Sarah Reed
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October 23, 2024

Continuing Care Retirement Communities
Financial Analysis Division
Pennsylvania Insurance Department
1345 Strawberry Square
Harrisburg, PA 17120

To Whom It May Concern,

Enclosed please find the following:

- CPA Letter
- Audited Financial Statements for 06/30/2024
- Calculation of Statutory Liquid Reserves at 06/30/2024 (See details on Note 2 of enclosed June 30, 2024 Audited Financial Statements)
- Pro Forma Budgeted Income Statement FYE 6/30/2025
- Actual vs. Budgeted Income Statement FYE 6/30/2024
- Attached please find the confirmation of payment for the $750 CCRC Annual Disclosure Statement Filing Fee for 2024
- Current Resident's Agreement (Please note that our residential and personal care agreements are currently being reviewed and updated via legal counsel and will be submitted upon completion.)

Our Disclosure Statement for July 1, 2024 was previously sent on September 19, 2024. Additionally, we included updated biographical affidavits for two board members who recently became officers and our schedule of increases for general fees.

If you need additional information, please contact me directly at (814) 878-2616, via fax at (814) 878-2607, or e-mail at *davidgerberjr@sarahareed.org*

Sincerely,

David L Gerber

David L. Gerber
Chief Financial Officer

Enclosures

# SARAH A. REED RETIREMENT CENTER

CPA Letter & Audited Financial Statements

FYE 06/30/2024

Mr. Michael Humphreys
Insurance Commissioner
Commonwealth of Pennsylvania
Insurance Department
Strawberry Square
Harrisburg, Pennsylvania 17120

Dear Commissioner Humphreys:

We have audited, in accordance with auditing standards generally accepted in the United States of America, the financial statements of The Sarah A. Reed Retirement Center for the year ended June 30, 2024, and have issued our report thereon dated October 23, 2024. In connection therewith, we advise you as follows:

a. We are independent certified public accountants with respect to The Sarah A. Reed Retirement Center and conform to the standards of the accounting profession as contained in the Code of Professional Conduct and pronouncements of the American Institute of Certified Public Accountants, and the Rules of Professional Conduct of the Pennsylvania Board of Public Accountancy.

b. The engagement Partner, who is a certified public accountant, has 27 years of experience in public accounting and is experienced in auditing continuing care retirement communities. Members of the engagement team, all of whom have had experience in auditing continuing care retirement communities and some of whom are certified public accountants, were assigned to perform tasks commensurate with their training and experience.

c. We understand that The Sarah A. Reed Retirement Center intends to file its audited financial statements and our report thereon with the Commonwealth of Pennsylvania Insurance Department (the Insurance Department) and that the Commonwealth of Pennsylvania Insurance Commissioner (the Insurance Commissioner) will be relying on that information in monitoring and regulating the financial condition of The Sarah A. Reed Retirement Center.

   While we understand that an objective of issuing a report on the financial statements is to satisfy regulatory requirements, our audit was not planned or conducted to satisfy all objectives or responsibilities of insurance regulators. In this context, The Sarah A. Reed Retirement Center and the Insurance Commissioner should understand that the objectives of an audit of financial statements in accordance with auditing standards generally accepted in the United States of America is to form an opinion as to whether the financial statements, which are the responsibility and representations of management, present fairly, in all material respects, the financial position, results of operations, changes in net assets, and cash flows in conformity with accounting principles generally accepted in the United States of America. Consequently, under generally accepted auditing standards, we have the responsibility, within the inherent limitations of the auditing process, to design our audit to provide reasonable assurance that errors and fraud that have a material effect on the financial statements will be detected, and to exercise due care in the conduct of our audit. The concept of selective testing of the data being audited, which involves judgment both as to the number of transactions to be audited and as to the areas to be tested, has been generally accepted as a valid and sufficient basis for an auditor to express an opinion on the financial statements. Thus, our audit, based on the concept of selective testing, is subject to the inherent risk that material errors or fraud, if they exist, would not be detected. In addition, an audit does not address the possibility that material errors or fraud may occur in the future. Also, our use of professional judgment and the assessment of materiality for the purpose of our audit means that matters may have existed that would have been assessed differently from you.

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It is the responsibility of the management of The Sarah A. Reed Retirement Center to adopt sound accounting policies, to maintain an adequate and effective system of accounts, and to establish and maintain internal control that will, among other things, provide reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in conformity with accounting principles generally accepted in the United States of America.

The Insurance Commissioner should exercise due diligence to obtain whatever other information that may be necessary for the purpose of monitoring and regulating the financial position of continuing care retirement communities and should not rely solely upon the independent auditors' report.

d. We will retain the audit documentation prepared in the conduct of our audit until the Insurance Department has filed a Report of Examination covering 2024, but no longer than seven years. After notification to The Sarah A. Reed Retirement Center, we will make the audit documentation available for review by the Insurance Department at the offices of The Sarah A. Reed Retirement Center, at our offices, at the Insurance Department, or at any other reasonable place designated by the Insurance Commissioner. Furthermore, in the conduct of the aforementioned periodic review by the Insurance Department, photocopies of pertinent audit documentation may be made (under the control of the accountant) and such copies may be retained by the Insurance Department.

e. The engagement Partner has served in that capacity with respect to the Sarah A. Reed Retirement Center since 2024, is licensed by the Pennsylvania Board of Public Accountancy, and is a member in good standing of the American Institute of Certified Public Accountants.

f. To the best of our knowledge and belief, we are in compliance with the requirements of Section 7 of the NAIC's *Model Rule (Regulation) Requiring Annual Audited Financial Reports* regarding qualifications of independent certified public accountants.

This report is intended solely for the information and use of the Board of Directors and management of The Sarah A. Reed Retirement Center, and the Insurance Department, and is not intended to be and should not be used by anyone other than these specified parties.

Baker Tilly US, LLP

Baker Tilly US, LLP
New Castle, Pennsylvania
October 23, 2024

# The Sarah A. Reed Retirement Center

Financial Statements

June 30, 2024 and 2023

## The Sarah A. Reed Retirement Center

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June 30, 2024 and 2023


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# Independent Auditors' Report

To the Board of Directors of
The Sarah A. Reed Retirement Center

## Opinion

We have audited the financial statements of The Sarah A. Reed Retirement Center (the Center), which comprise the balance sheets as of June 30, 2024 and 2023, and the related statements of operations and changes in net assets and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Center as of June 30, 2024 and 2023, and the results of its operations, changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America (GAAP).

## Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Center and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with GAAP, and for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Center's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

## Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Center's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Center's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings and certain internal control-related matters that we identified during the audit.



New Castle, Pennsylvania
October 23, 2024

## The Sarah A. Reed Retirement Center

Balance Sheets
June 30, 2024 and 2023

| | 2024 | 2023 |
|---|---|---|
| **Assets** | | |
| **Current Assets** | | |
| Cash and cash equivalents | $ 1,975,940 | $ 2,210,238 |
| Resident trust funds | 22,548 | 27,905 |
| Accounts receivable, residents, net | 1,491,344 | 899,779 |
| Accounts receivable, other | 5,421 | 17,357 |
| Prepaid expenses and other current assets | 342,933 | 274,085 |
| Total current assets | 3,838,186 | 3,429,364 |
| **Assets Whose Use is Limited** | 13,130,883 | 12,594,705 |
| **Assets Whose Use is Limited, Act 82 Reserve** | 46,099 | 46,723 |
| **Property and Equipment, Net** | 19,566,763 | 20,012,735 |
| **Right-of-Use Assets, Operating Leases, Net** | 24,527 | 38,122 |
| **Other Assets** | 32,000 | 32,000 |
| **Beneficial Interest in Perpetual Trust** | 693,273 | 668,502 |
| Total assets | $ 37,331,731 | $ 36,822,151 |

| | 2024 | 2023 |
|---|---|---|
| **Liabilities and Net Assets** | | |
| **Current Liabilities** | | |
| Current portion of long-term debt | $ 480,000 | $ 480,000 |
| Current operating lease obligations | 18,804 | 18,804 |
| Resident trust funds | 22,548 | 27,905 |
| Accounts payable and accrued expenses | 547,364 | 398,931 |
| Accrued payroll and related liabilities | 348,526 | 302,260 |
| Deferred revenue, Provider Relief Funds | 6,183 | 188,181 |
| Total current liabilities | 1,423,425 | 1,416,081 |
| **Long-Term Debt** | 8,377,400 | 8,809,409 |
| **Long-Term Operating Lease Obligations** | 6,149 | 19,685 |
| **Deferred Revenue From Entrance Fees** | 65,032 | 79,369 |
| Total liabilities | 9,872,006 | 10,324,544 |
| **Net Assets** | | |
| Without donor restrictions | 26,766,452 | 25,829,105 |
| With donor restrictions | 693,273 | 668,502 |
| Total net assets | 27,459,725 | 26,497,607 |
| Total liabilities and net assets | $ 37,331,731 | $ 36,822,151 |

*See notes to financial statements*

## The Sarah A. Reed Retirement Center

Statements of Operations and Changes in Net Assets
Years Ended June 30, 2024 and 2023

| | 2024 | 2023 |
|---|---|---|
| **Changes in Net Assets Without Donor Restrictions** | | |
| **Operating Revenues** | | |
| Net resident service revenues | $ 16,790,823 | $ 15,550,355 |
| Other operating revenues | 164,668 | 215,841 |
| Provider Relief Funds | 187,681 | 220,896 |
| Total operating revenues | 17,143,172 | 15,987,092 |
| **Operating Expenses** | | |
| Resident services | 9,826,046 | 9,552,883 |
| Dietary | 2,290,013 | 1,902,745 |
| General and administrative | 1,531,756 | 1,540,324 |
| Plant operations | 1,386,834 | 1,266,511 |
| Depreciation | 1,159,756 | 1,129,348 |
| Provision for credit losses | 40,955 | 5,234 |
| Housekeeping | 554,117 | 457,786 |
| Interest | 331,949 | 347,828 |
| Laundry | 140,198 | 146,925 |
| Real estate taxes | 175,331 | 170,118 |
| Pennsylvania nursing home assessment | 297,420 | 292,126 |
| Social services | 192,978 | 188,418 |
| Total operating expenses | 17,927,353 | 17,000,246 |
| Operating loss | (784,181) | (1,013,154) |
| **Nonoperating Revenues** | | |
| Investment income | 1,587,551 | 1,025,007 |
| Contributions | 133,977 | 172,039 |
| Total nonoperating revenues, net | 1,721,528 | 1,197,046 |
| Revenues in excess of expenses and change in net assets without donor restrictions | 937,347 | 183,892 |
| **Changes in Net Assets With Donor Restrictions** | | |
| Valuation gain, beneficial interest in perpetual trust | 24,771 | 52,775 |
| Change in net assets | 962,118 | 236,667 |
| **Net Assets, Beginning** | 26,497,607 | 26,260,940 |
| **Net Assets, Ending** | $ 27,459,725 | $ 26,497,607 |

*See notes to financial statements*

## The Sarah A. Reed Retirement Center

Statements of Cash Flows
Years Ended June 30, 2024 and 2023

| | 2024 | 2023 |
|---|---|---|
| **Cash Flows From Operating Activities** | | |
| Change in net assets | $ 962,118 | $ 236,667 |
| Adjustments to reconcile change in net assets to net cash provided by operating activities: | | |
| Provision for credit losses | 40,955 | 5,234 |
| Depreciation | 1,159,756 | 1,129,348 |
| Net realized and unrealized gain on investments | (1,284,605) | (770,377) |
| Amortization of debt issuance costs | 7,991 | 7,991 |
| Amortization of nonrefundable entrance fees | - | (12,996) |
| Amortization of right-of-use asset | 13,595 | 12,847 |
| Valuation gain, beneficial interest in perpetual trust | (24,771) | (52,775) |
| Changes in assets and liabilities: | | |
| Accounts receivable, residents, net | (632,520) | 121,741 |
| Accounts receivable, other | 11,936 | 168,660 |
| Prepaid expenses and other current assets | (68,848) | 46,618 |
| Operating lease liability | (13,536) | (12,480) |
| Accounts payable and accrued expenses | 148,433 | (247,439) |
| Accrued payroll and related liabilities | 46,266 | 66,757 |
| Deferred revenue, Provider Relief Funds | (181,998) | (14,907) |
| Deferred revenue | 663 | - |
| Net cash provided by operating activities | 185,435 | 684,889 |
| **Cash Flows From Investing Activities** | | |
| Purchases of property and equipment | (713,784) | (480,866) |
| Net sales (purchases) of assets whose use is limited | 743,694 | (382,095) |
| Net cash provided by (used in) investing activities | 29,910 | (862,961) |
| **Cash Flows From Financing Activities** | | |
| Principal payments on long-term debt | (440,000) | (520,000) |
| Refunds of entrance fees | (15,000) | - |
| Net cash used in financing activities | (455,000) | (520,000) |
| Net change in cash, cash equivalents and restricted cash and cash equivalents | (239,655) | (698,072) |
| **Cash, Cash Equivalents and Restricted Cash and Cash Equivalents, Beginning** | 2,238,143 | 2,936,215 |
| **Cash, Cash Equivalents and Restricted Cash and and Cash Equivalents, Ending** | $ 1,998,488 | $ 2,238,143 |
| **Reconciliation of Cash, Cash Equivalents and Restricted Cash and Cash Equivalents** | | |
| Cash and cash equivalents | $ 1,975,940 | $ 2,210,238 |
| Resident trust funds | 22,548 | 27,905 |
| Total cash, cash equivalents and restricted cash and cash equivalents | $ 1,998,488 | $ 2,238,143 |
| **Supplemental Disclosure of Cash Flow Information** | | |
| Interest paid | $ 323,958 | $ 339,837 |

*See notes to financial statements*

## 1. Nature of Operations and Summary of Significant Accounting Policies

### Nature of Operations

The Sarah A. Reed Retirement Center (the Center), d/b/a Sarah Reed Senior Living, provides housing, health care and other related services to residents through the operation of a retirement facility located in Erie, Pennsylvania. The Center's facility includes self-care residential apartments, personal care and long-term care beds (consisting of intermediate and skilled nursing care and an Alzheimer's unit).

The Center received a Certificate of Authority from the Commonwealth of Pennsylvania Insurance Department to operate as a Continuing Care Retirement Community (CCRC) under the Pennsylvania Continuing Care Provider Registration and Disclosure Act (Act 82).

### Subsequent Events

The Center evaluated subsequent events for recognition or disclosure through October 23, 2024, the date the financial statements were available to be issued.

### Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ from those estimates.

### Cash, Cash Equivalents and Restricted Cash and Cash Equivalents

For purposes of the financial statements, cash, cash equivalents and restricted cash and cash equivalents includes investments in highly liquid debt instruments purchased with an original maturity of three months or less, excluding those included with assets whose use is limited.

### Resident Trust Funds

Resident funds are accounted for as trust funds and are maintained separate from other funds.

### Accounts Receivable, Residents

The Center assesses collectability on all resident accounts prior to providing services. An allowance for credit losses is recognized to reduce accounts receivable to its net realizable value for impairment of revenues for changes in resident credit worthiness. The allowance is estimated by management based on factors such as aging of the accounts receivable, and anticipated collection of the consideration. Accounts are written off through credit loss expense when the Center has exhausted all collection efforts and accounts are deemed impaired. The allowance for credit losses was approximately $314,000 at June 30, 2024 and $545,000 at June 30, 2023.

### Assets Whose Use is Limited and Investment Risk

Assets whose use is limited, consisting of cash and cash equivalents and marketable securities, includes assets set aside by the Board of Directors for various purposes and assets set aside to comply with requirements of Act 82.

Investments in equity securities with readily determinable fair values and all investments in debt securities are measured at fair value in the balance sheets. Investment income (including realized and unrealized gains on investments, interest and dividends, net of investment fees) is included in the determination of revenues in excess of expenses unless the income is restricted by donor or law.

Interest income is measured as earned on the accrual basis. Dividends are measured based on the ex-dividend date. Purchases and sales of securities and realized gains and losses are recorded on a trade date basis.

The Center's investments are comprised of a variety of financial instruments managed by investment advisors. The fair values reported in the balance sheets are subject to various risks, including changes in the equity markets, the interest rate environment and general economic conditions. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the fair value of investment securities, it is reasonably possible that the amounts reported in the accompanying balance sheets could change materially in the near term.

**Property and Equipment**

Property and equipment is recorded at cost. Depreciation is computed using the straight-line method over the estimated useful lives of the related assets, which generally range from 5 to 25 years for land improvements, 10 to 40 years for building and improvements, 5 to 15 years for furniture, fixtures and equipment and 5 years for vehicles. Depreciation expense was $1,159,756 in 2024 and $1,129,348 in 2023. Repair and maintenance expenditures which extend the productive lives of assets are capitalized while routine maintenance and repair expenditures are expensed as incurred. The Center uses a capitalization threshold of $500.

**Impairment of Property and Equipment**

Property and equipment is evaluated for impairment whenever events or changes in circumstances indicate the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. If expected cash flows are less than the carrying value, an impairment loss is recognized equal to an amount by which the carrying value exceeds the fair value of the assets. Management determined property and equipment was not impaired at June 30, 2024 or 2023.

**Beneficial Interest in Perpetual Trust**

The Center received as a contribution a beneficial interest in perpetual trust. Under the terms of the trust, the Center has the irrevocable right to receive the income from the perpetual trust's assets but not the principal and recorded the asset and recognized contribution revenue with donor restrictions at the fair value of the Center's interest in the trust's net assets. Income earned on the trust's assets and distributed to the Center is recorded as investment income in the accompanying statements of operations and changes in net assets. Subsequent changes in fair value are recorded as valuation gains or losses in net assets with donor restrictions.

**Debt Issuance Costs**

The Center incurred debt issuance costs of as a result of its long-term debt. Debt issuance costs are being amortized over the term of the related debt using the straight-line method, which approximates the effective interest method. Amortization expense on the debt issuance costs, which is included as a component of interest expense, was $7,991 in 2024 and 2023.

**Deferred Revenue From Entrance Fees**

The Center has independent living units, all of which are occupied by residents who have signed contract and deposit agreements. Under the terms of the initial contract, the resident deposit is 100% nonrefundable upon the effective date of the contract. Under the terms of the subsequent contracts, the residents are entitled to either: (a) a refund equal to the total entrance fee paid less a sum equal to 2% of the entrance fee for each full month of occupancy in the unit; after 50 months of occupancy, the deposit is fully nonrefundable; or (b) a refund of equal to 90% of the total entrance fee paid, with the remaining 10% amortized and becoming nonrefundable over a 50 month period.

The nonrefundable fees are recorded as deferred revenue and are amortized to income using the straight-line method over the annually adjusted estimated remaining life expectancy of the resident. Contractual refund obligations were approximately $50,000 at June 30, 2024 and $74,000 at June 30, 2023.

**Net Resident Service Revenues**

Net resident service revenues are reported at the amount that reflects the consideration the Center expects to receive in exchange for goods and services provided. These amounts are due from residents or third-party payors and include variable consideration for retroactive adjustments, if any, under reimbursement programs. Performance obligations are determined based on the nature of the goods and services provided. Net resident service revenues are recognized as performance obligations are satisfied.

Net resident service revenues are primarily comprised of the following revenue streams:

**Skilled Nursing** - Skilled nursing revenues are derived from providing skilled nursing services to residents at a stated daily fee, net of any contractual adjustments from third-party payors. Skilled nursing revenues are recognized on a daily basis as services are rendered. The Center has determined that the services included in the daily fee have the same timing and pattern of transfer and are a series of distinct services that are considered one performance obligation which is satisfied over time as services are provided.

**Personal Care** - Personal care revenues are derived from providing personal care services to residents at a stated daily fee. Personal care revenues are recognized on a daily basis as services are rendered. The Center has determined that the services included in the daily fee have the same timing and pattern of transfer and are a series of distinct services that are considered one performance obligation which is satisfied over time as services are provided.

**Independent Living** - Independent living revenues are derived from: (a) stated monthly fees for providing housing to residents; and (b) the nonrefundable portion of entrance fee contracts entered into with residents. Independent living monthly fees are recognized on a month-to-month basis. The Center has determined that the services included in the monthly fee have the same timing and pattern of transfer and are a series of distinct services that are considered one performance obligation which is satisfied over time as services are provided.

Independent living revenues from nonrefundable entrance fees received are recognized through amortization of the nonrefundable entrance fee using the straight-line method over the annually adjusted estimated remaining life expectancy of the resident. The unamortized portion is classified as deferred revenue from entrance fees in the balance sheets. Amortization of nonrefundable entrance fees included in net resident service revenues was $0 in 2024 and $12,996 in 2023. The guaranteed refund component of entrance fees is not amortized to income.

**Ancillary Services** - Ancillary service revenues are derived from services provided primarily to skilled nursing residents for pharmacy, physical therapy, occupational therapy, speech therapy and other healthcare related services, including home care services, at a stated fee, net of any contractual adjustments from third-party payors. Each service provided is capable of being distinct, and thus, the services are considered individual and separate performance obligations which are satisfied and recognized as services are provided. The Center is reimbursed for certain therapy services provided to Medicare Part B beneficiaries at the lesser of a published fee schedule or actual charges.

The Center has agreements with third-party payors that provide for payments to the Center at amounts different from its established rates. A significant portion of the Center's net resident service revenues are derived from these third-party payor programs. A summary of the principal payment arrangements with third-party payors follows:

**Medicare** - Nursing and ancillary services provided to Medicare Part A beneficiaries are paid at prospectively determined rates per day. These rates vary according to a resident-specific classification system that is based on clinical, diagnostic and other factors and the reimbursement methodology is subject to various limitations and adjustments. The Center is reimbursed for therapy services provided to Medicare Part B beneficiaries at the lesser of a published fee schedule or actual charges.

As described above, the Medicare Part A rates are based on clinical, diagnostic and other factors. The determination of these rates is partially based on the Center's clinical assessment of its residents. The Center is required to clinically assess its residents at predetermined periods throughout the year. The documented assessments are subject to review and adjustment by the Medicare program.

**Medical Assistance** - Skilled nursing services provided to Medicaid beneficiaries are paid at prospectively determined rates per day or at rates negotiated with Medicaid Managed Care organizations. These rates vary according to a resident classification system that is based on clinical diagnosis and other factors, and the reimbursement methodology is subject to various limitations and adjustments. The Center's concentration of skilled nursing in Pennsylvania exposes it to the risk of changes in the state's Medicaid reimbursement system. Rates are calculated by Pennsylvania's Department of Human Services (DHS) on a quarterly basis. They are published in the Pennsylvania Bulletin prior to being finalized.

The Center also entered into payment agreements with certain commercial insurance carriers, health maintenance organizations and preferred provider organizations. The basis for payment to the Center under these agreements includes prospectively determined rates per day or discounts from established charges.

Payment terms and conditions for the Center's resident contracts vary by contract type and payor source, although terms generally include payment to be made within 30 days. Resident service revenues for recurring and routine monthly services is generally billed each month as services are rendered. Resident service revenues for ancillary services are generally billed monthly in arrears. Additionally, nonrefundable entrance fees are generally billed and collected in advance of move-in. Revenues collected from residents in advance are recognized as deferred revenue until the performance obligations are satisfied and are included in deferred revenue from entrance fees in the accompanying balance sheets. The Center applies the practical expedient in Accounting Standards Codification (ASC) 606, and therefore, does not disclose amounts for remaining performance obligations that have original expected durations of one year or less.

**Donor-Restricted Gifts**

Unconditional promises to give cash and other assets are reported at fair value at the date the promise is received. The Center reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. Net assets with donor restrictions have been limited by donors to a specific time period or purpose. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified as net assets without donor restrictions and reported in the statements of operations and changes in net assets as net assets released from restrictions.

### Benevolent Care

The Center provides services to residents who meet certain criteria under its benevolent care policy without charge or at amounts less than its established rates. Because the Center does not pursue collection of amounts determined to qualify as benevolent care, they are not reported as revenue.

The Center maintains records to identify and monitor the level of benevolent care it provides. The costs associated with the benevolent care services provided are estimated by applying a cost-to-charge ratio to the amount of gross uncompensated charges for the residents receiving benevolent care. The level of benevolent care provided by the Center amounted to approximately $76,000 in 2024 and $58,000 in 2023.

The Center also provides services to indigent residents under the Medical Assistance program. The cost the Center incurred for these services was more than actual reimbursement by approximately $714,000 in 2024 and $1,321,000 in 2023.

### Net Assets

Net assets, revenues, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

**Net Assets Without Donor Restrictions** - Net assets available for use in general operations and not subject to donor restrictions. All revenues not restricted by donors and donor-restricted contributions whose restrictions are met in the same period in which they are received are accounted for in net assets without donor restrictions.

**Net Assets With Donor Restrictions** - Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. All revenues restricted by donors as to either timing or purpose of the related expenditures or required to be maintained in perpetuity as a source of investment income are accounted for in net assets with donor restrictions. When a donor restriction expires, that is when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions.

### Measures of Operations

The statements of operations and changes in net assets include the determination of operating loss and revenues excess in of expenses. Operating loss includes only those operating revenues and expenses that are an integral part of its program activities. Revenues in excess of expenses is the performance indicator and includes all operating revenues and expenses that are an integral part of its program activities, as well as investment income, contributions, unrealized gains and losses on derivative financial instruments and other nonoperating activities that are used to support its program activities.

Changes in net assets without donor restrictions which are excluded from revenues in excess of expenses, consistent with industry practice, include contributions received with donor restrictions and change in the beneficial interest in perpetual trust.

### Income Taxes

The Center is a not-for-profit corporation as described in Section 501(c)(3) of the Internal Revenue Code (the Code) and is exempt from federal income taxes on its exempt income under Section 501(a) of the Code.

