

In caring for our residents, we will:

- Treat everyone with empathy and fairness
- Be attentive to resident's personal appearance and behaviors
- Invite and appreciate the uniqueness of people and their viewpoints

Service

In all we do, we will:

- Put forth our personal and professional best, providing the highest quality of care of which we are capable
- Be responsible for and follow through on the commitments we make
- Listen well, communicate openly and honestly, and encourage others to do the same

Spirituality

In honoring the missions, ministries, and heritages of the Catholic Church and our Dominican sponsors we will:

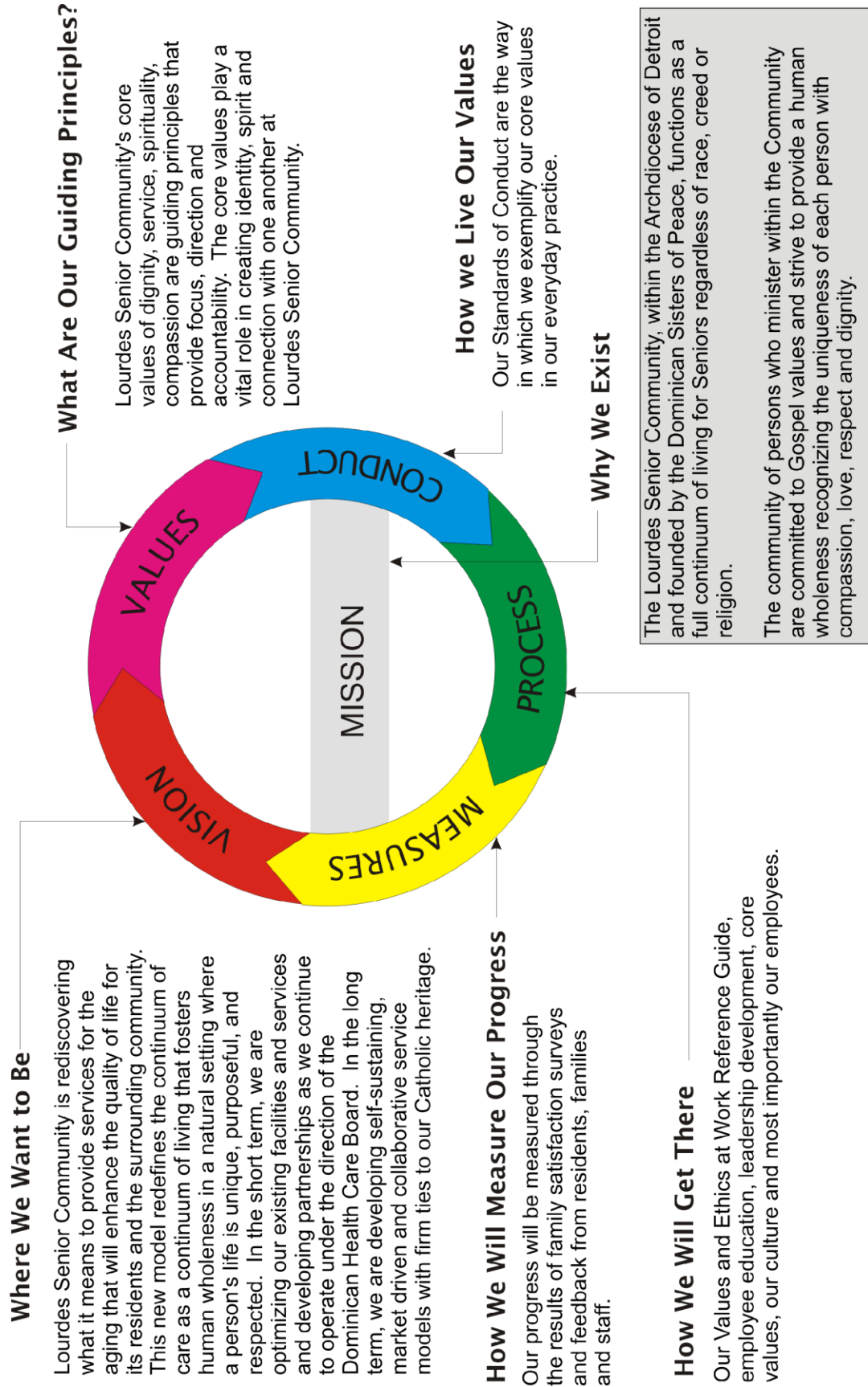
- Add meaning and purpose to the lives of our residents
- Celebrate the role of spirituality in healing for each individual
- Serve each other and our community in harmony and with the inclusiveness, wholeness and touch that characterized Christ's healing ministry

Compassion

In serving the residents and their loved ones, we will:

- Honor the individuality of each person
- Treat each other with dignity, taking the time to be present, to listen, to explain and to understand
- Create a caring environment that exudes humanity, humility, grace and love

Lourdes Senior Community Framework



INTRODUCTION TO LOURDES SENIOR COMMUNITY RESPONSIBILITY PROGRAM

Lourdes Senior Community is committed to continuing the healing ministry of the Catholic Church by creating a healthy community and defending the human dignity of each community member. Our Catholic identity calls us to recognize God's presence in every man and woman. We serve God by caring for those in need and for each other. Our core values of spirituality, compassion, dignity and service provide focus, direction and accountability.

This reference guide provides a framework for ethical behavior based on the attributes that define our distinctive Catholic culture. Our cultural attributes call us to:

- Create a culture that supports open and honest communication.
- Exhibit high ethical standards of conduct that promote doing the right thing.
- Cultivate our human, financial and material resources as gifts entrusted to us.
- Be accountable for our actions and performance.
- Commit to the common good.
- Share wisdom and knowledge and develop individual and organizational potentials.
- Find ways to improve work processes, service and care delivery.
- Create a healing environment and collaborative spirit.

To support you in making the right decisions and getting answers to your questions or concerns contact your Compliance Officer, manager, director, administrator, or the Director of Values Integration.

Our Values and Ethics at Work Reference Guide is designed to help you do what is right and to ensure that your behavior demonstrates our values. At a minimum, this means obeying the law and avoiding improper activities.

This reference guide includes examples of how the standards of Lourdes Senior Community apply to your daily work. These applications are arranged alphabetically by topic for ease of reference.

Our Values and Ethics at Work Reference Guide is one of the many tools that can help you work in a responsible, professional and ethical way. Other tools and resources include:

- Local and national policies and procedures, including those specific to healthcare responsibility.
- Compliance reference and guidance documents.
- Educational offerings, including training in complicated or high-risk areas.
- Federal and state laws and regulations.

Our Values and Ethics at Work Reference Guide is a resource for all of us as we strive to achieve our mission. By understanding and using this reference guide, we demonstrate our commitment to our core values.

STANDARDS OF CONDUCT

Our Values and Ethics at Work Reference Guide describe our standards of conduct as practical applications of our core values and cultural attributes. All board members, employees, volunteers, medical staff and others working with Lourdes Senior Community must act in accordance with the following standards of conduct:

- Exercise good faith and honesty in all dealings and transactions.
- Create a workplace that fosters community and honors and cares for the dignity, safety and well being of all persons in mind, body and spirit.
- Maintain a high level of knowledge and skill among all who serve in order to provide high quality care and safety.
- Observe all laws, regulations and policies that govern what we do.
- Maintain the integrity and protect the confidentiality of resident, employee and community information.
- Avoid conflicts of interest and/or the appearance of conflict.
- Use our resources responsibly.

APPLICATIONS OF THE STANDARDS OF CONDUCT

This section includes examples of how the standards of conduct of Lourdes Senior Community apply to daily activities within the community. As you read, keep the following questions in mind:

- Are my decisions and actions based on the mission and core values of Lourdes Senior Community?
- Do I show values-based behavior at work?
- Do I make decisions with sound judgment and common sense?
- Do I communicate with honesty?
- Am I doing anything I would be concerned about if it was on the front page of a newspaper?
- Have I been asked to do something that may be dishonest, unethical or illegal?
- Do I make personal use of Lourdes Senior Community assets or know others who do?
- Have I shared confidential resident information with people not directly involved in the resident's care, or in a public place where others may have overheard me?
- Have I shared confidential business information with a competitor, potential supplier, vendor or contractor?

Our Values and Ethics at Work Reference Guide does not cover every decision-making situation. It provides general guidelines on acceptable and ethical business practices. Please talk with the Compliance Officer or your manager if the following examples and applications of the standards of conduct are not clear to you.

ANTI-KICKBACK STATUTUE AND STARK SELF-REFERRAL LAW

Anti-Kickback Statute

The federal anti-kickback statute prohibits individuals and entities from knowingly offering, paying, soliciting or receiving “remuneration” (or kickbacks) to induce referrals or items or services paid for by a federally funded program. Medicare and Medicaid are examples of federally funded programs covered by the anti-kickback statute. In short, we may not directly or indirectly pay residents, physicians or other health care providers to refer residents to us. The law is complex and has limited exceptions. Many states have similar laws. Avoid any conduct that violates, or appears to violate, federal or state anti-kickback laws.

The anti-kickback statute is intended to prevent: (1) medical judgment and treatment decisions being compromised because of an expectation of kick-backs; (2) the overutilization of items or services covered by federal health programs; (3) increased costs to the Medicare/Medicaid programs because unnecessary or excessive care has been provided; and (4) unfair competition.

Q. What are “kickbacks?”

A. Kickbacks are gifts, gratuities or anything of monetary value given to or from someone with the expectation or understanding that they will make referrals to us. Examples include:

- Gifts and incentives given with an expectation of future referrals or as a reward for past referrals.
- Free supplies or equipment.
- Excessive discounts (other than those defined in the charity care or other discount policies of Lourdes Senior Community).
- Written off accounts receivable (other than those defined by policy guidelines).

Stark Self-Referral Law

The federal Stark Self-Referral Law prohibits a physician from referring Medicare/Medicaid recipients to a health care provider of the physician (or an immediate family member of the physician) and providers that have any type of financial relationship. However, referrals are permitted if the financial relationship is structured to comply with certain exceptions to the Stark Law.

If the relationship does not comply with an exception, (1) the physician cannot refer residents to the provider with whom he/she has a financial relationship and (2) the provider cannot bill for services provided to those residents. The Stark Law is complex and numerous exceptions exist. Many states have similar laws.

Unlike the anti-kickback statute just reviewed, which requires that the parties knowingly violate the law, the Stark Law is a “strict liability” statute. This means that even unintentional violations of the Stark Law may have significant consequences to the individuals involved and their organizations.

ANTI-TRUST COMPLIANCE

We comply with laws that regulate competition in health care and avoid activities that are anti-competitive. Examples of actions that may be illegal under the antitrust laws include:

- Agreeing with competitors to fix prices, agreeing with competitors to fix wages or divide markets
- Boycotting or participating in certain exclusive arrangements.
- Bribery, deception, intimidation and other unfair trade practices.

Q. My friend works in human resources at another retirement community in my city. She wants to do a survey of health care salaries. May I share salary information with her?

A. No. Sharing salary information may appear to be an effort to fix wages and limit competition in the marketplace.

CODING AND BILLING (Also see Documentation Standards pg. 15)

Federal and state laws control third-party billing for residents and others in our care. We submit accurate, complete and timely claims for payment. We could be prosecuted and/or asked to refund payments for filing inaccurate or fraudulent claims. Clinical, nursing, medical record, billing and/or coding employees and others responsible for creating charges must:

- Ensure that their work is accurate, complies with Lourdes Senior Community policies, complies with federal and state laws and regulations and is completed on a timely basis.
- Bill only for services provided and appropriately documented, using accurate billing codes.
- Immediately notify a manager or the director/administrator so mistakes can be corrected.
- Retain billing and medical record data as required by law and Lourdes Senior Community’s record retention policies.

Q. If documentation is not available when we are ready to submit a bill, is it okay to submit the bill?

A. No. Do not submit a bill until appropriate documentations is on file. This verifies the services were provided to the resident.

