

## WESTMOUNT RFP PROPOSAL REVIEW

### Proposals to be Presented

- 9:00 a.m. Fort Hudson Health System
- 10:00 a.m. Harris Beach, PLLC, as Attorneys for an interested group of skilled nursing home operators
- 11:00 a.m. Centers for Specialty Care Group

## WESTMOUNT RFP AWARD CONSIDERATIONS

### Award Standard

- 1) Most responsive to RFP
- 2) The proposal that is in best interest of County residents of the nursing home and residents of County

### Award Criteria

- A. Completeness of proposal
- B. Continuation of operation as an 80 bed nursing home
- C. Plan for Operation
  - Expansion of Operations
  - Additional job creation
  - Provision of care to individuals on Medicaid/Medicare
  - County resident access
  - Nursing home resident and faculty change impact
  - Retention of existing employees
- D. Operator Experience/Credentials
  - Experience of operator with this type of nursing home
  - New or existing company (years of experience)
  - Financial stability of new operator
  - Experience of operator with unions
  - Experience of operator with upstate area
  - Local accessibility of nursing home management
- E. Transaction Terms
  - Sale Price
  - Closing Date/Sale Date
  - Contingencies to concluding transaction
  - Assurances that representation will be honored/upheld
  - Full payoff or structured proposal
  - Transition plan



# Proposal Summary

Presented to the  
Warren County Board of Supervisors  
Health Services Committee

March 18, 2013



Presented By

Fort Hudson Health System  
319 Broadway  
Fort Edward, NY 12828

## Introduction

*Fort Hudson Health System*, a not-for-profit multi-level senior health care and housing provider; offers extensive expertise and proven capability in the successful operation of a long term care facility; has demonstrated experience in expanding services to meet the needs of seniors; and an unparalleled commitment to the community.

*Warren County* has the unique opportunity to achieve its objectives of continued care and service. By partnering with a local provider who has deep ties to the community; an appreciation for the responsibility of caring for seniors; and respect for its employees; the County Supervisors can be confident that its objectives will be fully met.

### *Warren County priorities in partner selection*

**Assurance of continued operation of Westmount as a skilled nursing facility** - Fort Hudson is committed to continued operation. With over 40 years of local service, Fort Hudson has the dedication and skill set to provide quality nursing home care, and is a leader in contemporary care standards.

**Ability and intent to capitalize on meeting the growing needs of the senior population** - Fort Hudson has built its organization and reputation on meeting the changing needs of seniors for the entire region. With intimate knowledge of the region; its community leaders and business partners; we are fully capable and desirous of expanding services to meet the community's needs.

**Assurance of continued access for all payers and individuals as currently provided for** - Throughout our forty year history, Fort Hudson has always served seniors, regardless of payor source. Medicaid comprises the largest as a percentage of revenue and individuals served, followed by Medicare, other insurances and private pay.

**A high priority on current employees and their continued engagement in the care and service to the elderly** - Fort Hudson values the employees of Westmount, and provides assurance to those qualified individuals who wish to remain part of the Westmount workforce.

**Warren County recognizes the potential impact on residents and their families** – There are two necessary actions which will mitigate the uncertainty and anxiety of transition; having a familiar partner and minimizing the period of time of transition. Fort Hudson commits to expediency and transitional leadership support; and offers Westmount residents, employees, and Warren County leaders the comfort of a local name, with local presence, and local leadership.

