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By Randall Huyck at 8:24 am, Oct 02, 2023



P.O. BOX 13700, Mill Creek, WA 98082

September 29, 2023

Eric Hernandez, Program Manager  
Health Facilities and Certificate of Need  
Department of Health  
111 Israel Rd. S.E.  
Tumwater, WA 98501

Dear Mr. Hernandez:

Enclosed please find a copy of Everett Transitional Care Services (ETCS) Certificate of Need Application to permanently add the 31 beds added during the COVID PHE to ETCS, for a total bed capacity of 62.

The appropriate review fee was sent separately to the CN program via FedEx. The FedEx tracking number is 815372800622.

Please do not hesitate to contact me if you have any questions or require additional information.

Sincerely,



Joseph Scrivens  
Chief Executive Officer



Washington State Department of

Health

Certificate of Need Program
P.O. Box 47852
Olympia, Washington 98502-7852

Official Use Only-Date Received:

APPLICATION FOR CERTIFICATE OF NEED
Nursing Home Projects
(Excluding CCRC )

Certificate of Need applications must be submitted with a fee in accordance with Washington Administrative Code (WAC) 246-310-990 and the instructions on page 2 of this form.

Application is made for a Certificate of Need in accordance with provisions of Chapter 70.38 Revised Code of Washington (RCW) and Rules and Regulations adopted by the Department (WAC 246-310). I hereby certify that the statements made in this application are correct to the best of my knowledge and belief.

APPLICANT(S)

OWNER:

Joseph Scrivens, Chief Executive Officer
Name and Title of Responsible Officer
(PLEASE PRINT OR TYPE)
Legal Name of Owner:
Everett Transitional Care Services
Address of Owner:
916 Pacific Avenue, Floors 4 & 5
Everett, WA 98201

OPERATOR:

Joseph Scrivens, Chief Executive Officer
Name and Title of Responsible Officer
(PLEASE PRINT OR TYPE)
Legal Name of Operator:
Everett Transitional Care Services
Address of Operator:
Same

Signature of Responsible Officer

Signature of Responsible Officer

Date: 9/26/2023 Telephone: 425.330.3671

Date: 9/26/2023 Telephone: 425.330.3671

TYPE OF OWNERSHIP:

- [ ] District
[x] Private Non-Profit
[ ] Proprietary - Corporation
[ ] Proprietary - Individual
[ ] Proprietary - Partnership
[ ] State or County

OPERATION OF FACILITY:

- [x] Owner Operated
[ ] Management Contract
[ ] Lease

Proprietor(s) or Stockholder(s) information:
Provide the name and address of each owner
and indicate percentage of ownership:

TYPE OF PROJECT (check all that apply):

- [ ] Total Replacement of Existing Facility
[ ] New Facility
[ ] Renovation/Modernization
[x] Bed Addition
[ ] Capital Expenditure Over the Minimum
[ ] Bed Capacity Change/Redistribution
[ ] New Institutional Health Service
[ ] Mandatory Correction of Fine/Deficiencies
[ ] Amend Current Certificate of Need
[ ] Expansion/Reduction of Physical Plant
[ ] Other

Intended Project Start Date: Beds are already operational.
ESTIMATED CAPITAL EXPENDITURE: \$ 346,761.43

Intended Project Completion Date: Project is completed.

Project Description: The permanent addition of 31 skilled nursing beds added during the COVID Public Health Emergency to Everett Transitional Care Services, for a total licensed bed capacity of 62.

ATTACH NARRATIVE PORTION OF THE APPLICATION

## SECTION I APPLICANT DESCRIPTION

### A. OWNER DESCRIPTION

#### 1. Legal name(s) of owner(s)

The legal name of the applicant is Everett Transitional Care Services (ETCS). ETCS is a Washington State not for profit corporation (UBI number: 601 612 419). The members of ETCS are Bethany of the Northwest (Bethany) and Providence Regional Medical Center Everett (PRMCE). Each member holds a 50% ownership in ETCS. ETCS is operated and managed by Bethany. The management agreement is included in Exhibit 1.