Q. Can we perform services for residents who are not living in one of our homes?

A. No. All services must be documented and appropriately billed.

CONFIDENTIAL INFORMATION

In fulfilling our duties, we see a wide range of confidential information. We treat information about our residents and our business as confidential and proprietary information. This means that Lourdes Senior Community does not share this information with the public and is careful to share it with business partners only when they have a need to know the information. Confidential and proprietary information is maintained in different forms such as paper records, electronic records, films and verbal discussions. Sharing information improperly can harm our mission, individuals in our care and our business partners. We have implemented specific policies and procedures to maintain and protect the confidentiality of resident, employee and organizational information. Feel free to contact a manager or director/administrator if you have any questions or wish to report any concerns.

Resident Information

Individuals in our care expect us to maintain the confidentiality and security of their health information. At Lourdes Senior Community we not only follow the Church's teachings and apply its moral principles, but we also follow the standards of the Health Insurance Portability and Accountability Act of 1996 (HIPAA). Breaking these laws may result in civil and criminal penalties for Lourdes Senior Community and/or the responsible individuals.

The employees, affiliated physician and health care partners of Lourdes Senior Community are permitted to use or disclose protected health information (PHI) only to serve residents. We do not use, disclose or discuss resident-specific information with others unless the resident authorized the release of his/her information or we are required or authorized by law to release the information. Lourdes Senior Community and the individuals who improperly use or disclose a resident's information may face civil and/or criminal penalties for breaking these laws. If you think that PHI is being improperly used, accessed or disclosed, report your concerns to the Compliance Officer, manager or director/administrator.

Employee Information

We keep employee information confidential by following human resources policies and state and federal laws. Employee personal information includes wage and salary information, employment agreements, employment history and status, Social Security numbers, and financial and banking information.

Q. I work in payroll. A friend who works at one of the facilities is being promoted to a management position. She asked me how much other managers are making. Can I share this information if I do not give specific names?

A. No. You must keep employee information in strict confidence and may not share it with anyone who does not have a legitimate business purpose for the information. Feel free to contact your manager or director/administrator to report any concern.

Confidential Information About Our Business

We maintain and protect the confidentiality of our proprietary information. This includes information about our competitive position, business strategies, contract terms and negotiations, payments, reimbursements and negotiations with employees or outside organizations. Proprietary information is used only for legitimate business purposes and protections are in place to prevent unauthorized use or disclosure. If your employment or association with Lourdes Senior Community ends, you have an ongoing obligation to maintain the confidentiality of this information.

Competitive information obtained in violation of a covenant not to compete, a prior employment agreement or other contract may not be used to conduct business on behalf of Lourdes Senior Community.

CONFLICTS OF INTEREST

Conflicts of interest occur when personal interests or activities influence, or appear to influence, our ability to act in the best interest of Lourdes Senior Community. Actions or relationships that could create a conflict of interest must be disclosed in writing, in advance and approved according to the policies of Lourdes Senior Community. Avoid situations in which your personal interests conflict or appear to conflict with the interest of the community.

Contracts/Vendor Relations

Business relationships with contractors must be conducted fairly and in the best interests of Lourdes Senior Community. Avoid personal ties to or bias towards contractors. Feel free to contact your manager, director/administrator to (1) ask questions if you are concerned about a contractor relationship and (2) report attempts by contractors to inappropriately influence business activities.

Q. My sister-in-law is a health care consultant. Would it be a conflict if I recommend her to work on a project at Lourdes Senior Community?

A. No, unless you do something to provide her with an advantage or special consideration. Your family member may apply to work as a consultant. However, do not use your position to influence a decision to hire your relative. Do not share information with your relative that other prospective vendors would not have.

Requesting and Accepting Gifts and Gratuities

Do not request or accept gifts from a business source that could influence your decisions or create the impression of influence over your decisions. Do not request or accept personal gifts of cash or cash equivalents from any business source. Use the policies of Lourdes Senior Community to determine whether a gift is appropriate for your particular situation. **See Appendix B for Gifts, Gratuities, and Business Courtesies Policy.**

Q. Why can't I accept some gifts from business sources?

A. While gifts from business sources are commonly accepted in some industries, health care is different. Because federal government programs pay for health care services with taxpayer dollars, federal laws regulate financial relationships between health care providers and business sources.

Q. What type of gifts may I accept from a business source?

A. To safeguard you and anyone you work with, the policy of Lourdes Senior Community is to accept no gifts of any kind from business sources. By adhering to this policy you will not come under question about practices should Lourdes Senior Community or yourself be scrutinized by any government or other agency. If you are given a gift, please report it to your supervisor so it can be dealt with in an appropriate manner.

Q. What types of gifts should I refuse?

A. To protect yourself and Lourdes Senior Community do not accept any gift. Do not request or accept gifts from a business sources that is in the process of conducting business with our community, or in any situation in which business is conditional on the receipt of a gift. Do not ask residents or members of their families for gifts.

Q. Can I ask a vendor, supplier or other business associate to donate to a department celebration?

A. No. It is not permissible to request donations from a vendor, supplier or other business sources. Any request for donations need to be made by the Development department. If a vendor, supplier, or other business associate offers to sponsor a department celebration, they need to be referred to your supervisor and or the Human Resources Department.

Q. May I accept a gift from a resident or family member or his/her family?

A. Only the director/administrator may accept small gifts from a resident or their family members in the form of perishable or consumable goods (candy, fruit baskets, flowers, etc.). Perishable or consumable gifts from a resident or family member should be shared with your co-workers. Never accept cash or cash equivalents from residents or members of their families.

Outside Interests and Activities

If you own or have any type of employment or consulting relationship with an outside organization from which we buy goods or services, you must review the situation with the Compliance Officer or your manager because of a possible conflict of interest. Conduct any outside consulting or other business activities on your own time. These activities must not conflict with or affect your work performance. If you are employed elsewhere, you must report the name of the employer and the type of employment to your manager, who can determine if there is a conflict of interest.

As a representative of Lourdes Senior Community, do not provide testimonial statements or endorsements for use in a vendor or contractor's advertisement, brochure or other marketing material. Do not speak on behalf of Lourdes Senior Community unless you have written approval from our Chief Executive Officer.

Q. I sometimes need to conduct personal business on work time. Is this okay?

A. Infrequent local telephone calls for personal reasons are allowed; however, such calls should be of limited length and should not interfere with your job. Personal long-distance calls may not be charged to Lourdes Senior Community.

Q. I am an employee of Lourdes Senior Community. To earn extra money, I sell cosmetics and candles. Can I advertise my business on the community e-mail or post an advertisement on the bulletin board in my department?

A. No, because Lourdes Senior Community is a charitable tax-exempt organization. Activities that are not related to charitable purposes put the organization at risk of financial penalties or, in extreme cases, loss of tax-exempt status.

Q. It's Girl Scout cookie time. May I take the cookie order sheet to work to help out my daughter?

A. Lourdes Senior Community limits such activities on its premises because they can interfere with business operations. In general, you may leave pre-approved non-profit literature such as a Girl Scout cookie order form (Girl Scouts is a non-profit organization) on a table in a break room or other designated area as defined in your organization's policies. You should not directly solicit employees on company premises or use company resources such as e-mail, telephone, etc.

Participation on Outside Board of Trustees/Directors

Lourdes Senior Community encourages us to be active in our communities. This may include serving on the boards of charitable and civic organizations. When serving on such boards:

- Obtain management approval before serving on the board of any organization that may conflict with the interests of Lourdes Senior Community.
- Do not vote on matters that might affect the interests of Lourdes Senior Community.
- When speaking as a board member, do not identify yourself as speaking on behalf of Lourdes Senior Community, unless you have written approval from our Chief Executive Officer.
- Consult management or human resources before accepting payment from an outside group for services performed during regular work hours.

Lourdes Senior Community retains the right to prohibit membership on any outside board.

Q. I am a board member of a local company that does business with Lourdes Senior Community. Will I need to resign from the board?

A. Your involvement on the board may be a conflict of interest. Discuss the situation with the Chief Executive Officer to determine whether this is a conflict of interest, and, if so, whether you should resign.

COPYRIGHTED, TRADEMARKED OR LICENSED MATERIALS

In most instances, copyrighted, trademarked or licensed materials may not be copied or used without written permission. Certain exceptions may apply such as the Fair Use Doctrine for copyrighted materials. The Fair Use Doctrine allows limited use of copyrighted material without

getting permission from the copyright holder. Examples of fair use include commentary, criticism, news reporting, research and teaching. As a general rule if you are unsure whether something is protected by copyright, trademark or license or whether it may be copied or used, check with your supervisor to determine the status.

Q. I recently attended a conference and received a notebook of material that will benefit my department. May I make copies of the information for co-workers?

A. If the materials are copyrighted, do not copy them without written permission from the license holder. You may summarize the information for your co-workers or let them use the original materials.

Q. Is it okay for employees to have personal software on their computers at work?

A. No. Unlicensed software is forbidden on any computer that belongs to Lourdes Senior Community.

DEALING WITH GOVERNMENT AND REGULATORY AGENCIES

We respond to federal, state or local government requests for information on a timely basis and in a cooperative manner while preserving our organization's legal rights. If a government agent approaches you or you receive a subpoena, either at work or home, you should:

- Be calm and respectful.
- Ask for identification and verify the authority of the agent.
- Immediately call your manager, the director/administrator, the Compliance Officer or Chief Executive Officer until you reach one of them.

If a government agent asks to speak with you, you may volunteer to talk with the agent but are not required to do so. Do not feel frightened or pressured to speak with a government agent without first contacting your manager. You may ask to have a representative or legal counsel from Lourdes Senior Community attend any interview with a government agent.

If a government agency conducts an interview or investigation, do not:

- Alter, remove or destroy documents or records belonging to Lourdes Senior Community, including paper, electronic or computer records.
- Lie or provide false, misleading or incomplete information.
- Persuade any employee or other person to provide false, misleading or incomplete information.
- Persuade any employee or other person to not cooperate with government investigators.
- Offer any item of value to a government official, which may be interpreted as a bribe.

DOCUMENTATION STANDARDS

We are responsible for the accuracy of Lourdes Senior Community's documents and records. Complete documentation helps us comply with regulatory and legal requirements and supports our business practices.

Corrections to documents and records must be made according to the applicable laws and regulations. Place a line through, initial and date incorrect entries. Do not use correction materials to remove an original entry in a legal document. Correcting documentation and errors in electronic records requires specific procedures.

Business and Financial Records

Financial and business records (including cost and research reports, time sheets, mileage reimbursement reports, expense reports and other documents) must be accurate. Sign and date business and financial documents as appropriate. Fraudulent accounting and financial reporting is illegal, as well as any fraudulent documentation.

Medical Records

We are responsible for accurate and timely documentation of services provided to individuals in our care. Ensure that medical records meet the requirements of all medical staff bylaws, accreditation standards and relevant laws and regulations.

Q. Physicians on our unit sometimes perform a service or provide treatment to a resident but do not document it in the chart until later. Is this okay?

A. Documentation should always be accurate and completed on a timely basis. A delay in documentation may jeopardize resident care and could impact our ability to receive payment from a federal or state health care program. We are obligated to follow our community's policies and procedures, bylaws and all applicable federal and state laws regulating documentation.

ENVIRONMENTAL RESPONSIBILITY

We are committed to being good stewards of the environment. We recognize that our well-being, and the well-being of future generations, depends upon our reverence for the environment. We should, whenever possible, conserve our natural resources, recycle, reduce waste and pollution, promote energy-efficient technologies, eliminate toxins and use environmentally preferable purchasing. We comply with environmental laws and regulations for health care pollutants.

ETHICAL AND RELIGIOUS DIRECTIVES

Employees and individuals associated with Lourdes Senior Community are required to abide by the *Ethical and Religious Directives for Catholic Health Care Services*. You may hear this document referred to as the “directives” or the “ERDs.”

The directives were revised in 1994 to respond to new developments in medical science and technology. There was an additional revision in 2009 resulting in the 5th edition. The United States Conference of Catholic Bishops states the purpose of the directives is to reaffirm the ethical standards of behavior in health care that flow from the Church’s teaching about the dignity of the human person. These directives also provide guidance in applying the moral teachings of the Catholic Church when handling select ethical issues in health care.