# Fort Hudson Health System

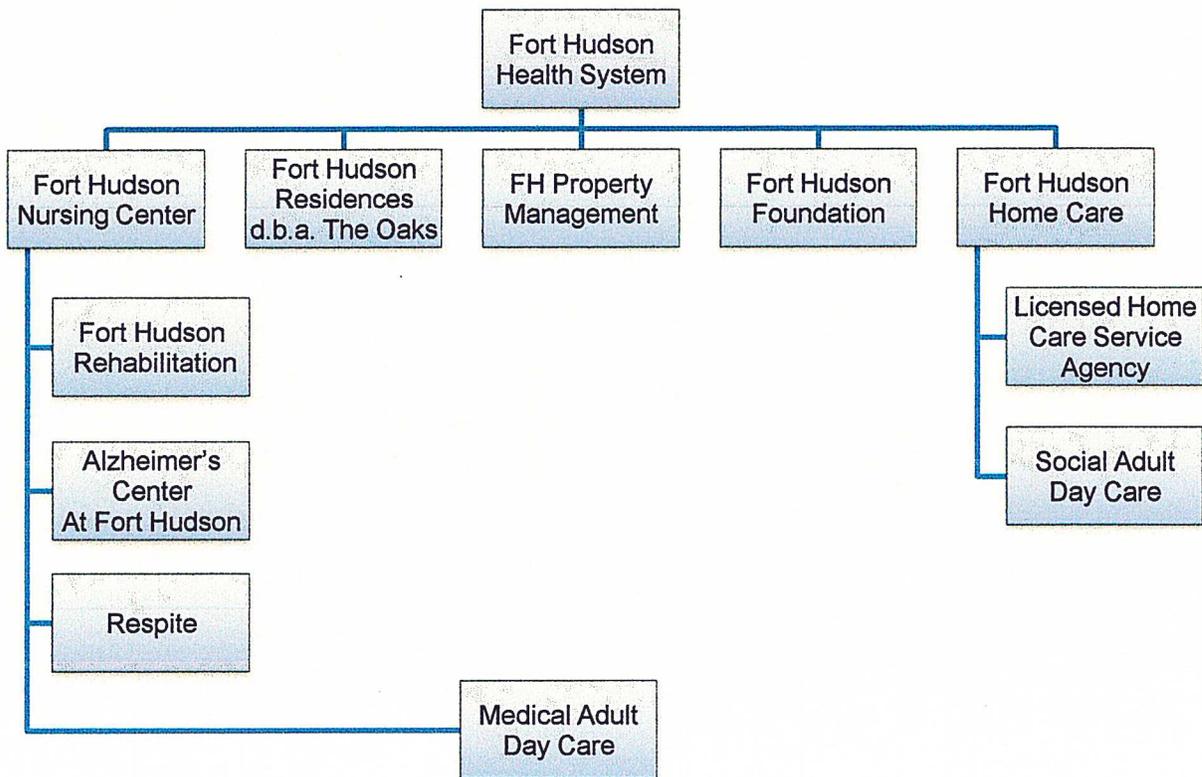
## A brief overview

*Fort Hudson is uniquely and exceptionally qualified to acquire and operate Warren County's Westmount Nursing Home*

**Sponsorship** – Not-for-profit, 501(c)3

**Historical Context** – Fort Hudson was originally incorporated in 1969 as an eighty bed skilled nursing facility. Its Mission was to meet the needs of seniors in the community. Over the past four decades, the organization has expanded and adapted to the changing needs, and now represents the most diversified and comprehensive senior care provider in the region. While the Mission has remained intact, the passage of time has created opportunity to broaden the means in which those needs can be met, and be a leader in the region's long term care delivery system.

### Fort Hudson Today



*Fort Hudson currently serves all areas of Warren County; employs a workforce that resides in Warren County; is governed by community leaders of Warren County; and over the course of 43 years has developed a comprehensive understanding of the needs of seniors of the entire region.*

### **Long Term Care Expertise**

- Over 40 years of providing long term care services to seniors
- Successfully developed a full array of services; within and beyond the skilled facility setting
- Services are fully integrated with common oversight, intake and admission processes
- Administration and Board of Directors actively engaged at State and National levels of long term care; leaders in the profession
- Experience, capacity and resources for transitional leadership

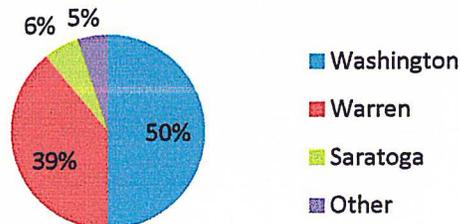
### **Multi-level Service Provider**

- Responsive to the community's identified need
- Successfully developed and operate several programs through institutional, housing and home and community service sectors
- Focused on integration of programs – the region's leader in coordinated care settings for seniors
- Mission-centered... program design reflects identified needs