#### 2. Address of each owner

The address of Bethany is:

1902 120th Pl. SE, Suite 201.  
Everett, WA 98208

Mailing Address:  
PO Box 13700  
Mill Creek, WA 98082

The address of PRMCE is:

1321 Colby Ave  
Everett, WA 98201

#### 3. Provide the following information about each owner:

- a. **If an out-of-state corporation, submit proof of registration with Secretary of State, Corporations, Trademarks, and Limited Partnerships Division. Show relationship to any organization as defined in Section 405.427 of the Medicare Regulations.**

Neither ETCS nor its members are an out-of-state corporation. This question is not applicable.

- b. If an out-of-state partnership, submit proof of registration with Secretary of State, Corporations, Trademarks, and Limited Partnerships Division, and a chart showing organizational relationship to any related organizations as defined in Section 405.427 of the Medicare Regulations.**

Neither ETCS nor its members are an out-of-state partnership. This question is not applicable.

## **B. OPERATOR DESCRIPTION**

- 1. Legal name and address of operating entity (unless same as owner).**

The operating entity is the same as the applicant.

- a. If an out-of-state corporation, submit proof of registration with Secretary of State, Corporations, Trademarks, and Limited Partnerships Division, and a chart showing organizational relationship to any related organizations as defined in Section 405.427 of the Medicare Regulations.**

This question is not applicable.

- b. If an out-of-state partnership, submit proof of registration with Secretary of State, Corporations, Trademarks, and Limited Partnerships Division, and a chart showing organizational relationship to any related organizations as defined in Section 405.427 of the Medicare Regulations.**

This question if not applicable.

- c. Is the applicant currently, or does the applicant propose to be reimbursed for services provided under Title V, Title XVIII, and/or Title XIX of the Social Security Act?**

The applicant is currently Medicare and Medicaid certified and is being reimbursed for services under both programs.

**d. Name, title, address, and telephone number of the person to whom questions regarding this application should be directed.**

Joseph Scrivens  
Chief Executive Officer  
1902 120th Pl. SE, Suite 201.  
Everett, WA 98208

Mailing Address:  
PO Box 13700  
Mill Creek, WA 98082

**e. Provide separate listings of each Washington and out-of-state health care facility, including name, address, Medicare provider number, Medicaid provider number, owned and/or managed by each applicant or by a related party, and indicate whether owned or managed. For each out-of-state facility, provide the name, address, telephone number, and contact person for the entity responsible for the licensing/survey of each facility.**

Using the definition of a health care facility as defined in WAC 246-310, the only entity ETCS operates is the facility that is the subject of this CN application. However, the members of ETCS, Bethany of the Northwest and PRMCE, do operate other State licensed health care facilities. A listing of these facilities is included in Exhibit 2.

**SECTION 2  
FACILITY DESCRIPTION**

**A. Name and address of the proposed/existing facility.**

ETCS is a licensed and Medicare/Medicaid certified nursing home operating in Snohomish County at the Pacific Campus of PRMCE. The address is :

916 Pacific Ave  
Floor 4 & 5  
Everett, WA 98201

**B. Provide the following information:**

	Nursing Home (SNF/ICF)	Boarding Home (Cong.)
<b>Total number of beds currently licensed</b>	<u>62</u>	_____
<b>Total number of beds currently set-up</b>	<u>62</u>	_____

## SECTION 3 PROJECT DESCRIPTION

### A. Describe the proposed project.

ETCS first opened in the 1990s. In 2019, and after a short closure, it was re-designed and now operates specifically to support a cohort of patients classified as difficult to discharge from acute care hospitals, with exceptionally long acute care lengths of stay due to a lack of skilled nursing facilities or other community-based long-term care entities with the ability to care for them.

In 2019, ETCS applied for and was granted a Certificate of Need for 31 beds. The *Need* rationale included in that CN application focused specifically on the need for better and more timely discharge of hard-to-place hospital patients from acute care settings. Data from Snohomish County hospitals, at the time of the initial redesign, identified patients with hospital lengths of stay greater than 100 days (some over 200 days to more than a year). These patients stayed in the hospital even when they no longer met acute care criteria, because existing nursing facilities or nursing home comparable facilities were not available or accessible to them. The unreimbursed cost to Snohomish County hospitals to provide the care to these patients was at the time, conservatively estimated to be over \$2 million annually. Importantly, this cost did not quantify the ‘cost’ to patients not able to be discharged from the hospital or those not able to be admitted to the hospital due to the resultant high occupancy.