## 2. Assets Whose Use is Limited

Assets whose use is limited are summarized as follows at June 30:

| | 2024 | 2023 |
|---|---|---|
| Board-designated | $ 13,130,883 | $ 12,594,705 |
| Act 82 reserve | 46,099 | 46,723 |
| Total | $ 13,176,982 | $ 12,641,428 |

Assets whose use is limited consist of the following at June 30:

| | 2024 | 2023 |
|---|---|---|
| Cash and cash equivalents | $ 438,604 | $ 280,518 |
| Mutual funds and exchange traded funds, equity | 2,262,448 | 2,334,482 |
| Mutual funds, fixed income | 2,178,978 | 2,660,731 |
| Common stock | 5,427,855 | 4,740,786 |
| Real assets | 130,986 | 127,978 |
| Certificates of deposit | 1,474,812 | 446,201 |
| Government and agency bonds | 486,163 | 495,301 |
| Corporate bonds | 777,136 | 1,555,431 |
| Total | $ 13,176,982 | $ 12,641,428 |

Investment income without donor restrictions consists of the following for the years ended June 30:

| | 2024 | 2023 |
|---|---|---|
| Interest and dividend income | $ 353,564 | $ 301,412 |
| Net realized gain on sales of investments | 242,009 | 62,311 |
| Net unrealized gain on investments | 1,042,596 | 708,066 |
| Less investment fees | (50,618) | (46,782) |
| Total | $ 1,587,551 | $ 1,025,007 |

In compliance with Act 82, the Center designated a portion of its assets whose use is limited "reserved" to meet the requirements of Act 82. The amount designated was $46,099 and $46,723 at June 30, 2024 and 2023, respectively, and was calculated as follows:

| | 2024 | 2023 |
|---|---|---|
| Budgeted operating expenses for the years ending subsequent to June 30: | $ 19,155,082 | $ 18,523,269 |
| Less budgeted depreciation and amortization expense | 1,217,670 | 1,282,338 |
| Expenses subject to minimum liquid reserve requirements | 17,937,412 | 17,240,931 |
| Percentage of residents subject to entrance fee agreements at June 30 | 2.57% | 2.71% |
| Subtotal | 460,991 | 467,229 |
| Statutory requirement | 10% | 10% |
| Statutory minimum liquid reserve requirement (a) | $ 46,099 | $ 46,723 |
| Debt service requirements for the years ended subsequent to June 30: | | |
| Principal payments on long-term debt | $ 480,000 | $ 480,000 |
| Interest expense on long-term debt | 305,587 | 323,401 |
| Total debt service requirements | 785,587 | 803,401 |
| Percentage of residents subject to entrance fee agreements at June 30 | 2.57% | 2.71% |
| Statutory minimum liquid reserve requirement (b) | $ 20,190 | $ 21,772 |
| Greater of (a) or (b) above | $ 46,099 | $ 46,723 |

## 3. Fair Value Measurements

The Center measures its assets whose use is limited, beneficial interest in perpetual trust, and derivative financial instrument at fair value on a recurring basis in accordance with accounting principles generally accepted in the United States of America. Fair value is defined as the price that would be received to sell an asset or the price that would be paid to transfer a liability in an orderly transaction between market participants at the measurement date. The framework that the authoritative guidance establishes for measuring fair value includes a hierarchy used to classify the inputs used in measuring fair value. The hierarchy prioritizes the inputs used in determining valuations into three levels. The level in the fair value hierarchy within which the fair value measurement falls is determined based on the lowest level input that is significant to the fair value measurement.

The levels of the fair value hierarchy are as follows:

Level 1 - Fair value is based on unadjusted quoted prices in active markets that are accessible to the Center for identical assets. These generally provide the most reliable evidence and are used to measure fair value whenever available.

Level 2 - Fair value is based on significant inputs, other than Level 1 inputs, that are observable either directly or indirectly for substantially the full term of the asset through corroboration with observable market data. Level 2 inputs include quoted market prices in active markets for similar assets, quoted market prices in markets that are not active for identical or similar assets and other observable inputs.

Level 3 - Fair value is based on significant unobservable inputs. Examples of valuation methodologies that would result in Level 3 classification include option pricing models, discounted cash flows and other similar techniques.

The fair value of the Center's financial instruments reported at fair value was measured using the following inputs at June 30:

| | 2024 | | | |
|---|---|---|---|---|
| | **Level 1** | **Level 2** | **Level 3** | **Total** |
| Assets whose use is limited: | | | | |
| Cash and cash equivalents ** | $ - | $ - | $ - | $ 438,604 |
| Mutual funds and exchange traded funds, equity | 2,262,448 | - | - | 2,262,448 |
| Mutual funds, fixed income | 2,178,978 | - | - | 2,178,978 |
| Common stock | 5,427,855 | - | - | 5,427,855 |
| Real assets | 130,986 | - | - | 130,986 |
| Certificates of deposit | - | 1,474,812 | - | 1,474,812 |
| Government and agency bonds | - | 486,163 | - | 486,163 |
| Corporate bonds | - | 777,136 | - | 777,136 |
| Total assets whose use is limited | $ 10,000,267 | $ 2,738,111 | $ - | $ 13,176,982 |
| Beneficial interest in perpetual trust | $ - | $ - | $ 693,273 | $ 693,273 |

| | 2023 | | | |
|---|---|---|---|---|
| | **Level 1** | **Level 2** | **Level 3** | **Total** |
| Assets whose use is limited: | | | | |
| Cash and cash equivalents ** | $ - | $ - | $ - | $ 280,518 |
| Mutual funds and exchange traded funds, equity | 2,334,482 | - | - | 2,334,482 |
| Mutual funds, fixed income | 2,660,731 | - | - | 2,660,731 |
| Common stock | 4,740,786 | - | - | 4,740,786 |
| Real assets | 127,978 | - | - | 127,978 |
| Certificates of deposit | - | 446,201 | - | 446,201 |
| Government and agency bonds | - | 495,301 | - | 495,301 |
| Corporate bonds | - | 1,555,431 | - | 1,555,431 |
| Total assets whose use is limited | $ 9,863,977 | $ 2,496,933 | $ - | $ 12,641,428 |
| Beneficial interest in perpetual trust | $ - | $ - | $ 668,502 | $ 668,502 |

The following is a description of the valuation methodologies used for financial instruments measured at fair value. There have been no changes in methodologies at June 30, 2024 and 2023.

**Cash and cash equivalents are only included to reconcile total assets whose use is limited to the balance sheets.

Mutual funds, exchange traded funds, real assets and common stock are valued at fair value based on quoted market prices for identical securities in active markets that the Center has the ability to access at the measurement date.

Corporate bonds, government and agency bonds and certificate of deposits are valued at fair value based on quoted market prices for the same or similar securities in active markets that the Center has the ability to access at the measurement date.

The beneficial interest in perpetual trust is valued at fair value based on the Center's interest in the fair values of the underlying assets, which approximate the present value of estimated future cash flows to be received from the trust.

The preceding methods may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Center believes its valuation method is appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

## 4. Liquidity and Availability of Resources

The following table reflects the Center's financial assets available for general expenditures within one year at June 30, 2024 and 2023. Financial assets are considered unavailable when illiquid or not convertible to cash within one year. Unavailable financial assets consist of assets whose use is limited by regulatory bodies.

| | 2024 | 2023 |
|---|---|---|
| Financial assets: | | |
| Cash and cash equivalents | $ 1,975,940 | $ 2,210,238 |
| Accounts receivable, residents, net | 1,491,344 | 899,779 |
| Accounts receivable, other | 5,421 | 17,357 |
| Assets whose use is limited | 13,130,883 | 12,594,705 |
| Total financial assets available to meet cash needs for general expenditures within one year | $ 16,603,588 | $ 15,722,079 |

As part of the Center's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due. The Center invests cash in excess of daily requirements in short-term investments.

As stated in Note 2, the Center designated a portion of its assets whose use is limited as a statutory minimum liquid reserve to comply with the requirements of Act 82 and thus they are not included in the schedule above. Although the Center does not intend to utilize the Act 82 reserves for general expenditures as part of its annual budget and approval process, amounts designated as Act 82 reserves could be made available as necessary. The Act 82 reserves are separately stated on the balance sheets and do not have third-party restrictions or limitations on the withdrawal and subsequent liquidation of such funds.

## 5. Property and Equipment

Property and equipment consist of the following at June 30:

| | 2024 | 2023 |
|---|---|---|
| Land | $ 1,747,281 | $ 1,747,281 |
| Land improvements | 463,248 | 448,173 |
| Buildings | 23,066,722 | 23,066,722 |
| Building improvements | 6,368,429 | 6,085,280 |
| Furniture, fixtures and equipment | 10,037,787 | 9,635,753 |
| Vehicles | 125,430 | 125,430 |
| Total | 41,808,897 | 41,108,639 |
| Less accumulated depreciation | 22,242,134 | 21,095,904 |
| Property and equipment, net | $ 19,566,763 | $ 20,012,735 |

## 6. Long-Term Debt

Long-term debt consists of the following at June 30:

| | 2024 | 2023 |
|---|---|---|
| Tax-Exempt Revenue Note, Series 2022 | $ 8,920,000 | $ 9,360,000 |
| Less current portion of long-term debt | (480,000) | (480,000) |
| Less unamortized debt issuance costs | (62,600) | (70,591) |
| Long-term debt | $ 8,377,400 | $ 8,809,409 |

### Tax-Exempt Revenue Note, Series 2022

In April 2022, the Erie County Hospital Authority (the Authority) issued, on behalf of the Center, Tax-Exempt Revenue Note, Series 2022 (Series 2022 Note) in the amount of $9,960,000. Upon issuance, the Series 2022 Note was assigned to Marquette Savings Bank from the Authority. The proceeds of the Series 2022 Note were used to refinance its Tax-Exempt Revenue Note, Series of 2015, and were also used to pay the costs of issuance.

The Series 2022 Note is payable monthly in equal principal installments based on a 249 month amortization schedule, including $40,000 of principal plus interest at 3.48%, beginning May 1, 2022 with a maturity date of April 1, 2032. The Series 2022 Note is secured by a mortgage agreement covering substantially all of the property and equipment of the Center, and a security agreement covering substantially all of the assets of the Center.

Under the terms of the Series 2022 Note, the Center is required to meet certain financial covenants, including maintaining a required Debt Service Coverage Ratio and minimum Days Cash on Hand, as defined. Management believes they are in compliance with the covenants as of June 30, 2024 and 2023.

### Long-Term Debt Maturity Schedule

The scheduled principal payments of the long-term debt are as follows:

| Years ending June 30: | |
|---|---|
| 2025 | $ 480,000 |
| 2026 | 480,000 |
| 2027 | 480,000 |
| 2028 | 480,000 |
| 2029 | 480,000 |
| Thereafter | 6,520,000 |
| Total | $ 8,920,000 |

## 7. Net Assets With Donor Restrictions

Net assets with donor restrictions consist of a beneficial interest in perpetual trust with a balance of $693,273 and $668,502 at June 30, 2024 and 2023, respectively. The beneficial interest in perpetual trust is restricted in perpetuity. The income from this asset is expendable to support activities of the Center.

## 8. Net Resident Service Revenues

Net resident service revenues consist of the following for the years ended June 30, 2024 and 2023. The Center disaggregates revenue from contracts with customers by type of service and payor source as this depicts the nature, amount, timing and uncertainty of its revenue and cash flows as affected by economic factors:

| | 2024 | | | | |
|---|---|---|---|---|---|
| | Skilled Nursing | Personal Care | Independent Living | Ancillary Services | Totals |
| Medical Assistance | $ 6,544,293 | $ - | $ - | $ - | $ 6,544,293 |
| Medicare | 959,598 | - | - | 200,450 | 1,160,048 |
| Commercial insurers | 1,011,395 | - | - | 315,191 | 1,326,586 |
| Private pay | 3,751,454 | 1,924,386 | 1,824,129 | 259,927 | 7,759,896 |
| Amortization of nonrefundable entrance fees | - | - | - | - | - |
| Total | $ 12,266,740 | $ 1,924,386 | $ 1,824,129 | $ 775,568 | $ 16,790,823 |

| | 2023 | | | | |
|---|---|---|---|---|---|
| | Skilled Nursing | Personal Care | Independent Living | Ancillary Services | Totals |
| Medical Assistance | $ 5,822,049 | $ - | $ - | $ - | $ 5,822,049 |
| Medicare | 588,246 | - | - | 160,510 | 748,756 |
| Commercial insurers | 984,259 | - | - | 263,169 | 1,247,428 |
| Private pay | 4,187,168 | 1,808,850 | 1,537,217 | 185,891 | 7,719,126 |
| Amortization of nonrefundable entrance fees | - | - | 12,996 | - | 12,996 |
| Total | $ 11,581,722 | $ 1,808,850 | $ 1,550,213 | $ 609,570 | $ 15,550,355 |

## 9. Pension Plan

The Center sponsors a defined contribution pension plan. Plan expense was approximately $72,000 and $79,000 in 2024 and 2023, respectively.

## 10. Functional Expenses

The Center's primary program service relates to providing housing, health care and other related services to residents within its geographic location. Expenses by functional classification related to providing these services consist of the following for the year ended June 30, 2024:

| | Program | General and Administrative | Total |
|---|---|---|---|
| Salaries and wages | $ 8,092,271 | $ 838,658 | $ 8,930,929 |
| Payroll taxes and employee benefits | 1,725,260 | 178,800 | 1,904,060 |
| Education, training and seminars | 15,520 | 1,828 | 17,348 |
| Medical supplies and equipment | 527,867 | - | 527,867 |
| Contracted services | 1,898,919 | 319,417 | 2,218,336 |
| Dietary supplies | 845,008 | - | 845,008 |
| Repairs and maintenance | 536,688 | 44,811 | 581,499 |
| Taxes, insurance and utilities | 866,161 | 65 | 866,226 |
| Other operating | 98,778 | 148,177 | 246,955 |
| Pennsylvania nursing home assessment | 297,420 | - | 297,420 |
| Depreciation | 1,159,756 | - | 1,159,756 |
| Interest | 331,949 | - | 331,949 |
| Total | $ 16,395,597 | $ 1,531,756 | $ 17,927,353 |

Expenses by functional classification consist of the following for the year ended June 30, 2023:

| | Program | General and Administrative | Total |
|---|---|---|---|
| Salaries and wages | $ 7,790,961 | $ 865,404 | $ 8,656,365 |
| Payroll taxes and employee benefits | 1,529,206 | 169,860 | 1,699,066 |
| Education, training and seminars | 9,242 | 505 | 9,747 |
| Medical supplies and equipment | 510,184 | - | 510,184 |
| Contracted services | 1,702,870 | 173,561 | 1,876,431 |
| Dietary supplies | 765,373 | - | 765,373 |
| Repairs and maintenance | 467,401 | 37,063 | 504,464 |
| Taxes, insurance and utilities | 857,906 | 328 | 858,234 |
| Other operating | 57,477 | 293,603 | 351,080 |
| Pennsylvania nursing home assessment | 292,126 | - | 292,126 |
| Depreciation | 1,129,348 | - | 1,129,348 |
| Interest | 347,828 | - | 347,828 |
| Total | $ 15,459,922 | $ 1,540,324 | $ 17,000,246 |

Certain categories of expenses are attributable to more than one program or supporting function. Expenses attributable to more than one functional expense category are allocated using a variety of cost allocation techniques such as square footage and time and effort. Fundraising expenses are included within general and administrative and are not considered significant.

### 11. Medical Malpractice Claims Coverage

The Center maintains professional liability insurance in an amount and manner consistent with the Commonwealth of Pennsylvania's requirements for long term care facilities. The Center has no knowledge of any asserted or unasserted claims which would exceed its insurance coverage limits.

### 12. Concentrations of Credit Risk

The Center grants credit without collateral to its residents, most of who are insured under third-party payor arrangements primarily with Medical Assistance, Medicare and various commercial insurance companies.

The Center maintains cash and cash equivalent accounts, which at times, may exceed federally insured limits. The Center has not experienced any losses from maintaining cash and cash equivalent accounts in excess of federally insured limits. Management believes it is not subject to any significant credit risk on its cash and cash equivalent accounts.

### 13. Commitments and Contingencies

The senior living services industry is subject to numerous laws, regulations and administrative directives of federal, state and local governments and agencies. Compliance with these laws, regulations and administrative directives is subject to future government review and interpretation as well as regulatory actions unknown or unasserted at this time. Government activity continues to increase with respect to investigations and allegations concerning possible violations by healthcare providers of fraud and abuse statutes and regulations, which could result in the imposition of significant fines and penalties, as well as significant repayments for resident services previously billed. Management is not aware of any material incidents of noncompliance; however, the possible future financial effects of this matter on the Center, if any, are not presently determinable.

# SARAH A. REED RETIREMENT CENTER

Pro Forma Budget Statement 06/30/2025

Actual vs. Budget Income Statement 06/30/2024

**SARAH A. REED RETIREMENT CENTER**
**BUDGETED STATEMENT OF ACTIVITIES**
**SUMMARY OF ACCOUNTS**

**FYE 6/30/2025**

| | Budget 06/30/25 |
|---|---|
| **Operating Revenue:** | |
| Residential | $ 2,104,046 |
| Personal Care | 851,684 |
| Special Care Unit | 1,360,000 |
| Nursing Care | 16,577,601 |
| Therapy Revenue | 1,326,914 |
| Other Ancillary Revenue | 722,153 |
| Other Operating Revenue | 319,243 |
| **Gross Operating Revenue** | **23,261,641** |
| **Contractual Allowances, Credits and Discounts:** | |
| Meal Credits | 19,473 |
| Entrance Fee Discounts | 13,390 |
| Contractual Allowances | 5,067,899 |
| Charity Care & Bad Debt Expense | 245,000 |
| **Total Contractuals, Credits and Discounts:** | **5,345,762** |
| **Net Operating Revenue** | **17,915,879** |
| **Operating Expenses:** | |
| Administration | 566,605 |
| Marketing & Development | 246,912 |
| Accounting | 525,712 |
| Nursing Administration | 785,434 |
| Nursing Svcs-ICF,SNF,Pers Care | 6,940,532 |
| Therapies | 710,900 |
| Dietary | 2,476,166 |
| EE Café | - |
| Housekeeping | 541,674 |
| Laundry | 156,049 |
| Central Supplies | 58,140 |
| Maintenance & Repairs | 883,045 |
| Plant Operations | 904,064 |
| Employee Benefits | 2,028,075 |
| Activities | 301,616 |
| Resident Services | 299,856 |
| Social Services | 149,341 |
| **Total Operating Cost Centers** | **17,574,122** |
| Depreciation Expense | 1,205,202 |
| Lease Amortization/Interest Expense | 12,468 |
| **Total Operating Expenses** | **18,791,792** |
| **Operating Income (Loss)** | **(875,913)** |
| **Non- Operating Activity:** | |
| Interest-Endowment Account | 275,000 |
| Interest-Special Purpose | 3,800 |
| Interest/Dividends-Other | 16,000 |
| Other Revenue | 111,661 |
| Grants | - |
| Gain/(Loss) on retirement of assets | - |
| Market Appreciation in Investments | 506,500 |
| Gain/(Loss) on sale of Investments | 185,000 |
| **Total Non-Operating Revenue** | **1,097,961** |
| Interest Expense | 305,587 |
| Trustee/Bank Fees | 49,711 |
| Amortization Loan Costs | 7,992 |
| Other Non-Operating Expenses | - |
| **Total Other Expenses** | **363,290** |
| **Net Non-Operating Activity:** | **734,671** |
| **Total Change in Net Assets** | **$ (141,242)** |

**SARAH A. REED RETIREMENT CENTER**
**BUDGETED STATEMENT OF ACTIVITIES**
**SUMMARY OF ACCOUNTS**
**FYE 6/30/2024**

| | Actual 06/30/2024 | Budget 06/30/2024 | *Actual Above/ (Below) Budget* | |
|---|---|---|---|---|
| **OPERATING REVENUE:** | | | | |
| Residential | $ 1,930,346 | $ 1,849,857 | $ 80,489 | |
| Personal Care | 726,103 | 845,147 | (119,044) | |
| Special Care Unit | 1,203,687 | 1,404,189 | (200,502) | |
| Nursing Care | 15,554,742 | 15,938,506 | (383,764) | |
| Therapy Revenue | 1,388,254 | 1,293,300 | 94,954 | |
| Other Ancillary Revenue | 734,165 | 638,625 | 95,540 | |
| Other Operating Revenue | 352,349 | 391,604 | (39,255) | |
| **GROSS OPERATING REVENUE:** | **21,889,646** | **22,361,228** | **(471,582)** | **(a)** |
| **CONTRACT ALLOW/CREDITS/DISCOUNTS:** | | | | |
| Meal Credits | 89,264 | 86,000 | 3,264 | |
| Entrance Fee Prepaid | 14,765 | 21,624 | (6,859) | |
| Contractual Allowances | 4,604,197 | 4,740,176 | (135,979) | **(b)** |
| Charity Care & Bad Debt Expense | 79,203 | 361,000 | (281,797) | **(c)** |
| **TOTAL CONTR ALLOW, CR, DISCT** | **4,787,429** | **5,208,800** | **(421,371)** | |
| **NET OPERATING REVENUE** | **17,102,217** | **17,152,428** | **(50,211)** | |
| **OPERATING EXPENSES:** | | | | |
| Administration | 546,088 | 544,183 | 1,905 | |
| Marketing & Development | 86,427 | 106,346 | (19,919) | **(d)** |
| Accounting | 538,050 | 538,584 | (534) | |
| Nursing Administration | 778,533 | 725,913 | 52,620 | **(e)** |
| Nursing Svcs-ICF,SNF,Pers Care | 6,853,325 | 7,171,158 | (317,833) | **(f)** |
| Therapies | 709,060 | 685,900 | 23,160 | |
| Dietary | 2,033,202 | 1,943,450 | 89,752 | **(g)** |
| EE Café & Vending | 16,208 | 29,306 | (13,098) | |
| Housekeeping | 417,935 | 412,024 | 5,911 | |
| Laundry | 128,171 | 152,000 | (23,829) | |
| Central Supplies | 57,306 | 58,972 | (1,666) | |
| Maintenance & Repairs | 677,616 | 635,729 | 41,887 | **(h)** |
| Plant Operations | 844,771 | 909,168 | (64,397) | **(i)** |
| Employee Benefits | 2,086,451 | 2,339,089 | (252,638) | **(j)** |
| Activities | 246,468 | 244,444 | 2,024 | |
| Resident Services | 215,576 | 191,819 | 23,757 | |
| Social Services | 159,504 | 158,889 | 615 | |
| **TOTAL OPERATING COST CENTERS** | **16,394,691** | **16,846,974** | **(452,283)** | |
| Depreciation Expense | 1,146,230 | 1,282,338 | (136,108) | **(k)** |
| Lease Amortization / Interest Expense | 14,099 | 14,584 | (485) | |
| **TOTAL OPERATING EXPENSES** | **17,555,020** | **18,143,896** | **(588,876)** | |
| **OPERATING INCOME/(LOSS)** | **(452,803)** | **(991,468)** | **538,665** | |
| **NON OPERATING ACTIVITY:** | | | | |
| Interest | 353,563 | 278,500 | 75,063 | **(l)** |
| Other Revenue | 133,877 | 79,800 | 54,077 | **(m)** |
| Restricted Contribution for perpetual trust | 100 | - | 100 | |
| Unrealized gain/(loss) on Investments | 1,042,596 | 254,000 | 788,596 | **(l)** |
| Gain/(Loss) on interest rate SWAP | - | - | - | |
| Gain/(Loss) on restricted perpetual trust | 24,771 | - | 24,771 | **(n)** |
| Gain/(Loss) on sale of Investments | 242,009 | 302,600 | (60,591) | **(l)** |
| **Total Nonoperating Revenue** | **1,796,916** | **914,900** | **882,016** | |
| Interest Expense | 323,385 | 323,401 | (16) | |
| Trustee/Bank Fees | 50,618 | 47,980 | 2,638 | |
| Other Non-operating Expenses | 7,991 | 7,992 | (1) | |
| **Total Other Expenses** | **381,994** | **379,373** | **2,621** | |
| **Net Nonoperating Activity:** | **1,414,922** | **535,527** | **879,395** | |
| **TOTAL CHANGE IN NET ASSETS** | **$ 962,119** | **$ (455,941)** | **$ 1,418,060** | |

**The Sarah A. Reed Retirement Center**
**Narrative of Material Differences as of 06/30/2024**

**(a)** Our residential census lower than expected however we did start to see an increase towards the end of our fiscal year. Also our SNF census was lower than anticipated. In addition we had originally budgeted for additional dementia unit residents in our personal care area however we decided to put that on hold.

**(b)** Our contractual allowances were below budget in large part due to the change in Medicaid reimbursement.

**(c)** We were fortunate again to have a good year in collections and did not need to write off as much. Also, our charity care expenses were lower than anticipated.

**(d)** We did not hire a part-time marketing staff that we budgeted for.

**(e)** We had higher personnel costs plus we contracted with a consultant to work with us on our CMI.

**(f)** We continue to experience staffing challenges, as we cannot find consistent staffing thus resulting in the under expenditure.

**(g)** Our food and supply costs were much higher than anticipated. We also incurred startup costs as we transitioned to a new vendor to oversee our dietary program.

**(h)** We experienced higher building and equipment maintenance expenses than originally projected.

**(i)** Our utility costs were lower than originally projected.

**(j)** Due to lower staffing numbers, we were under budget in our employee benefit expenses.

**(k)** We did not move forward with our original plan of expanding our dementia unit

**(l)** Our endowment fund saw higher increases in our interest and unrealized gains but lower than excepted in our realized gains.

**(m)** We received additional donations than anticipated plus we had our 1st annual golf outing to help generate additional funding.

**(n)** Recorded gain on restricted perpetual trust.

# SARAH A. REED RETIREMENT CENTER

CCRC Filing Fee Payment

FYE 06/30/2024

pennsylvania
INSURANCE DEPARTMENT

**Continuing Care Retirement Community Provider Annual Disclosure Statement Filing Fee Invoice**

**SARAH A. REED RETIREMENT CENTER (THE)**

Payor ID: 10391
Invoice Number: 1803118363
Detail ID: **3213013**

Customer Number: 909968

| **Date** | **Item** | **Amount** |
|---|---|---|
| 9/27/2024 | CCRC Annual Disclosure Statement Filing Fee | $750 |
| | **Amount due:** | **$ 750** |

This invoice is a billing of all active CCRC annual disclosure statement filing fees for 2024.

To avoid potential enforcement action and penalties, payment must be received on or before 10/28/2024.

For payment, please visit the electronic payment service at https://www.bpp.ob.pa.gov/customer

- If making an ACH/Intellicheck payment from a corporate account, **before making a payment,** please notify your banking institution to add the Commonwealth of Pennsylvania, ACH ID#9049039603, to allow for ACH/Intellicheck payments.
- This link will connect to Office of Budget Payment Center.
- Go to "Make a Payment for an Accounts Receivable Invoice not related to a loan".
- Failure to select this option (paying an Accounts Receivable) will result in the payment not applying to your customer account.
- First time users click the "New Registration" link to create an account.
- The following information is obtained from the invoice: customer number, invoice number, invoice date and invoice amount.
- After registration, click on "Payments" in the upper right corner, select "Invoices." The system will prompt the user through the payment process.
- For Snap Pay questions, contact RA-OBCO_PYMTCENTER@pa.gov or 717-425-6724.
- If you cannot make payment online, **you must include a copy of the invoice with your check, or the payment will be returned.**

## CCRC ANNUAL DISCLOSURE STATEMENT FEE

Invoice ID: 1803118363

Due Date: 10/28/2024
Print Date: 9/27/2024

Payor ID: 10391

Payment Amount: $ _____

**Amount Due: $ 750**

**Questions or concerns?**
Email us at ra-in-companylicense@pa.gov

**From:** donotreply@snappayglobal.com
**To:** Gerber Jr, David
**Subject:** Invoice Payment Notification
**Date:** Tuesday, October 1, 2024 1:27:10 PM

**CAUTION:** This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

logo

**Invoice Payment Notification**

| | | |
|---|---|---|
| Account | : | 1000886781 - Commonwealth of Pennsylvania – Office of Budget - Comptroller Operations |
| Customer | : | 909968 - SARAH A REED RETIREMENT CENTER |
| Company | : | COPA - COPA |
| Currency | : | USD |
| Transaction Amount | : | 750.00 |
| Paid On | : | 10/1/2024 1:26:43 PM |
| Total Invoice | : | 1 |

**Payment Summary**

| Type | Last 4 | PG Transaction ID | Transaction Amount | Return Description |
|---|---|---|---|---|
| Checking Account | 3113 | 1400310000037990946949 | 750.00 | Transaction successful. |

**Invoice Summary**

| Invoice | Invoice Type | Pay Item | Original Invoice Amount | Current Open Amount | Paid Amount | Discount Taken | Remaining Amount | Reason Code | Remarks |
|---|---|---|---|---|---|---|---|---|---|
| 1803118363 | DX | 001 | 750.00 | 750.00 | 750.00 | 0.00 | 0.00 | | 2024 CCRC Filing Fee #909968 |

Click here to Sign In to SnapPay

Contact Information

Customer Service: 717-425-6724 For further assistance, please email Email: Customer Service

# SARAH A. REED RETIREMENT CENTER

## Current Resident's Agreement

## FYE 06/30/2024

**SARAH REED SENIOR LIVING**
**ADMISSION AGREEMENT**
**NURSING FACILITY**

**THIS AGREEMENT**, made on: _____ (the "Effective Date"), by and between The Sarah A. Reed Retirement Center d/b/a Sarah Reed Senior Living (hereafter "Sarah Reed") and _____ (hereafter "Resident"), previously residing at (Street Address and Post Office Box) _____ _____, and _____, Resident's legal representative and/or the individual who has access to Resident's income and financial resources available to pay for nursing care (hereafter "Responsible Person"), residing at (Street Address and Post Office Box) _____.