The current education of the directives is divided into six parts. They are:

The Social Responsibility of Catholic Health Care Services—Catholic health care is a ministry of the Church called to care for persons who are poor and to contribute to the common good of the community.

The Pastoral and Spiritual Responsibility of Catholic Health Care—A Catholic health care institution is a community of healing and compassion, embracing the physical, psychological, social and spiritual dimensions of the human person.

The Professional/Patient Relationship—Catholic health care nurtures a truly interpersonal professional/patient relationship that requires mutual respect, trust, honesty and appropriate confidentiality.

Issues in Care for the Beginning of Life—Catholic health care ministry is rooted in a commitment to respect the sacredness of every human life from the moment of conception to death.

Issues in Care for the Dying—A Catholic health care institution provides compassionate care and related relief of pain and suffering for the dying.

Forming New Partnerships with Health Care Organizations and Providers—Catholic health providers, when forming new partnerships with other healthcare organizations, should require systematic and objective moral analysis and respect for Church teaching.

ETHICAL BEHAVIOR

We value open, honest communication and ethical decision-making. We communicate with candor and honesty when performing our jobs. We seek out information and resources when faced with operational and ethical dilemmas.

Q. What resources can help me address issues of clinical, organizational and social ethics?

A. Lourdes Senior Community has resources for dealing with ethical issues. Lourdes Senior Community's Ethics Committee provides a forum for dealing with clinical ethics. The senior leadership team is your point of contact for organizational ethics. Your board of directors provides oversight for social ethics.

EXCLUDED PROVIDERS

The federal government will not pay for services provided by an individual or entity that the government has excluded from participating in a federally funded health care program. Lourdes Senior Community does not knowingly employ, conduct business with or contract with excluded providers. Any relationship with an employee, individual or entity found to be an excluded provider will be terminated. Any revenue and costs associated with the excluded provider will be appropriately handled so that the federal health care program does not pay for these services.

FALSE CLAIMS ACT POLICIES

Lourdes Senior Community is required by law to establish certain policies and provide employees, agents and contractors with information regarding: (1) the federal False Claims Act and similar state laws, (2) their right to be protected as a whistleblower, and (3) national and local policies and procedures for detecting and preventing fraud, waste and abuse. **Our Values and Ethics at Work Reference Guide** establish our policies and contain information required by law under Section 6032 of the Deficit Reduction Act of 2005.

What is the Federal False Claims Act?

The federal False Claims Act (31 USC 3729033) helps the federal government combat fraud and recover losses resulting from fraud in federal programs, such as Medicare and Medicaid. A person or entity violates the False Claims Act by “knowingly” (1) submitting a false claim for payment, (2) making or using a false record or statement to obtain payment for a false claim, (3) conspiring to make a false claim or get one paid, or (4) making or using a false record to avoid payments owed to the government, or (5) concealing or improperly avoiding an obligation to pay the government. “Knowingly” means that a person: (1) has actual knowledge that the information is false, (2) acts in deliberate ignorance of truth and falsity of the information, or (3) acts in reckless disregard of the truth or falsity of the information.

Examples of potential false claims include:

- Billing for services that were not provided at all.
- Billing for services that were provided, but were not medically necessary.
- Submitting inaccurate or misleading claims about the type of services provided.
- Making false statements to obtain payment for products or services.
- Failing to repay the federal government for an identified overpayment.

The False Claims Act contains provisions that allow an individual who has original information concerning fraudulent activities involving government programs to file a lawsuit on behalf of the

government. If the lawsuit is successful the individual may be eligible to receive a portion of the recoveries received by the government.

Penalties for violating the federal False Claims Act are significant. Financial penalties for submitting a false claim can total as much as three times the amount of the claim, plus fines of \$5,500 to \$11,000 per claim.

What is a State False Claims Act?

In addition to the federal False Claims Act, many states have adopted or are in the process of adopting false claims acts.

Rights of Employees to be Protected as Whistleblowers Under the False Claims Act.

Federal and many state false claims acts protect employees from retaliation if they, in good faith, report fraud. Employees are protected against retaliation such as being fired, demoted, threatened or harassed as a result of filing a false claim act lawsuit. An employee who suffers retaliation can sue, and may receive up to twice his/her back pay, plus interest, reinstatement at the seniority level they would have had if not for the retaliation; and compensation for costs or damages.

Amendments to the federal False Claims Act in 2009 extend whistleblower protections beyond employees by also safeguarding contractors and agents from retaliation for investigating or preventing a potential false claim.

MARKETING PRACTICES

Lourdes Senior Community provides reliable, responsible sources of information about health care to the community. Marketing, communications, fund raising and advertising activities can educate the community about health issues, increase awareness of our services and facilitate employee recruitment. Lourdes Senior Community promises to do the following:

- Present truthful information to the public in all marketing, communications and advertising materials.
- Distinguish opinion from fact when presenting issues.
- Take care not to exploit the fears of residents or their families in our marketing, communications, fund raising and advertising activities.
- Comply with applicable federal and state law for marketing and advertising activities, including any marketing and advertising activities provided for non-employed physicians and physician groups.

NON-RETALIATION

Lourdes Senior Community promotes an environment that encourages all of us to seek clarification of issues and report questions and concerns. It is our duty and responsibility to report possible violations of our standards, guidelines or policies. You will be protected from retaliation if you make a good-faith report, complaint or inquiry. A person who retaliates against you for making a good-faith report is subject to discipline up to and including dismissal from employment or termination of a business relationship with Lourdes Senior Community. Non-retaliation policies do not protect you if your actions violate the policies of Lourdes Senior Community or applicable laws.

OUR VALUES AT WORK

We are committed to enabling all employees to reach their fullest potential by:

- Providing meaningful, rewarding work with competitive pay and benefits.
- Ensuring a safe, supportive work environment.
- Providing the opportunity to learn and grow.
- Sharing information about the performance of Lourdes Senior Community.
- Encouraging innovation and achievement.
- Hiring and developing values based employees.
- Recognizing employee contributions and celebrating success.
- Supporting a healthy balance of work and personal life.
- Complying with laws that regulate employment and the workplace environment.

Together, as a values-driven work community, we can fulfill our mission to bring new life, energy and viability to our health care ministry today and in the future.

Provider Qualifications

We retain licensed and credentialed individuals to provide resident care. Each individual is responsible for performing his/her job duties within the scope of his/her licensure and practice authority.

Exit Interview

Employees who leave Lourdes Senior Community are encouraged to participate in an exit interview with human resources. Information that you provide in an exit interview helps Lourdes Senior Community identify and resolve workplace problems and increase employee satisfaction and retention. An exit interview allows an employee to report in good faith any situation he/she believes is contrary to our standard of conduct and is important for us to know.

PROTECTING OUR ASSETS

We are committed to protecting our assets, including our financial resources, supplies, equipment and reputation. We do so by making wise and ethical decisions to ensure that our assets are used to support our healing ministry. As responsible stewards of our resources, we:

Follow **Our Values and Ethics at Work Reference Guide** and the policies and procedures of Lourdes Senior Community.

Keep accurate and reliable financial records and reports.

Ensure that our assets are used only to further our health care mission, not for our personal business or benefit. We do not use community equipment, supplies, materials or services for unauthorized purposes. There are many experts within Lourdes Senior Community who provide education at external work-related functions. If you speak at an external function during work time and receive payment, you must submit the money to the Development Office.



RECORD RETENTION

All clinical, financial and employee records of Lourdes Senior Community are stored according to record retention policies. You can request a copy of the policy from management.

RESIDENTS CARE AND RIGHTS

We deliver quality resident care without regard to race, color, religion, gender, sexual preference, national origin, citizenship, age, disability, payer source or ability to pay. We treat every person in our care with dignity and respect. Our commitment to quality and service is shared by board members, committee members, employees, officers, volunteers, medical staff and other representatives of Lourdes Senior Community. Our commitment to our distinctive Catholic culture enables us to obtain these desired outcomes.

We respect the rights of each individual in our care. We provide individuals in our care with information regarding their rights and responsibilities and we endeavor to protect those rights. Individuals in our care have the right to accurate, timely information about their health, payment options (including charity care) and other information which helps them make decisions about their treatment. It is our responsibility to provide this information. Please refer to the guidelines of your home for a description of resident rights.

Q. To whom should I report quality of care issues?

A. Such issues include many aspects of care and should first be discussed with your manager. More serious issues may need to be evaluated by the Compliance Officer, manager, director/administrator of your home.

TAX EXEMPT STATUS

Lourdes Senior Community is a nonprofit, tax-exempt organization and operated solely for religious and charitable purposes. This status provides Lourdes Senior Community certain benefits in support of building a healthy community. To keep our tax-exempt status, we use our resources to further the religious and charitable purposes of our mission. Tax laws prohibit our tax-exempt organization from:

- Paying more than fair market value for services, products or leases.
- Taking part in a joint venture, partnership or similar transaction that results in an improper private benefit (gain) to a third party.
- Recruiting physicians with incentives or compensation plans that are in excess of fair market value or do not serve an identified community need.
- Permitting any person to buy, sell, lease or use Lourdes Senior Community property at less than fair market value.

GETTING HELP

If you are unsure about how to respond to a particular situation, this section of Our Values and Ethics at Work Reference Guide provides guidance.

Report Concerns

Every staff (staff is defined as all persons providing services to Lourdes Senior Community) in the organization has the responsibility to comply with the laws, regulations, policies and procedures, and to ensure that others do as well. Any staff or vendor who has firsthand knowledge of activities or omissions that may violate applicable laws and regulations is required to report such wrongdoing. Reporting suspected violations is mandatory, not optional. It is the right thing to do. Staff will be informed that in some instances, failure to report a suspected violation may be the basis for disciplinary action against the staff. Compliance violations may be reported to the Compliance Officer through either the hotline, emailing, calling the compliance office direct, in person, or in writing. All reports of wrongdoing shall be investigated to the extent necessary to determine their validity. No staff or agent making such a report in good faith shall be retaliated against by Lourdes Senior Community, staff, or vendors and will be protected by the Michigan Whistleblower's Protection Act. For more information on Lourdes Senior Community non-retaliation policy see page 19. Discipline for engaging in acts that violate applicable laws and regulations, making knowingly false reports, or discipline for any other performance – related reason unconnected to reporting potential violations is not retaliation.

Lourdes Senior Community Reporting Contact Information:

- Anonymous Compliance Hotline: (248) 886-5050
- Compliance Officer: (248) 674-2241 ext. 5841
- Compliance Office email address: compliance@lourdes-sc.org
- Human Resources: (248) 674-2241 ext. 5610

Resources for Guidance

Staff or agents may seek clarification to the Compliance Program, organizational policies, or questions to the Compliance Officer through either the hotline, e-mail, in person, or in writing.

Confidentiality

All staff or agents making reports are encouraged to disclose their identity, recognizing that anonymity may hamper complete and timely investigation. Nonetheless, anonymous reports are better than no report at all, and no report shall be refused or treated less seriously because the reporter wishes to remain anonymous. Confidentiality and anonymity of the reporter/complainant and the content of the report will be preserved to the extent permitted by law and by the circumstances. Information about reports, investigations, or follow-up actions shall not be disclosed to anyone other than those individuals charged with responsibility in investigation and remedial action as well as legal counsel.

Training and Education

Comprehensive training and education is available to help you understand and comply with our expectations that you conduct yourself ethically and responsibly. This education and training is provided at the time you join Lourdes Senior Community at the mission orientation. In addition, employees receive annual specialized training on subjects such as confidentiality, safety, environmental issues and regulations that relate specifically to their jobs.

Consequences of Failure to Comply With Our Values and Ethics at Work Reference Guide

As a minimum standard, all persons associated with Lourdes Senior Community will conduct their activities in compliance with applicable laws. We have a duty to act in a manner consistent with our core values, policies and the **Our Values and Ethics at Work Reference Guide**. We are subject to a variety of serious consequences if we fail to comply with laws, regulations and organizational policies and procedures. The consequences to Lourdes Senior Community may include risks to resident safety, refund of payments from government programs, civil or criminal liability, and exclusion from federal payment programs and loss of tax-exempt status. In addition, responsible individuals may be subject to disciplinary action, including suspension or termination of employment, termination of contractual relationships or removal from office or board membership. Individuals may also be prosecuted and subject to substantial fines.