These redesigned 31 beds at ETCS quickly became a critical resource for the community by:

- providing immediate discharge options for acute care patients;
- coordinating and facilitating post-ETCS long-term placements for these individuals; and
- increasing access and availability to acute care beds in the community.

Two years after opening and in the midst of the COVID pandemic, ETCS was regularly at or near 100% occupancy on most days, and Snohomish County hospitals were regularly exceeding 90% on licensed beds, holding patients in the ED or hallways and/or diverting patients to other hospitals because of a lack of discharge options. In addition, community nursing facilities were experiencing staffing challenges due to COVID and/or closed to new admissions all together. The issue confronting Snohomish County was not unique; instead, it was an issue that state policy makers had been highlighting for several years. For example, the Washington State Hospital Association emphasized this challenge during the 2022 session:

*Patients are living in hospitals because they cannot transition to appropriate post-acute care settings. An August 2021 WSHA survey of hospitals in Washington State showed more than 900 patients ready to be discharged from acute care hospitals who were stuck in the hospital. Those 900-plus hospital beds were not available for people who really need acute care because the beds are occupied by non-acute patients. Caring for these patients who do not need to be in the hospital is impacting hospitals' ability to handle COVID surges, as well as caring for patients who need elective procedures. Hospitals are delaying routine and important care for patients including removal of slow-growing cancers, colostomy reversals and hip and knee surgeries where patients are in pain.*

Governor Inslee had also taken note of this issue and, in an effort to support hospital staff and their capacity to timely care for patients, increased resources needed to transition non-COVID patients who no longer needed acute care to long-term care facilities across the state; but these resources were not made available in Snohomish County. Governor Inslee also issued Proclamation 20-36 early in the pandemic to allow health care facilities to meet demands for COVID surge capacity.

Proclamation 20-36 waived certain CN, CRS, and facility licensing requirements. Using this waiver authority, ETCS pursued the expansion of ETCS by adding 31 additional beds (for a total bed capacity of 62) to address the urgent needs facing Snohomish County patients and providers. The space for the additional 31 beds had previously been a skilled nursing facility, and lent itself quickly to be brought back into operation. The addition of these beds to the ETCS license and certification under the public health emergency (PHE) was approved, and the beds were operational by October of 2022.

On July 29, 2022, the Governor announced plans to formally rescind Proclamation 20-36 by October 27, 2022. With the Proclamation ending, State agencies worked with the Governor's office to develop "off-boarding" guidance which required that providers that utilized the waivers comply with state law for their facility license type within 90 days or follow the "glide path" established for permanently adopting the changes implemented during COVID.

For facilities subject to a CN concurrent review cycle, that meant by August 28, 2022, they needed to:

- Submit a Letter of Intent conforming with WAC 246-310-080;
- Describe the increase in capacity and/or new location(s);
- Include a patient transition plan; and
- Submit the LOI and documents through [COVIDwaiver@doh.wa.gov](mailto:COVIDwaiver@doh.wa.gov).

ETCS complied with this requirement and has included that LOI and transition plan as Exhibit 3 to this application. Facilities subject to CN concurrent review cycles were additionally required to submit a second LOI, CN application, and appropriate fee in compliance with the department's next published schedule. For Snohomish County nursing home applications, the next concurrent review cycle for LOI submittals was the first working day of August through the first working day of September 2023. ETCS submitted an LOI in compliance with this cycle on August 30, 2023. That LOI is included in Exhibit 4.



This application requests the permanent addition to the ETCS license/certification of the 31 beds added through the Governor’s waiver process; such that ETCS will continue to be a 62 licensed bed SNF.