Resident has the right to identify a Resident Representative who shall be entitled to receive notice in the event of transfer or discharge, material changes in the Resident's condition, facility closure or other situations as indicated by Resident or as required by law. Resident is not required to name a Resident Representative. Resident elects to name _____ of _____, as the Resident Representative. The Resident Representative may also be the Responsible Person if Resident so chooses.

Resident and Responsible Person affirm that the information provided in the Pre-Admission Application is true and correct to the best of their knowledge and acknowledge that the submission of any false information may constitute grounds to terminate this Agreement.

Resident, Responsible Person and Sarah Reed, intending to be legally bound, agree as follows:

## 1. PROVISION OF SERVICES

**1.1 <u>NURSING AND OTHER SERVICES:</u>** Beginning on _____, [_____ *initials*] the designated admission date, Sarah Reed will provide the Resident with (a) routine nursing services as described in the Rate Schedule, attached to this Agreement as Appendix A and incorporated by reference; (b) _____ semi-private accommodations [_____*initials*] or _____ private accommodations [_____*initials*]; (c) three meals each day (except as otherwise medically indicated); (d) blankets, bed linens, towels and wash cloths; (e) laundering of blankets, linens, towels, and wash cloths, and personal laundry; (f) housekeeping services; and (g)

activity programs and social services as established by Sarah Reed. Resident acknowledges receipt of the Rate Schedule. The Rate Schedule sets forth the list of supplies and services included in Sarah Reed's Daily Rate, those supplies and services which are not covered by the Daily Rate for which the Resident will be separately charged, and those supplies and services covered by the Medicare and/ or Medicaid programs for enrolled residents.

Federal and state laws and regulations change regularly and frequently require changes related to the care and services provided by Sarah Reed. Additionally, other financial factors may require Sarah Reed to make changes related to the provision of its care and services. On this basis, the Rate Schedule may be changed from time to time, upon written notice to the Resident.

**1.2 ANCILLARY SERVICES AND SUPPLIES:** Sarah Reed will also provide ancillary services and supplies as identified on the Rate Schedule, and such other ancillary services and supplies at the option and upon the request of the Resident, or upon the direction of the Resident's treating physician or Sarah Reed's Medical Director. The ancillary services and supplies and applicable rates identified on the Rate Schedule are subject to change from time to time at the discretion of Sarah Reed.

**1.3 OUTSIDE PROVIDERS AND NON-FACILITY SERVICES:** Sarah Reed makes available, from time to time, the services of outside providers and non-facility services such as a licensed physician and dentist, a registered pharmacist and licensed pharmacy for the provision of pharmaceutical supplies, a licensed hospital, rehabilitation therapies and diagnostic services, laboratory, x-ray, podiatry, optometry, medications, ambulance services and hearing aid repair. These services are available under policies and procedures established by Sarah Reed and may be utilized by the Resident at his or her own expense unless the charges for such services are covered by a third-party payor. Should the Resident arrange for the services of outside providers, the providers must be properly licensed or registered under state and federal law and must comply with all Sarah Reed policies and procedures, including, but not limited to, providing Sarah Reed with documented proof of their legally required liability insurance coverage. All outside providers must be approved in writing by Sarah Reed before providing any services. At Sarah Reed's sole discretion, only providers deemed by Sarah Reed to fulfill all the requirements set forth in federal and state laws, as well as Sarah Reed's policies and procedures, may provide services to residents.

The Resident recognizes and agrees that all outside providers, including those designated by Sarah Reed, are independent contractors. The Resident recognizes and agrees that such providers are not associates or agents of Sarah Reed,

and that Sarah Reed is not liable for any outside provider's acts or omissions. The Resident shall be solely responsible for payment of all charges of any provider who renders care to the Resident in Sarah Reed, unless the charges are covered by a third party payor. Furthermore, the Resident agrees to confirm that any Resident-initiated, approved outside provider (i.e. private duty nurse, etc.) has worker's compensation insurance coverage as required by law, as well as liability insurance.

**1.4 ROLE OF ATTENDING PHYSICIAN AND MEDICAL DIRECTOR:** The Resident shall obtain the services of a qualified physician who will provide medical care during the Resident's stay at Sarah Reed and who shall comply with Sarah Reed's rules, regulations, policies, and procedures. Sarah Reed is not obligated to provide the Resident with any medications, treatments, special diets or equipment without specific orders or directions from the Resident's attending physician. In the event the Resident's personal physician is unavailable, Sarah Reed's Medical Director may issue appropriate orders. The Resident is responsible to pay for all services or equipment ordered by the Resident's attending physician or Sarah Reed's Medical Director for the Resident's care.

## 2. CHARGES

**2.1 RECURRING/PERIODIC CHARGES FOR ROUTINE NURSING SERVICES:** The Resident shall pay the Daily Rate, specified in the Rate Schedule in effect at the time the service is rendered, for routine nursing services provided to the Resident. The Daily Rate may be changed from time-to-time in accordance with the provisions of Section 3.3. Charges for a resident whose payor source is other than Medicare Part A or Medicaid will begin on the designated admission date or actual admission, whichever is earlier; charges for a resident whose payor source is Medicare Part A or Medicaid will begin no earlier than the date of admission.

**2.2 ADDITIONAL CHARGES FOR ANCILLARY SERVICES AND SUPPLIES:** The Resident shall pay for other services and supplies provided by or through Sarah Reed which are not covered by the Daily Rate as set forth in the Rate Schedule in effect at the time such ancillary services or supplies are rendered. Any items ordered by a physician, which are not identified on the Rate Schedule, will be provided at charges identified by Sarah Reed. The charges for ancillary services and supplies are subject to change from time-to-time.

**2.3 CHARGES FOR OUTSIDE AND NON-FACILITY SERVICES:** In addition to Sarah Reed's charges, Resident shall pay all fees and costs for goods or services furnished to or for Resident by anyone other than Sarah Reed as described in Section 1.3 (Outside Providers and Non-Facility Services) unless otherwise covered in full

by Medicare or Medicaid or another third-party payor. Resident or Responsible Person is obligated to pay such fees and costs whether the goods and services are furnished by a person or provider made available by Sarah Reed, or by a person or provider selected by the Resident, and whether the goods or services are provided at Sarah Reed or elsewhere. These fees and costs are not included in the Daily Rate. Fees for professional services rendered by a physician are not included in the Daily Rate and will be charged directly to the Resident by the physician.

## 3. PERIODIC BILLINGS AND PAYMENT DUE DATE

**3.1 MONTHLY STATEMENTS AND OTHER BILLINGS:** Sarah Reed will mail the Resident or the Responsible Person on or about the first (1st) calendar day of each month a billing statement reflecting charges for nursing services for the current month and charges for ancillary services and supplies which were incurred in the prior month. If Resident is admitted to Sarah Reed after the first of the month, the charges for the Daily Rate for the current month shall be pro-rated and reflected in the billing statement for the following month. Statements are due and payable upon receipt of the Monthly Statement.

**3.2 LATE CHARGES AND COST OF COLLECTION:** Any invoices not paid within thirty (30) days of the date of the invoice may be subject to a late charge of one and one-half percent (1.5%) per month (annual rate of eighteen percent (18%)), and Resident or Responsible Person is obligated to pay any late charges. In the event of a returned check, a service fee of Twenty-Five Dollars ($25.00) or the actual fee charged by the bank, whichever is greater, shall be due and payable by the Resident or Responsible Person. In the event Sarah Reed initiates any legal actions or proceedings to collect payments due from the Resident under this Agreement, Resident or Responsible Person shall be responsible to pay all attorneys' fees and costs incurred by Sarah Reed in pursuing the enforcement of Resident's financial obligations under this Agreement.

**3.3 MODIFICATION OF CHARGES:** Sarah Reed reserves the right to change the Rate Schedule reflecting the amount of any of its charges or how and when charges are computed, billed, or become due. Sarah Reed shall provide sixty (60) days advance written notice of any such changes.

**3.4 OBLIGATION OF RESIDENT'S ESTATE AND ASSIGNMENT OF PROPERTY:** The Resident and Responsible Person acknowledge the charges for services provided under this Agreement remain due and payable until fully satisfied. In the event of Resident's discharge for any reason, including death, this

Agreement shall operate as an assignment, transfer, and conveyance to Sarah Reed of so much of the Resident's property as is equal in value to the amount of any unpaid obligations under this Agreement. This assignment shall be an obligation of the Resident's estate and may be enforced against the Resident's estate. The Resident's estate shall be liable to and shall pay to Sarah Reed an amount equivalent to any unpaid obligations of the Resident under this Agreement.

## 4. OBLIGATIONS OF RESPONSIBLE PERSON

**4.1** **GENERAL OBLIGATIONS:** The Resident has the right to identify a Responsible Person (usually the Agent in the Resident's Power of Attorney or Guardian), who has access to Resident's income and financial resources available to pay for Resident's nursing care services. Resident elects to name _____of _____[*address*], as the Responsible Person. The Resident's selected Responsible Person shall sign this Agreement and the Responsible Person Agreement in recognition of this designation with the intent to be legally bound by all provisions in this Agreement except as modified by the Responsible Person Agreement. The Responsible Person shall be obligated to fulfill the duties on behalf of the Resident imposed by this Agreement and the Responsible Person Agreement in accordance with the law governing fiduciary duties. Sarah Reed may petition a court to appoint a Guardian and take other legal action if Sarah Reed reasonably believes that the Resident's needs are not being properly met or the duties imposed by this Agreement, or the Responsible Person Agreement are not being fulfilled by the Responsible Person. Resident, Resident's estate, or Responsible Person shall pay the cost of such Guardianship proceedings, including attorneys' fees.

**4.2** **POTENTIAL LIABILITY:** The Responsible Person's duties, obligations and responsibilities are set forth in the Responsible Person Agreement, which is incorporated by reference herein in its entirety. By signing this Agreement, the Responsible Person acknowledges that he/she has read the Responsible Person Agreement, understands the terms therein, and that he/she shall be bound by all terms set forth in the Responsible Person Agreement.

## 5. MEDICARE/MEDICAID PROGRAMS

**5.1 PARTICIPATION IN PROGRAMS:** Sarah Reed currently participates in the Pennsylvania Medical Assistance program ("Medicaid") and the federal Medicare program. Sarah Reed reserves the right to withdraw from the Medicaid or Medicare programs at any time in accordance with law.

**5.2 ACTIONS OF MEDICAID AND MEDICARE AGENCIES:** The Pennsylvania Department of Human Services ("DHS") is responsible for administering benefits under the Medicaid program. The Centers for Medicare and Medicaid Services ("CMS"), of the United States Department of Health and Human Services, is responsible for administering the Medicare program through an administrative contractor. Resident acknowledges that Sarah Reed is not responsible for, and has made no representations regarding, the actions or decisions of DHS, CMS, or the Medicare administrative contractor in administering the programs.

**5.3 MEDICAID BENEFITS.**

**(a) Obligations of Resident.** The Resident is obligated to make full and complete disclosure regarding all financial resources and income during the application process. Failure to identify all resources and income, or the submission of false information, may result in the termination of this Agreement. The Resident is obligated to notify Sarah Reed when Resident's resources available to satisfy the Resident's financial obligations under this Agreement have been reduced to Fifteen Thousand Dollars ($15,000). Resident is obligated to apply for Medicaid benefits at such time as Resident's resources will no longer be sufficient to pay all of Sarah Reed's charges for Resident's care and stay or when directed to do so by Sarah Reed. Resident shall provide any documentation requested by the County Assistance Office. Upon Sarah Reed's request, Resident shall execute an authorization for Sarah Reed to obtain Resident's financial information for the purposes of securing Medical Assistance benefits, pursing a hardship waiver, and bringing Resident's account current. In the event the Resident applies for Medicaid benefits, the Resident shall continue to pay and apply all of Resident's available resources toward the fulfillment of the Resident's financial obligations under this Agreement while the Medicaid application is pending an eligibility determination by DHS.

**(b) Patient Pay Amount.** For residents approved for Medicaid benefits, Sarah Reed will accept payment from the Commonwealth of Pennsylvania and, if applicable, the Resident's Patient Pay Amount as determined by DHS as payment in full only for those services covered by the Medicaid program. Resident remains obligated to pay such Patient Pay Amount, less any qualified medical expense

deductions, on a monthly basis. Services not covered by Medicaid are identified in the Rate Schedule and Resident remains obligated to pay for such services. In the event the Resident applies for Medical Assistance benefits, the Resident, or the Responsible Person, to the extent permitted by law, shall arrange for assignment to Sarah Reed of any payment on behalf of Resident in an amount equivalent to the Patient Pay Amount as determined by DHS.

**(c) Determination of Eligibility.** The Resident and Responsible Person are obligated to cooperate fully in any Medicaid eligibility determination or redetermination process. In the event that the Resident's eligibility for Medicaid benefits is denied, interrupted, or terminated due to the failure of the Resident or the Responsible Person to cooperate in the Medical Assistance application, redetermination, or appeal process, the Resident and Responsible Person shall be liable for the Daily Rate plus charges for ancillary services and supplies during any non-payment, and Sarah Reed may terminate this Agreement.

**(d) Authorization to Apply for and/or Appeal (Medicaid).** In the event of the Resident's incapacity and in situations where the Resident's resources are depleted or appear to be depleted to the extent that the Resident can no longer pay privately for nursing care, and it appears that the Resident has become or will become eligible for Medicaid benefits to cover the cost of the Resident's continued stay in Sarah Reed; and if there is no other legal representative of Resident known to Sarah Reed or other friend or relative known to Sarah Reed who is authorized and/or is available or willing to act on the Resident's behalf, after Sarah Reed has made a good faith effort to identify such persons; then the Resident hereby authorizes Sarah Reed to request, file and/or apply for Medicaid benefits on behalf of the Resident for the limited purpose of assisting the Resident to secure payment through the Medical Assistance program for the Resident's continued stay in Sarah Reed. In the event the application for Medicaid benefits filed on behalf of the Resident is denied, or in the event Medicaid benefits are granted and subsequently discontinued, the Resident hereby authorizes Sarah Reed to file on the Resident's behalf an appeal of any such denial of Medicaid eligibility or discontinuance of Medicaid benefits, and to take such actions to secure the Resident's Medicaid benefits as Sarah Reed deems reasonably necessary or appropriate and consistent with law. The Resident warrants and represents that the financial information disclosed in the Pre-Admission Application is true and accurate and may be relied on by Sarah Reed in pursuing Medicaid benefits on behalf of the Resident.

**(e) Authorization to File a Hardship Waiver with DHS on Behalf of Resident.** If DHS's application of a transfer of assets penalty operates to deprive Resident of medical care such that Resident's life would be in danger, or would deprive Resident of food, clothing or shelter, or other necessities of life, then in the event of Resident's incapacity, inability or unwillingness to act, and if there is no other legal representative of Resident known to Sarah Reed or any other friend or

relative known to Sarah Reed who is authorized and/or is promptly available or willing to act timely on behalf of Resident, then Resident authorizes Sarah Reed to file a Hardship Waiver with DHS on Resident's behalf.

**5.4 MEDICARE PART A AND MEDICARE PART B BENEFITS.** To the extent that Resident is a beneficiary under either Medicare Part A or Medicare Part B insurance and the nursing services or ancillary services, or supplies ordered by a physician are covered by such insurance, Sarah Reed or other provider will bill the charges for the covered services or supplies to the Medicare program. The Resident is responsible for and shall pay any co-insurance or deductible amounts under Medicare Part A or Part B insurance. Sarah Reed shall accept payment from the Medicare administrative contractor as payment in full only for those services deemed to be covered in full under the Medicare Part A or the Medicare Part B program. Services not covered by Medicare are identified in the Rate Schedule.

**(a) Appealing Denials of Medicare Coverage.** Where the Resident applies for Medicare benefits, the applicable administrative contractor, carrier, or government agency may deny the Resident these benefits or some portion of these benefits. Where a denial occurs, the Resident retains all responsibility for obtaining his or her benefits. Sarah Reed, however, in its sole and absolute discretion, may assist the Resident in making all claims and taking all other actions necessary to secure his or her benefits, including, but not limited to, appealing any initial or subsequent adverse determinations, including requests for reconsideration. The Resident agrees to provide Sarah Reed with all information related to obtaining benefits upon receipt, including, but not limited to, notices of denial. This paragraph does not apply to benefits for which Sarah Reed has determined the Resident is not eligible and does not affect the Resident's right to have a Demand Bill filed. This paragraph shall not create any responsibility on behalf of Sarah Reed to obtain any portion of benefits, nor any liability for failure to obtain same.

**5.5 MEDICARE PART D PRESCRIPTION DRUG BENEFITS.**

**(a) Enrollment in Medicare Part D Plan.** If Resident is an eligible beneficiary under the Medicare Part D insurance program and has enrolled or has been mandatorily enrolled in a Medicare Part D Prescription Drug or Medicare Advantage Plan ("PDP"), Resident shall advise Sarah Reed in writing of Resident's chosen PDP upon admission. In the event that Resident becomes an eligible beneficiary under Medicare Part D after admission, or subsequently chooses to enroll in a PDP following admission, Resident shall notify Sarah Reed in writing of Resident's chosen PDP prior to enrollment in the PDP. Resident shall advise Sarah Reed if Resident elects to change PDPs, and shall provide written notice of such

election, including the name/identity of the newly selected PDP prior to the effective date of the change in the PDP.

**(b) Resident's Responsibility to Pay for Pharmaceuticals.** Resident is responsible to pay the charges for all prescription and other drugs or medications while a resident in Sarah Reed, except to the extent that such drugs and medications are covered in whole or in part by any applicable government reimbursement program. Some or all of the charges for prescription drugs and other drugs and medications may be covered by certain benefits available through Medicare Part D or other private insurance or governmental insurance/benefit programs, including Medicare Part A or B. In the event that coverage for any prescription drug, supply, medication, or pharmaceutical provided to Resident is denied by any applicable governmental reimbursement program or other potentially available third-party payor or insurance program, then Resident or Responsible Person shall remain responsible to pay for all such prescription drugs, supplies, other medications, or pharmaceuticals.

**(c) Actions of Medicare Part D Plan.** Sarah Reed is not responsible for and has made no representations regarding the actions or decisions of any PDP, including, but not limited to, decisions relating to the establishment of the PDP formulary, denial of coverage issues, or contractual arrangements between the PDP and the Resident, and with respect to any decisions made by the PDP relating to any long term care pharmacy provider that may be under contract with Sarah Reed.

**(d) Dually Eligible Residents.** If Resident becomes eligible for Medicaid at any time during Resident's stay at Sarah Reed, and also qualifies for benefits under the Medicare Program, then Resident shall be required to enroll in a PDP to ensure coverage of Resident's prescription drug needs. Resident and/or Responsible Person shall take all necessary action to enroll Resident in a PDP and shall advise Sarah Reed of such enrollment upon Resident's acceptance into the PDP. Resident acknowledges that should Resident and/or Responsible Person fail to select a PDP, then CMS will assign Resident to a PDP. Resident shall provide written notice to Sarah Reed of the name of the Resident's PDP and the effective date of enrollment.

**(e) Billing and Resident Cost Sharing Obligations.** To the extent that Resident is a beneficiary under Medicare Part D, and the pharmacy prescriptions and/or services ordered by a physician are covered by Medicare Part D, then the Pharmaceutical Provider (as required by law) shall bill the charges for the covered services to the Resident's PDP. Resident is responsible for and shall pay any and all cost-sharing amounts applicable under Medicare Part D insurance. Sarah Reed shall not be responsible to pay for any fees or cost-sharing amounts, including co-insurance and deductibles, relating to the provision of covered Medicare Part D pharmaceuticals to Resident. To the extent that Resident may qualify as a "subsidy eligible individual" who would be entitled to a reduction or elimination of some or

all of the cost-sharing or premium amounts under the Medicare Part D benefit, Resident and/or Responsible Person has the sole responsibility to apply for such benefits.

**(f) Authorization to Request and/or Appeal Coverage Determinations.** In the event that Resident is denied coverage under Resident's PDP for pharmaceutical services or supplies prescribed by Resident's attending physician, then the following shall apply:

(1) Resident and/or Responsible Person may independently (i) request an exception from Resident's PDP to cover non-formulary or non-covered Medicare Part D drugs that are otherwise needed or required by Resident; (ii) file a request for a redetermination of any coverage denial issued by Resident's PDP; (iii) file an appeal with the appropriate agency and judicial tribunals to challenge any denial of a request for redetermination.

(2) In the event of Resident's incapacity, and if there is no other legal representative of Resident known to Sarah Reed or any other friend or relative known to Sarah Reed who is authorized and/or is promptly available or willing to act timely on behalf of Resident, or if Resident's physician is unable or unwilling to act on behalf of Resident, then Resident authorizes Sarah Reed to (i) request an exception from Resident's PDP to cover non-formulary or non-covered Medicare Part D drugs that are otherwise needed or required by Resident; (ii) file a request for a redetermination of any coverage denial issued by Resident's PDP; (iii) file an appeal with the appropriate agency and judicial tribunals to challenge any denial of a request for redetermination.

(3) In the event of an initial denial of coverage by the Resident's PDP, then pending the outcome of an exception request, a request for redetermination, or an appeal, and in the event that Resident's attending physician fails to prescribe a clinically and reasonably acceptable substitute prescription medication, Resident authorizes Sarah Reed's Medical Director to prescribe a clinically and reasonably acceptable substitute prescription medication which is covered by Resident's PDP, if such clinically and reasonably acceptable substitute is available.

(4) If a request for exception (filed by Resident, Sarah Reed or any other authorized representative) is ultimately denied following either reconsideration by the PDP or appeal to an appropriate tribunal, and if the requested pharmaceuticals are deemed medically necessary by Resident's physician, and no reasonably acceptable substitute, as determined by Sarah Reed's Medical Director, from the formulary of Resident's PDP exists, then Sarah Reed shall make arrangements to provide the requested pharmaceuticals to Resident through an arrangement with an outside pharmacy. In any such situation, Resident shall be

responsible to pay all fees and costs for the non-covered pharmaceuticals, consistent with the requirements of this Section.

**(g) No Effect on Medicare Part A Covered Nursing Services.** Resident's Medicare Part D prescription drug benefits do not apply while the Resident's stay in Sarah Reed is covered under Medicare Part A. While Resident is in Sarah Reed on a Medicare Part A stay, Resident's pharmaceutical needs generally are covered by the Medicare Part A program.

**5.6 NON-COVERED SERVICES:** Resident is and remains obligated to pay Sarah Reed for services and supplies not covered by the Medicaid or the Medicare programs.

## 6. MANAGED CARE ORGANIZATIONS

**6.1 PARTICIPATION IN MANAGED CARE ORGANIZATIONS:** Sarah Reed is an authorized provider of skilled nursing services to members of certain managed care organizations (MCOs). The MCOs for whom Sarah Reed is an authorized provider are listed on Appendix B.

**6.2 ENROLLMENT IN A MANAGED CARE ORGANIZATION:** The Resident or Responsible Person shall notify Sarah Reed in writing prior to enrolling with a MCO or switching the Resident's MCO enrollment.

**6.3 ACTIONS OF MANAGED CARE ORGANIZATION:** The Resident acknowledges that an MCO for whom Sarah Reed is not an authorized provider may not approve payment for services provided by Sarah Reed. The Resident acknowledges that Sarah Reed in not responsible for and has made no representations regarding the actions or decisions of any MCO for whom Sarah Reed is an authorized provider, including decisions relating to a denial of coverage.

**6.4 OBLIGATIONS OF RESIDENT:** Sarah Reed will accept payment from the MCO as payment in full only for those services and supplies covered by the MCO. The Resident is responsible for any co-payments or other costs assigned to the Resident under the specific terms of the managed care plan. Resident also shall pay for any services or supplies not covered by the MCO under the specific terms of the managed care plan. Co-payments and other costs assigned to the Resident and charges for services or supplies not covered by the specific terms of the managed care plan are identified in the Rate Schedule. Managed care plans typically require pre-authorization of services by the MCO. If the Resident chooses to have services,

which the MCO refuses to pre-authorize, the Resident shall pay Sarah Reed for those services. Further, the Resident shall pay Sarah Reed for services for which the MCO has denied payment because the Resident failed to supply information to the MCO, or for services, which are denied subsequently by the MCO. Resident shall pay Sarah Reed in a timely manner for all non-covered services retroactive to the date of the initial delivery of services.

**6.5 WITHDRAWAL FROM PARTICIPATING IN THE MCO:** Sarah Reed reserves the right to terminate its contractual relationship and its status as a network or authorized provider with one or more of the listed MCOs at any time in accordance with law and the terms of the applicable agreement. In the event that Sarah Reed terminates its contractual relationship with the MCO in which the Resident is enrolled, the Resident may convert his or her coverage to a health plan for whom Sarah Reed is an authorized provider or transfer to a facility that is an authorized provider for the Resident's MCO. Effective the date of Sarah Reed's withdrawal from the Resident's MCO, the Resident is obligated to pay for services and supplies provided to the Resident as a private pay resident. If possible, Sarah Reed shall provide the Resident with thirty (30) days advance notice of its decision to withdraw as a participating provider from the Resident's MCO so the Resident and the MCO can coordinate a transfer to another facility.

**6.6 NOTICE OF CHANGE IN INSURANCE COVERAGE:** The Resident and/or Responsible Person shall notify Sarah Reed immediately of any change in the Resident's insurance status or coverage made by the insurance carrier including, but not limited to, being dropped by the insurance carrier for any reason, or a decrease or increase in insurance benefits. The Resident and/or the Responsible Person shall give Sarah Reed notice before the Resident is unable to meet the Resident's insurance premium or before the Resident implements an increase, decrease or termination from the insurance coverage.