### **Geographical Service Area**

- Fort Hudson currently provides service to the entire region, including all communities of Warren County

**Distribution of Service by County of Origin (YE 2012)**



- Warren County residents now comprise more than 50% of the total hours of service (home care) and adult day care clients
- Fort Hudson transportation services (8 wheelchair accessible vehicles) cover the entire Warren County region

### **Employment**

- Fort Hudson employs a total of 426 individuals (as of 3/1/13)
- 33% of employees reside in Warren County
- Turnover rates for all programs are approximately 50% to 75% below industry benchmarks
- Nursing Facility has not used a single shift of agency relief for 36 consecutive months
- Approximately 120 employees are part of a collective bargaining unit (1199 SEIU)
- Wage and benefits are competitive and reflect commitment to stability and quality

### **Governance**

- Board of Directors is comprised of fourteen civic minded community volunteers; of these, nine reside in Warren County
- Diverse in expertise, profession and geography with common commitment to the organization's Mission
- Adopted "Best Practices" in governance related to strategic planning, officer succession planning and term limitations

#### *Fort Hudson will meet or exceed all County Expectations*

*Fort Hudson has found that a successful integrated model of care delivery for seniors requires a "multi-level" approach; where availability and access to care is coordinated, convenient and responsive. The existing campus in Fort Edward is an example of this philosophy fully realized. We believe the Westmount campus offers the same opportunity; and is committed to maximizing its potential.*

### **Continued Operation**

Fort Hudson provides assurance to Warren County that the provision of comprehensive skilled nursing services as presently provided will continue in the future. With over forty years of experience as a **local** skilled nursing service provider, the citizens of Warren County can be confident that not only will there be continued service, but it will remain at its present location

and have governance and leadership that is accountable to the community and responsive to the needs of Warren County.

## **Expansion Plans for Services**

### Existing Facility

- **Clinical Proficiency and Capacity** – In order to meet the rapidly changing needs of individuals seeking nursing facility services, a continual investment in and commitment to expanded clinical capacity is essential. Fort Hudson is currently evaluating a number of specific clinical programs in need of development, including expanded dialysis service, bariatric care, intensive wound therapy, behavioral disturbance care and post-acute transitional care. The Westmount campus will be a key part of this plan.
- **Technology** - Fort Hudson is fully electronic in terms of its medical record, medication access, administration and pharmacy integration, integration with billing, and other collateral areas. This technology investment is essential and will be among the first initiatives implemented at the Westmount campus.

### Community Based Programs

- **Social Adult Day Care** - The region is currently served by Fort Hudson, although travel distance has limited its ability to fully meet the demand. Placing a *social adult day care program (SADC)* at or near the Exit 20 location will allow greater convenience to those currently traveling to Fort Hudson for service and allow NORTHERN Warren County residents an appropriate day service option.
- **Care Coordination Program Expansion** – Warren County represents a growing proportion of clients receiving services through Fort Hudson’s home and community based programs. One of the most notable is in the provision of Care Coordination, specifically under two Medicaid waiver programs (*Nursing Home Transition and Diversion* and the *Traumatic Brain Injury* program). Fort Hudson is invested in this program and intends to meet the growing need through satellite locations.

### Future Growth Areas

- **Assisted living** – This care level includes a wide variety of licensure and payment systems and will grow in popularity as a cost-effective alternative to SNF level care. Medicaid funded programs (Assisted Living Program, or ALP), developed as part of a larger campus model, will see growth potential. The Westmount campus offers opportunity for an assisted living program and Fort Hudson is committed to fully exploring its potential and recognizes the existing unmet need.
- **Housing with Services** – Fort Hudson has local presence in both senior housing and the provision of community services. Experience has proven that senior housing, combined with affordable and supporting services, extends the individual’s ability to remain in their independent setting. Likewise, offering supportive care services (either assisted living or skilled nursing) in the vicinity of housing benefits the client

from both a quality of care as well as continuity of service. Fort Hudson intends to further develop its housing program, and the Westmount area offers ideal conditions.