APPENDIX A

Definitions

- **Abuse:** provider practices that are inconsistent with sound fiscal, business or clinical practices, and result in an unnecessary cost to the Medicaid or Medicare program, or in reimbursement for services that are not medically necessary or that fail to meet professionally recognized standards of care. It also includes beneficiary practices that result in unnecessary cost to the Medicaid program.
- **Fraud (per Centers for Medicare and Medicaid Service {CMS}):** an intentional deception or misrepresentation made by a person with the knowledge that the deception could result in some unauthorized benefit to themselves or some other person. It includes any act that constitutes fraud under applicable federal or state law including but not limited to the Federal False Claims Act and the Michigan False Claims Act.
- **Fraud (per Michigan Medicaid):** Michigan law permits a finding of Medicaid fraud based upon “constructive knowledge.” This means that if the course of conduct reflects a systematic or persistent tendency to cause “inaccuracies” then it may be fraud, rather than simply a good faith error or mistake.
- **Waste:** overutilization of services, or other practices that result in unnecessary costs. Generally not considered caused by criminally negligent actions but rather the misuse of resources.
- **The Michigan Whistleblowers' Protection Act (469 P.A. 1980) creates certain protections and obligations for employees and employers under Michigan law.**

PROTECTIONS:

It is illegal for employers in Michigan to discharge, threaten or otherwise discriminate against you regarding your compensation, terms, conditions, location or privileges of employment because you or a person acting on your behalf reports or is about to report a violation or a suspected violation of federal, state or local laws, rules or regulations to a public body.

It is illegal for employers in Michigan to discharge, threaten or otherwise discriminate against you regarding your compensation, terms, conditions, location or privileges of employment because you take part in a public hearing, investigation, inquiry or court action.

OBLIGATIONS:

The Act does not diminish or impair either your rights or the rights of your employer under any collective bargaining agreement.

The Act does not require your employer to compensate you for your participation in a public hearing, investigation, inquiry or court action.

The Act does not protect you from disciplinary action if you make a report to a public body that you know is false.

ENFORCEMENT:

If you believe that your employer has violated this Act you may bring civil action in circuit court within ninety days of the alleged violation of the Act.

PENALTIES:

Persons found in violation of this Act may be subject to a civil fine of up to \$500.00.

If your employer has violated this Act the court can order your reinstatement, the payment of back wages, full reinstatement of fringe benefits and seniority rights, actual damages, or any combination of these remedies. The court may also award all or a portion of the costs of litigation, including reasonable attorney fees and witness fees to the complainant if the court believes such an award is appropriate.

APPENDIX B

Lourdes Senior Community Gifts, Gratuities, and Business Courtesies Policy

Purpose

The federal anti-kickback statute prohibits the acceptance of any item of value (remuneration) made directly or indirectly, in cash or in kind, that may induce or appear to induce the purchase or referral of any kind of health care goods, services, or items reimbursed by a federal or state health care program (Medicare or Medicaid). Consequently, the acceptance of any gifts or business courtesies from vendors or others with whom we presently or potentially conduct business that would violate the federal law or state law is strictly prohibited.

Lourdes Senior Community (LSC) has adopted a clear standard of behaviors to ensure that activities and business interactions conducted by and on behalf of LSC are in compliance with federal and state laws and regulations relative to business gifts and gratuities. Adherence to these guidelines will insure protection of LSC's business practices and avoid even an appearance of improper relationships with vendors, service providers, or individuals who conduct or seek to do business with LSC.

The policy is intended to provide guidelines for appropriate decision making regarding the acceptance or provision of gifts and business gratuities. It should not be considered exhaustive. Rather, it provides guidance for various circumstances, and it sets the standard for all who represent LSC. Any questions regarding a particular relationship, gift, or gratuity should be directed to a supervisor, Human Resources Director or the Compliance Officer.

Scope

This policy applies to all employees, volunteers, board members and other agents working on behalf of Lourdes Senior Community.

Policy

Employees of LSC may not solicit personal gifts, business courtesies, or services from any resident, family member, visitor, vendor, or contractor.

- Unsolicited gifts of nominal value (total value of \$100.00 or less in any one year from any individual or organization) may be permissible.
- Gifts that are intended to influence or which may be considered by an objective observer to have the potential to influence an individual in the conduct of his/her duties or responsibilities at LSC are prohibited.
- Gifts of cash or cash equivalents (i.e. gift cards) are never permissible.

Procedures

I. Gifts

A. Receiving of Gifts

1. It is acceptable for a department, clinical unit, or building to accept modest perishable gifts such as floral arrangement, cookies, candy or similar food items to be shared by staff members. However, meals sent from non-employed individuals to LSC staff are not permissible.

2. Promotional items such as pens, notepads, mugs, or similar items may be accepted from a vendor or business associate as long as they are nominal in value (\$10 or less per instance and no more than \$50 in the aggregate annually).
3. Cash or cash equivalents such as gift certificates, stocks, bonds, etc. from outside entities or non-employed individuals are prohibited.
4. No gifts or items of value of any kind should be solicited from residents or their families.
5. An employee will keep a written record of gifts received to ensure the value does not exceed the total limit of \$100.00. The employee will turn in the tracking form in to their supervisor at the end of the fiscal year.

B. Offering of Gifts

1. Food, beverages, gifts and entertainment (even of nominal value) may not be offered to any government official. Such gifts could be misinterpreted as an attempt to improperly influence an official and must be avoided.
2. Any gift intended to induce or reward referrals or results in the purchase of goods or services is prohibited.
3. The Marketing Department and/or other entities of LSC may develop promotional items of nominal value (e.g., pens, notepads, coffee mugs, etc.) that promote awareness of LSC programs for referral sources or residents.
4. Gifts given to physicians currently practicing at LSC should be of nominal value (\$50 or less annually). Gifts of cash or cash equivalents are prohibited.

II. Social Events and Business Courtesies

A. Permitted Business Courtesies

1. There may be times when it is permissible to accept a meal or other invitation offered by a current business associate. However, the purpose must never be to induce or influence a business transaction. As a general rule, the cost must be reasonable (not to exceed \$50 per person). If the occasion appears extravagant or if the invitation could be perceived as intended to influence a business decision involving LSC, attendance is prohibited. To be acceptable, the occasion should conform to the following guidelines
 - a. The cost and location must be reasonable and not extravagant
 - b. Paid expenses for any travel or overnight lodging for the individual or his/her family is prohibited.
 - c. The invitation is for an ordinary business meal or gathering during which the host is present and or business is conducted.
 - d. Acceptance of such an invitation from an individual or entity is rare unless expenses are shared by both parties.

B. Prohibited Business Courtesies

1. Business courtesies of personal benefit such as a pair of tickets or invitations to sporting events, theatrical events, or golf outings unaccompanied by the host may not be accepted.
2. Accepting a meal or other invitation by a vendor or contractor that is not a current business associate is prohibited.

C. Sponsoring Business Events

LSC may routinely sponsor events with a legitimate business purpose (board meeting, retreats). For these events reasonable and appropriate meals and entertainment may be offered. Gifts of nominal value (\$100.00 or less annually) may be distributed to attendees of these events.

D. Lourdes Senior Community Fund Raising Events

1. Any current or potential vendor wishing to sponsor a LSC fundraising event, whether the vendor plans on attending or not, may offer the sponsorship (event tickets, greens fees, etc.) to the Development Office. The Development Office will coordinate with senior management and the CEO to determine the most appropriate way to distribute the sponsorship. LSC employees are prohibited from accepting this type of sponsorship directly from the vendor.
2. Those doing business at LSC and who are not current or perspective vendors (i.e., donors, board members) may offer sponsorship (event tickets, greens fees, etc.) to LSC fundraising events and may request specific employees to participate with them in the event. The sponsorship should be offered to the Development Office. The Development Office will notify the specific employee of the invitation.

E. Other Non-Profit Organization Events

LSC employees are permitted to attend other regional non-profit organization events sponsored by current vendors or others with business relationships with LSC provided the event is reasonable (valued at \$100 or less), directly supports the non-profit organization and the host and recipient are present at the event.

F. Referral Sources

3. Any gifts or entertainment involving physicians or other persons in a position to refer residents are subject to federal laws, rules, and regulations regarding these practices and must be undertaken with the utmost integrity and good judgement. Individuals uncertain about whether a particular event or function may be accepted should contact their supervisors, Human Resources Director or the Compliance Officer for advice. The following elements must be present when accepting a business courtesy from a referral source.
 - a. Cost and location must be reasonable.
 - b. Paid expenses for any travel or overnight lodging are prohibited.

- c. A business courtesy from an individual or entity should be of such limited value (\$50 annually) that it would not be reasonably perceived by anyone as an attempt to affect the judgement of the recipient or induce referrals.
- d. Subsidies for hospitality and business courtesies should not be accepted beyond modest meals or socializing opportunities held as a part of a conference or meeting.
- e. A conference or meeting must primarily be to discuss business. A modest meal associated with the meeting or conference is acceptable if the host is present.

III. Honoraria and Consultation

1. Individuals who are invited to speak or provide genuine consulting services can accept reimbursement in the form of honoraria or compensation for times and expenses under the following conditions:
 - a. Travel, lodging and meal expense reimbursement is reasonable and directly related to the engagement.
 - b. Compensation fees received are fair market value.
 - c. Presentations or consultation engagements must be of academic merit and/or benefit LSC.
 - d. Those accepting honoraria or consultation engagements must have received prior approval from the CEO.
 - e. Individuals may not do private consulting work for a vendor who conducts business with LSC, without receiving prior approval for the activity from the CEO.

Nothing in this policy is intended to prohibit the development of good and ethical relationships between representatives of LSC and its business partners. To ensure compliance with this policy and to avoid the appearance of impropriety, expenses for multiple social outings with the same individual should be shared equally by both parties.

The guidance provided in this policy is intended to communicate LSC's ethical standards regarding gifts, gratuities and business courtesies. Although all possible instances of gratuities and courtesies cannot reasonably be addressed in a single policy such as this, employees, officers, and agents of LSC are required to abide by the letter and spirit of these guidelines.

Questions regarding the appropriateness of any gift, gratuity, or business courtesy should be directed to the supervisor, Human Resources Director, or the Compliance Officer.

Attributions

This guide is based on information provided by the generosity of Catholic Health Initiatives (CHI) from their “Our Values and Ethics at Work Reference Guide”.

The information in Appendix A was obtained from:

Ferrara, Laura. “Corporate Compliance Series: Understanding The Value and How to Create an Effective Program”. Aging Service of Michigan [Organization]. Lansing. 14 Nov. 2012.

ACKNOWLEDGMENT AND CERTIFICATION

I acknowledge that I have received a copy of Lourdes Senior Community **Our Values and Ethics at Work Reference Guide** and I agree to read it completely. I also agree to discuss any questions or concerns regarding this reference guide with my supervisor or a Lourdes Senior Community leader.

I certify that I will comply with the **Our Values and Ethics at Work Reference Guide** standards and guidelines and any other standards and policies set by Lourdes Senior Community that apply to me in my role throughout my association with Lourdes Senior Community. I understand that it is my responsibility to report any concerns regarding possible violations of these standards, guidelines and/or policies. Furthermore, I understand that Lourdes Senior Community will not retaliate against me for making a report in good faith.

I understand that Lourdes Senior Community will conduct a background check prior to my employment. I understand that Lourdes Senior Community reserves the right to terminate my employment or other association.

I understand that **Our Values and Ethics at Work Reference Guide** contains guidelines for behavior within Lourdes Senior Community and is not an employment contract. I also understand that these guidelines may be amended, modified or clarified at any time, and that I will receive periodic updates to these guidelines.