## 7. THIRD PARTY PAYMENTS

**7.1 ELIGIBILITY FOR THIRD-PARTY PAYMENTS:** The Resident may be or may become eligible to receive financial assistance, reimbursement, or other benefits from third parties, such as private insurance, employee benefit plans, Medical Assistance under the Pennsylvania Medical Assistance Program, Medicare benefits, managed care coverage, supplementary medical or other health insurance, supplemental security income insurance, or old-age survivors' or disability insurance. It is the responsibility of the Resident and/or the Responsible Person to apply for these benefits. If the Resident is or becomes eligible to receive payments from any third parties for the Resident's stay and care, Sarah Reed reserves the right

to collect such payments directly from the third-party source. The Resident and Responsible Person shall at all times cooperate fully with Sarah Reed and each third-party payor to secure payment. Cooperation includes providing information; signing and delivering documents; and assigning to Sarah Reed (to the extent permitted by law) any payments for the Resident from federal or state governmental assistance programs or any other reimbursement or benefits to the extent of all amounts due Sarah Reed.

**7.2 ASSIGNMENT OF PAYMENTS:** The Resident irrevocably authorizes Sarah Reed to make claims and to take other actions to secure for Sarah Reed receipt of third party payments to reimburse Sarah Reed for its charges for the stay and care of the Resident. To the fullest extent permitted by law, as security for payment of Sarah Reed's charges, the Resident hereby assigns to Sarah Reed all of the Resident's rights to any third party payments now or subsequently payable to the extent of all charges due under this Agreement. The Resident or Responsible Person shall promptly endorse and turn over to Sarah Reed any payments received from third parties to the extent necessary to satisfy the charges under this Agreement. The Resident or Responsible Person shall sign any necessary documents to forward third-party payments directly from the payor to Sarah Reed.

**7.3 INSURANCE:** In the event of an initial or subsequent denial of coverage by the Resident's insurance carrier, the Resident shall pay Sarah Reed timely for all non-covered services retroactive to the date of the initial delivery of services, so long as such payment obligation is consistent with the regulations governing Sarah Reed's participation in the Medicare and Medicaid Programs.

## 8. FINANCIAL POWER OF ATTORNEY

The Resident is strongly encouraged to furnish to Sarah Reed, no later than the date of admission, a durable Power-of-Attorney executed by the Resident as Principal designating someone other than Sarah Reed or a representative or affiliate of Sarah Reed as Agent, for the limited purpose of financial decisions and payment of services. In the event the Resident fails to designate an Agent under a Power-of-Attorney, the Resident shall be responsible to pay for any guardianship proceedings related to the appointment of someone or a legal entity to make decisions on behalf of the Resident, if and when the Resident lacks capacity to make such decisions as determined by Sarah Reed**. Resident should first consult with his or her family and attorney before executing any Financial Power of Attorney form.**

## 9. READMISSION – BED HOLD POLICY

The Resident may need to be absent from Sarah Reed temporarily for hospitalization or therapeutic leave. The Resident may request that Sarah Reed hold open the Resident's bed during this time. This is known as a "bed hold." The Resident, and if known, the Resident's Responsible Person shall be given notice of the bed hold option at the time of hospitalization or therapeutic leave.

**9.1 PRIVATE PAY RESIDENTS:** If the Resident leaves Sarah Reed for a period of hospitalization, therapeutic leave, or any other reason (other than Resident's death), and if the Resident is not eligible for, or receiving, Medical Assistance benefits, Resident or Responsible Person may reserve a bed by electing, either verbally or in writing, to pay the Daily Rate in effect during the time period of Resident's temporary absence. If Resident or Responsible Person, either verbally or in writing elects not to reserve a bed or Resident or Responsible Person fails to make a verbal or written election to reserve a bed within twenty-four (24) hours of Resident's departure from Sarah Reed, then Resident's or Responsible Person's decision not to reserve a bed or his/her failure to make an election shall be construed as a request for discharge, and the Resident will be voluntarily discharged from Sarah Reed effective the date of the Resident's transfer. Readmission of Resident to Sarah Reed shall be subject to bed availability.

**9.2 MEDICAL ASSISTANCE RESIDENTS:** If the Resident is eligible for, or is receiving Medical Assistance benefits, and the Resident leaves Sarah Reed for a period of hospitalization or therapeutic leave, the Resident's bed will be reserved for the applicable maximum number of days paid for a reserved bed under the Pennsylvania Medical Assistance Program. The bed reservation period may be subject to change in accordance with any changes in the Pennsylvania Medical Assistance Program. If the period of hospitalization or therapeutic leave exceeds the maximum time for reservation of a bed under the Pennsylvania Medical Assistance Program, the Resident will be entitled to the first available accommodation suitable for the Resident's level of care if, at the time of readmission, the Resident requires the services provided by Sarah Reed. Alternatively, following the lapse of the bed reservation period covered by the Medical Assistance Program, the Resident may reserve a bed by electing to pay the Medical Assistance per diem rate charged immediately prior to the leave, and by providing written notice and advance payment for the days included in the reservation period.

**9.3 MEDICARE RESIDENTS:** In the event that a Resident eligible for Medicare Part A benefits is transferred to or readmitted to a hospital, Medicare Part A

eligibility will be terminated on the day the Resident is admitted to the hospital. Resident or Responsible Person may reserve a bed by electing, either verbally or in writing, to pay the Daily Rate in effect during the time period of Resident's temporary absence. If Resident or Responsible Person, either verbally or in writing, elects not to reserve a bed or Resident or Responsible Person fails to make a verbal or written election to reserve a bed within twenty-four (24) hours of Resident's departure from Sarah Reed, then Resident's or Responsible Person's decision not to reserve a bed or his/her failure to make an election shall be construed as a request for discharge, and the Resident will be voluntarily discharged from Sarah Reed effective the date of Resident's transfer. Readmission of Resident to Sarah Reed shall be subject to bed availability.

## 10. PERSONAL FUNDS

**10.1 PERSONAL FUNDS MANAGEMENT:** The Resident is responsible to provide his or her personal funds, and the Resident has the right to manage his or her personal funds. The Resident may authorize Sarah Reed, in writing via a "Permission to Handle Patient Personal Fund Account" form, to hold the Resident's personal funds, and may revoke at any time Sarah Reed's authorization by providing Sarah Reed with a written notice signed and dated by the Resident or the Responsible Person. If the Resident authorizes Sarah Reed to hold the Resident's personal funds, Sarah Reed shall hold, safeguard and account for the Resident's personal funds in accordance with applicable provisions in the Resident Handbook.

**10.2 REFUNDS OF PERSONAL FUNDS:** Any personal funds or valuables of the Resident held by Sarah Reed will be refunded, subject to deductions for payment of any outstanding bills or other amounts due Sarah Reed, such as any costs incurred by Sarah Reed to repair Resident's room for damages caused by the Resident, within thirty (30) days after the Resident's eviction, discharge, or death. In the event of the Resident's death, such refund will be made to the duly authorized representative of the Resident's estate or to such entities or persons entitled to the refund under current law.

**10.3 REFUNDS OF PREPAYMENTS OR OVERPAYMENTS:** Any prepayments or overpayments made by the Resident and held by Sarah Reed will be refunded, subject to deductions for payment of any outstanding bills or other amounts due Sarah Reed, within thirty (30) days after the Resident's discharge or death. In the event of the Resident's death, such refund will be made to the duly authorized representative of the Resident's estate or to such other entities or persons entitled to

the refund under current law. No interest shall accrue on any funds required to be refunded under this Agreement.

## 11. CHANGES IN ROOM ASSIGNMENTS

Sarah Reed reserves the right and discretion to move the Resident to another room or bed within Sarah Reed, and the right and discretion to move the Resident's roommate, if any, at any time consistent with the needs of Sarah Reed.

## 12. DEATH OF RESIDENT

In the event of the Resident's death, Sarah Reed shall notify the person(s) designated by the Resident. Sarah Reed is authorized to arrange for the transfer of Resident's body to the designated funeral home. The Resident's estate is responsible for the payment of all costs associated with the transfer and funeral expenses. The Resident shall notify Sarah Reed of any changes of the person(s) or funeral home to be notified in the event of death.

## 13. TERMINATION, TRANSFER OR DISCHARGE

**13.1** **RESIDENT INITIATED:** The Resident may terminate this Agreement upon seven (7) days written notice to the Administrator of Sarah Reed. If Resident leaves Sarah Reed for any reason other than a medical emergency or death, Resident must give written notice to Sarah Reed at least seven (7) days in advance of transfer, discharge, or termination of this Agreement. If advance written notice is not given to Sarah Reed, there will be due to Sarah Reed the applicable Daily Rate and other charges then in effect for Resident's stay and care for the required seven (7) day notice period. The charge applies whether or not the Resident remains at Sarah Reed during the seven (7) day notice period. The charge specified in this Section does not apply to a resident whose payor source is Medicare Part A or Medicaid.

**13.2** **FACILITY INITIATES:** Sarah Reed may terminate this Agreement and the Resident's stay and transfer or discharge the Resident if:

(a) The transfer or discharge is necessary to meet Resident's welfare and Resident's needs cannot be met in Sarah Reed;

(b) Resident's health has improved sufficiently so that

Resident no longer needs the services of Sarah Reed;

(c) The safety of individuals in Sarah Reed is endangered due to the clinical or behavioral status of Resident;

(d) The health of the individuals in Sarah Reed would otherwise be endangered;

(e) Resident has failed, after reasonable and appropriate notice, to pay for (or to have paid or treated as paid under the Medicare or Medicaid Programs) charges for Resident's care and stay at Sarah Reed; or

(f) Sarah Reed ceases to operate.

**13.3 NOTICE AND WAIVER OF NOTICE:** Except as specified in Section 13.4 of this Agreement, Sarah Reed will notify the Resident and, if applicable, Resident Representative and/or the Responsible Person at least thirty (30) days in advance of transfer or discharge. In situations, however, where appropriate plans that are acceptable to the Resident can be implemented earlier, or in cases of emergencies, including those situations described in subparagraphs (a), (c) and (d) above, then only such notice as is reasonable under the circumstances shall be provided.

**13.4 FACILITY CLOSURE:** In the event of an impending closure, the Administrator of Sarah Reed shall provide the notice of closure and the closure plan developed to the Department for approval at least seventy-five (75) days prior to the proposed date of closure. At least sixty (60) days prior to the date of closure, the Administrator of Sarah Reed shall provide written notification of such closure to the Office of the State Long Term Care Ombudsman Program, the Resident and, if applicable, Resident Representative and/or the Responsible Person, the employees of the facility, and the Secretary of the Department of Health and Human Services ("HHS"). If the State terminates Sarah Reed's participation in the Medicare and/or Medicaid Programs, then in that event, Sarah Reed shall provide written notice regarding the closure of Sarah Reed no later than the date that the Secretary of HHS deems appropriate.

**13.5 WITHDRAWAL AGAINST ADVICE:** In the event the Resident withdraws from Sarah Reed against the advice of his/her attending physician and/or without approval of Sarah Reed, all of Sarah Reed's responsibilities for the care of the Resident are terminated.

## 14. FACILITY RULES, REGULATIONS, POLICIES AND PROCEDURES

The Resident shall comply fully with all governmental laws and regulations, the provisions of this Agreement, and Sarah Reed's rules, regulations, policies, and procedures as published in Sarah Reed's Resident Handbook or other documents, or publications made available by Sarah Reed. Sarah Reed reserves the right to amend or change its rules, regulations, policies, and procedures. Sarah Reed's rules, regulations, policies, and procedures shall not be construed as imposing contractual obligations on Sarah Reed or granting any contractual rights to Resident and are subject to change from time-to-time. Sarah Reed does not permit smoking anywhere within its nursing facility, including hallways, elevators, and corridors.

## 15. PERSONAL AND OTHER PROPERTY

**15.1 RESPONSIBILITY FOR MAINTENANCE AND LOSS:** The Resident is responsible for furnishing and maintaining his or her own clothing and other items of property as needed or desired. The Resident is encouraged to and may obtain at his or her own expense, casualty insurance to cover potential damage to or loss of any of the Resident's personal property. If damage or loss occurs to the Resident's property, Sarah Reed will investigate each incident of loss or damage to determine liability and assess responsibility depending on the facts and circumstances of each incident. Sarah Reed shall be responsible for only such losses or damages as are attributed by Sarah Reed to the negligence or fault of Sarah Reed.

**15.2 DISPOSITION AND STORAGE UPON RESIDENT'S DEATH:** Upon Resident's death, Sarah Reed shall contact Resident's authorized representative within twenty-four (24) hours to arrange for an inventory of Resident's personal property. Sarah Reed is authorized to transfer the Resident's personal property to a duly authorized representative of the Resident's estate or to such parties or persons entitled to the property under current law. The duly authorized representative of the Resident's estate or other persons entitled to property under current law must acknowledge, in writing, the receipt of the personal property transferred to his or her custody by Sarah Reed. After completing an inventory, Sarah Reed, in its sole discretion, may move and place the Resident's personal property into storage at Sarah Reed's expense. If property held in storage is not claimed within thirty (30) days, Sarah Reed shall send a notice to the authorized representative via certified mail that if items in storage are not removed within fourteen (14) days of receipt of the letter, then Sarah Reed may dispose of Resident's property.

**15.3 DISPOSITION AND STORAGE UPON RESIDENT'S TRANSFER OR DISCHARGE:** If Resident's personal property is not claimed or removed within twenty-four (24) hours of Resident's permanent transfer or discharge, Sarah Reed shall move and place Resident's personal property in storage until claimed. If Resident's personal property remains unclaimed for seven (7) days after permanent transfer or discharge, Resident shall be obligated to pay a storage fee as assessed by Sarah Reed. After a thirty (30) day period in storage, Sarah Reed may dispose of Resident's property. Sarah Reed is not responsible for any damages incurred to Resident's property if storage becomes necessary. Resident or Resident's estate shall be obligated to pay all costs of storage or disposition and shall bear the risk of loss or damage to the property.

**15.4 DAMAGE TO ROOM OR FACILITY PROPERTY:** Resident or Resident's estate is responsible for any damages caused to Sarah Reed property beyond normal wear and tear and shall pay for the repair and replacement of damaged property, based on the actual charge or cost to Sarah Reed for such repair or replacement.

## 16. RESIDENT RECORDS

Resident consents to the release of Resident's personal and medical records maintained by Sarah Reed for treatment, payment and operations as determined reasonably necessary by Sarah Reed. Any such release may be to Sarah Reed's employees, agents and to other health care providers from whom the Resident receives services, to third-party payors of health care services, to any MCO in which Resident may be enrolled, or to others deemed reasonably necessary by Sarah Reed for purposes of treatment, payment, and operations. Release of records for other purposes shall be done in accordance with applicable law, with a specific authorization from the Resident where required. Authorized agents of the state or federal government, including the Long Term Care Ombudsman, may obtain Resident's records without the written consent or authorization of Resident.

## 17. TREATMENT AUTHORIZATION

Resident authorizes Sarah Reed to provide care and treatment consistent with the terms of this Agreement. Resident also authorizes Sarah Reed to obtain all necessary clinical and/or financial information from the hospital or nursing facility from which Resident may be transferring. From time to time Sarah Reed may participate in training programs for individuals seeking licensure or certification as

health care workers. In the course of this participation, care may be rendered to the Resident by such trainees under supervision as required by law. Consent to routine nursing care provided by Sarah Reed shall include consent for care by such trainees.

## 18. CAPACITY OF RESIDENT AND GUARDIANSHIP

If Resident is, or becomes, unable to understand or communicate, and is determined by the Resident's Physician or Sarah Reed's Medical Director after admission to be incapacitated, Sarah Reed shall have the right, in the absence of the Resident's prior designation of an authorized legal representative, or upon the unwillingness or inability of the legal representative to act, to commence a legal proceeding to adjudicate the Resident incapacitated and to have a court appoint a guardian for the Resident. The cost of the legal proceedings, including attorneys' fees, shall be paid by the Resident or the Resident's estate.

## 19. SARAH REED'S GRIEVANCE PROCEDURE

**19.1 REPORTING COMPLAINTS:** If Resident, Responsible Person, or Resident Representative believe(s) that Resident is being mistreated in any way or Resident's rights have been or are being violated by staff or another resident, Resident, Responsible Person or Resident Representative may file a complaint with Sarah Reed's Grievance Officer. Resident, Responsible Person, or Resident Representative must notify the Grievance Officer of any such complaints, and Sarah Reed shall respond to such complaints within a reasonable time period. After Sarah Reed has responded to such complaints, the Resident, Responsible Person or Resident Representative, if he/she so chooses, may pursue mediation and/or arbitration. This provision is not intended to preclude Resident, Responsible Person, or Resident Representative from filing a complaint with any appropriate governmental regulatory agency at any time. The contact information for the Grievance Officer is as follows:

Name: Kyle Johnson, COO/Administrator
Address: Sarah Reed Senior Living
227 West 22nd Street
Erie, PA 16502
Email: KyleJohnson@sarahareed.org
Phone No.: 814-878-2611

**19.2 SARAH REED'S OBLIGATIONS:** The Grievance Officer will review and investigate the complaint and provide a response to Resident/Resident Representative or Responsible Person.

**19.3 VOLUNTARY MEDIATION:** Mediation is a form of alternative dispute resolution whereby an impartial person facilitates communication between the parties. The goal of mediation is to resolve the dispute promptly, amicably, and without incurring significant time and expense. Mediations are non-binding in nature. This Agreement provides for voluntary mediation whereby the parties may, upon mutual agreement, engage in mediation before resorting to arbitration. If the parties mutually agree to mediate any dispute that may arise between them, then the mediation will be conducted at Sarah Reed or at a site within a reasonable distance of Sarah Reed, subject to the mutual agreement of the parties. If the parties are unable to resolve their dispute through mediation, then the dispute can only be resolved by arbitration as provided in this Agreement. If the parties do not mutually agree to mediate any dispute that may arise between them, then they must proceed directly to arbitration. The costs of the mediation shall be borne equally by each party, and each party shall be responsible for their own legal fees.

**19.4 MANDATORY, BINDING ARBITRATION:** Arbitration is a specific process of dispute resolution utilized instead of the traditional state or federal court system. Instead of a judge and/or jury determining the outcome of a dispute, a neutral third party ("Arbitrator(s)") chosen by the parties to this Agreement renders the decision, which is binding on both parties. Generally an Arbitrator's decision is final and not open to appeal. The Arbitrator will hear both sides of the story and render a decision based on fairness, law, common sense, and the rules established by the Arbitration Association selected by the parties. When Arbitration is mandatory, it is the only legal process available to the parties. Mandatory Arbitration has been selected with the goal of reducing the time, formalities, and cost of utilizing the court system. ADR Options, Inc. is the designated arbitration agency that shall hear disputes specified in Sections 19.4(a-b) of this Agreement. ADR Options, Inc. is an impartial alternative dispute resolution organization that provides a panel of neutral third party arbitrators from which Resident and Sarah Reed, upon mutual agreement, shall select an arbitrator(s) to facilitate dispute resolution.

**(a) Contractual and/or Property Damage Disputes.** Unless resolved or settled by mediation, any controversy, dispute, disagreement or claim of any kind or nature, arising from , or relating to this Agreement, or concerning any rights arising from or relating to an alleged breach of this Agreement, with the exception of (1) guardianship proceedings resulting from the alleged incapacity of the Resident; (2) collection actions initiated by Sarah Reed for non-payment of stay or failure of Responsible Person to fulfill their obligations under this Agreement or the Responsible Person Agreement which results in a financial loss to Sarah Reed; and (3) disputes involving amounts in controversy of less than Twelve Thousand Dollars ($12,000), shall be resolved exclusively by arbitration. This means that the Resident will not be able to file a lawsuit in any court to resolve any disputes or claims that the Resident may have against Sarah Reed. It also means that the Resident is

relinquishing or giving up all rights that the Resident may have to a jury trial to resolve any disputes or claims against Sarah Reed. It also means that Sarah Reed is giving up any rights it may have to a jury trial or to bring claims in a court against the Resident. Subject to Section 19.4(f), the arbitration shall be administered by ADR Options, Inc., in accordance with the ADR Options Rules of Procedure, and judgment on any award rendered by the arbitrator(s) may be entered in any court having appropriate jurisdiction. Resident and/or Responsible Person acknowledge(s) and understand(s) that there will be no jury trial on any claim or dispute submitted to arbitration, and Resident and/or Responsible Person relinquish and give up their rights to a jury trial on any matter submitted to arbitration under this Agreement.

**(b) Personal Injury or Medical Malpractice.** Unless resolved or settled by mediation, any claim that the Resident may have against Sarah Reed for any personal injuries sustained by the Resident arising from or relating to any alleged medical malpractice, inadequate care, or any other cause or reason while residing in Sarah Reed, shall be resolved exclusively by arbitration. This means that the Resident will not be able to file a lawsuit in any court to bring any claims that the Resident may have against Sarah Reed for personal injuries incurred while residing in Sarah Reed. It also means that the Resident is relinquishing or giving up all rights that the Resident may have to a jury trial to litigate any claims for damages or losses allegedly incurred as a result of personal injuries sustained while residing in Sarah Reed. Subject to Section 19.4(f), the Arbitration shall be administered by ADR Options, Inc., in accordance with the ADR Options Rules of Procedure, and judgment on any award rendered by the arbitrator(s) may be entered in any court having appropriate jurisdiction. Resident and/or Responsible Person acknowledge(s) and understand(s) that there will be no jury trial on any claim or dispute submitted to arbitration, and Resident and/or Responsible Person relinquish and give up the Resident's right to a jury trial on any claims for damages arising from personal injuries to the Resident which are submitted to arbitration under this Agreement.

**(c) Exclusion From Arbitration.** Those disputes which have been excluded from mandatory arbitration (i.e., guardianship proceedings, collection actions initiated by Sarah Reed, and disputes involving amounts in controversy of less than $12,000) may be resolved through the use of the judicial system. In situations involving any of the matters excluded from mandatory arbitration, neither Resident nor Sarah Reed is required to use the arbitration process. Any legal actions related to those matters may be filed and litigated in any court which may have jurisdiction over the dispute. This arbitration provision shall not impair the rights of Resident to appeal any transfer and/or discharge action initiated by Sarah Reed to the appropriate administrative agency, and after the exhaustion of such administrative appeals, to appeal to the court exercising appellate jurisdiction over the administrative agency.

**(d) Right to Legal Counsel.** Resident has the right to be represented by legal counsel, at his/her own cost, in any proceedings initiated under this arbitration provision. Because this arbitration provision addresses important legal rights, Sarah Reed encourages and recommends that Resident obtain the advice and assistance of legal counsel to review the legal significance of this mandatory arbitration provision prior to signing this Agreement.

**(e) Location of Arbitration.** The Arbitration will be conducted at Sarah Reed or at a site within a reasonable distance of Sarah Reed, subject to the mutual agreement of the parties.

**(f) Time Limitation for Arbitration.** Any request for arbitration of a dispute must be requested and submitted to ADR Options, Inc., with notice to the other party, prior to the lapse of two (2) years from the date on which the event giving rise to the dispute occurred or before the expiration of the applicable statute of limitations for the dispute, whichever is earlier. Determination of the lapse of two (2) years from the date on which the event giving rise to the dispute occurred and determination of the applicable statute of limitations shall be made by the arbitrator as part of the arbitration process. In the event ADR Options, Inc., is unable or unwilling to serve, then the request for Arbitration must be submitted to Sarah Reed within thirty (30) days of receipt of notice of ADR Options, Inc.'s, unwillingness or inability to serve as a neutral arbitrator. The parties shall mutually select an alternative neutral arbitration service within thirty (30) days thereafter and the selected Arbitration Agency's procedural rules shall apply to the arbitration proceeding. The failure to submit a request for Arbitration to ADR Options, Inc., or an alternate neutral arbitration service selected by the parties, within the designated time (i.e., two (2) years or the applicable statute of limitations, whichever is earlier) shall operate as a bar to any subsequent request for Arbitration, or for any claim for relief or a remedy, or to any action or legal proceeding of any kind or nature, and the parties will be forever barred from arbitrating or litigating a resolution to any such dispute. Contact information for ADR Options, Inc., is as follows:

Suite 1110
1800 John F. Kennedy Blvd.
Philadelphia, PA 19103
Phone: (215) 564-1775 / (800) 364-6098
Fax: (215) 564-1822
Website: www.adroptions.com

**(g) Allocation of Costs for Arbitration.** The costs of the arbitration shall be borne equally by each party, and each party shall be responsible for their own legal fees. If Resident is or becomes eligible for Medicaid, then Sarah Reed shall pay the

costs of the arbitration, but Resident shall remain responsible to pay any legal fees incurred by Resident.

**(h) Limited Resident Right to Rescind this Mandatory Arbitration Clause (Sections 19.4(a-m) of this Agreement.** Resident or, in the event of the Resident's incapacity, Resident's authorized representative have the right to rescind this arbitration clause by notifying Sarah Reed in writing within thirty (30) days of the execution of this Agreement. Such notice must be sent via certified mail to the attention of the Administrator of Sarah Reed, and the notice must be post-marked within thirty (30) days of the execution of this Agreement. The notice may also be hand-delivered to the Administrator within the same thirty (30) day period. The filing of a claim in a court of law within the thirty (30) days provided for above will automatically rescind the arbitration clause without any further action by Resident, or Resident's authorized representative.

**(i) Not a Condition of Admission or Receipt of Care. Mandatory arbitration is not required as a condition of admission to, or as a condition of receiving care at, Sarah Reed.**

**(j) Confidentiality.** Resident agrees that, at all times, Resident will keep any information regarding the arbitration proceeding, including rulings, decisions, and awards by the arbitrator, confidential and will not disclose voluntarily to any third party, except to the extent required by law. Resident is permitted to disclose that the matter has been resolved, without disclosing the results of the arbitration proceeding. Nothing in this provision is intended to prohibit or discourage the Resident or anyone else from communicating with or filing any complaints about Sarah Reed with any federal, state, or local officials, including but not limited to, federal and state surveyors, other federal or state health department employees, and representatives of the Office of the State Long-Term Care Ombudsman.

**(k) Acknowledgment.** Resident and Responsible Person acknowledge that they have read and understand the terms of this arbitration clause, that the terms have been explained to them by a representative of Sarah Reed, and that they have had an opportunity to ask questions about this clause.

**(l) Severability of Arbitration Clause (Sections 19.4(a-m) of this Agreement).** If any provision of this arbitration clause is determined by a judicial or administrative tribunal of proper jurisdiction to be invalid or unenforceable, such provision shall be severed and the balance of this arbitration clause shall remain in full force and effect.

**(m) Law Governing Arbitration Clause.** This arbitration clause shall be governed by and interpreted under the Federal Arbitration Act, 9 U.S.C. Sections 1-16.

**RESIDENT AGREES _____ [_____ *INITIALS*]/DOES NOT AGREE _____ [_____ *INITIALS*] TO BE SUBJECT TO THE TERMS AND CONDITIONS OF SECTIONS 19.3 AND 19.4 OF THIS AGREEMENT.**

## 20. NOTICE

Wherever written notice is required to be given to Sarah Reed under this Agreement, it shall be sufficient if notice is provided by personally delivering it or by first-class mail, return receipt requested, addressed to:

COO/Administrator
Sarah Reed Senior Living
227 West 22nd Street
Erie, PA 16502

Notice to Resident will be provided by personal delivery to Resident's room, or where applicable, by first-class mail to Responsible Person and/or Resident Representative.