- **Skilled Nursing Facility Expansion** - The use of Skilled Nursing Facilities will continue to evolve with greater emphasis on short term and other specialty care levels. However, given the climate and past legislative action of NYS government, additional nursing home beds is neither likely, nor practical under existing conditions. However, capital investment is anticipated in order to assure care delivery standards and expectations are achievable and as part of the other initiatives noted above.

### **Medicaid and Medicare Access**

Fort Hudson provides full assurance of continued access by all payers as is currently afforded by Westmount. Fort Hudson provides service to a wide cross-section of payers, with the predominance being Medicaid.

### **Resident and Family Impacts**

Fort Hudson is committed to a seamless transition for both residents and their families. Over four decades of experience in the local community (and specifically with skilled nursing facility operations) provides credible assurance that the unique needs, concerns and anxieties associated with this type of transition will be supported and well managed.

Fort Hudson successfully supported the closure of McClellan Nursing Center in 2003, and acquired additional skilled nursing facility bed capacity as part of a larger transformation on the Fort Hudson campus. This transition was seamless to the public, supported the employee base who wished to maintain employment, and was described by residents and families as a positive experience.

### **Retention of Existing Employees**

Fort Hudson recognizes the provision of skilled nursing facility services is only possible through the availability of qualified and competent individuals. To this end, it is Fort Hudson's priority to retain the highest quality individual for the benefit of the residents in our care. Fort Hudson commits to retaining the existing work force in place at the time of transition.

### **Additional Job Creation**

Anticipated growth of services as described above will result in additional job creation. The exact number or time span will be dependent on a number of variables, including market need, regulatory standards and program approvals.

As example of Fort Hudson's capacity of job growth, Fort Hudson has added over 100 positions (75 FTE) during the past four years with a significant proportion representing Warren County residents.

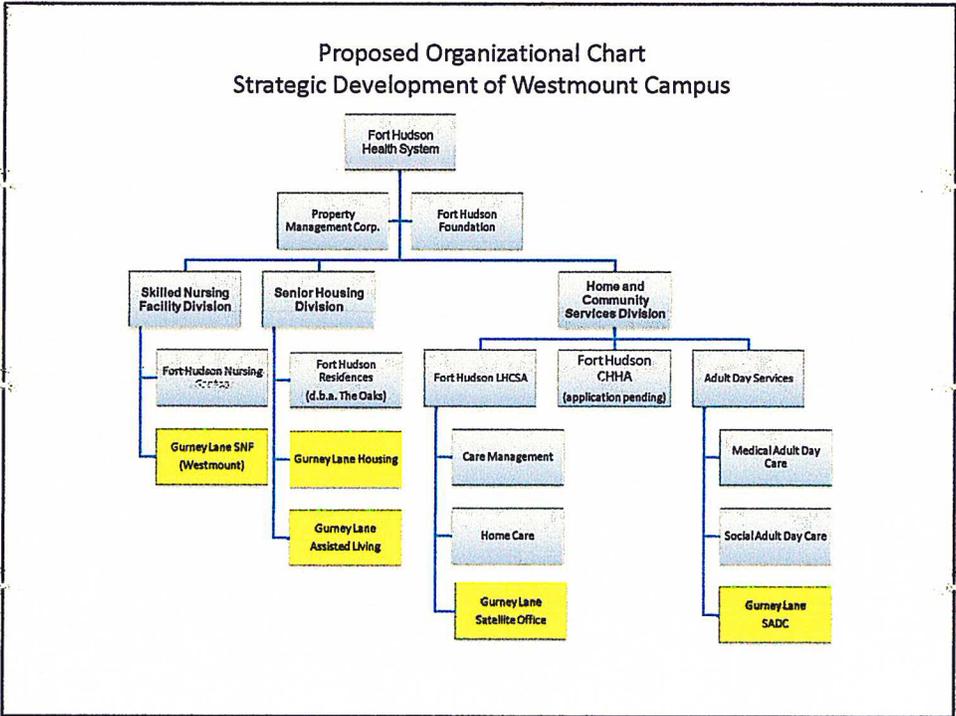
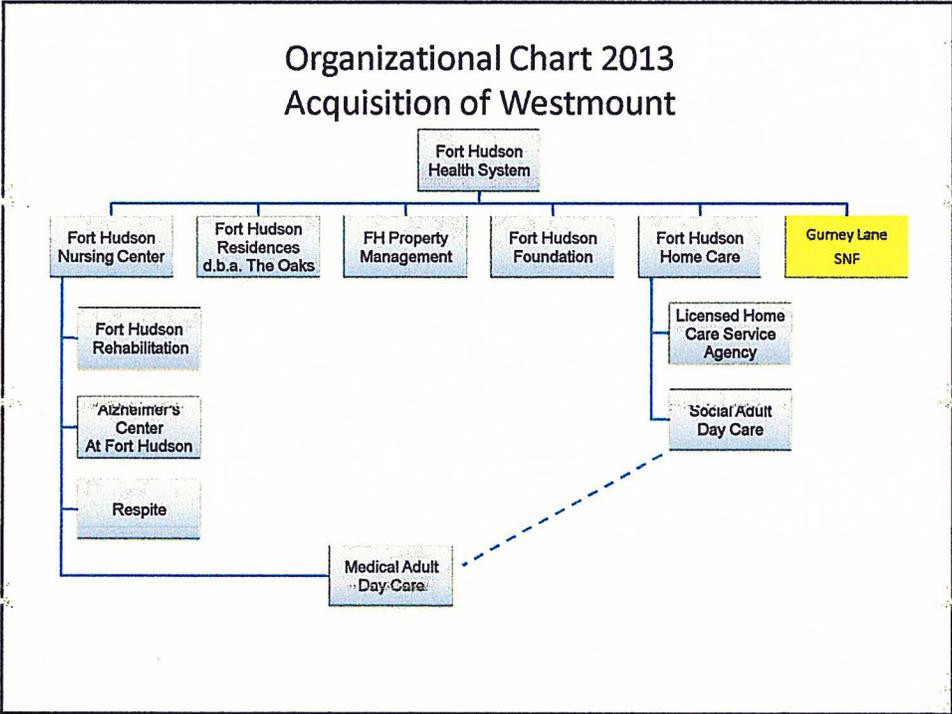
## Conclusion