Please print:

Name _____

(Check all that apply)

Fox Manor _____ Mendelson Home _____ Clausen Manor _____

Lourdes Rehabilitation & Healthcare Center _____

Lourdes Senior Community _____

Corporate Member _____ Board Member _____ Committee Member _____

Employee _____ Volunteer _____ Other _____

Signature _____ Date _____

Please complete the certification as acknowledgement and certification as stated above and return to the Compliance Officer.

Rich Acho, President and CEO
REPORT TO THE LOURDES SENIOR COMMUNITY BOARDS
February 2024

General

Winter is finally upon us, and it is definitely here. Our campus is looking very wintery with the snow-covered trees and grassy areas. I hope everyone takes this time to enjoy the Winter Season and remains healthy. Now is the time to plan your spring travel 😊

CEO - Metrics

2024 Proposed Performance Metrics	Target	2024 Key Performance Indicators	Target
Retention - Decrease overall campus turnover across the organization, YOY	54%	Catholic Identity - Maintain ongoing commitment to service spiritual needs of others	
Occupancy - Maintain a healthy aggregate census to operate efficiently	86.0%	Employee satisfaction - leverage feedback from 2023 to improve engagement YOY as measured in the 2024 survey	
Quality - Reduce "severity" citations during Lourdes Rehab. annual survey process,	6	I & D - build upon 2023 activities to conduct ongoing inclusion and diversity training	
Development - Increase net donations by 10% YOY, exclude estate gifts	\$325,000	Marketing Plan - Refine and execute marketing plan to increase market share	
Operating Margin - Improve Operating Margin over 2023, YOY (unknown challenges removed from comparison, i.e. Economic, Political, natural, pandemics, one time adjustments and net assets released etc.)	2.90%	Resident/ Family satisfaction - YOY increase in survey satisfaction results	
Growth- Move forward the Independent Living Expansion given the timelines below: Q1 2024 - Sublease space to Angela Hospice to generate additional revenue Q1 2024 - Create subcommittee for the construction and begin planning process Q3 2024 - Demolish St. Jude and construct Ranch Style Villas Q2 2025 - Begin the construction of the Independent Living Building		STAR rating - Maintain 4+ rating or maintain a star rating which is stronger than our competitors	4+ star
		Development - Create detailed development plan and review with board in Q1 2024	
		Information Security - zero breaches	

CEO - Update

Below is a snapshot of the items I am focused on at the current moment:

- Working with Angela Hospice to ensure the space is ready to go by April 1st. We will issue some sort of press in February.
- We have decreased our bed count by 20 beds, and we are now an 80-bed facility – the original plan was to decrease 23 beds, but we have made the decision to keep the three beds near Angela Hospice online in case we ever need them.
- The Independent Living Expansion Committee met on January 26. We will be selecting the architect for this project at our next meeting.
- I met with Representative Brenda Carter on our property tax issue. House Bill 5380 was created and sponsored by her and Representative Farhat.
- The discovery phase for our property tax case is currently in process. I have submitted approximately 65 documents to our attorneys. We have prepared a memo on our stance on why we feel we should be tax-exempt.

- I have reviewed a sponsorship opportunity presented to me by Ziegler. At this time, we have decided to pass on the opportunity.
- We are continuing to renovate our campus buildings. Due to the age of our buildings, we will be making significant capital improvements to them to remain competitive in the senior living space. Mendelson, Clausen, and Fox Manor will be impacted by these renovation projects.
 - We will be remodeling the exterior part of the buildings in addition to shared areas and resident rooms.
- I held an all-team member town hall meeting on January 30th to update our team members on our plans in addition to addressing an employee survey we conducted.

Business Growth

- Trinity Oakland – We continue to work with Trinity to solidify our provider partnership.

We have signed a Risk Share Medicare Advantage agreement with Trinity as it pertains to pending authorizations for certain payors. We have specifically excluded Aetna from this agreement as we have seen many cases where they do not authorize their members to receive skilled nursing care. In the last six months, we have seen one denial of a resident who came to us with Aetna insurance. Other than Aetna, if a resident is sent to us by the hospital, we have had success in getting actual authorization to treat in our SNF.

- We are looking at a new program at Lourdes with Trinity and potentially Henry Ford on a Hospital at Home type program. I am meeting with the CMO of Henry Ford to discuss a program like this and how we can run one in our community. Given our restrictions and regulations in skilled nursing facilities, there are many barriers we must cross to be able to develop these programs. An example is we have to keep our residents restraint-free while here. Even ones that are fall risks. This becomes difficult because they may need a long side bed rail or a bed alarm, but because that gets viewed as a restraint, we are not allowed to do this.
- We are going to be hosting some Estate Planning seminars on campus to bring people to our campus.
- Looking at creating programs at Lourdes, such as CHF, or COPD and also joining other types of ACO organizations.
- Physicians - I am working with our rotating physicians to ensure the relationship is reciprocal.
- We are recruiting two international RNs from the Philippines to join Lourdes – we anticipate them arriving in late 2024/ early 2025. I received word the Vias process has been moving faster lately. We put this request in back in Q1 2023. The stats continue to indicate a worker shortage in the healthcare workforce for years to come.
- Affiliation/partnerships/joint ventures – I have met with Ziegler to discuss our desire to potentially engage in a sponsorship transaction with another organization.

New Marketing initiatives continue...

- Our TV Commercial has been airing on WDIV and their sister streaming channels from January 1st through February 29th.
- We have Re-done our Marketing photos to display our remodeled rooms and shared areas.
- I am working with the Archdiocese on marketing initiatives with them.
- We continue to be more active on social media with daily posts, offerings, promotions, and other activities.
- We have sent out postcards. We also created a senior life magazine that has been developed and paid for by donors which is being used as marketing material and provided to residents.
- We now have a QR code for Google reviews to increase positive reviews across the campus. If you have not left us one, please do so 😊
- We have hired an innovative marketing company to provide Google SEO services to us and manage the website. Workforce recruitment/retainment changes to speed up the hiring process.

Dominican Sisters of Peace Founded Ministries Meeting

The next meeting will be held in Columbus on February 27, 2024. Sister Janice Bachman, OP, myself, and John Noone will attend this meeting.

Governance and Nominating Committee

The meeting was held on January 23rd. We have begun the planning process for the April retreat. The focus will be on the Independent Living Expansion and the Dominican Charism Initiative. We continue to work on ensuring we recruit the best candidates to serve on the Lourdes board.

New appointments:

- Linda Gifford will take over as Chair of the Quality Resident Care Committee effective in April.
- Thomas Bowen will serve on the HR Committee.
- Joe Manuszak will serve on the Finance Committee.
- Paul Propson will serve on the Philanthropy Committee.
- Peggy Holden will serve on the Philanthropy Committee.
- Erin Asdell will serve on the HR Committee.

Risk Management

We have an active lawsuit. We had a resident fall with a fracture in June 2022 who then left Lourdes and went to another nursing facility. She was with us for 5 days. She had a fall with a fracture in our care. A plan of action had been developed due to her fall, but she left for the hospital and never came back to us. She was 84 years old. She eventually passed away in July 2022. We have asked her attorney what monetary damages they are seeking. They have issued a demand settlement for \$210,000; our offer is around \$150,000. The treatment for her case was around \$85,000. We expect this to settle vs. filing a wrongful death suit. The Plaintiff argues that a sitter should have been with her.

Clausen Manor had a complaint filed in January 2024 through an employee's therapist. The state visited Clausen on January 11, 2024. The investigation is currently underway.

Information Technology

We continue to upgrade network switches and aged devices across the campus. No cyber breaches were reported in 2023.

Advocacy Group Participation

I am the board chair for the MEWA we created with Leading Age called Mission Based Health Benefits. We worked on enhancing the plan for 2024 and these changes have been rolled out. We are currently reviewing proposals for a new broker/consultant.

I am part of a Senior Living Advisory Council with Marsh and McLennan. We meet quarterly to discuss the industry and the challenges we all are facing. We discussed technology in senior living, specifically the use of AI technology to enhance our services.

Priests and Religious

Currently, one priest (Father Lang) resides at Fox Manor. One priest resides at Clausen Manor (Father Mike Green). Father Lang serves as our campus chaplain in a part-time capacity at the moment. He has been extremely accommodating to our resident needs, last rites, sacraments, rituals, etc. We currently have one Dominican associate residing at Lourdes Rehabilitation and Healthcare Center.

Upcoming Events

2/6/24 – Lourdes Board meeting

External Events

2/27/2024 – 2/29/2024 – Dominican Sisters of Peace Columbus Meeting

6/10/2024 – Court date with the Tax Tribunal

Personal Wellness

2/21/24 - 2/25/24 – Personal wellness in Orlando Florida

A. Quality / Resident Care Committee

- The Quality/Resident Care Committee met on November 15, 2023. The following topics were discussed:
 - New members were introduced
 - Administrator's report
 - Facility reports
 - Lourdes' nursing report
 - Psychiatric services report
 - Legionella Policy

The next meeting date is scheduled for February 21, 2024.

Requested Action: Approve the Legionella policy in the consent agenda, Agenda Item XIII.

B. Audit and Compliance Committee

- The Audit and Compliance Committee has not met since the last meeting of the Boards.

The next meeting date is for April 19, 2024.

Requested Action: For your information.

C. Finance Committee

- The Finance Committee will meet on January 31, 2024. The following topics will be discussed:
 - Mendelson courtesy discounts
 - Continuing Support Fund
 - Ziegler Linkage Fund
 - Financial statements of November 2023
 - YE 2023 Financial update
 - Investment summary
 - Waterford Township property tax update

The next meeting date is scheduled for April 17, 2024.

Requested Action: For your information.

D. Human Resources Committee

- The HR Committee met on January 25, 2024. The following topics were discussed:
 - Charter review
 - December 2023 employee survey results

The next meeting date is not scheduled at this time.

Requested Action: For your information.

E. Governance and Nominating Committee

- The Governance and Nominating Committee met on January 23, 2024. The following topics were discussed:
 - Board/Committee member update
 - Committee term limits
 - Retreat planning

The next meeting date is scheduled for April 9, 2024.

Requested Action: For your information.

F. Philanthropy Committee

- The Philanthropy Committee met on December 21, 2023. The following topics were discussed:
 - Development update
 - Marketing update

The next meeting date is scheduled for March 12, 2024.

Requested Action: For your information.

G. Continuing Support Fund Committee

- The Continuing Support Fund Committee met on December 14, 2023. The following topics were discussed:
 - Review of charter
 - Fund balance
 - 2024 report and requests

The next meeting date is scheduled for December 12, 2024.

Requested Action: For your information.

Lourdes Senior Community Boards

Tuesday, November 14, 2023, 1:30 p.m., LRHC Chapel

Note: Includes Board of Directors for Lourdes, Inc., Fox Manor, Clausen Manor (Lourdes Alzheimer's Special Care Center), Joseph T. Mendelson Assisted Living Home (Lourdes Assisted Living), Dominican Health Care and Lourdes Campus Fund

BOARD MEMBERS PRESENT

Richard Acho, President and CEO
Erin Asdell
Sister Janice Bachman, OP
Brian Condit, Chair
Linda Gifford
Peggy Holden
Henrietta Juras, MD
Steven Kastner (via Zoom)
Msgr. Michael LeFevre
Joseph Manuszak
Sister Peggy Martin, OP
John Noone, Secretary/Treasurer
Barbara Mendelson, Vice President (via Zoom)
Paul Propson (via Zoom)
Sister Barbara Rund, OP

STAFF PRESENT

Colleen Burke, Director, Clausen Manor
David Krolkowski, Director, Finance
Rebecca Latta, Director, Human Resources
Robin McClintock, CTRS, CASP, Director, Fox Manor and Mendelson Home
Maureen McGee, Administrator, Lourdes Rehabilitation and Healthcare Center
Jason Mize, Director, Plant Operations
Wendy Mosella, Director, Development and Marketing

CALL TO ORDER

The meeting was called together at 1:36 p.m. by Mr. Condit. A full quorum was present.

INTRODUCTION OF NEW MEMBERS

Mr. Condit introduced Erin Asdell, Peggy Holden, and Paul Propson who are the three new Board Members beginning their first terms.