## 21. INDEMNIFICATION

Resident shall indemnify and hold Sarah Reed harmless from and against, and is responsible to pay for, any damages, including attorneys' fees and reasonable costs, including those incidents to establishing the right to indemnification for injury to or death of any person or other resident, or for damage to or loss of the property of any person or resident caused by the acts or omissions of Resident, to the fullest extent permitted by law.

## 22. MISCELLANEOUS PROVISIONS

**22.1 ENTIRE AGREEMENT:** This Agreement, the Responsible Person Agreement, and the Pre-Admission Application along with any documents attached or included by reference, represent the entire Agreement and understanding between the parties and supersedes, merges, and replaces all prior negotiations, offers, warranties and previous representations, understandings, or agreements, oral or written, between the parties.

**22.2 NON-ASSIGNABLE AGREEMENT:** The Resident agrees that the right of the Resident to reside at Sarah Reed is personal and not assignable. The Resident may not transfer his or her rights under this Agreement to any other person.

**22.3 GOVERNING LAW:** Unless otherwise provided herein, this Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Pennsylvania and shall be binding upon and inure to the benefit of each of the undersigned parties and their respective heirs, personal representatives, successors, and assigns.

**22.4 SEVERABILITY:** The Resident and Sarah Reed agree that each separate obligation contained in this Agreement shall be deemed a separate and independent agreement. If any term, condition, clause, or provision of this Agreement shall be determined or declared to be void or invalid in law or otherwise, then only that term, condition, clause, or provision shall be stricken from this Agreement, and in all other respects this Agreement shall be valid and continue in full force, effect, and operation.

**22.5 CAPTIONS:** The captions used in connection with the sections and subsections of this Agreement are inserted only for the purpose of reference. Such captions shall not be deemed to govern, limit, modify, or in any manner affect the scope, meaning or intent of the provisions of this Agreement, nor shall such captions be given any legal effect.

**22.6 WAIVER OF PROVISIONS:** Sarah Reed reserves the right to waive any obligation of Resident under the provisions of this Agreement in its sole and absolute discretion. No term, provision or obligation of this Agreement shall be deemed to have been waived by Sarah Reed unless such waiver is in writing by Sarah Reed. Any waiver by Sarah Reed shall not be deemed a waiver of any other term, provision or obligation of this Agreement, and the other obligations of Resident and this Agreement shall remain in full force and effect.

**22.7 MODIFICATIONS:** Sarah Reed reserves the right to unilaterally modify the terms of this Agreement to conform to subsequent changes in law, regulation, or operations. To the extent reasonably possible, Sarah Reed will give the Resident and, if applicable, Resident Representative and/or Resident's Responsible Person thirty (30) days advance written notice of any such modifications. The Resident may not modify this Agreement except by a writing, signed by Sarah Reed.

## 23. ACKNOWLEDGMENTS

**23.1 RATE SCHEDULE:** The Resident and the Responsible Person hereby acknowledge the receipt of the Rate Schedule and the opportunity to ask questions

about Sarah Reed's charges. The Resident and the Responsible Person hereby acknowledge that Sarah Reed can and will alter the rates from time to time, and that Resident will be subject to those changes. The Resident and the Responsible Person hereby agree to be subject to those changes as provided in this Agreement.

**23.2 COMMONWEALTH'S ADMISSIONS NOTICE PACKET/STATEMENT OF RESIDENTS RIGHTS:** The Resident and the Responsible Person hereby acknowledge being informed orally and of receiving a written copy of the Resident's Rights, as set forth in the Commonwealth's Admissions Notice Packet. Furthermore, the Resident and the Responsible Person hereby acknowledge having sufficient opportunity to ask questions about the Resident's rights and have received appropriate responses. The Resident and the Responsible Person hereby acknowledge that this information is subject to change from time to time and shall not be construed as imposing any contractual obligations on Sarah Reed or granting any contractual rights to the Resident.

**23.3 NOTICE OF PRIVACY INFORMATION PRACTICES:** The Resident and Responsible Person acknowledge the receipt of a copy of the privacy and security standards of the Health Insurance Portability and Accountability Act ("HIPAA"), and the opportunity to ask questions about Sarah Reed's policy.

**23.4 HEALTHCARE ADVANCE DIRECTIVES:** The Resident and the Responsible Person hereby acknowledge being informed orally and in writing about health care advance directives, including receiving a copy of Sarah Reed's policy concerning health care advance directives and medical treatment decisions and receiving a copy of the information disseminated by the Commonwealth of Pennsylvania regarding an individual's rights with respect to healthcare treatment decisions. Furthermore, the Resident and the Responsible Person hereby acknowledge having sufficient opportunity to ask questions about advance directives, Sarah Reed's policy thereon, and the information disseminated by the Commonwealth of Pennsylvania, and have received appropriate responses to all of their questions.

**23.5 AGREEMENT:** The Resident and the Responsible Person hereby acknowledge that they have carefully read and understand the terms of this Agreement, and that the terms have been explained to them by a representative of Sarah Reed. Furthermore, the Resident and the Responsible Person hereby acknowledge having sufficient opportunity to ask questions about the Agreement and have received appropriate responses.

**23.6 RESIDENT HANDBOOK:** The Resident and the Responsible Person acknowledge the receipt of a copy of the Resident Handbook and the opportunity to ask questions about Sarah Reed's policies contained in the Resident Handbook. The Resident Handbook is subject to change from time-to-time and shall not be construed as imposing any contractual obligations on Sarah Reed or granting any contractual rights to Resident.

**23.7 PHOTOGRAPHY CONSENT:** The Resident consents that photographs, videotapes, digital or other images may be recorded for identification purposes or to document care. The Center will retain ownership rights to these photographs, videotapes, digital or other uses, but that the Residents may access them or view copies. The images will be stored in a secure manner that will protect the privacy of the Resident and that they will be kept for the time period required by law. Any images that identify the Resident will be released outside Sarah Reed only upon written authorization from the Resident or legal representative.

**23.8 NONDISCRIMINATION NOTICE:** The Resident and Responsible Person acknowledge the receipt of a copy of Sarah Reed's Nondiscrimination Notice and Taglines, as required under Section 1557 of the Affordable Care Act, which are attached to this Agreement as Appendix C and incorporated by reference.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK
SIGNATURES ON FOLLOWING PAGE]

**IN WITNESS WHEREOF,** the parties, intending to be legally bound, have signed this Agreement on the date written below:

| | |
|---|---|
| _____ | _____ |
| Resident | Date |
| _____ | _____ |
| Agent for Resident pursuant to Power of Attorney or Guardian | Date |
| _____ | _____ |
| I represent that I am authorized to execute this Agreement on Resident's behalf (Authorized Agent) | Date |
| _____ | _____ |
| Responsible Person (if any) | Date |
| _____ | _____ |
| Sarah Reed Representative | Date |
| _____ | _____ |
| Witness | Date |

# Appendix A

| RATE SCHEDULE – NURSING FACILITY<br>EFFECTIVE DATE:<br>07/01/2024 | | | |
|---|---|---|---|
| **ITEM** | **PRIVATE PAY: Persons who are not eligible for Medicaid or Medicare and have adequate resources to pay for their stay** | **MEDICAID: Persons who qualify medically and financially for government funding to supplement their cost of care** | **MEDICARE A or Mcare Advantage Plan: Residents who require skilled services on a daily basis, meet qualifying criteria and have unused days available** |
| **Room Rates** | | | |
| **Private** | $454 - Daily Room Rate | Covered only if medically necessary | Covered only if medically necessary |
| **Semi-Private** | $377 - Daily Room Rate | Covered | Covered |
| **Patient Pay Portion of Room Rate, Charges** | Full Amount of Daily Room Rate | Patient Pay Portion of Monthly Income as designated by Medicaid Notice of Determination | Traditional Medicare: Based on full covered and coinsurance benefit days available. 2024 co-insurance rate is $204.00 per days 21-100. Medicare Advantage Plans: applicable co-pays and coverage according to plan benefits. |
| **Bed Hold - Reservation of room while out of the facility overnight, generally for hospital stays, etc.** | Daily room rate | Daily room rate covered for 15 days per hospital stay. Resident may opt to pay privately for bed hold beginning day 16 at current Medicaid bed hold rate. | Private Pay Daily room rate. This applies only in specific cases. |
| **Therapeutic Leave - Reservation of room overnight while on vacation, home trial with physician approval.** | Daily room rate | Daily room rate covered for 15 days per hospital stay. Resident may opt to pay privately for bed hold beginning day 16 at current Medicaid Therapeutic Leave bed hold rate. Max 30 days per calendar year. | Private Pay daily room rate. |
| **Meals** | Included | Included | Included |
| **Guest Meals** | Cost varies depending on meal and type of guest | Cost varies depending on meal and type of guest | Cost varies depending on meal and type of guest |
| **Bed Linens, Towels, etc.** | Included | Included | Included |
| **Laundering of Linens, etc.** | Included | Included | Included |
| **Laundering of Clothing** | Included | Included | Included |
| **Dry Cleaning Services** | As charged by outside vendor | As charged by outside vendor | As charged by outside vendor |
| **Housekeeping Services** | Included | Included | Included |
| **Recreational Programs** | Included | Included | Included |
| **Social Work Services** | Included | Included | Included |
| **Dietician Consultations** | Included | Included | Included |
| **Nursing Services** | Included | Included | Included |

| ITEM | PRIVATE PAY: Persons who are not eligible for Medicare or Medicaid and have adequate resources to pay for their stay | MEDICAID: Persons who qualify medically/financially for government funding to supplement their cost of care | MEDICARE A or Mcare Advantage Plan: Residents who require skilled services on a daily basis, meet qualifying criteria and have unused days available |
|---|---|---|---|
| **Medications - Physician recommended or prescribed medications, syrups and ointments, excluding supplements, etc.** | Direct billing from Pharmacy to resident or primary insurance coverage with physician order. The Center has no control of medication cost and resident should check directly with Pharmacy to determine this cost. | Billed by Pharmacy to DHS and/or residents prescription plan | Included in a covered skilled stay; when no longer covered, resident will be Private Pay or Medicaid. Facility suggests resident evaluate current medication regime and check with pharmacy directly as costs may be high based on type of medication. |
| **Radiology, Laboratory & other outpatient services. Physician ordered** | Direct billing from provider to resident's insurance(s). Copay is resident responsibility | Direct billing from provider to resident's insurance(s). | May be included depending on resident's insurance carrier or will be direct billed from provider to resident's insurance(s) |
| **Oxygen- Concentrator** | $4.25 per day | Included | Included |
| **Oxygen - Portable Companion** | $2.20 per day | Included | Included |
| **Oxygen – Portable Fill - 5# (only)** | $6.79 each fill | Included | Included |
| **Oxygen - Nebulizer** | $0.70 per day | Included | Included |
| **Oxygen - E Tank** | $20.00 per tank | Included | Included |
| **Ambulance Service Physician ordered** | Direct billing from provider to resident's insurance(s). | Coverage varies based on reason for transportation | Coverage varies based on reason for transportation. |
| **Wheelchair Transport via Emergycare or Millcreek Paramedic Transport Services** | $50.00-$80.00 each transport plus $5.00/mile. Prices subject to change by provider | Coverage varies based on reason for transportation | Coverage varies based on reason for transportation. |
| **Physician Services-Includes Attending Physician, Specialist, Optometrist, Dentist, Chiropractor** | Direct billing from provider to resident or primary insurance coverage | Direct billing from provider to resident or primary insurance coverage | Direct billing from provider to resident or primary insurance coverage |
| **Physical, Speech, Occupational Therapies Physician Ordered** | Direct billing from provider to resident's insurance(s) billed. | Direct billing from provider to resident's insurance(s) billed | Included in Covered Stay |
| **Assistive Devices i.e. wheelchairs, walkers, canes, etc.** | Non-specialty wheelchairs are provided by SAR | Most equipment is covered | Most equipment is included. |
| **Beauty/Barber Services at Sarah Reed Senior Living Salon** | Resident is charged current rates for services received | Two services per month (excludes color, highlight & perm) plus One haircut per month without charge. Additional services are charged at current rates. | One haircut per month is included while in covered stay |

| ITEM | PRIVATE PAY: Persons who are not eligible for Medicare or Medicaid and have adequate resources to pay for their stay | MEDICAID: Persons who qualify medically/financially for government funding to supplement their cost of care | MEDICARE A or Mcare Advantage Plan: Residents who require skilled services on a daily basis, meet qualifying criteria and have unused days available |
|---|---|---|---|
| **Telephone Service, incl. Long Distance within US** | Included | Included | Included |
| **Cable Television** | Included | Included | Included |
| **Newspaper** | Direct pay to carrier | Direct pay to carrier | Direct pay to carrier |
| **Personal Grooming Items** | | | |
| -Deodorant | $0.80/each** | Included | Included |
| -Denture Cream | $6.51/each** | Included | Included |
| -Effervescent Tabs-Dentures | $0.10/each** | Included | Included |
| -Shaving Cream/Razors | $1.53 / $0.66 each** | Included | Included |
| -Toothpaste/Toothbrush | $ 2.65/$0.24 each** | Included | Included |
| -Tissues | $ 1.45 per box** | Included | Included |
| -Mouthwash | $0.58 each** | Included | Included |
| **Routine Hygiene items such as soap, shampoo, perineal wash** | Included | Included | Included |
| **Personal Comfort Items (i.e. personal preference/brand products)** | Not Included | Not Included | Not Included |
| **Medical Supplies** | | | |
| - Dressings | Most under $10.00 but vary according to product prescribed or specialty dressings $0.10- $97.60** | Included | Included |
| - Incontinent Briefs / Pull ups | Included | Included | Included |
| - Catheters | $1.80-$40.44** | Included | Included |
| - Catheter Tray Foley 16/18fr | $17.87-$24.09 Each** | Included | Included |
| - Leg Bag - Urinary | $2.30/bag** | Included | Included |
| - No Sting Barrier | $10.91 Each** | Included | Included |
| - Enema | $1.96 - $5.08** | Included | Included |
| - Anti-Embolism Stockings | $4.98 - $67.00/pr** | Included | Included |
| - Staple Remover | $2.67 each** | Included | Included |
| - Suture Removal Kit | $1.92 each** | Included | Included |

| | |
|---|---|
| ***Items listed are not representative of all charges, but those most frequently used.** | ***See Social Workers for specific items not listed here or on Bulletin Boards.** |
| **** Indicates average pricing and could fluctuate.** | |

## Appendix B

## Managed Care Organizations

Highmark (Security Blue, Freedom Blue)

United Healthcare

UPMC

Aetna

# Appendix C

## Nondiscrimination Notice and Taglines

**Sarah Reed Senior Living**
**AGREEMENT COVERING RESIDENCE – RESIDENTIAL LIVING**
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Addendum F: Nondiscrimination in Services Policy/Equal Employment Opportunity

# SARAH REED SENIOR LIVING
## Residential Living Agreement

This agreement is entered into by and between SARAH REED SENIOR LIVING (the "Center") and _____
(the "Resident") as of _____, 20__ (the "Effective Date").

The circumstances leading up to the execution of this Agreement are as follows:

The Center is a nonprofit corporation organized and licensed under the laws of the Commonwealth of Pennsylvania and is currently recognized by the Internal Revenue Service as exempt from federal income tax as a 501(c)(3) organization. The Center provides housing and health services to individuals, together with different levels of nursing services, medical services, and other health related services at a facility location at 227 West Twenty-Second Street, Erie, Pennsylvania. The Center is operated on a nondiscriminatory basis and affords equal treatment of and access to services for all persons, regardless of race, color, religious creed, disability, handicap, ancestry, sexual orientation, national origin, age or sex.

The Resident desires to secure residence at the Center and has completed a written Application for Admission (the "Application").

### SECTION 1: ENTRANCE FEE OPTION

**A. Entrance Fee:** The Resident ____has ____has not elected to pay the Center an Entrance Fee. Addendum D addresses the Entrance Fee and is only applicable to those residents choosing to pay the Entrance Fee.

### SECTION 2: OCCUPANCY

**A.** The Center reserves the right to assign the Resident a living unit based on their physical and mental capabilities, subject to availability, until termination in accordance with Section 8 of the Agreement.

### SECTION 3: CHARGES/FINANCES

**A. MONTHLY MAINTENANCE FEE:** The resident or representative agrees to pay to the Center a monthly fee as indicated on Addendum A. The monthly maintenance fee may be increased at any time after thirty (30) days notice is given by the Center.

**B. PHONE SERVICE:** Charges for phone service, if elected, will be added to the monthly statement. Election of phone service and current charges are listed on Addendum A.

**C. PRO-RATED CHARGES:** If the effective date is not the first of the month, charges shall be pro-rated.

**D. OTHER EXPENSES:** Items not included in the monthly fee include: hospitalizations, physicians' or surgeons' fees, transportation, medications, hearing or optical aids, dental expenses, rehabilitative services, podiatry services, beautician/barber services, incontinence supplies and any other services or equipment not expressly provided for herein. All medical doctors and consultants who furnish services to the Resident, including the Centers' Medical Director, are Independent Contractors and are not employees or agents of the Center. The Resident shall also be financially responsible for any expenses incurred at their specific request (i.e.: custom finishes, paints, etc.).

**E. FINANCE CHARGES:** The Center reserves the right to assess a finance charge for payment not received within thirty (30) days of the billing date.

**F. LUMP SUMS:** No lump sum payments shall be accepted except for the Entrance Fee described in Section 1.

**G. FINANCIAL MANAGEMENT:** The Center will not manage resident's personal funds. The Resident is hereby informed that the Center's administration or employees cannot be assigned Power of Attorney or Guardian for any resident.

**H. RENT REBATE:** The Resident may apply for a rent rebate that they may be entitled to under the Senior Citizens Property Tax and Rent Rebate Assistance Act. The Center shall not collect any portion of the Resident's rent rebate funds.

**I. PAYMENT:**

The billing statement will be sent to and paid by: (list name, address, phone of the resident, representative or payer):

_____

_____

_____

**J. OTHER SERVICES:** Resident shall not be liable to a health care provider for services rendered under this Agreement.

## SECTION 4: SERVICES PROVIDED BY THE CENTER

**A. FACILITIES:** The Center shall provide the Resident with an unfurnished living accommodation. The Center shall provide flooring, curtains and/or shades and an emergency call bell system in all living units. Common areas shall be provided for the use of all residents. Private mailboxes shall be provided for all residents as well as kitchen, laundry & trash disposal facilities.

**B. UTILITIES:** Provided utility services include electricity, water, basic cable TV, heat & air conditioning.

C. **NURSING SERVICES:** The Center shall provide a limited amount of nursing service in a Residential apartment, without charge, for minor illnesses (for a period of no longer than seven days in any one fiscal year). After seven days, the Center will charge for nursing services at the Center's then current rate. Charges will be added to the monthly statement. Charges for services are subject to change with 30 days notice. A list of nursing services and their charges are listed on the Center's bulletin boards. A list can also be obtained from the Resident Services office.

D. **MEAL SERVICE:** The Center shall provide three meals per day. Residents choose a meal plan as outlined on Addendum A. If the Resident is away from the Center for a period of fourteen (14) consecutive days or longer or is hospitalized, the Resident's monthly maintenance fee will be reduced for meals not provided during the Resident's absence at the Center's then current meal credit rate. Credits are **not** given for meals missed otherwise.
    1. **GUEST MEALS:** Residents who wish to have a guest at a meal will be charged the current guest meal rate as outlined in Addendum B unless the Resident opts to use an accumulated guest meal.
    2. **ACCUMULATED GUEST MEALS:** Residents who select the three (3) meal plan per day program will receive six (6) guest meals free of charge per six (6) month period (January thru June and July thru December).
        a. Residents who select the two (2) meals per day program will receive four (4) guest meals per six-month period.
        b. Residents who select the one (1) meal per day program will receive two (2) guest meals per six-month period.
        c. Unused guest meals are not credited to the Resident's account.
    3. If the Resident misses a meal, a substitute meal will be available.

E. **HOUSEKEEPING SERVICES:** Bed linens and towels are provided (except for king sized beds). Housekeeping services are provided once a month with the monthly maintenance fee. A list of additional housekeeping services and their charges are posted on the bulletin boards or available from the Resident Services office. Charges will be added to the monthly statement.

F. **ADDITIONAL SERVICES AND PROGRAMS:** The Center shall provide recreational, religious programs, and social services whenever practicable.

## SECTION 5: RIGHT TO TRANSFER THE RESIDENT

A. **OTHER LEVELS OF CARE WITHIN THE CENTER:** Upon recommendation of the Center's Medical Director or the Resident's attending physician, and thereafter, in consultation with the Resident's Representative, the Center has the authority to transfer the Resident to the appropriate level of care within the Center, subject to availability. The Resident shall be charged the Center's then current rate for such unit. Charges for the former living unit, less the then current meal credit rate, shall continue until the former living unit is vacated.

B. **SPECIAL CARE ARRANGEMENTS OUTSIDE THE CENTER:** If the Center's Medical Director or the Resident's attending physician determines that the Resident requires

more extensive care which is beyond the Center's capabilities (in the sole judgment of the Center) or the Resident develops another condition which endangers the health and welfare of other residents and staff, the Center has the authority to transfer the Resident to a suitable private or public institution or special facility (such as a Hospital or Mental Health Center). The Resident shall bear the cost of all charges of every nature in connection with the transfer to, and charges of, the new facility.

C. **MAINTENANCE OF LIVING UNIT AFTER TRANSFER:** If the Resident is transferred either within the Center or to another facility, the Resident may vacate the living unit or maintain the living unit for a period not exceeding six (6) months, by continuing to pay the then current rate for the apartment. If the Resident vacates the living unit and recovers sufficiently to return to the living unit in the Center, the Center shall provide the Resident with comparable living accommodations when available. If comparable accommodations are not available, the Center shall assist the Resident in locating alternate living at another facility. The Resident shall bear the cost of all charges of every nature in connection with the transfer to, and charges of, the new facility.

## SECTION 6: CONSENT TO TREATMENT & RELEASE OF INFORMATION

A. **CONSENT TO TREATMENT:** The Resident authorizes the Center to provide, perform & administer the items and services specified in this Agreement and future executed Addendums. In addition, the Resident consents to any medical treatment or medication rendered to the Resident under the general or special instructions of the resident's attending physician. The Center is not obligated to provide the Resident with any medical treatment or special diet without the specific order from the attending physician. The consent given in this paragraph does not deny the right of the Resident to be informed of the nature, risks, and possible consequences of and the alternatives to the treatments or services, or the Resident's right to refuse the treatment or services.

B. **REFUSAL OF TREATMENT:** If the Resident refuses treatment or services provided under this Agreement or as directed by the Personal Care Home Administrator (PCHA) or the Resident's attending physician, or vacates the Center prior to being discharged, the Resident assumes all responsibility for all consequences resulting from the Resident's refusal of such recommended treatment or services or unauthorized discharge.

C. **AUTHORIZATION FOR RELEASE OF INFORMATION:** The Resident authorizes any and all hospitals, physicians, and other health care providers to furnish the Center with all requested information from the Resident's medical or financial record in accordance with the Health Insurance Portability and Accountability Act ("HIPAA"). Further, the Resident authorizes the Center to disclose all or any part of the Resident's medical or financial records to any third party payors, including but not limited to, hospital or medical service companies, insurance companies or public assistance programs. Signature on this Agreement also acknowledges the receipt of the Center's HIPAA policies and procedures.

## SECTION 7: RESPONSIBILITIES OF THE RESIDENT

A. **ACTIVE RESIDENCE:** The Resident shall take up active residence in the Center within six (6) months of the Effective Date.
B. **FURNISHINGS:** The Resident shall bring his or her own furniture. All furnishings must meet the safety and aesthetic standards of the Center.
C. **INSURANCE:** The Center shall not be liable for loss or damage to the Resident's property by fire, theft, or other casualty, nor for any injuries to the Resident or the Resident's invitees from the use of the premises. The Resident shall be responsible for any insurance coverage on furnishings and all other personal property brought into the Center by the Resident as well as any other type of insurance desired by the Resident.
D. **RESIDENT'S PERSONAL PROPERTY:** The Center is not responsible for the security and safety of the Resident's personal property. The Resident or the Resident's personal representative should at all times, especially during extended time away from the Center, take appropriate steps to secure the Resident's personal property.
E. **DISCLAIMER:** The Center has no responsibility for the Resident's safety when away from the facility.
F. **COMPLIANCE WITH THE CENTER'S POLICIES:** The Resident shall comply at all times with the Center's rules and regulations, including such changes as may be required from time to time. See Addendum C – The Center's "Home Rules."
G. **FINANCIAL STABILITY:** The Resident agrees to not impair the Resident's ability to meet current or future financial obligations to the Center by uncompensated transfers of the Resident's assets (e.g., gifts) or by otherwise depleting the Resident's assets other than to defray ordinary & customary living expenses. Non-compliance with this section could lead to termination of this Agreement in accordance with Section 8.
H. **APPLICATION FOR FINANCIAL ASSISTANCE:** If the Resident becomes unable to pay the monthly maintenance fee, the Resident agrees to apply for and diligently seek benefits the Resident is eligible for, including, but not limited to, PACE, SSI & Veteran's Benefits.
I. **FINANCIAL REVIEW:** In the event the Resident is unable to meet financial obligations to the Center for services provided by the Agreement, a review will be done of financial resources disclosed at the time of admission compared with those indicated as currently available. If the inability to meet financial obligations occurs due to any of the following factors, the resident will be given consideration to remain at the Center:
    1. The Resident experiences a major change in health warranting a change in level of care at a more costly rate earlier than expected, thereby exhausting financial resources
    2. The Resident outlives their life expectancy projected at the time of admission
    3. The Resident has a significant change in income or assets beyond their control
    4. There are significant changes in circumstances which prohibit a responsible party to continue to provide financial support including illness, death, loss of job or business setback with verification provided to the Center

    The Center reserves the right to require the resident to move to another accommodation or to share an accommodation under such circumstances.

**J. SHARING A DESIGNATED DOUBLE OCCUPANCY ACCOMMODATION:** If the Resident wishes to share a designated double occupancy accommodation with a second party, the second party shall file an Application for Admission & proceed through established pre-admission routines.

1. If both pay the Entrance Fee, the Resident and second party shall be responsible for proportionate shares of the Center's rate for double occupancy of the accommodation according to the rate schedule in effect from time to time. The second party shall sign a separate Agreement Covering Residence & shall have the same rights, duties & privileges.
2. Upon the death or discharge of either the Resident or the second party, the remaining party may continue to occupy the accommodation at the then current single occupancy maintenance fee. The Resident may also move to a smaller accommodation when one is available without payment of an additional Entrance Fee, but with payment of the Center's then current monthly Maintenance fee for the designated accommodation.
3. Addendum D addresses the Entrance Fee if both residents choose this option.
4. If only one party paid the Entrance Fee, the remaining party shall have no interest whatever in that portion of any Entrance Fee attributable to the other party.