***Commitment to the local community*** – Fort Hudson has spent four decades invested in this region. We are, collectively, the neighbors, friends and family of Warren County constituents, Westmount residents, and their families. *Our long-standing involvement in the betterment of our communities through civic organizations, churches, and volunteer activities will be unmatched by any other competitive bidder.*

***Experience*** – Fort Hudson is synonymous with senior care in this region. The organization has set itself apart from other providers (including other potential bidders) through its proven ability to adapt services to the needs of the community; expand its platform of care; while remaining focused on excellence and high care standards. *Experience goes well beyond skilled nursing facility operations; Fort Hudson offers the most expansive capacity to fully realize the County's intentions.*

***Public Accountability*** – As a not-for-profit entity, Fort Hudson is directly accountable to the community-at-large through its Board of Directors. The Board has established policies to assure proper governance control exists, and that the actions, decisions and performance of the organization are in the best interest of the community. *This governance model is specific to not-for-profit entities and in sharp contrast to privately held corporations, which typically have no local ties, no history with the community, no accountability to local constituency, and no local presence.*

***Mission Centered*** - Furthering the not-for-profit perspective, Fort Hudson brings to Westmount the legal responsibility and business priority to reinvest itself in furthering its Mission. Profitability is pursued with the dual objectives of long term viability and to improve and expand upon necessary services for the benefit of the region's seniors. *Contrary to this philosophy is the for-profit model; one which is motivated solely by the profitability of the business enterprise for the benefit of the owners; profits which will be reinvested privately in communities far from Warren County.*



**Fort Hudson Health System, Inc.**  
Fort Hudson Nursing Center, Inc.  
Fort Hudson Residences, Inc.  
Fort Hudson Home Care, Inc.  
Fort Hudson Property Management Corp.  
Fort Hudson Foundation Corp.

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2013**

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