OPENING PRAYER

Mr. Rich Acho along with the Senior Leadership Group led the group in prayer.

LOURDES SENIOR COMMUNITY FINANCIAL INSIGHTS

Mr. Chris Jones and Mr. Keegan DeBoer, both of Plante Moran, gave a presentation on the Lourdes 2022 financial insights captured following the financial statement audit. Their presentation was included in the packet. Mr. DeBoer reported that the audit went very smoothly with an unmodified opinion. The industry benchmarks that were compared with Lourdes included days cash on hand, days in net accounts receivable, historical debt service coverage ratio, unrestricted cash and investments, average age of facility, and operating ratio. Lourdes performed better than the benchmark in nearly every category. An update was shared on the trends that are being seen in the senior care industry. The State issued pass-through wage increases will be a concern once the funding comes to an end which is expected in September 2024. The increase in Medicare Advantage plans play a part in revenue per patient day with trends predicting the Advantage plans to overtake regular Medicare in the near future. Due to their lower reimbursement rates and length of stay monitoring, this will impact Lourdes.

LSC FY 2024 BUDGET

Mr. John Noone spoke to the finance department's preparation of the FY 2024 budget for the Finance Committee to review. The opportunities and challenges are considered in the preparation. Mr. David Krolkowski reviewed the goals that were set in the 2023 budget and the progress that has been made to meet those goals. Unforeseen challenges in 2023 included the property tax dispute and civil monetary penalties imposed by the State. The 2024 budget goals were reviewed. Revenue assumptions for 2024 include a 3.25% rent increase for Clausen Manor, Fox Manor, and Mendelson Home. A consolidated operating income for 2024 is predicted to be

Ourdes Senior Community Boards

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\$290K. This is the result of the new lease agreement with Angela Hospice which will add \$287K to our current operating income. Wage increases of 3% for union and non-union employees begins in February. Total rate increases for the campus in 2024 will be \$121K. The capital budget for 2024 is budgeted at \$1.3M. 2024 budget changes and challenges include inflation, managed care dictating treatment, Medicaid reimbursement changes, maintaining the star rating for QMI reimbursement, staffing shortages, and the COVID-19 uncertainty.

MOTION: SR. PEGGY MARTIN, OP, MADE A MOTION TO RECOMMEND THE BUDGET FOR THE ENTITIES OF LOURDES INC., FOX MANOR, LOURDES ALZHEIMER'S SPECIAL CARE CENTER, LOURDES ASSISTED LIVING, AND LOURDES CAMPUS FUND TO THE CORPORATE MEMBERS. SECONDED BY JOHN NOONE. ALL IN FAVOR. MOTION CARRIED.

LOURDES MASTER PLAN

Mr. Acho spoke about the plans for the Marian Hall wing. This wing was completely rebuilt and opened in May 2022. At that time residents were moved into the new rooms. Quickly after opening the staffing crises hit. The cost to staff the wing with contracted workers was not sustainable. The wing was closed in late 2022 and residents relocated back into the other parts of the building. A search began to repurpose the space. Various options were explored. The most logical option was to open an inpatient hospice. Rather than reinventing the wheel, a search was conducted with Trinity Hospice and Angela Hospice being approached. Trinity Hospice had no interest. Angela Hospice showed interest and approached its board and provincial council. A 3-year agreement between Ourdes and Angela Hospice has been signed. Angela Hospice will be opening a 15-room inpatient care center in the 14,000 square feet. The official name of the facility will be Angela Hospice at Ourdes. The Ourdes residents transitioning to hospice will have the option to stay at Ourdes or move over to Angela. This will be dependent on the census at Ourdes as not to take away from operating revenue there.

Following the April Board meeting, a market study was completed to determine the need for additional independent living units. The study found that Waterford Township needs 80-100 more independent living units. The plan is to build 6-10 ranch-style homes in the current location of the St. Jude home. Additionally, a new independent living apartment building will be constructed. The majority of the apartments will be 2-bed 2-bath units with balconies or patios. This will be located where the current convent sits. The Dominican Sisters of Peace graciously offered to donate the land to Ourdes for the new development. This new building will be approximately 80,000 square feet. Each apartment will have a view of the lake.

Mr. Acho has received proposals from three architects. A sub-committee has been formed to begin the process of selecting an architect, selecting a contractor, and beginning the build. The ranch-style homes will be built first with a home to accommodate the sisters currently living in the convent. The hope is to have the ranch homes completed in 2025. A focus group comprised of some of our current independent living residents and residents in the local communities.

MANAGEMENT REPORTS

Human Resources – Rebecca Latta: Nominations are being accepted by staff members for fellow staff members who could use a gift card for Thanksgiving. The nominations are always emotional and eye-opening to see what some of our staff members are going through. Each person nominated will receive a \$100 gift card for Kroger. Staff holiday treats will be shared each Wednesday through December. Employee holiday parties are planned at each building. Surveys will be sent to employees on December 4th by WeCare Connect. This is in conjunction with a grant through the Workforce Stabilization grant that LeadingAge Michigan received. LSC will receive \$5K for offering the surveys and each employee will receive \$100 to complete all offered surveys. Currently, five CNAs at LRHC have converted to a four-day work week.

Ourdes Senior Community Boards

Tuesday, November 14, 2023, 1:30 p.m., LRHC Chapel

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Ourdes Rehabilitation and Healthcare Center – Maureen McGee: A COVID vaccine clinic was offered at LRHC with lower numbers of residents and employees agreeing to be vaccinated. The new DON has been a nurse for 30 years and has previous long-term care experience.

Finance and Information Technology – David Krolkowski: Report stands as written. The ERC funds are currently in the checking account and being reinvested. The total was \$3.7M received. This is generating approximately \$15K per month in interest. For October the YTD consolidated loss from operations is -\$15K.

Clausen Manor – Colleen Burke: Report stands as written. Staffing remains a challenge. Clausen Manor is able to offer flex shifts with employees helping employees.

Marketing/Communications/Development – Wendy Mosella: Every person who attends an event sponsored by Ourdes is being tracked and following communications sent. Puzzles with pictures of the campus are raffled off at events. The website has been redone with tracking and follow-up communications being sent to visitors of the website. The year-end appeal will be mailed close to Thanksgiving. The raffle has sold 400 tickets so far with the drawing being held on December 1.

Fox Manor – Robin McClintock: Fox Manor has 5 vacancies with 2 moving to Mendelson. 26 residents and 2 staff received the COVID-19 vaccine.

Mendelson Assisted Living – Robin McClintock: Has 4 vacancies. There have been 24 deaths so far in 2023. The average is 10 deaths per year. This is due to the residents coming to us later in their years. 37 residents and 8 staff received the COVID-19 vaccine.

Plant Operations – Jason Mize: Report stands as submitted. A resident of Fox Manor has been volunteering in grounds.

Lourdes Senior Community Boards

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EXECUTIVE SESSION

DOMINICAN SISTERS OF PEACE

Sr. Janice Bachman, OP, will be taking the recommendation of the Board to approve the budget to the Corporate Members. The annual gathering of founded ministries health care organizations will be held in February. The meeting of the educational institutions of the founded ministries is going on now.

REPORT OF THE CHAIR

Mr. Condit spoke about the CEO metrics that were emailed earlier in the day. The performance-based metrics were introduced last year. The intent is for the Board to provide direction with the metrics set forth. The metrics are not set in stone and expectations can be adjusted as necessary. Significant strides have been made in retention. The expectation is a year-over-year improvement. The State survey is a priority with a focus on eliminating the citations for anything that might fall under harm to our residents. Development is making progress with more to be made with cultivating the relationships with our donors who may be willing to share more. Growth through additional independent living and the partnership with Angela Hospice is taking Lourdes in the right direction. It was suggested that certain quality indicators should be tracked to improve the State survey. As far as the resident and family surveys go, benchmarks should be set to strive to be the top in our industry rather than simply improving year over year. Rich explained the measures that drive the star rating. Specifically for quality measures, items that affect the quality rating include falls, fractures, wounds, medication errors, etc. Maintaining the ongoing commitment to serving the spiritual needs of our residents has been added to the metrics. It was suggested that rather than maintaining the spiritual commitment, enhancing the spiritual services should be included. The employee satisfaction survey of 2022 is serving as a baseline going forward. Inclusion and diversity need to be kept at the forefront to keep Lourdes as a welcoming environment regardless of race or religion. A marketing plan was created last year and will continue to be executed. Development has a high-level plan that needs to be dialed in. A focus on cybersecurity needs to continue. Several Catholic institutions are taking a deeper look at the physical security of their facilities. Active shooter training will be held in early 2024. Mr. Acho commented on the change in the dynamics of philanthropic giving. Estate giving to institutions is rare with most residents he talks with leaving their estates to their children, grand children and families. It was cautioned that passive ways of giving are better received than direct asks in certain cases. Increasing the Lourdes presence within the parishes is important. Sr. Barbara recommended finding ways to get parishioners to Lourdes to see what is offered. Sharing the Lourdes story through educational meetings at the parishes could create a connection. Rich will work on this.

REPORT OF THE CHIEF EXECUTIVE OFFICER

The Angela Hospice partnership was announced on November 14, 2023. The agreement was signed on November 10. A joint press release will be sent in December. A meeting is scheduled with the Trinity Hospice group to assure them the Lourdes/Trinity relationship will continue.

A date to set a date with the Tax Tribunal has been scheduled for December 18. The actual date to be seen by the Tribunal court will more than likely not be until late 2024 or early 2025. A discovery phase will take place in the meantime.

Mr. Acho had a visit from Najah Bazy. She is an Angela Hospice Board member who runs her own nonprofit for marginalized women and children.

Committee and Board membership recruiting continues.

Ourdes Senior Community Boards

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COMMITTEE REPORTS

Quality Resident Care Committee – Linda Gifford: Lynne Golling continues to chair the committee. The Committee met in September to cover the facility reports, administrator's report, psych report, and strategic imperatives. The next meeting is November 15, 2023. Two new Committee members will be welcomed at this meeting.

Audit and Compliance Committee – Barbara Mendelson: The Committee met on November 3rd. Sister Peggy Martin, OP, has agreed to chair the Committee going forward. Plante Moran has been chosen to complete the 2023 audit, 990s, and cost report. The fees for the audit rose by 4.8% from \$86,900 to \$91,000. The new accounting standards were discussed during the meeting. A simulated cyber attack was conducted by the leadership team. Findings from the simulation included the need for paper copies of electronic medication records along with instructions to set up hotspots if necessary. The next meeting is April 19, 2024.

Finance Committee – John Noone: The Finance Committee met November 8th. The 2024 budget was the key topic.

Human Resources Committee – Steve Kastner: The Committee has not met since the last meeting of the Boards.

Governance and Nominating Committee – Brian Condit: The Committee continues to ask for recommendations for potential Board and Committee members.

Philanthropy Committee – Brian Condit: The Committee will meet in December.

Continuing Support Fund Committee – Rich Acho: The Committee will meet on December 14. There are 4 to 5 residents for whom the Committee will be seeking support.

CONSENT AGENDA

- Meeting minutes of August 29, 2023
- Testimonials
- Educational Article

MOTION: SR. JANICE BACHMAN, OP, MADE A MOTION TO APPROVE THE CONSENT AGENDA AS PRESENTED. SR. BARBARA RUND, OP, SECONDED. ALL IN FAVOR. MOTION CARRIED.

ADJOURNMENT

The meeting adjourned at 4:30 p.m.

Brian Condit, Board Chair

Debi Batchelder, Recorder



**LOURDES REHABILITATION
&
HEALTHCARE CENTER**

DEPARTMENT: CLINICAL	POLICY: LEGIONELLA SURVEILLANCE
APPROVED BY: QUALITY ASSURANCE AND PERFORMANCE IMPROVEMENT COMMITTEE	EFFECTIVE DATE: OCTOBER 2023
APPROVED BY: QUALITY RESIDENT CARE COMMITTEE	EFFECTIVE DATE:

Policy:

It is the policy of this facility to establish primary and secondary strategies for the prevention and control of Legionella infections.