## SECTION 8: TERMINATION OF THE AGREEMENT AND REFUNDS

**A. CANCELLATION BY THE RESIDENT PRIOR TO OCCUPANCY:** If, prior to occupancy of the living unit, the Resident is precluded from being a resident because of death, illness, injury or incapacity, this Agreement is automatically rescinded. In all other cases, the Resident must give written notice of cancellation to the Center. Cancellation will become effective when written notice is received by the Center. Cancellation may become effective sooner if mutually agreed to in writing by the Center and the Resident. Until cancellation becomes effective, the Resident shall continue to be responsible for payment of the monthly maintenance fee. The Resident shall also be financially responsible for any expenses incurred at their specific request (i.e.: custom finishes, paints, etc.) in preparation for occupancy.

**B. CANCELLATION BY THE RESIDENT AFTER OCCUPANCY:** The Resident may cancel this Agreement at any time. The Resident must give written notice of cancellation to the Center which will become effective fifteen (15) days from the date the notice is received by the Center. Cancellation may become effective sooner if mutually agreed to in writing by the Center and the Resident. Until cancellation becomes effective and the room is fully vacated, the Resident shall continue to be responsible for payment of the monthly maintenance fee.

**C. CANCELLATION BY THE CENTER:** The Center shall give the Resident written notice of cancellation to be effective not less than thirty (30) days after the date the written notice is received by the Resident. However, if this agreement is cancelled because the Resident is a danger to him/herself or others, only such notice as reasonable under the

circumstances shall be required. If the Resident moves out before the 30 days are over, the Center shall give the Resident a refund of any previously paid charges for the remainder of the 30 day period. No interest shall accrue on any refund due the Resident.

**D. REASONS FOR CANCELLATION BY THE CENTER:** The Center may not cancel this Agreement and discharge the Resident without just cause which shall include, but not be limited to the following:

1. Failure of the Resident to take up active residence within six (6) months of the Effective Date
2. Within ninety (90) days following active residence, the Center finds the Resident unacceptably incompatible
3. Any serious disruption or threat to the safety and health of the Resident or other residents in the Center because of the Resident's continued presence in the Center, upon a good faith determination in writing signed by the resident's Primary Care Physician (PCP) and the PCHA.
4. Failure to pay any fees due to the Center
5. Failure of the Resident to abide by the Center's Home Rules & Regulations
6. Failure to cooperate and/or to file applications for financial assistance when requested by the Center
7. Closure of the facility
8. Any breach of this Agreement
9. The Resident's functional level has advanced or declined to the extent that the Resident's needs cannot be met within Residential Living.

**E. DEATH OF THE RESIDENT:** The Resident's Estate will be responsible for the monthly maintenance fee (less a meal credit at the Center's then current meal credit rate) until the Resident's living unit is vacated to the satisfaction of the Center by the Resident's personal representative. The date of death will be the last day charged for meals, nursing, and ancillary housekeeping services. In accordance with the Elder Care Payment Restitution Act, the Center will refund any unused portion of advance payments for such services within 30 days of the date the living unit is vacated. The Center will also contact the Resident's representative within 24 hours of death to arrange for an inventory of personal property. Since the Center cannot assume responsibility for the security of the Resident's personal property; the Resident or representative is responsible for the prompt removal of all Resident's personal property. If, after the expiration of a period of sixty (60) days from the date of death of the Resident, the Resident's personal property has not been claimed by the representative, the Center is authorized to dispose of the Resident's personal property without being subject to any right, claim or demand by any party and this Agreement is cancelled.

## SECTION 9: ADVANCE DIRECTIVES

**A. CURRENT COPIES:** At the time of admission, the Resident is requested to provide copies of current advanced directives. Residents are strongly encouraged to declare an Advanced Directive if not already completed. In the event of respiratory or cardiac arrest,

the Resident will receive total supportive care, unless indicated otherwise on a specified form. Total supportive care is defined as the provision of basic CPR by the Center's staff while awaiting the arrival of the emergency medical technicians. The Resident will then be transferred to an acute care facility for advanced treatment.

**B. DO NOT RESUSCITATE (DNR) ORDERS:** The Center will follow all current DNR orders in accordance with applicable regulations.

## SECTION 10: ACKNOWLEDGMENTS

**A. EXPLANATION OF AGREEMENT:** The Resident acknowledges that this Agreement has been reviewed and explained to him/her and his/her representative. The Resident acknowledges that he/she has been given the opportunity to ask questions relative to this Agreement.

**B. RECEIPT OF AGREEMENT:** The Resident and/or representative acknowledge receipt of a copy of this contract.

**C. RIGHT TO RESCIND**: The rescission period begins upon the signing of the Agreement on _____, 20__. The resident may rescind and terminate the Agreement, without penalty or forfeiture, within seven days of the above date and pay only for services received. The Resident is not required to move into the Center before the expiration of this seven-day period. No other agreement or statement signed by the Resident shall constitute a waiver of the Resident's right to rescind the Agreement within the seven-day period. To rescind the Agreement, the Resident shall mail or deliver a signed a dated written notice, letter or telegram stating a desire to rescind to Sarah Reed Senior Living, 227 West 22nd St, Erie, Pennsylvania, 16502 not later than midnight of _____, 20__ (which is the last day of rescission). If the Resident rescinds the Agreement, the Resident agrees to reimburse the Center for all expenses incurred by the Center in preparation of the living unit for occupancy by the Resident and shall pay the Center a daily room charge from the beginning of the rescission period through the day the Center receives notice of the Resident's decision to rescind.

**D. SECURING OF MEDICATIONS:** A Resident will lock their door when out of their apartment so that medications are secure.

**E. NONDISCRIMINATION/ACCESSIBILITY REQUIREMENTS/EEO:** The Resident acknowledges receipt of the Nondiscrimination/Accessibility Requirements/EEO of the Center as listed in Addendums E & F.

**F. KEYS:** The Resident acknowledges receipt of keys to his/her individual apartment and individual mailbox. The Resident further acknowledges that keys are not to be copied by anyone other than the Center's Maintenance Department. If the Resident requests additional keys for family members, the keys will be made at an additional cost to the resident. Keys must be returned when a Resident's apartment is vacated, or charges will be applied for re-keying of the lock.

**G. SECURITY CAMERAS:** The Resident acknowledges that in order to provide a safe environment, the Center has installed security cameras at the entrances and exits of the

facility. Therefore, as anyone (including the Resident) enters or exits the building, their image is being monitored and recorded.

H. **PHOTOGRAPHY CONSENT:** The Resident consents that photographs, videotapes, digital or other images may be recorded for identification purposes or to document care. The Center will retain ownership rights to these photographs, videotapes, digital or other images, but the Resident may access them or view copies. The images will be stored in a secure manner that will protect the privacy of the Resident and that they will be kept for the time period required by law. Any images that identify the Resident will be released outside the Center only upon written authorization from the Resident or legal representative or as permitted by law.

I. **FLU/PNEUMONIA CONSENTS:** The Resident consents to an annual flu vaccine and a one-time pneumonia vaccine if not contraindicated by religious or medical reasons and upon the order of the physician. The Flu and Pneumovax Information Sheets will be provided at the time of vaccination.

J. **HANDBOOK:** The Resident acknowledges receipt of the Center's Handbook.

K. **RIGHT OF ENTRY:** The Center reserves the right of entry and inspection of the Resident's living unit to determine whether the living unit meets the standards of comfort, health, safety, and security.

## SECTION 11: GENERAL PROVISIONS

A. **MODIFICATION:** This Agreement may be amended or modified only by an agreement in writing executed by the Resident/Representative and the Center's Board of Directors. The Resident shall be provided notice not less than thirty (30) days before any changes in fees or charges or the scope of care or services may be effective, except for changes required by state or federal assistance programs.

B. **REPRESENTATIONS OF THE RESIDENT:** Representations made by the Resident in the Application and personal interview, including any health history and all records relating to admission which are provided to the Center, are made part of this Agreement and any material omission or misrepresentation renders this Agreement voidable by the Center.

C. **RIGHTS OF THE RESIDENT:** The Resident has no right, title, or interest in any part of the personal property, land, buildings, and improvements owned or administered by the Center. The Resident's rights are primarily for services with a contractual right to occupancy. This Agreement is not intended to create the relationship of landlord and tenant. This Agreement in no way alters the control of the management, assets and affairs of the Center and the absolute right of management is reserved to the Center. Authority as to admissions and discharges is vested in the Center and the Resident shall have no right to object to admission, terms of admission or residence or discharges of any other applicant or resident. The rights of the Resident under this Agreement are the rights and privileges expressly granted in this Agreement and the Resident's Rights provided under the DHS and are personal to the Resident and cannot be transferred or assigned by the Resident.

**D. GOVERNING LAW:** This Agreement shall be governed by and interpreted in accordance with the laws of the Commonwealth of Pennsylvania.

**E. PARTIES IN INTEREST:** This Agreement shall be legally binding on the parties, their heirs, personal representatives, guarantors, and successors.

**F. WAIVER OF BREACH:** The failure of the Center to insist on strict compliance by the Resident with any provisions of this Agreement, in any one or more instances, shall not be construed to be a waiver of the Center's right to insist on strict compliance by the Resident with all provisions of the Agreement.

**G. INDEMNIFICATION OF THE CENTER:** In the event of injury or damage of any kind to person or property occurs in the Center by reason of the Resident's negligent actions, the Resident shall provide immediate reimbursement for any and all injury of damage so sustained. Upon discharge, the Personal Care Home Administrator will notify the Resident or Representative of excess damage to the living unit upon discharge.

**H. PRIORITY OF LENDERS:** The rights of the Resident under this Agreement shall, at all times, be subordinate and inferior to the rights of a lender under any secured indebtedness that now exists or in the future is executed by the Center on the property of the Center.

**I. SEVERABILITY:** If any provision of this Agreement is determined to be invalid or unenforceable, the remainder of this Agreement shall continue to be binding.

**J. NONWAIVER:** No act, agreement, or statement of the Resident or an individual purchasing care for the Resident shall constitute a valid waiver of any provision of the Pennsylvania Continuing Care Provider Registration and Disclosure Act.

**K. HEADINGS FOR CONVENIENCE ONLY:** The headings in this Agreement are for convenience only and should not be construed to be part of this Agreement.

In consideration of all of the foregoing provisions of this Admission Agreement, the Resident (or representative if the resident is unable to comprehend this Agreement), hereby signifies his/her consent to the provisions of this Admission Agreement and receipt of the following addendums:

A. Fee schedule (Residential)

   ***Note: Addendum A reflects current charges at the time of the Resident signing the agreement. Any updates to the pricing will be given a 30-day advanced notice. The Resident will not be asked to re-sign the entire contract, but will be asked to sign an updated Addendum A.***

B. Additional Charges
C. Home Rules
D. Entrance Fee
E. Nondiscrimination in Services Policy/Accessibility Requirements
F. Nondiscrimination in Services Policy/Equal Employment Opportunity

Now, therefore, the parties intending to be legally bound agree to the terms set forth in this Resident-Center Agreement.

| | |
|---|---|
| Resident Signature | Date Signed |
| Administrator/Designee Signature | Date Signed |
| Payer Signature (if different from resident) | Date Signed |
| Designated Person Signature (option of the Resident) | Date Signed |
| Resident's Mark (if unable to sign) | Date Signed |
| Witness to Resident's Mark | Date Signed |

# Addendum A – Fee Schedule for Residential Living

**Name:** _____

**Apartment:** _____

**Effective Date:** _____

_____New Admission
_____Change in Services/Cost
_____Change in Level of Care
From _____to_____

**Entrance Fee:** _____Yes _____No
Current Entrance Fee Discount $_____

**Level of Care:**

_____**Residential** No nursing services selected.

**Monthly Maintenance Fee:** $_____(cost includes three daily meals)

_____No meals ($316 monthly credit)
_____One meal ($210 monthly credit) _____Breakfast _____Lunch _____Dinner
_____Two meals ($105 monthly credit) _____Breakfast _____Lunch _____Dinner
_____Three meals (no credit to monthly maintenance fee)

**Net Monthly Maintenance Fee after Entrance Fee discounts and meal plan selection $_____**

---

**Bed Hold Rate:**
Bed Hold Rate is the Monthly Maintenance Fee less the applicable meal credits as identified below.

**Meal Credit Rate (for hospitalizations or absences longer than 14 days)**
One meal plan: Credit of $2.50/day
Two meal plan: Credit of $4.50/day
Three meal plan: Credit of $7.00/day

---

**Phone Service** _____ Yes _____No
If phone service is elected, $23/month will be added to the monthly statement.
There is no charge for long distance calls.

Responsible Party_____Date_____

Resident Signature_____Date_____

Staff Signature _____Date_____

# Addendum B – Additional Charges

This list is not inclusive of all additional items & their charges but represents those most frequently purchased. Additional costs can be obtained through the Personal Care Home Administrator.

**Nursing Supplies:**
**Catheter:** $1.80 - $29.99 (depending on type, plus nursing room charge)
**Denture Cream:** $5.05 each
**Effervescent Tablets:** $.09 each
**Enema:** $1.79 - up (each, depending on type, plus nursing room charge)
**Incontinence Products:**
**Briefs:** S-XL $0.49 - $1.29 each, depending on size
**Liners:** S-XL $0.34 - $0.92 each, depending on size
**Pull-ups:** S- XL $0.63 - $1.47 each, depending on size
**Razors:** $0.17 each
**Soap (Dove):** $1.67 each
**Tissues:** Kleenex: - $0.89 box
**Toothpaste:** $0.69 each

**Maintenance Fees:**
**Disposal of Large Items:** $50.00
**Maintenance service for repair of personal items:** $7.00 per 15 minutes
**Key Replacement:** $3.00 per key
**Garage Door Opener**: $50.00 per opener for replacement if lost

**Miscellaneous Fees:**
**Beauty Shop/Barber Shop Services:** current rates are posted in the beauty shop
**Transportation:** charged to resident based on type, such as taxi, stretcher or wheelchair ambulance
**Travel Attendant:** $20.00 per hr.; minimum 1 hr.
**Guest Room*:** $25.00 per night, plus tax; Rollaway bed per $12.50 per night

| | **Meals for Guests*** | | | | | |
|---|---|---|---|---|---|---|
| | Adult | | | Children | | |
| | Weekdays | Sunday | Holiday | Weekdays | Sunday | Holiday |
| B | $7.00 | $7.00 | $7.00 | $4.50 | $4.50 | $4.50 |
| L | $8.50 | $12.50 | $15.00 | $4.75 | $7.00 | $9.75 |
| D | $11.00 | $8.50 | $8.50 | $7.00 | $7.00 | $7.00 |
| | ***plus tax** | | | | | |

# Sarah Reed Senior Living Home Rules

The Resident agrees to abide by the following rules.

1. **No Smoking:** Smoking is NOT permitted in the Center or in the Center's vehicles by residents, guests, or staff. Residents or visitors who wish to smoke can do so on the OUTDOOR Reed Manor 2nd or 3rd floor balconies. Smokers shall use the provided fireproof receptacles.
2. **Sign-out Procedures:** When leaving the Center, all residents are asked to sign out for safety reasons. Residents are asked to sign back in upon their return. Residents are also asked to notify the Dining Room if they will not be present at a meal.
3. **Visiting Hours:** Visiting hours generally occur from 9:00 a.m. to 9:00 p.m. However, the Center does not restrict the right of the Resident to have visitors at other times. All visitors are required to act in a manner that is not disruptive to other residents or staff. All visitors are requested to sign in and out at the register provided at the entrances of the Center.
4. **Overnight absences:** If the Resident intends to be away from the Center overnight or for an extended period, the Resident must notify the Personal Care Home Administrator in advance.
5. **Meal times:**
    a. Breakfast: 7:30 to 9:00 a.m.
    b. Lunch 12:00 or 12:30 p.m.
    c. Dinner 5:00 or 5:30 p.m.
6. **Alcohol:** Alcohol use is not restricted, so long as other Residents are not disturbed as a result. The Resident may be advised by their physician to not consume alcohol if it poses a danger when mixed with prescribed medications.
7. **Fire Drill Participation:** The Resident is required to participate in an unannounced fire drill monthly. The Resident is also required to attend a mandatory annual education re: fire drill procedures.
8. **Electrical cords:** The Center prohibits the use of extension cords. Residents are encouraged to use surge protectors. Residents who need a surge protector can contact the Maintenance Department for availability and charges.
9. **Pets:** The Center does not allow Residents to keep personal pets. Fish are allowed to be kept in individual Resident rooms.
10. **Throw Rugs:** Throw rugs are discouraged as they present a slipping hazard. Residents who choose to use a throw rug are encouraged to use a non-skid rug with a rubber backing.
11. **Disruptive Behavior:** The Center will not tolerate disruptive behavior by Residents or Guests.
12. **Visitors:** Visitors staying in a Residential apartment are asked to limit their visit to a maximum of two weeks. Any Resident with an overnight guest longer than 3 days should alert the Personal Care Home Administrator.
13. **Flu/Pneumonia Vaccines:** For the safety of all staff and Residents, the Resident is encouraged to receive an annual flu vaccine and pneumovax as recommended by their physician. Annually, the Center hosts a Flu Shot campaign and will offer flu shots to all Residents.
14. **Weapons & Firearms:** Weapons and firearms are prohibited in the Center.

*Rules are subject to change. Residents will be notified of changes via bulletin board and notices. A current copy of the Home Rules are available from the Resident Services office.

# Addendum D – Entrance Fee

**The following addendum applies to only those residents who have chosen to pay the Entrance Fee.**

This Addendum is entered into, by and between SARAH REED SENIOR LIVING (the "Center") and _____, (the "Resident"), as of _____, 20___.

**ELECTION OF ENTRANCE FEE**. The Resident has elected to pay the Center an Entrance Fee of_____dollars ($_____), payable one-third on the Addendum Date, one-third thirty (30) days thereafter, and the balance within thirty (30) days thereafter.

Twenty percent (20%) of the Entrance Fee ($_____) is non-refundable to the Resident. The remaining refundable portion of the Entrance Fee ($_____) is refundable over a period of five (5) years.

**Refundable Portion of the Entrance Fee for Studio apartments:**

| | |
|---|---|
| Less than 1 year from admission date | $_____ |
| More than 1 year, but less than 2 years from Admission | $_____ |
| More than 2 years, but less than 3 years from Admission | $_____ |
| More than 3 years, but less than 4 years from Admission | $_____ |
| More than 4 years, but less than 5 years from Admission | $_____ |
| More than 5 years from Admission | $_____ |

**Refundable Portion of the Entrance Fee for One-Bedroom Apartments:**

| | |
|---|---|
| Less than 1 year from admission date | $_____ |
| More than 1 year, but less than 2 years from Admission | $_____ |
| More than 2 years, but less than 3 years from Admission | $_____ |
| More than 3 years, but less than 4 years from Admission | $_____ |
| More than 4 years, but less than 5 years from Admission | $_____ |
| More than 5 years from Admission | $_____ |

**Refundable Portion of the Entrance Fee for One-Bedroom Apartments:**

| | |
|---|---|
| Less than 1 year from admission date | $_____ |
| More than 1 year, but less than 2 years from Admission | $_____ |
| More than 2 years, but less than 3 years from Admission | $_____ |
| More than 3 years, but less than 4 years from Admission | $_____ |
| More than 4 years, but less than 5 years from Admission | $_____ |
| More than 5 years from Admission | $_____ |

## A. PROVISIONS OF THE ENTRANCE FEE:

1. In the Residential or Personal Care area of the Center, the Center shall charge the Resident a monthly maintenance fee less than that paid by residents not having paid an Entrance fee, according to the rate schedule in effect from time to time as established by the Board of Directors. The Entrance Fee shall not be increased or changed during the period this Agreement is in effect, except for changes required by State or Federal Assistance programs. The Center reserves the right to collect additional fees should the Resident elect to move to another accommodation.
2. For nursing care not covered by any other payer, the Resident shall be entitled to fourteen (14) days per fiscal year without room charge (non-cumulative) for placement in the Skilled Nursing Facility (SNF) and, if applicable, a $4.00/day reduction in the daily room charge will be applied thereafter while on a private pay status.
3. The Resident shall not be liable to any other health care provider for services agreed to be rendered under this Agreement.
4. For the term of the resident's life, priority admission for all levels of care.

**B. COST TO THE CENTER:** The average annual cost to the Center of providing the Resident the care described in this Agreement (food, shelter, nursing care) for the fiscal year ending prior to the Effective Date is _____ dollars ($ _____ ).

**C. DISCLOSURE STATEMENT:** The Resident acknowledges receipt of a Disclosure Statement, which contains information about the operations and financial status of the Center.

**D. FINANCIAL STABILITY:** All portions of the Agreement addressing the financial stability of the Resident remain in effect. If a Resident's funds are depleted, the Entrance Fee balance on account will be used toward the Monthly Maintenance Fee until such Entrance Fee funds run out.

## E. SHARING A DOUBLE DESIGNATED DOUBLE OCCUPANCY ACCOMMODATION:

1.If the second party elects to pay an Entrance Fee, the second party shall pay to the Center one half (1/2) of the Entrance Fee for the designated double occupancy accommodation, plus a proportionate share of the Center's then current Monthly Maintenance Fee rate for two persons residing in the designated accommodation.

2. Upon the death or removal of either the Resident or the second party, the remaining party may continue to occupy the living unit upon payment of the then current single occupancy monthly maintenance fee for the living unit or the remaining party may arrange to move to a smaller accommodation when one is available, without payment of an additional Entrance Fee, but with payment of the Center's then current monthly Maintenance Fee for the designated accommodation. The remaining party shall have no interest whatever in that portion of any Entrance Fee attributable to the other party.

## F. TERMINATION OF AGREEMENT AND REFUNDS

**1. CANCELLATION BY THE RESIDENT PRIOR TO OCCUPANCY.** If the Resident cancels the Agreement prior to occupancy as outlined in Section 8A of the Agreement, **the Center shall refund one hundred (100%) percent of any Entrance Fee paid by the resident less costs specifically incurred by the Center at the specific request of the resident.**

**2. CANCELLATION BY THE RESIDENT AFTER OCCUPANCY.** If the Resident cancels the Agreement after occupancy as outlined in Section 8B of the Agreement and **termination under this section occurs within one year of the addendum date, the Center shall refund eighty (80%) percent of the Entrance Fee paid which is the maximum refund under this section. The amount of refund will be reduced on a prorated basis over an additional period of seven years as outlined above.**

**3. CANCELLATION BY THE CENTER.** If the Center cancels the Agreement as outlined in Section 8D (1) or (2), **the Center shall refund one hundred (100%) percent of any Entrance Fee paid by the resident, less any reductions in the monthly maintenance fee applied under the Entrance Fee program.** If the Center cancels this agreement for any other reason as described in Section 8 of the agreement, **the Center shall refund eighty percent (80%) of the Entrance Fee paid if it occurs within one year of the addendum date which is the maximum refund under those circumstances. The amount of refund will be reduced on a**

**prorated basis over an additional period of four years based on the type of accommodation.**

**4. DEATH OF THE RESIDENT**: Upon the death of the Resident, the Center shall refund the Entrance Fee paid according to the schedule outlined above, dependent on the number of years since admission.

**G. PAYMENT OF REFUND.** If the Resident is entitled to a refund pursuant to this Agreement, the Center shall pay the refund to the Resident or the Resident's Personal Representative within thirty (30) days of a written request for refund. No interest shall accrue on any refund due the Resident. Any monthly maintenance fee due and owing will be deducted from the refund.

*227 West 22nd Street*
*Erie, PA 16502*

*p 814-878-2600*
*f 814-878-2607*

Sarah Reed
SENIOR LIVING
*sarahareed.org*

TO: Clients/Resident of Sarah Reed Senior Living

FROM: Gale Magyar, Executive Director, Corporate Compliance Officer
The Sarah Reed Retirement Center, dba Sarah Reed Senior Living

Gale Magyar

Kyle Johnson, Administrator, NHA, HIPAA Officer

Kyle Johnson

Carey Mastrian, Personal Care Home Administrator

Carey Mastrian

DATE: March 2, 2023

RE: Nondiscrimination in Services Policy Statement/Accessibility Requirement

Sarah Reed Senior Living complies with applicable Federal civil rights laws and does not discriminate on the basis of race, color, religious creed, disability, handicap, ancestry, sexual orientation, national origin (including limited English proficiency), age, or sex. Sarah Reed Senior Living does not exclude people or treat them differently because of race, color, religious creed, disability, handicap, ancestry, sexual orientation, national origin (including limited English proficiency), age, or sex.

Program services shall be made accessible to eligible persons with disabilities through the most practical and economically feasible methods available. These methods include, but are not limited to, equipment redesign, the provision of aides, and the use of alternative service delivery locations. Structural modifications shall be considered only as a last resort among available methods.

Sarah Reed Senior Living provides free aids and services to people with disabilities to communicate effectively with us, such as qualified sign language interpreters and written information in other formats (large print, audio, accessible electronic formats, other formats). We provide free language services to people whose primary language is not English, such as qualified interpreters and information written in other languages. If you need these services, contact Gale Magyar at 814-878-2610. If Gale Magyar is not available (weekends, holiday, evening hours), the Nursing Supervisor on call will assist.

If you believe that Sarah Reed Senior Living has failed to provide these services or discriminated in another way on the basis of race, color, religious creed, disability, handicap, ancestry, sexual orientation, national origin (including limited English proficiency), age, or sex, you can file a grievance with Kyle Johnson, Nursing Home Administrator, 227 West 22nd Street, Erie, PA 16502, 814-878-2611, fax 814-878-2607 or email KyleJohnson@sarahareed.org. You can file a grievance in person, mail, fax, or email. If you need help filing a grievance Kyle Johnson is available to help you.

You can also file a civil rights complaint with the U.S. Department of Health and Human Services, Office for Civil Rights, electronically through the Office for Civil Rights Complaint Portal, available at https://ocrportal.hhs.gov/ocr/portal/lobby.jsf, or by mail or phone listed below. Complaint forms are available at http://www.hhs.gov/ocr/office/file/index.html.

Administrator
Sarah Reed Senior Living
227 West 22nd Street
Erie, PA 16502
Phone: 814-878-2600
Fax: 814-878-2607

Commonwealth of Pennsylvania
Department of Human Services
BEO/Office of Civil Rights Compliance
Room 225, Health & Welfare Building
P.O. Box 2675 Harrisburg, PA 17120
Inquiries: (717) 787-1127
Email: RA-PWDHSCivilRights@pa.gov

Office for Civil Rights
U.S. Department of Health and Human Services
Centralized Case Management Operations
200 Independence Avenue, S.W.
Room 509F HHH Bldg
Washington, D.C. 20201
Customer Response Center: (800) 368-1019
TDD: (800) 537-7697
https://www.hhs.gov/ocr/complaints
Email: ocrmail@hhs.gov

Pennsylvania Human Relations Commission (PHRC)
333 Market Street, 8th Floor
Harrisburg, PA 17101
https://www.phrc.pa.gov/File-a-complaint
Inquiries: (717) 787-4410
TTY users only: (717) 787-7279

227 West 22nd Street
Erie, PA 16502

Sarah Reed
SENIOR LIVING
sarahareed.org

p 814-878-2600
f 814-878-2607

DATE: March 2, 2023

SUBJECT: **NON-DISCRIMINATION POLICY STATEMENT**

**EQUAL EMPLOYMENT OPPORTUNITY**

TO: Sarah Reed Senior Living Board

FROM: Gale Magyar, Chief Executive Officer



Sarah Reed Senior Living

Open and equitable personnel systems will be established and maintained. Personnel policies, procedures and practices will be designed to prohibit discrimination on the basis of race, color, religious creed, disability, ancestry, national origin, age or sex.

Employment opportunities shall be provided for applicants with disabilities and reasonable accommodation(s) shall be made to meet the physical or mental limitations of qualified applicants or employees.

Any employee who believes they have been discriminated against, may file a complaint of discrimination with any of the following:

Human Resources Department
Sarah Reed Senior Living
227 West 22nd Street
Erie, PA 16502-2614
Phone: 814-878-2600
Fax: 814-878-2607

Pennsylvania Human Relations Commission
333 Market Street, 8th Floor
Harrisburg, PA 17101
https://www.phrc.pa.gov/File-a-complaint
Inquiries: (717) 787-4410
TTY users only: (717) 787-7279

Commonwealth of Pennsylvania
Department of Human Services
BEO/Office of Civil Rights Compliance
Room 225, Health & Welfare Building
P.O. Box 2675 Harrisburg, PA 17120
Inquiries: (717) 787-1127
Email: RA-PWDHSCivilRights@pa.gov

U.S. Equal Employment Opportunity Commission
801 Market Street, Suite 1000
Philadelphia, PA 19107-3126
Inquiries: (800) 669-4000
TTY users only: (800) 669-6820
https://www.eeoc.gov/federal-sector/overviewfederal-sector-eeo-complaint-process
Email: PDOContact@eeoc.gov

Office for Civil Rights
U.S. Department of Health and Human Services
Centralized Case Management Operations
200 Independence Avenue, S.W.
Room 509F HHH Bldg
Washington, D.C. 20201
Customer Response Center: (800) 368-1019
TDD: (800) 537-7697
https://www.hhs.gov/ocr/complaints
Email: ocrcomplaint@hhs.gov

Reaffirmed Annually

Sarah Reed Senior Living

**AGREEMENT COVERING RESIDENCE – PERSONAL CARE**

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# SARAH REED SENIOR LIVING
## Personal Care Home Agreement

This agreement is entered into by and between SARAH REED SENIOR LIVING (the "Center") and _____
(the "Resident") as of _____, 20_____ (the "effective date").

The circumstances leading up to the execution of this Agreement are as follows:

The Center is a nonprofit corporation organized and licensed under the laws of the Commonwealth of Pennsylvania and is currently recognized by the Internal Revenue Service as an exempt from federal income tax as a 501(c)(3) organization. The Center furnishes housing and health services to individuals, together with different levels of nursing services, medical services, and other health related services at a facility location at 227 West Twenty-Second Street, Erie, Pennsylvania. The Center is operated on a nondiscriminatory basis and affords equal treatment of and access to services for all persons, regardless of race, color, religious creed, disability, handicap, ancestry, sexual orientation, national origin, age or sex.

The Resident desires to secure residence at the Center and has completed a written Application for Admission (the "Application").

Under authority of 62 P.S §§ 1001-1087 and Department of Human Services Regulations (55 Pa.Code Ch. 2600), the parties intending to be legally bound hereby agree as follows:

### SECTION 1: OCCUPANCY

**A.** The Center reserves the right to assign the Resident a living unit based on their physical and mental capabilities, subject to availability, until termination in accordance with Section 7 of the Agreement.

### SECTION 2: CHARGES

**A. MONTHLY MAINTENANCE FEE:** The resident or representative agrees to pay to the Center a monthly fee as indicated on Addendum A. The monthly maintenance fee may be increased at any time after thirty (30) days notice is given by the Center.
**B. BED HOLD RATE:** While hospitalized or away from the Center, the Resident agrees to pay the Center a bed hold rate as outlined in Addendum A.
**C. PHONE SERVICE:** Charges for phone service, if elected, will be added to the monthly statement. Election of phone service and current charges are listed on Addendum A.
**D. PRO-RATED CHARGES:** If the effective date is not the first of the month, charges shall be pro-rated.

**E. OTHER EXPENSES:** Items not included in the monthly fee include: hospitalizations, physicians' or surgeons' fees, transportation, medications, hearing or optical aids, dental expenses, rehabilitative services, podiatry services, beautician/barber services, incontinence supplies and any other services or equipment not expressly provided for herein. All medical doctors and consultants who furnish services to the Resident, including the Center's Medical Director, are Independent Contractors and are not employees or agents of the Center. The Resident shall also be financially responsible for any expenses incurred at their specific request (i.e.: specific paint colors).

**F. FINANCE CHARGES:** The Center reserves the right to assess a finance charge for payment not received within thirty (30) days of the billing date.

**G. LUMP SUMS:** No lump sum payments shall be accepted.

**H. FINANCIAL MANAGEMENT:** The Center does not manage resident's personal funds. The Resident is hereby informed that the Center's administration or employees cannot be assigned Power of Attorney or Guardian for any resident.

**I. RENT REBATE:** The Resident may apply for a rent rebate that they may be entitled to under the Senior Citizens Property Tax and Rent Rebate Assistance Act. The Center shall not collect any portion of the Resident's rent rebate funds.

**J. PAYMENT:**

The billing statement will be sent to and paid by: (list name, address, phone of the resident, representative or payer):

_____

_____

_____

**K. OTHER SERVICES:** Resident shall not be liable to a health care provider for services rendered under this Agreement.

## SECTION 3: SERVICES PROVIDED BY THE CENTER

**A. FACILITIES:** The Center shall provide the Resident with an unfurnished living accommodation. The Center shall provide flooring, curtains and/or window shades and an emergency call bell system in all living units.

1. A library, chapel, activity rooms and lounge areas shall be provided for the use of all residents in Reed Terrace (RT) and Reed Manor (RM). Private mailboxes shall be provided for all residents in RT & RM. Kitchen, laundry & trash disposal facilities shall be provided on each floor.
2. For those Residents in Zurn Pavilion (Secured Dementia Care Unit - SDCU), a lounge and activity room with a TV is provided.

**B. UTILITIES:** Provided utility services include electricity, water, cable TV, heat & air conditioning.

**C. NURSING SERVICES:** Twenty-four (24) hours a day, seven (7) days a week, the Center can provide limited nursing care for personal grooming, bathing, ambulation, medication administration, and related health services, including counseling on personal health

problems. A list of nursing services and their charges selected by the resident or representative are listed in Addendum B & C. Charges will be added to the monthly statement.

**D. HOUSEKEEPING SERVICES:** Bed linens and towels are provided (except for king sized beds). Housekeeping services are provided once per month as part of the monthly maintenance fee. A list of additional housekeeping services and their charges are listed in Addendum B & C. Selected services and their charges will be added to the monthly statement.

**E. MEALS:** The Center shall provide three meals per day. Residents may choose a meal plan as outlined in Addendum A. If the Resident is away from the Center for a period of fourteen (14) consecutive days or longer, or is hospitalized, the Resident's monthly maintenance fee will be reduced for meals not provided during the Resident's absence. Credits are not given for meals missed otherwise.

1. **GUEST MEALS:** Residents who wish to have a guest at a meal will be charged the current guest meal rate as outlined in Addendum C unless the Resident opts to use an accumulated guest meal.
2. **ACCUMULATED GUEST MEALS:** Residents who select the three (3) meal plan per day program will receive six (6) guest meals free of charge per six (6) month period (January thru June and July thru December).
    a. Residents who select the two (2) meals per day program will receive four (4) guest meals per six-month period.
    b. Residents who select the one (1) meal per day program will receive two (2) guest meals per six-month period.
    c. Unused guest meals are not credited to the Resident's account.
3. If the Resident misses a meal, a substitute meal will be available.

**F. ADDITIONAL SERVICES & PROGRAMS:** The Center shall provide recreational, religious programs, and social services whenever practicable.

## SECTION 4: RIGHT TO TRANSFER THE RESIDENT

**A. OTHER LEVELS OF CARE WITHIN THE CENTER:** Upon recommendation of the Center's Personal Care Home Administrator or the Resident's attending physician, and thereafter, in consultation with the Resident's Representative, the Center has the authority to transfer the Resident to the appropriate level of care, including Residential Living, Secured Dementia Care Unit (SDCU) or the Skilled Nursing Facility (SNF), subject to availability. The Resident shall be charged the Center's then current rate for such unit. Charges for the former living unit, less any current meal credits, nursing services, and ancillary housekeeping services, shall continue until the former living unit is vacated.

**B. SPECIAL CARE ARRANGEMENTS OUTSIDE THE CENTER:** If the Center's Personal Care Home Administrator or the Resident's attending physician determines that the Resident requires more extensive care which is beyond the Center's capabilities (in the sole judgment of the Center) or the Resident develops another condition which endangers the health and welfare of self, other residents or staff, the Center has the authority to transfer

the Resident to a suitable private or public institution or special facility (such as a hospital or mental health center). The Resident shall bear the cost of all charges of every nature in connection with the transfer to, and charges of, the new facility.

C. **MAINTENANCE OF LIVING UNIT AFTER TRANSFER:** If the Resident is transferred either within the Center or to another facility, the Resident may vacate the living unit or maintain the living unit for a period not exceeding six (6) months, by continuing to pay the bed-hold rate. If the Resident vacates the living unit and recovers sufficiently to return to the living unit in the Center, the Center shall provide the Resident with comparable living accommodations when available. If comparable accommodations are not available, the Center shall assist the Resident in locating alternate living at another facility. The Resident shall bear the cost of all charges of every nature in connection with the transfer to, and charges of, the new facility.

## SECTION 5: CONSENT TO TREATMENT & RELEASE OF INFORMATION

A. **CONSENT TO TREATMENT:** The Resident authorizes the Center to provide, perform & administer the items and services specified in this Agreement and future executed Addendums. In addition, the Resident consents to any medical treatment or medication rendered to the Resident under the general or special instructions of the resident's attending physician. The Center is not obligated to provide the Resident with any medical treatment or special diet without the specific order from the attending physician. The consent given in this paragraph does not deny the right of the Resident to be informed of the nature, risks, and possible consequences of and the alternatives to the treatments or services, or the Resident's right to refuse the treatment or services.

B. **REFUSAL OF TREATMENT:** If the Resident refuses treatment or services provided under this Agreement or as directed by the Personal Care Home Administrator (PCHA) or the Resident's attending physician, or vacates the Center prior to being discharged, the Resident assumes all responsibility for all consequences resulting from the Resident's refusal of such recommended treatment or services or unauthorized discharge.

C. **AUTHORIZATION FOR RELEASE OF INFORMATION:** The Resident authorizes any and all hospitals, physicians, and other health care providers to furnish the Center all requested information from the Resident's medical record in accordance with the Health Insurance Portability and Accountability Act ("HIPAA"). Further, the Resident authorizes the Center to disclose all or any part of the Resident's medical or financial records to any third-party payors, including but not limited to, hospital or medical service companies, insurance companies or public assistance programs. Signature on this Agreement also acknowledges the receipt of the Center's HIPAA policies and procedures.

## SECTION 6: RESPONSIBILITIES OF THE RESIDENT

A. **ACTIVE RESIDENCE:** The Resident shall take up active residence in the Center within six (6) months of the Effective Date.

**B. FURNISHINGS:** All furnishings must meet the safety and aesthetic standards of the Center. The Resident may bring his or her own furniture. The Center will provide a bed, dresser, nightstand, chair, television and lamp for a Resident who is under a respite stay.

**C. INSURANCE:** The Center shall not be liable for loss or damage to the Resident's property by fire, theft, or other casualty, nor for any injuries to the Resident to the Resident's invitees from the use of the premises. The Resident shall be responsible for any insurance coverage on furnishings and all other personal property brought into the Center by the Resident as well as any other type of insurance desired by the Resident.

**D. RESIDENT'S PERSONAL PROPERTY:** The Center is not responsible for the security and safety of the Resident's personal property. The Resident or the Resident's representative should, at all times, take appropriate steps to secure the Resident's personal property.

**E. DISCLAIMER:** The Center has no responsibility for the Resident's safety when away from the facility.

**F. REQUIRED MEDICAL EVALUATION AND SCREENING FOR ADMISSION**

1. The Resident agrees to have a medical evaluation by a physician within 60 days prior to or within 30 days after admission and annually thereafter or if the condition of the Resident changes prior to the annual medical evaluation. The Resident also agrees to provide such evaluation on the form designated by Department of Human Services (DHS).
2. Within 15 days of admission (72 hours for the SDCU residents), annually thereafter or if the condition of the Resident changes prior to the annual assessment, the Resident agrees to participate, and share needed information for the Center to complete the assessment required to determine the appropriateness of care available.
3. Within 30 days of admission (72 hours for the SDCU residents), annually thereafter or if the condition of the Resident changes prior to the annual assessment, the Resident agrees to participate in and share needed information for the Center to complete the support plan outlining the services provided to the Resident, the frequency of the services and the party responsible for providing them.
4. If an acute care hospital or other admission occurs, the Resident will be assessed at the time of discharge from the hospital to determine appropriateness of return to the Personal Care Home ("PCH"). If the resident needs a higher level of care, it cannot be assumed that placement will be available in the Center's Long Term Nursing Care Unit. The charge to hold an apartment during hospitalization is as indicated in Addendum A.
5. If the medical evaluation or pre-screening instrument indicates that the Resident is not appropriate for Personal Care, the following will occur: The Resident and, if applicable, their representative, shall be informed of inappropriateness for continued residence in the PCH by the Personal Care Home Administrator. If a vacancy is available, the Center will assist with transfer to the Center's Long Term Nursing Care Unit. If the Center is unable to provide a bed in this unit, the Center shall assist the Resident with seeking alternative living arrangements at another Long-Term Care Facility.

**G. COMPLIANCE WITH THE CENTER'S POLICIES:** The Resident shall comply at all times with the Center's rules and regulations, including such changes as may be required from time to time. See Addendum C – The Center's "Home" Rules.

**H. FINANCIAL STABILITY:** The Resident agrees not to impair the Resident's ability to meet current or future financial obligations to the Center by uncompensated transfers of the Resident's assets (e.g., gifts) or by otherwise depleting the Resident's assets other than to defray ordinary & customary living expenses. Non-compliance with this section could lead to termination of this Agreement in accordance with Section 7.

**I. APPLICATION FOR FINANCIAL ASSISTANCE:** If the Resident becomes unable to pay the monthly maintenance fee, the Resident agrees to apply for and diligently seek benefits the Resident is eligible for, including, but not limited to, PACE, SSI & Veteran's Benefits.

**J. FINANCIAL REVIEW:** In the event the Resident is unable to meet financial obligations to the Center for services provided by the Agreement, a review will be done of financial resources indicated at the time of admission compared with those disclosed to be currently available. If the inability to meet financial obligations occurs due to any of the following factors, the resident will be given consideration to remain at the Center:

1. The Resident experiences a major change in health warranting a change in level of care at a more costly rate earlier than expected, thereby exhausting financial resources
2. The Resident outlives their life expectancy as projected at the time of admission
3. The Resident has a significant change in income or assets beyond their control
4. There are significant changes in circumstances which prohibit a responsible party to continue to provide financial support including illness, death, loss of job or business setback with verification provided to the Center

The Center reserves the right to require the resident to move to another accommodation or to share an accommodation under such circumstances.

**K. SHARING A DESIGNATED DOUBLE OCCUPANCY ACCOMMODATION:** If the Resident wishes to share a designated double occupancy accommodation with a second party, the second party shall file an Application for Admission & proceed through established pre-admission routines.

1. The Resident and second party shall be responsible for proportionate shares of the Center's rate for double occupancy of the accommodation according to the rate schedule in effect. The second party shall sign a separate Agreement Covering Residence & shall have the same rights, duties & privileges.
2. Upon the death or discharge of either the Resident or the second party, the remaining party may continue to occupy the accommodation at the current single occupancy maintenance fee. The Resident may also move to a smaller accommodation when one is available.
3. If only one party has paid the Entrance Fee, the remaining party shall have no interest whatever in that portion of the Entrance Fee attributable to the other party.

## SECTION 7: TERMINATION OF THE AGREEMENT AND REFUNDS

A. **CANCELLATION BY THE RESIDENT PRIOR TO OCCUPANCY:** If, prior to occupancy of the living unit, the Resident is precluded from being a resident because of death, illness, injury or incapacity, this Agreement is automatically rescinded. In all other cases, the Resident must give written notice of cancellation to the Center. Cancellation will become effective when written notice is received by the Center. Cancellation may become effective sooner if mutually agreed to in writing by the Center and the Resident. Until cancellation becomes effective, the Resident shall continue to be responsible for payment of the monthly maintenance fee. The Resident shall also be financially responsible for any expenses incurred at their specific request (i.e.: specific paint colors).

B. **CANCELLATION BY THE RESIDENT AFTER OCCUPANCY:** The Resident may cancel this Agreement at any time. The Resident must give written notice of cancellation to the Center, which will become effective fifteen (15) days from the date the notice is received by the Center. Cancellation may become effective sooner if mutually agreed to in writing by the Center and the Resident. Until cancellation becomes effective, and the room is fully vacated, the Resident shall continue to be responsible for payment of the monthly maintenance fee.

C. **CANCELLATION BY THE CENTER**: The Center shall give the Resident written notice of cancellation to be effective not less than thirty (30) days after the date the written notice is received by the Resident. However, if this agreement is cancelled because the Resident is a danger to him/herself or others, only such notice as reasonable under the circumstances shall be required. No interest shall accrue on any refund due to the Resident.

D. **REASONS FOR CANCELLATION BY THE CENTER:** The Center may not cancel this Agreement and discharge the Resident without just cause which shall include, but not be limited to the following:

1. Failure of the Resident to take up active residence within six (6) months of the Effective Date
2. Within ninety (90) days following active residence the Center finds the Resident unacceptably incompatible
3. Any serious disruption or threat to the safety and health of the Resident or other residents in the Center because of the Resident's continued presence in the Center, upon a good faith determination in writing signed by the resident's Primary Care Physician (PCP) and the PCHA.
4. Failure to pay any fees due to the Center.
5. Failure of the Resident to abide by the Center's Home Rules & Regulations
6. Failure to cooperate and/or to file applications for financial assistance when requested by the Center.
7. Closure of the facility
8. Any breach of this Agreement
9. The Resident's functional level has advanced or declined to the extent that the Resident's needs cannot be met in the PCH.

a. If the Resident or representative disagrees with the Center for this reason, the Center will arrange a consultation with an appropriate assessment agency or the physician to determine if the Resident needs a different level of care.
b. A plan for other placement shall be made as soon as possible by the Center in conjunction with the Resident and representative. If assistance with relocation is necessary, the Center shall contact appropriate local agencies, such as the Area Agency on Aging, County Mental Health/Mental Retardation program, or a drug & alcohol program for assistance.
c. The Center will also contact DHS's regional office.
d. If the Resident becomes incapacitated to the extent that the Resident needs a higher level of care, such as long-term skilled care or psychiatric care, arrangements for the Resident's transfer may be made without 30 days notice.

**E. REFUNDS AT TIME OF DISCHARGE:** If the Center initiates discharge & the Resident moves out before the 30 days are over, the Center shall give the Resident a refund of any previously paid charges for the remainder of the 30-day period. If the Resident is entitled to a refund pursuant to this Agreement, the Center shall pay the refund to the Resident or representative within thirty (30) days of a written request for refund. No interest shall accrue on any refund due to the Resident.

**F. DEATH OF THE RESIDENT:** The Resident's estate will be responsible for the monthly maintenance fee (less a meal credit at the Center's then current meal credit rate) until the Resident's living unit is vacated to the satisfaction of the Center by the Resident's personal representative. The date of death will be the last day charged for meals, nursing, and ancillary housekeeping services. In accordance with the Elder Care Payment Restitution Act, the Center will refund any unused portion of advance payments for such services within 30 days of the date the living unit is vacated. The Center will also contact the Resident's representative within 24 hours of death to arrange for an inventory of personal property. Since the Center cannot assume responsibility for the security of the Resident's personal property; the Resident or representative is responsible for the prompt removal of the Resident's personal property. If, after the expiration of a period of sixty (60) days from the date of death of the Resident, the Resident's personal property has not been claimed by the representative, the Center is authorized to dispose of the Resident's personal property without being subject to any right, claim or demand by any party and this Agreement is cancelled.

**G. OTHER CONSIDERATIONS REGARDING DISCHARGE:**

**1.** If a delay in discharge or transfer would jeopardize the health or safety of the Resident or others in the Center's care, as certified by a physician or DHS, or both, the time periods required in the sections above do not have to be observed. This may occur when the Resident needs psychiatric or long-term care, or is abused by the Center's staff, or the closure of the Center is initiated by DHS.

**2.** A 302 involuntary commitment is not a discharge or transfer. A 302 is a temporary involuntary hospitalization of a finite length. It is a temporary placement and would fall under the Center's bed hold agreement with the Resident.

3. The date & reason for the discharge or transfer and the destination of the Resident, if known, shall be recorded in the Resident's record.
4. Refunds pertaining to those residents who originally paid an Entrance Fee under a residential agreement will be reimbursed per the signed Entrance Fee Agreement.

## SECTION 8: ADVANCE DIRECTIVES

A. **CURRENT COPIES:** At the time of admission, the Resident is requested to provide copies of current advanced directives. Residents are strongly encouraged to declare an Advanced Directive if not already completed. In the event of respiratory or cardiac arrest, the Resident will receive total supportive care, unless indicated otherwise on a specified form. Total supportive care is defined as the provision of basic CPR by the Center's staff while awaiting the arrival of the emergency medical technicians. The Resident will then be transferred to an acute care facility for advanced treatment.
B. **DO NOT RESUSCITATE (DNR) ORDERS:** The Center will follow all current DNR orders in accordance with applicable regulations.

## SECTION 9: ACKNOWLEDGMENTS

A. **EXPLANATION OF AGREEMENT:** The Resident acknowledges that this Agreement has been reviewed and explained to him/her and his/her representative. The Resident acknowledges that he/she has been given the opportunity to ask questions relative to this Agreement.
B. **RECEIPT OF AGREEMENT:** The Resident and/or representative acknowledge receipt of a copy of this contract.
C. **RIGHT TO RESCIND: RIGHT TO RESCIND**: The rescission period begins upon the signing of the Agreement on _____, 20__. The resident may rescind and terminate the Agreement, without penalty or forfeiture, within seven days of the above date and pay only for services received. The Resident is not required to move into the Center before the expiration of this seven-day period. No other agreement or statement signed by the Resident shall constitute a waiver of the Resident's right to rescind the Agreement within the seven-day period. To rescind the Agreement, the Resident shall mail or deliver a signed a dated written notice, letter or telegram stating a desire to rescind to Sarah Reed Senior Living, 227 West 22nd St, Erie, Pennsylvania, 16502 not later than midnight of _____, 20__ (which is the last day of rescission). If the Resident rescinds the Agreement, the Resident agrees to reimburse the Center for all expenses incurred by the Center in preparation of the living unit for occupancy by the Resident and shall pay the Center a daily room charge from the beginning of the rescission period through the day the Center receives notice of the Resident's decision to rescind.
D. **SECURING OF MEDICATIONS:** A Resident will lock their door when out of their apartment so that medications are secure.
E. **LOCAL AGENCY CONTACTS FOR COMPLAINT:** The Resident acknowledges that the Center has provided a copy of the right to file a complaint with the Department of

Human Service's Personal Care Regional Office, Local Ombudsman or Protective Services Unit of the Area Agency on Aging, Disability Rights Network of Pennsylvania, or law enforcement agency.

**F. DHS RESIDENT RIGHTS:** The Resident acknowledges receipt of a list of the Resident Rights as specified in Addendum G of this Agreement.

**G. NONDISCRIMINATION/ACCESSIBILITY REQUIREMENTS:** The Resident acknowledges receipt of the Nondiscrimination/Accessibility Requirements of the Center as listed in Addendum I.

**H. KEYS:** The Resident acknowledges receipt of keys to his/her individual apartment and individual mailbox. The Resident further acknowledges that keys are not to be copied by anyone other than the Center's Maintenance Department. If the Resident requests additional keys for family members, the keys will be made at an additional cost to the resident. Keys must be returned when a Resident's apartment is vacated, or charges will be applied for re-keying of the locks.

**I. SECURITY CAMERAS:** The Resident acknowledges that in order to provide a safe environment, the Center has installed security cameras at the entrances and exits of the facility. Therefore, as anyone (including the Resident) enters or exits the building, their image is being monitored and recorded.

**J. PHOTOGRAPHY CONSENT:** The Resident consents that photographs, videotapes, digital or other images may be recorded for identification purposes or to document care. The Center will retain ownership rights to these photographs, videotapes, digital or other images, but the Resident may access them or view copies. The images will be stored in a secure manner that will protect the privacy of the Resident and that they will be kept for the time period required by law. Any images that identify the Resident will be released outside the Center only upon written authorization from the Resident or legal representative or as permitted by law.

**K. FLU/PNEUMONIA CONSENTS:** The Resident consents to an annual flu vaccine and a one-time pneumonia vaccine if not contraindicated by religious or medical reasons and upon the order of the physician. The Flu and Pneumovax Information Sheets will be provided at the time of vaccination.

**L. HANDBOOK:** The Resident acknowledges receipt of the Center's Handbook.

**M. RIGHT OF ENTRY:** The Center reserves the right of entry and inspection of the Resident's living unit to determine whether the living unit meets the standards of comfort, health, safety and security. At times, the Center will direct the resident in issues related to compliance with DHS regulations. The Resident is expected to comply with the Center's directions where regulatory issues are concerned.

## SECTION 10: GENERAL PROVISIONS

**A. MODIFICATION:** This Agreement may be amended or modified only by an agreement in writing executed by the Resident and the Center's Board of Directors. The Resident shall be provided notice not less than thirty (30) days before any changes in fees or charges or the

scope of care or services may be effective, except for changes required by state or federal assistance programs.

**B. REPRESENTATIONS OF THE RESIDENT:** Representations made by the Resident in the Application and personal interview, including any health history and all records relating to admission which are provided to the Center, are made part of this Agreement and any material omission or misrepresentation renders this Agreement voidable by the Center.

**C. RIGHTS OF THE RESIDENT:** The Resident has no right, title, or interest in any part of the personal property, land, buildings, and improvements owned or administered by the Center. The Resident's rights are primarily for services with a contractual right to occupancy. This Agreement is not intended to create the relationship of landlord and tenant. This Agreement in no way alters the control of the management, assets and affairs of the Center and the absolute right of management is reserved to the Center. Authority as to admissions and discharges is vested in the Center and the Resident shall have no right to object to admission, terms of admission or residence or discharges of any other applicant or resident. The rights of the Resident under this Agreement are the rights and privileges expressly granted in this Agreement and the Resident's Rights provided under the DHS (see Addendum G) and are personal to the Resident and cannot be transferred or assigned by the Resident.