Definitions:

“Legionella” is a bacteria found in water that can cause a serious type of pneumonia, Legionnaires’ disease.

“Primary prevention strategy” refers to the approaches to prevention and control of Legionella infections in health care facilities with no identified cases.

“Secondary prevention strategy” refers to the approaches to prevention and control of Legionella infections in health care facilities with identified cases.

“Definite healthcare-associated Legionnaires’ disease” refers to a case of Legionnaires’ disease in a resident who spent the entire 10 days prior to onset of illness in the facility.

“Possible healthcare-associated Legionnaires’ disease” refers to a case of Legionnaires’ disease in a resident who spent only part of the 10 days before symptoms began in the facility.

Policy Explanation and Compliance Guidelines:

1. Legionella surveillance is one component of the facility’s water management plans for reducing the risk of Legionella and other opportunistic pathogens in the facility’s water systems.
2. In the absence of Legionella infections for a period of at least one year, the facility shall implement primary prevention strategies.
3. In the case of a definite or possible healthcare associated Legionnaires’ disease within a 12 month period, the facility shall implement secondary prevention strategies in addition to primary prevention strategies until such time the water management team determines those strategies are no longer necessary, or as advised by local and/or state health department staff.
4. Principles of Legionella transmission:
 - a. To pose a health risk, Legionella must grow in numbers and be aerosolized so people can breathe in small, contaminated water droplets.
 - b. Legionella grows best in water temperatures of 77°F-108°F, particularly in water that is not moving or that does not have enough disinfectant (i.e., pH 6.5-8.5) to kill germs.



**LOURDES REHABILITATION
&
HEALTHCARE CENTER**

DEPARTMENT: CLINICAL	POLICY: LEGIONELLA SURVEILLANCE
APPROVED BY: QUALITY ASSURANCE AND PERFORMANCE IMPROVEMENT COMMITTEE	EFFECTIVE DATE: OCTOBER 2023
APPROVED BY: QUALITY RESIDENT CARE COMMITTEE	EFFECTIVE DATE:

- c. Legionella can make people sick when the germs spread in droplets small enough for people to breathe in. Medical devices, cooling towers, showers, hot tubs, and fountains create aerosols.
 - d. Although uncommon, Legionella may be contracted by aspiration of contaminated drinking water. Legionella is not usually spread from person to person.
 - e. The incubation period for Legionnaires' disease is generally 2-10 days.
 - f. Signs and symptoms of Legionnaires' disease are similar to pneumonia by other pathogens and include cough, fever, positive chest radiograph, sputum production, and new/changed lung examination abnormalities.
5. Primary prevention strategies:
- a. Diagnostic testing:
 - i. The facility shall use the McGeer criteria when diagnosing pneumonia.
 - ii. Residents with healthcare associated pneumonia or who have failed antibiotic therapy for community-acquired pneumonia may be tested for Legionella using the Legionella urinary antigen test.
 - b. Investigation for a facility source of Legionella, which may include culturing of facility water for Legionella:
 - i. The Infection Preventionist will investigate all cases of **definite** healthcare-associated Legionnaires' disease for the source of Legionella.
 - ii. The Infection Preventionist will also investigate for the source of Legionella when two or more **possible** healthcare-associated Legionnaires' diseases are identified.
 - c. Physical controls:
 - i. Cooling towers and potable water systems shall be routinely maintained.
 - ii. At-risk medical equipment shall be cleaned and maintained in accordance with manufacturer recommendations.
 - iii. Non-potable water systems shall be routinely cleaned and disinfected.
 - iv. Nebulization devices shall be filled only with sterile fluid (e.g., sterile water or aerosol medication).
 - d. Temperature controls:
 - i. Cold water shall be stored and distributed below 68°F.
 - ii. Hot water shall be stored above 140°F and circulated at a minimum return temperature of 124°F.
6. Secondary prevention strategies:
- a. Full-scale environmental investigation to identify environmental sources:



**LOURDES REHABILITATION
&
HEALTHCARE CENTER**

DEPARTMENT: CLINICAL	POLICY: LEGIONELLA SURVEILLANCE
APPROVED BY: QUALITY ASSURANCE AND PERFORMANCE IMPROVEMENT COMMITTEE	EFFECTIVE DATE: OCTOBER 2023
APPROVED BY: QUALITY RESIDENT CARE COMMITTEE	EFFECTIVE DATE:

- i. All cases of Legionella shall be reported to local/state health officials, followed by an investigation.
- ii. Elements of an investigation may include:
 1. Reviewing medical and microbiology records
 2. Actively identifying all new and recent residents with healthcare-associated pneumonia and testing them for Legionella using both culture of lower respiratory secretions and the Legionella urinary antigen test
 3. Developing a line list of cases
 4. Evaluating potential environmental exposures
 5. Performing an environmental assessment
 6. Performing environmental sampling, as indicated by the environmental assessment.
 7. Subtyping and comparing clinical and environmental isolates.
- b. Decontamination of identified environmental sources in accordance with current standards.
- c. Heightened surveillance and environmental sampling, including increased suspicion for Legionella cases and increased frequency of testing above the facility's usual testing protocols.

References:

U.S. Department of Health and Human Services, Centers for Disease Control and Prevention. *Developing a Water Management Program to Reduce Legionella Growth & Spread in Buildings*. Located at www.cdc.gov/legionella/WMPtoolkit. Accessed June 2023.

U.S. Department of Health and Human Services, Centers for Disease Control and Prevention. *Guidelines for Preventing Health-Care-Associated Pneumonia, 2003*. Located at <https://www.cdc.gov/infectioncontrol/pdf/guidelines/healthcare-associated-pneumonia-H.pdf> Accessed June 2023.

U.S. Department of Health and Human Services, Centers for Disease Control and Prevention. *What Clinicians Need to Know about Legionnaires' Disease, February 2020*. Located at <https://www.cdc.gov/legionella/clinicians.html>. Accessed June 2

Lourdes Senior Community

2024 CEO Performance Metrics – version 3

January 1, 2024

2024 Performance Metrics and Key Performance Indicators

Performance Metrics

- **Retention** – Reduce Overall Campus Turnover Rate YOY w/particular focus on new employees
- **Occupancy** – Achieve Aggregate Campus Census of 86%
- **Quality** – Reduce Number of Citations That Lead to a Denial of Payment as Compared to 2023 (Target), with a particular focus on reducing falls. [Overall YOY Reduction in # of Citations (Stretch)]
- **Development** – Increase Net Donations by 10% YOY, excluding estate gifts (Target). [>15% (Stretch)]
- **Operating Margin** – Improve Operating Margin YOY Across Campus
- **Growth** – Execute plans developed in 2023 to bring in new revenue for the Nursing & Rehabilitation Center, begin expanding independent living, and continually re-invest in the existing facilities to make them more marketable

Key Performance Indicators

- **Catholic Identity** – Continuously strengthen the ongoing commitment to serving the spiritual needs of residents and families
- **Employee Satisfaction** – Leverage feedback from 2023 baseline survey to improve engagement YOY as measured by 2024 survey
- **I&D** – Build upon 2023 activities to conduct ongoing Inclusion and Diversity training
- **Marketing Plan** – Refine and execute marketing plan to increase market share. In 2024, specifically focus on expanded marketing efforts to the Catholic community
- **Resident/Family Satisfaction** – YOY Increase in Survey Results, with a particular focus on aligning the care residents feel that they need with the care they receive
- **Star Rating** – Maintain 4+ rating and actively maintain / execute plan to keep Star rating above local competitors
- **Development** – Create detailed development plan and Review w/Board by end 1Q '24
- **Security** – Zero successful IT security breaches. Proactive scenario-based planning and training (e.g., active shooter)

Appendix

Over time, Lourdes' is seeking to become more metrics-driven.



Source: Accenture 360° Value Framework

We began this journey for calendar year 2023.

A best practice is creating a balanced set of metrics that encompass the full spectrum of outcomes the Board is seeking.

As a framework, we are leveraging a model that Accenture uses globally to measure value. It includes six dimensions as depicted to the left.

The framework can be tailored as needed over time, or an alternative framework can be utilized.

Financial

- Revenue
- Opex
- Capital

Mission

- Pastoral Care
- Quality
- Development

Inclusion & Diversity

- Team Diversity
- Inclusive Design
- Inclusive Culture



Experience

- Customer: Resident / Family Member
- Employee
- Vendor/Partner: Referral Source

Sustainability

- Environment
- Social
- Governance
- Data / Regulatory Compliance
- Security

Talent

- Development
- Change

2023 Performance Metrics and Key Performance Indicators

2023 Performance Metrics

- **Retention** – Reduce Overall Campus Turnover Rate by 7% YOY (Target) as compared to 2022 w/particular focus on new employees [>10% (Stretch)]
- **Occupancy** – Increase Aggregate Campus Census above 2022 (Target) [Achieve YOY improvement in each facility (Stretch)]
- **Quality** – Reduce Number of Citations That Lead to a Denial of Payment as Compared to 2022 (Target) [Overall YOY Reduction in # of Citations (Stretch)]
- **Development** – Increase Net Donations by 20% YOY, excluding estate gifts (Target) [>25% (Stretch)]
- **Operating Margin** – Achieve Operating Margin Improvement of 5% YOY Across Campus (Target) [Breakeven Operating Margin and \$2.1M EBITDA (Stretch)]
- **Growth** – Develop 2024 Revenue Growth Plan (inclusive of partnering opportunities) and Review w/Board by 3Q '23

2023 Key Performance Indicators

- **Employee Satisfaction** – Create/distribute survey and generate baseline by end 1Q '23
- **I&D** – Create Inclusion and Diversity baseline
- **Marketing Plan** – Create new marketing and branding plan, inclusive of impact tracking
- **Resident/Family Satisfaction** – YOY Increase in Survey Results
- **STARS Rating** – Maintain 4+ rating and develop plan to return Lourdes to 5-star rating
- **Development** – Create new development plan and Review w/Board by end 2Q '23
- **Finance** – Execute transition plan with backfill(s) for CFO activities
- **Information Security** – Zero successful security breaches

Dear Mendelson Staff,
The Loeffler family would like
to thank you all for taking such
excellent care of our father, Carl,
during his time here. Although it was
brief we really appreciate the special
care you gave him.
Sincerely,
The Loeffler Family

Mendelson Staff,

Wishing you a special day
that's warm and happy, too,
Filled with many of the things
that mean the most to you.

Thank you for all
you do for our
Mother, Mary Kems, and
the other residents at
Mendelson Home! We are
very grateful!

A day for sharing memories
of family and friends...
a day that's filled with goodness
from the start until it ends.



Ron and Bev
Greenman

Clipped from an email Rich received from a family member:

My apologies for not responding to your email earlier, as you might expect it's been quite hectic/busy the last few days.

I want to thank you for the kind words/condolences about our dad, he will be missed by many. I also want to let you know that the staff from top to bottom at Mendelson does a fantastic job and I personally would recommend, and already have, to friends/family etc. You hear quite a few bad stories about senior living communities from people, but I must say that at Mendelson/Lourdes that is not the case. My dad felt that way also. You should be commended for running a tight ship.

U.S. Not for Profit Life Plan Communities Outlook 2024

Sector Headwinds to Continue

Fitch's Sector Outlook: Deteriorating

Fitch Ratings expects the general operating environment for life plan communities (LPCs) to remain negative in 2024. While demographic trends should continue to support healthy demand for LPCs, Fitch has a weaker outlook on many of the other key drivers of fundamental credit quality that have not improved since 2023; decelerating real estate price growth and inflationary operating expense pressure are among the most notable examples. Fitch expects that these headwinds may continue to stall the sector's recovery in 2024.

The LPC sector continues to experience a number of expense pressures, particularly with staffing. Positive trends in occupancy and the demographic strength of LPCs' underlying resident base have supported the sector's ability to pass through most of this cost escalation to their revenue base of entrance and monthly service fees over the last two years. However, occupancy and demand could soften if rate increases continue above historical norms or if cost-cutting erodes service quality. Decelerating growth in real estate pricing may also slow the current strong pace of independent living unit (ILU) sales and limit an LPC's ability to raise entrance fees to absorb cost inflation and pay refunds.