**D. GOVERNING LAW:** This Agreement shall be governed by and interpreted in accordance with the laws of the Commonwealth of Pennsylvania.

**E. PARTIES IN INTEREST:** This Agreement shall be legally binding on the parties, their heirs, personal representatives, guarantors, and successors.

**F. WAIVER OF BREACH:** The failure of the Center to insist on strict compliance by the Resident with any provisions of this Agreement, in any one or more instances, shall not be construed to be a waiver of the Center's right to insist on strict compliance by the Resident with all provisions of the Agreement.

**G. INDEMNIFICATION OF THE CENTER:** In the event of injury or damage of any kind to person or property occurs in the Center by reason of the Resident's negligent actions, the Resident shall provide immediate reimbursement for any and all injury of damage so sustained. Upon discharge, the PCH Administrator will notify the Resident or Representative of excess damage to the living unit and provide a statement of costs to be paid by the Resident.

**H. PRIORITY OF LENDERS:** The rights of the Resident under this Agreement shall, at all times, be subordinate and inferior to the rights of a lender under any secured indebtedness that now exists or in the future is executed by the Center on the property of the Center.

**I. SEVERABILITY:** If any provision of this Agreement is determined to be invalid or unenforceable, the remainder of this Agreement shall continue to be binding.

**J. NONWAIVER:** No act, agreement, or statement of the Resident or an individual purchasing care for the Resident shall constitute a valid waiver of any provision of the Pennsylvania Continuing Care Provider Registration and Disclosure Act.

**K. HEADINGS FOR CONVENIENCE ONLY:** The headings in this Agreement are for convenience only and should not be construed to be part of this Agreement.

In consideration of all of the foregoing provisions of this Admission Agreement, the Resident (or representative if the resident is unable to comprehend this Agreement), hereby signifies his/her consent to the provisions of this Admission Agreement and receipt of the following addendums:

A. Fee schedule (Personal Care Services or Full Personal Care)
B. Purchased Services & Housekeeping Services (Associated with Personal Care Services fee schedule)
   ***Note: Addendums A & B reflect current charges at the time of the Resident signing the agreement. Any updates to the pricing will be given a 30-day advanced notice. The Resident will not be asked to re-sign the entire contract, but will be asked to sign updated Addendums A & B.***
C. Additional Charges
D. Home Rules
E. Complaint Procedure
F. SSI Procedures
G. DHS Resident Rights
H. Inventory List – to be voluntarily completed by the Resident upon admission & voluntarily updated.
I. Nondiscrimination in Services Policy/Accessibility Requirements
J. Nondiscrimination in Services Policy/Equal Employment Opportunity

Now, therefore, the parties intending to be legally bound agree to the terms set forth in this Resident-Center Agreement for Personal Care Homes.

| | |
|---|---|
| Resident Signature | Date Signed |
| Administrator/Designee Signature | Date Signed |
| Payer Signature (if different from resident) | Date Signed |
| Designated Person Signature (option of the Resident) | Date Signed |
| Resident's Mark (if unable to sign) | Date Signed |
| Witness to Resident's Mark | Date Signed |

# Addendum A – Fee Schedule for Full Personal Care

**Name:** _____

**Apartment:** _____

**Effective Date:** _____

_____New Admission
_____Change in Services/Cost
_____Change in Level of Care
From _____to_____

**Level of Care:**

_____**Full PC (includes all nursing and housekeeping services that are listed in the agreement)**

**Monthly Maintenance Fee:** $_____(cost includes three daily meals)

_____No meals ($316 monthly credit)
_____One meal ($210 monthly credit) _____Breakfast _____Lunch _____Dinner
_____Two meals ($105 monthly credit) _____Breakfast _____Lunch _____Dinner
_____Three meals (no credit to monthly maintenance fee)

**Net Monthly Maintenance Fee after Entrance Fee discounts and meal plan selection $_____**

---

**Bed Hold Rate:**
Bed Hold Rate is the Monthly Maintenance Fee less the prorated nursing component ($_____) for the month and the applicable meal credits as identified below.

**Meal Credit Rate (for hospitalizations or absences longer than 14 days)**
One meal plan: Credit of $2.50/day
Two meal plan: Credit of $4.50/day
Three meal plan: Credit of $7.00/day

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**Phone Service** _____ Yes _____No
If phone service is elected, $23/month will be added to the monthly statement.
There is no charge for long distance calls.

Responsible Party_____Date_____

Resident Signature_____Date_____

Staff Signature _____Date_____

# Addendum A – Fee Schedule for PC Services

**Name:** _____

**Apartment:** _____

**Effective Date:** _____

_____New Admission
_____Change in Services/Cost
_____Change in Level of Care
From _____to_____

**Level of Care:**

_____**Personal Care Services (includes specific services as listed on the attached sheet)**

**Monthly Maintenance Fee:** $_____(cost includes three daily meals)

_____No meals ($316 monthly credit)
_____One meal ($210 monthly credit) _____Breakfast _____Lunch _____Dinner
_____Two meals ($105 monthly credit) _____Breakfast _____Lunch _____Dinner
_____Three meals (no credit to monthly maintenance fee)

**Net Monthly Maintenance Fee after Entrance Fee discounts and meal plan selection $_____**

---

**Bed Hold Rate:**
Bed Hold Rate is the Monthly Maintenance Fee less the applicable PC services selected and meal credits as identified below.

**Meal Credit Rate (for hospitalizations or absences longer than 14 days)**
One meal plan: Credit of $2.50/day
Two meal plan: Credit of $4.50/day
Three meal plan: Credit of $7.00/day

---

**Phone Service** _____ Yes _____No
If phone service is elected, $23/month will be added to the monthly statement.
There is no charge for long distance calls.

Responsible Party_____Date_____

Resident Signature_____Date_____

Staff Signature _____Date_____

# Purchased Nursing and Housekeeping Services

| Service | Cost | Effective Date | Discontinued Date | Notes |
|---|---|---|---|---|
| **A.M. Assistance** | $18.00 per day | | | |
| **A.M. Care Limited Assistance** | $10.00 per 15 minutes | | | |
| **P.M. Assistance** | $18.00 per day | | | |
| **P.M. Care Limited Assistance** | $10.00 per 15 minutes | | | |
| **Bath Service** | $20.00 per service | | | |
| *Frequency:* | | | | |
| **Shower Service** | $15.00 per service | | | |
| *Frequency:* | | | | |
| **Medication Administration** | | | | |
| 1X Day | $6.00 per day | | | |
| 2X Day | $9.00 per day | | | |
| 3X Day | $12.00 per day | | | |
| 4X Day | $15.00 per day | | | |
| 5X Day | $18.00 per day | | | |
| **TED Stockings Assistance** | | | | |
| A.M. Only | $5.00 per day | | | |
| P.M. Only | $5.00 per day | | | |
| Both | $10.00 per day | | | |
| **Blood Pressure Reading** | $3.00 per reading | | | |
| *Frequency:* | | | | |
| **Blood Pressure & Pulse** | $4.00 per readings | | | |
| *Frequency:* | | | | |
| **Pulse** | $3.00 per reading | | | |
| *Frequency:* | | | | |
| **Respiration** | $3.00 per service | | | |
| *Frequency:* | | | | |
| **Temperature** | $3.00 per service | | | |
| *Frequency:* | | | | |
| **Weight Record** | $3.00 per service | | | |
| *Frequency:* | | | | |
| **Blood Glucose Monitoring** | $10.00 per service | | | |
| *Frequency:* | | | | |
| **Injections** | $10.00 per service | | | |
| *Frequency:* | | | | |
| | | | | |
| **Ambulation Assistance** | | | | |
| 1X Day | $155 per month | | | |
| 2X Day | $310 per month | | | |
| 3X Day | $460 per month | | | |

# Purchased Nursing and Housekeeping Services

| Service | Cost | Effective Date | Discontinued Date | Notes |
|---|---|---|---|---|
| **Nursing service** | $15.00 per 15 min. | | | |
| **Dressing Change** | $15.00 per 15 min. | | | |
| **Aide Service** | $10.00 per 15 min. | | | |
| | | | | |
| **O2 Monitoring/Fill tank** | $7.00 per day | | | |
| **O2 SAT** | $3.00 per service | | | |
| **Nebulizer Treatment** | $10.00 per treatment | | | |
| **Pendant Monthly Service (Incl. pendant)** | $35.00 per month | | | |
| **Pendant Equipment Replacement Charge** | $81.00 per device | | | |
| **Other Nursing Services:** | | | | |
| *Indicate service & charge* | | | | |

Name:_____ Apartment:_____

Resident Signature: _____ Date: _____

# Addendum C – Additional Charges

This list is not inclusive of all additional items & their charges but represents those most frequently purchased. Additional costs can be obtained through the Personal Care Home Administrator.

**Nursing Supplies:**
**Catheter:** $1.80 - $29.99 (depending on type, plus nursing room charge)
**Denture Cream:** $5.05 each
**Effervescent Tablets:** $.09 each
**Enema:** $1.79 - up (each, depending on type, plus nursing room charge)
**Incontinence Products:**
**Briefs:** S-XL $0.49 - $1.29 each, depending on size
**Liners:** S-XL $0.34 - $0.92 each, depending on size
**Pull-ups:** S- XL $0.63 - $1.47 each, depending on size
**Razors:** $0.17 each
**Soap (Dove):** $1.67 each
**Tissues:** Kleenex: - $0.89 box
**Toothpaste:** $0.69 each

**Maintenance Fees:**
**Disposal of Large Items:** $50.00
**Maintenance service for repair of personal items:** $7.00 per 15 minutes
**Key Replacement:** $3.00 per key
**Garage Door Opener**: $50.00 per opener for replacement if lost

**Miscellaneous Fees:**
**Beauty Shop/Barber Shop Services:** current rates are posted in the beauty shop
**Transportation:** charged to resident based on type, such as taxi, stretcher or wheelchair ambulance
**Travel Attendant:** $20.00 per hr.; minimum 1 hr.
**Guest Room*:** $25.00 per night, plus tax; Rollaway bed per $12.50 per night

| | **Meals for Guests*** | | | | | |
|---|---|---|---|---|---|---|
| | Adult | | | Children | | |
| | Weekdays | Sunday | Holiday | Weekdays | Sunday | Holiday |
| B | $7.00 | $7.00 | $7.00 | $4.50 | $4.50 | $4.50 |
| L | $8.50 | $12.50 | $15.00 | $4.75 | $7.00 | $9.75 |
| D | $11.00 | $8.50 | $8.50 | $7.00 | $7.00 | $7.00 |
| | ***plus tax** | | | | | |

## Addendum D – Home Rules

# Sarah Reed Senior Living
# Home Rules

The Resident agrees to abide by the following rules. These rules must not be in violation of the Resident's Rights given in this agreement.

1. **No Smoking:** Smoking is NOT permitted in the Center or in the Center's vehicles by residents, guests, or staff. Residents or visitors who wish to smoke can do so on the OUTDOOR Reed Manor 2nd or 3rd floor balconies. Smokers shall use the provided fireproof receptacles.
2. **Medications:** If a Resident is receiving medication administration services from the Center, the medications must be provided in unit dose or blister pack form. The Center cannot accept medications in a bottle. Families or friends cannot bring in any prescription medications or over the counter medications for the Resident.
3. **Self-Administration of Medications:** If the Resident is self administering his/her own medications, the Resident will lock their door when out of their apartment so that medications are secure.
4. **Right to Refuse Medication:** The Resident has the right to refuse medication if he/she believes the medication to be in error.
5. **Enabler/Transfer Assist Bars:** If the Resident uses a transfer assist bar for assistance getting in/out of bed, the bar must be covered and secured to the bed frame. The Center prohibits the use of half or full side rails.
6. **Bedside Light:** During their stay in the Center, the Resident's bedroom must be arranged to provide for a light at the bedside.
7. **Sign-out Procedures:** When leaving the Center, all residents are asked to sign out for safety reasons. Residents are asked to sign back in upon their return. Residents are also asked to notify the Dining Room if they will not be present at a meal.
8. **Visiting Hours:** Visiting hours generally occur from 9:00 a.m. to 9:00 p.m. However, the Center does not restrict the right of the Resident to have visitors at other times. All visitors are required to act in a manner that is not disruptive to other residents or staff. All visitors are requested to sign in and out at the register provided at the entrances of the Center.
9. **Overnight absences:** If the Resident intends to be away from the Center overnight or for an extended period, the Resident must notify the Personal Care Home Administrator in advance. The nursing staff requests approximately 5 days notice to secure medications for planned absences.
10. **Mealtimes:**
    a. Breakfast: 7:30 a.m. to 9:00 a.m. (Open hours)
    b. Lunch: 12:00 p.m. or 12:30 p.m. (Assigned seating times)
    c. Dinner: 5:00 p.m. or 5:30 p.m. (Assigned seating times)
11. **Alcohol:** Alcohol use is not restricted, so long as other Residents are not disturbed as a result. The Resident may be advised by their physician to not consume alcohol if it poses a danger when mixed with prescribed medications.
12. **Fire Drill Participation:** The Resident is required to participate in an unannounced fire drill monthly. The Resident is also required to attend a mandatory annual education re: fire drill procedures.

# Addendum D – Home Rules

13. **Electrical cords:** The Center prohibits the use of extension cords. Residents are encouraged to use surge protectors. Residents who need a surge protector can contact the Maintenance Department for availability and charges.
14. **Pets:** The Center does not allow Residents to keep personal pets. Residents are permitted to keep fish in their apartments. Visits are welcomed by well-behaved pets with current immunizations.
15. **Throw Rugs:** Throw rugs are discouraged as they present a slipping hazard. Residents who choose to use a throw rug are encouraged to use a non-skid rug with a rubber backing.
16. **Disruptive Behavior:** The Center will not tolerate disruptive behavior by Residents or Guests.
17. **Flu/Pneumonia Vaccines:** For the safety of all staff and Residents, the Resident is encouraged to receive an annual flu vaccine and pneumovax as recommended by their physician.
18. **DHS Regulations:** Residents are required to comply with DHS regulations re: fire sprinklers, shelving, bedside lamps, and enabler bars. The Resident acknowledges that these regulations may change and that changes must be complied with as well.
19. **Weapons & Firearms:** Weapons and firearms are prohibited in the Center.

# Addendum E – Complaint Procedure

1. Prior to admission, the Center shall inform the Resident and the Resident's designated person of the right to file and the procedure for filing a complaint with the Department of Human Service's Personal Care Home regional office, local ombudsman or protective services unit in the Area Agency on Aging, Pennsylvania Protection & Advocacy, Inc., or law enforcement agency.

2. The Center has a procedure to respond to written or oral complaints from any source regarding an alleged violation of resident rights, quality of care, or other matter without retaliation or the threat of retaliation.

3. If a resident indicates that he or she wishes to make a written complaint, but needs assistance in writing the complaint, the Personal Care Home Administrator or Resident Service Coordinator will assist the resident in writing the complaint.

4. The Center shall ensure investigation and resolution of complaints. The Personal Care Home Administrator will receive all complaints and determine the outcome of the complaint.

5. Within 2 business days of the submission of a written complaint, a status report will be provided by the Center to the complainant. If the resident is not the complainant, the resident and the resident's designated person shall receive the status report, unless contraindicated in the support plan. The status report will indicate the steps that the Center is taking to investigate and address the complaint.

6. Within 7 days after the submission of the written complaint, the Personal Care Home Administrator will give the complainant, and, if applicable, the designated person, a written decision explaining the Center's investigation findings and the action the Center plans to take to resolve the complaint. If the resident is not the complainant, the affected resident shall receive a copy of the decision unless contraindicated by the support plan. If the Center's investigation validates the complaint allegations, a resident who could potentially be harmed or his designated person shall receive a copy of the decision with the name of the affected resident removed (unless contraindicated in the support plan).

7. The telephone number of the Department of Human Service's Personal Care Home's Regional office, the local ombudsman or protective services unit in the Area Agency on Aging, Pennsylvania Protection & Advocacy, Inc, the local law enforcement agency, the Commonwealth Information Center, and the Personal Care Home Complaint Hotline are posted on the bulletin boards within the Center.

# Addendum F – SSI Procedures

This Addendum applies to only those residents receiving the Supplemental Security Income (SSI).

1. The monthly maintenance fee for room and board cannot exceed the resident's actual current monthly income reduced by the resident's personal needs allowance (currently set at $85.00), which is the amount determined by the Department of Human Services.

2. The Center may not seek or accept any payment from any funds received as lump sum awards, gifts, inheritances, gains from the sale of property, or retroactive government benefits, with the exception of retroactive awards of Social Security or Supplemental Security Income benefits, to the extent that these awards cover periods of time during which the resident actually resided in the Center.

3. The Center may not seek or accept any payments from the resident in excess of one-half of any rent rebate funds received by the resident for the period of time the resident resides in the Center.

4. The Center must provide, at no additional charge to the resident, necessary personal hygiene items such as comb, toothbrush, toothpaste, soap and shampoo (excluding cosmetics) and personal laundry service (excluding dry cleaning and other specialized services).

pennsylvania
DEPARTMENT OF HUMAN SERVICES

**Commonwealth of Pennsylvania**
**Personal Care Home**

# RESIDENT RIGHTS

- A resident may not be discriminated against because of race, color, religious creed, disability, handicap, ancestry, sexual orientation, national origin, age or sex.
- A resident may not be neglected, intimidated, physically or verbally abused, mistreated, subjected to corporal punishment or disciplined in any way.
- A resident shall be treated with dignity and respect.
- A resident shall be informed of the rules of the home and given 30 days written notice prior to the effective date of a new home rule.
- A resident shall have access to a telephone in the home to make calls in privacy. Nontoll
- calls shall be without charge to the resident.
- A resident has the right to receive and send mail. Outgoing mail may not be opened or read by staff persons unless the resident requests.
- Incoming mail may not be opened or read by staff persons unless upon the request of the resident or the resident's designated person.
- A resident has the right to communicate privately with and access the local ombudsman.
- A resident has the right to practice the religion or faith of the resident's choice, or not to practice any religion or faith.
- A resident shall receive assistance in accessing health services.
- A resident shall receive assistance in obtaining and keeping clean, seasonal clothing.
- A resident has the right to access, review and request corrections to the resident's record.
- A resident has the right to furnish his room and purchase, receive, use and retain personal clothing and possessions.
- A resident has the right to leave and return to the home at times consistent with the home rules and the resident's support plan.
- A resident has the right to relocate and to request and receive assistance, from the home, in relocating to another facility.
- A resident has the right to freely associate, organize and communicate with others privately.
- A resident shall be free from restraints.
- A resident shall be compensated in accordance with State and Federal labor laws for labor performed on behalf of the home.
- A resident has the right to receive visitors for a minimum of 12 hours daily, 7 days per week.
- A resident has the right to privacy of self and possessions.
- A resident has the right to file complaints with any individual or agency and recommend changes in policies, home rules and services of the home without intimidation, retaliation or threat of discharge.
- A resident has the right to remain in the home, as long as it is operating with a license.
- A resident has the right to receive services contracted for in the resident-home contract.
- A resident has the right to use both the home's procedures and external procedures to
- appeal involuntary discharge.
- A resident has the right to a system to safeguard money and property.
- A resident has the right to choose his own health care providers.

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DEPARTMENT OF HUMAN SERVICES

# IF YOU BELIEVE YOUR RIGHTS HAVE BEEN VIOLATED, CONTACT:

- **The Administrator of the Personal Care Home:**

| Carey Mastrian | 814-878-2651 |
|---|---|
| **Name of Administrator** | **Telephone Number** |

- **The Regional Licensing Office:**
  - **Central Region 1-800-882-1885**
  - **Northeast Region 1-800-833-5095**
  - **Northwest Region 1-888-464-6378**
  - **Southeast Region 1-866-711-4115**
  - **Southwest Region 1-888-322-3664**

- **Personal Care Home Toll-Free Complaint Hotline:**
  - **1-877-401-8835**

- **Local Ombudsman:** 814-459-4581

- **Area Agency on Aging:** 814-459-4581 ext 400

- **County Mental Health Services:** 814-451-6860

- **County Intellectual/Developmental Disability Services**
  814-451-6860

- **Commonwealth Information Center: 1-800-932-0784**

- **Disability Rights Network of Pennsylvania: 1-800-692-7443**

# Addendum H – Inventory of Personal Possessions

## Sarah Reed Senior Living

Resident Name _____ Room_____

| **Clothing** | **Items of Specific Value (Description)** |
|---|---|
| _____ Dresses | Glasses _____ |
| _____ Blouses | Hearing Aid _____ |
| _____ Jackets | Dentures _____ |
| _____ Skirts | Watch _____ |
| _____ Slacks | Jewelry (Rings, etc.) _____ |
| _____ Underwear | Radio _____ |
| _____ Bras | TV _____ |
| _____ Slips | Pictures _____ |
| _____ Hose | Electric Razor _____ |
| _____ Sweatsuits | Bedspread _____ |
| _____ Shirts | Chair _____ |
| _____ Undershirts | Plants _____ |
| _____ Pants | Knickknacks _____ |
| _____ Sport coats | Purse _____ |
| _____ Nightgowns | Wallet _____ |
| _____ Pajamas | Bible/prayer book _____ |
| _____ Slippers | Books _____ |
| _____ Robe | Cane _____ |
| _____ Socks | Walker _____ |
| _____ Sweaters | |
| _____ Hat | |
| _____ Gloves | |

Additional items: _____

OR

_____ I do not wish to complete the above inventory.

Signature _____ Date _____

*227 West 22nd Street*
*Erie, PA 16502*

*p 814-878-2600*
*f 814-878-2607*

Sarah Reed
SENIOR LIVING
*sarahareed.org*

TO: Clients/Resident of Sarah Reed Senior Living

FROM: Gale Magyar, Executive Director, Corporate Compliance Officer
The Sarah Reed Retirement Center, dba Sarah Reed Senior Living

Kyle Johnson, Administrator, NHA, HIPAA Officer

Carey Mastrian, Personal Care Home Administrator

DATE: March 2, 2023

RE: Nondiscrimination in Services Policy Statement/Accessibility Requirement

Sarah Reed Senior Living complies with applicable Federal civil rights laws and does not discriminate on the basis of race, color, religious creed, disability, handicap, ancestry, sexual orientation, national origin (including limited English proficiency), age, or sex. Sarah Reed Senior Living does not exclude people or treat them differently because of race, color, religious creed, disability, handicap, ancestry, sexual orientation, national origin (including limited English proficiency), age, or sex.

Program services shall be made accessible to eligible persons with disabilities through the most practical and economically feasible methods available. These methods include, but are not limited to, equipment redesign, the provision of aides, and the use of alternative service delivery locations. Structural modifications shall be considered only as a last resort among available methods.

Sarah Reed Senior Living provides free aids and services to people with disabilities to communicate effectively with us, such as qualified sign language interpreters and written information in other formats (large print, audio, accessible electronic formats, other formats). We provide free language services to people whose primary language is not English, such as qualified interpreters and information written in other languages. If you need these services, contact Gale Magyar at 814-878-2610. If Gale Magyar is not available (weekends, holiday, evening hours), the Nursing Supervisor on call will assist.

If you believe that Sarah Reed Senior Living has failed to provide these services or discriminated in another way on the basis of race, color, religious creed, disability, handicap, ancestry, sexual orientation, national origin (including limited English proficiency), age, or sex, you can file a grievance with Kyle Johnson, Nursing Home Administrator, 227 West 22nd Street, Erie, PA 16502, 814-878-2611, fax 814-878-2607 or email KyleJohnson@sarahareed.org. You can file a grievance in person, mail, fax, or email. If you need help filing a grievance Kyle Johnson is available to help you.

You can also file a civil rights complaint with the U.S. Department of Health and Human Services, Office for Civil Rights, electronically through the Office for Civil Rights Complaint Portal, available at https://ocrportal.hhs.gov/ocr/portal/lobby.jsf, or by mail or phone listed below. Complaint forms are available at http://www.hhs.gov/ocr/office/file/index.html.

Administrator
Sarah Reed Senior Living
227 West 22nd Street
Erie, PA 16502
Phone: 814-878-2600
Fax: 814-878-2607

Commonwealth of Pennsylvania
Department of Human Services
BEO/Office of Civil Rights Compliance
Room 225, Health & Welfare Building
P.O. Box 2675 Harrisburg, PA 17120
Inquiries: (717) 787-1127
Email: RA-PWDHSCivilRights@pa.gov

Office for Civil Rights
U.S. Department of Health and Human Services
Centralized Case Management Operations
200 Independence Avenue, S.W.
Room 509F HHH Bldg
Washington, D.C. 20201
Customer Response Center: (800) 368-1019
TDD: (800) 537-7697
https://www.hhs.gov/ocr/complaints
Email: ocrmail@hhs.gov

Pennsylvania Human Relations Commission (PHRC)
333 Market Street, 8th Floor
Harrisburg, PA 17101
https://www.phrc.pa.gov/File-a-complaint
Inquiries: (717) 787-4410
TTY users only: (717) 787-7279

227 West 22nd Street
Erie, PA 16502

Sarah Reed
SENIOR LIVING
sarahareed.org

p 814-878-2600
f 814-878-2607

DATE: March 2, 2023

SUBJECT: **NON-DISCRIMINATION POLICY STATEMENT**

**EQUAL EMPLOYMENT OPPORTUNITY**

TO: Sarah Reed Senior Living Board

FROM: Gale Magyar, Chief Executive Officer



Sarah Reed Senior Living

Open and equitable personnel systems will be established and maintained. Personnel policies, procedures and practices will be designed to prohibit discrimination on the basis of race, color, religious creed, disability, ancestry, national origin, age or sex.

Employment opportunities shall be provided for applicants with disabilities and reasonable accommodation(s) shall be made to meet the physical or mental limitations of qualified applicants or employees.

Any employee who believes they have been discriminated against, may file a complaint of discrimination with any of the following:

Human Resources Department
Sarah Reed Senior Living
227 West 22nd Street
Erie, PA 16502-2614
Phone: 814-878-2600
Fax: 814-878-2607

Pennsylvania Human Relations Commission
333 Market Street, 8th Floor
Harrisburg, PA 17101
https://www.phrc.pa.gov/File-a-complaint
Inquiries: (717) 787-4410
TTY users only: (717) 787-7279

Commonwealth of Pennsylvania
Department of Human Services
BEO/Office of Civil Rights Compliance
Room 225, Health & Welfare Building
P.O. Box 2675 Harrisburg, PA 17120
Inquiries: (717) 787-1127
Email: RA-PWDHSCivilRights@pa.gov

U.S. Equal Employment Opportunity Commission
801 Market Street, Suite 1000
Philadelphia, PA 19107-3126
Inquiries: (800) 669-4000
TTY users only: (800) 669-6820
https://www.eeoc.gov/federal-sector/overviewfederal-sector-eeo-complaint-process
Email: PDOContact@eeoc.gov

Office for Civil Rights
U.S. Department of Health and Human Services
Centralized Case Management Operations
200 Independence Avenue, S.W.
Room 509F HHH Bldg
Washington, D.C. 20201
Customer Response Center: (800) 368-1019
TDD: (800) 537-7697
https://www.hhs.gov/ocr/complaints
Email: ocrcomplaint@hhs.gov

Reaffirmed Annually