A sector outlook revision to neutral would require demonstrable improvement in labor availability, demonstrated efficacy of higher than average rate increases to counteract inflationary cost pressures and expectations for stable or improving real estate market performance.

Rating Outlook Distribution

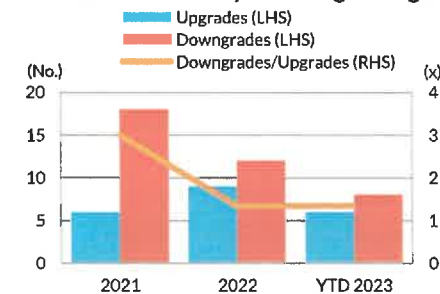
Fitch's net outlook balance deteriorated to negative 7 in 2023, compared to negative 2 in 2022, reflecting deterioration in LPC operations, which led to an uptick in Negative Rating Outlooks compared to the previous year.

Margaret Johnson, CFA, Senior Director

"While Fitch expects demographic trends to continue to support healthy demand, decelerating real estate price growth and cost inflation are significant headwinds that will continue to stall the sector's recovery."

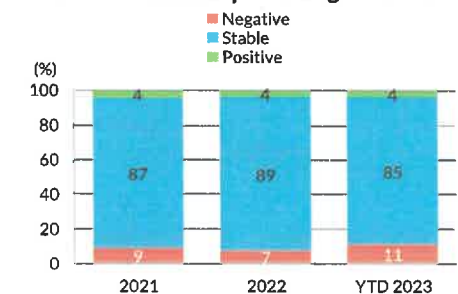


Life Plan Community — Rating Changes



Source: Fitch Ratings

Life Plan Community — Rating Outlooks



Source: Fitch Ratings

Core Credit Drivers: Life Plan Communities

Sub-Sectors	Revenues			Expenditures			Financial Profile		
	Personal Income/Affordability	Real-Estate Values	Demand/Volumes	Labor Costs	Labor Availability	Non-Labor Operating Costs	Capital Input Costs	Leverage	Cost of Debt & Financial Reserves Liquidity
Life Plan Communities	↘	↔	↗	↘	↘	↘	↔	↔	↘

↑ Improving — High relevance. ↗ Improving — Moderate relevance. ↔ Neutral. ↘ Deteriorating — Moderate relevance.
↓ Deteriorating — High relevance. N.A. — Not a material driver of credit quality in the sector.

Source: Fitch Ratings

What to Watch

- A heightening of regulatory requirements, particularly minimum staffing ratios, would add to already increased operating costs and exacerbate the headwinds in the LPC sector.
- Mergers & Acquisitions, provider affiliations and industry consolidation are going to remain key themes as providers seek the benefits of economies of scale.

Occupancy and Demand

Demographics to Support Healthy Demand

Fitch expects occupancy at most LPCs to be stable to improving in 2024, following rapid acceleration in sales pipelines in the years since the coronavirus pandemic. Occupancy at most Fitch-rated LPC issuers has been improving over the last several years, supported by several factors, including the continued aging of the population in the U.S., which has increased the number of prospective LPC residents. A strong year for entrance fees driven by good ILU demand helped to offset some of the operational stress of 2022.

Inflationary Pressures

Labor Shortages Driving Increased Operating Expenses

Higher wages, food prices and construction costs have continued to drive higher expenses for LPCs in 2023. With increased availability of labor, we expect expenses to stabilize, but at much higher levels than was the case historically, given recent recruitment and retention efforts that have led to higher overall wage and bonus levels for staff.

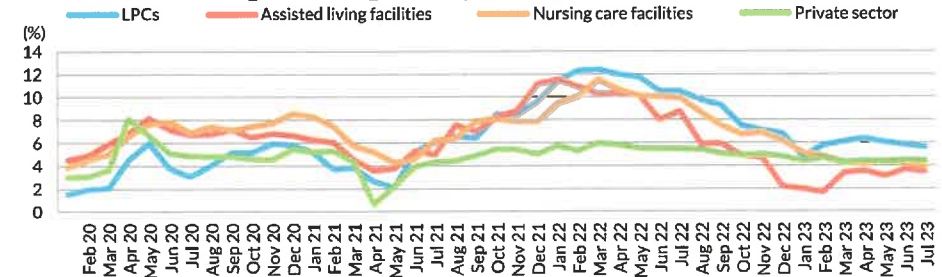
Recently released labor data shows that workforce recovery remains a challenge for LPCs and skilled nursing facilities (SNFs), while assisted living (AL) facilities are experiencing a more favorable recovery picture. LPCs appear to be experiencing the most challenging labor environment as payrolls are below pre-pandemic levels, while YOY average hourly earning growth (AHE) is above historical averages and private sector YOY AHE growth. Favorably, YOY AHE growth of LPC employees slowed to 5.57% as of July 2023, well below the recent peak in the first quarter of 2022 of 12.37%. And while the number of quits in the healthcare and social assistance sector remains high at 2.3% as of July 2023, the sector's job openings rate has lowered from a peak of 9.3% as of March 2022 to 7% as of July 2023.

LPCs have more flexibility relative to hospitals in responding to these labor pressures, as they are able to limit the use of agency nurses by taking skilled nursing beds offline in response to staff shortages. Most of Fitch's rated LPCs have also been able to pass on these higher costs through rate and fee increases, which are expected to continue to be well above the typical 3% to 5% increase in 2024.

Mergers and Acquisitions (M&A) to Continue

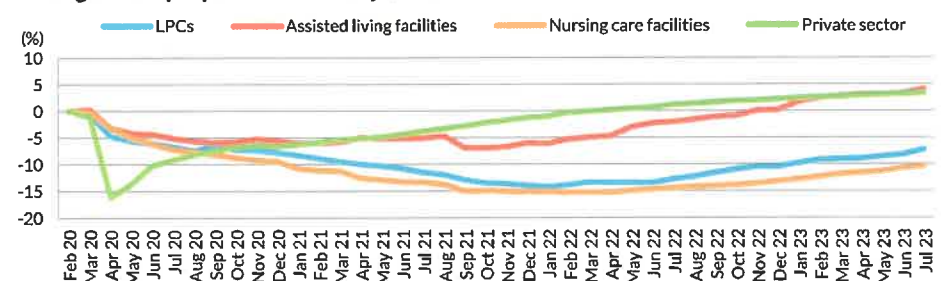
- M&A, provider affiliations and industry consolidation will remain key themes in the LPC sector.
- Inflationary and economic pressures are driving smaller providers to seek the benefits of partnering with a larger system to shore up the benefits of economies of scale.
- Acquisitions have mostly been occurring outside an LPC system's obligated group (OG). Often the "first step" goal stabilizes and financially improves a newly acquired campus before integrating into the system OG.

Year Over Year Change in Average Hourly Earnings



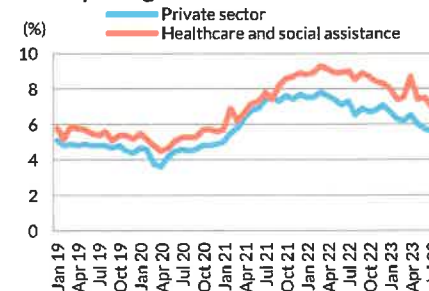
Source: Fitch Ratings, U.S. Bureau of Labor Statistics

Change in Employees vs February 2020



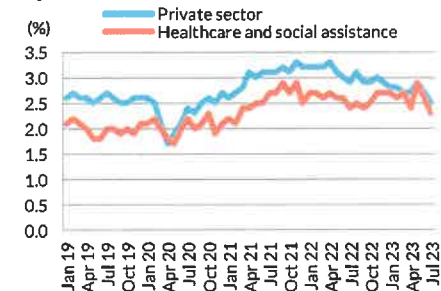
Source: Fitch Ratings, U.S. Bureau of Labor Statistics

Job Openings Rate



Source: Fitch Ratings, U.S. Bureau of Labor Statistics

Quits Rate



Source: Fitch Ratings, U.S. Bureau of Labor Statistics

Residents have been accepting of higher fees over the last few years, but ILU occupancy and demand could soften if rate increases continue above historical norms or cost-cutting erodes service quality. LPCs that have seen a sluggish occupancy recovery face greater budget stress and potential rating pressure, as these issuers may be unable to increase fees to cover rising expenses. LPCs with a significant skilled nursing component, which tend to be lower rated, are experiencing additional pressure, with a few notable downgrades in 2023, due to exposure to governmental payors limiting their ability to raise rates relative to ILUs, which are all private pay.

What to Watch -- Minimum Staffing Ratios

Nursing home minimum staffing ratios proposed by the federal government will add to life plan community (LPC) staffing pressures, but are unlikely to affect ratings, given the LPC sector's diverse service lines, which include private pay independent living units (ILUs) and AL units, as well as LPCs' ability to flex the number of skilled nursing beds in service. The implementation of minimum staffing ratios could accelerate the longer-term trend of LPCs reducing their skilled nursing capacity, especially if labor challenges persist.

Real Estate and Entrance Fee Pricing

Deceleration in Real Estate Price Growth

Over the last several years, robust residential real estate markets and rising home values have translated into consistent demand for retirement living and solid levels of ILU sales, as most LPC residents sell a home prior to paying an entrance fee and moving into an LPC. However, softening in the housing market could slow the current strong pace of ILU sales, delaying the sector's continued recovery.

Fitch's [U.S. RMBS 2Q23 Sustainable Home Price Report](#) notes that nationwide annual home price growth slowed to 3.8% for January 2023, compared with a peak of 20.6% in April 2022, according to the CoreLogic Case-Shiller Home Price Index. Home price growth could slow even further with elevated mortgage rates. If home price growth continues to slow or begins to decline, we believe LPC entrance fee pricing can remain stable, as entrance fee growth still represents just a fraction of home price appreciation even with higher-than-average rate increases over the last few years.

Moreover, Fitch-rated LPCs tend to be located in more affluent areas, with residents and prospects who generally display great economic resiliency and may be better able to cover LPC entrance fees without relying on the proceeds from the sale of a home. However, a decline in housing prices may slow the current strong pace of ILU sales. A prospective resident's decision to move into an LPC can be sensitive to economic conditions. A slowdown in ILU sales would lengthen the time for an LPC to resell a vacated ILU, which could, in turn, pressure expectations for stable to improving occupancy.

Capital Spending

Higher Cost of Capital Delaying Capital Projects

Over time, Fitch believes capital spending in the LPC sector will remain robust. ILU expansions will continue to be pursued to grow revenues, meet rising demand and satisfy resident preferences, such as for larger units or villas. In addition to ILU expansion, Fitch expects capital investments for common areas and activity space will be pursued to generally enhance amenities offered by the community, focused on wellness, dining and hospitality-type programs to meet the needs of the Baby Boom generation. LPCs may also need to adjust how these services are delivered in light of their experience during the pandemic and expectations for future labor availability in the hospitality sector. Lastly, we expect some rated entities to continue to engage in "repositioning" projects, which are mainly focused on AL units and SNFs increasing private rooms, adding service lines, such as memory care, and transforming care models.

However, Fitch's expectation for the level of near-term capital investment is negative given the volatile interest rate environment in the U.S. and uncertainty in the global macroeconomic outlook. Heightened geopolitical risk, continued cost inflation, supply chain disruptions and domestic policy realignment are elevating macroeconomic uncertainty and increasing capital and construction costs. This has resulted in some LPCs in Fitch's rated portfolio delaying additional borrowing until the economic outlook stabilizes, which overall Fitch views as lending stability to ratings. However, there is an opportunity cost for LPCs in not positioning their communities to benefit from the coming surge in the senior living population as the Baby Boomer generation continues to reach age- and income-eligibility for LPC residency.

Outlooks and Related Research

2024 Outlooks

Global Economic Outlook

Life Plan Communities Able to Manage Nursing Staff Requirements (September 2023)

Life Plan Communities Labor Tracker (September 2023)

2023 Median Ratios: Not-for-Profit Life Plan Communities (September 2023)

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