**B. Health Services (check all in each column that apply):**

**Table I**

<i><b>TYPES OF THERAPY</b></i>	<i><b>SUPPORT SERVICES</b></i>	<i><b>CURRENT SERVICES</b></i>	<i><b>PROPOSED SERVICES</b></i>
Physical Therapy	Inpatient	X	X
Physical Therapy	Outpatient		
Speech Therapy	Inpatient	X	X
Speech Therapy	Outpatient		
Occupational Therapy	Inpatient	X	X
Occupational Therapy	Outpatient		
Nursing Services	Outpatient		
Meals on Wheels	Outpatient		
Adult Day Care	Outpatient		
Other (specify)	Outpatient		

**C. Increase in total licensed beds or redistribution of beds among facility and service categories of skilled nursing and boarding home care:**

ETCS is currently licensed and certified for, and is operating, 62 beds. 31 of the beds have been licensed/certified and operational since 2019. The additional 31 beds were added to the license/certification during the COVID PHE in October of 2022. This application proposes the permanent addition of the 31 additional beds, for a permanent total licensed bed capacity of 62.

**D. Indicate if the nursing home would be Medicaid certified.** Yes X No \_\_\_\_\_

**E. Indicate if the nursing home would be Medicare eligible.** Yes X No \_\_\_\_\_

**Indicate the number of Medicare certified beds.** Current 62 Proposed 62

**F. Description of new equipment proposed, including cost of the equipment.**

The equipment purchased to make the additional 31 beds operational during the COVID PHE is included in Exhibit 5.

**G. Description of equipment to be replaced, including cost of equipment and salvage value (*if any*) or disposal or use of the equipment to be replaced.**

No equipment is to be replaced.

**H. Blueprint size schematic drawings to scale of current locations of patient rooms, ancillary departments, and support services.**

Exhibit 6 includes the schematic drawings for ETCS, including both the existing 31 beds on the 4<sup>th</sup> floor and the beds added during the PHE on the 5<sup>th</sup> floor.

**I. Blueprint size schematic drawings to scale of proposed locations of patient rooms, ancillary department, and support services, clearly differentiating between remodeled areas and new construction.**

All of ETCS' 62 beds are licensed and operational. The 5<sup>th</sup> floor required very minor cosmetic changes to operationalize the beds because the space had previously been utilized as a SNF. Consistent with the Governor's COVID glidepath for facilities utilizing the COVID waivers, ETCS submitted a CRS application on August 28, 2022. As part of this review, CRS required new schematic drawings be developed. These drawings are included as Exhibit 6.

ETCS does not expect that CRS will request any additional changes to the space to comply with licensing and certification standards.

**J. Geographic location of site of proposed project.**

**1. Indicate the number of acres in nursing home site:**

ETCS is located on the 4<sup>th</sup> and 5<sup>th</sup> floor of the existing PRMCE Pacific Campus. The existing acreage of the entire campus is 3.53.

**2. Indicate if the primary site or alternate site has been acquired (*if applicable*)**

ETCS is located on the 4<sup>th</sup> and 5<sup>th</sup> floor of the existing PRMCE Pacific Campus at 916 Pacific Ave, Everett, WA 98201.

- 3. If the primary site or alternate site has not been acquired, explain the current status of the site acquisition plans, including proposed time frames.**

The site is secure. This question is not applicable.

- 4. Demonstration of sufficient interest in project site.**

A lease agreement is included in Exhibit 7.

- 5. Demonstration that the proposed site may be used for the proposed project. Please include a letter from the appropriate municipal authority indicating that the site for the proposed project is properly zoned for the anticipated use and scope of the project, or a written explanation of why the proposed purpose is exempt.**

The PRMCE-Pacific campus has been in operation for more than 100 years. Included in Exhibit 8 is a copy of the information from the Snohomish County Assessor's office documenting the site's hospital use.

## **K. Space Requirements**

- 1. Existing gross square feet:**

The existing ETCS square footage is 46,786.

This includes 25,250 on the 4<sup>th</sup> floor and 21,536 on the 5<sup>th</sup> floor.

- 2. Total gross square footage for the proposed addition and existing facility.**

There is no addition.

- 3. Proposed new facility gross square footage.**

This question is not applicable.

## **L. Proposed Timetables for Project Implementation:**

### **1. FINANCING**

- a. Date for obtaining construction financing: Not applicable.
- b. Date for obtaining permanent financing: Not applicable.
- c. Date for obtaining funds necessary to undertaking the project: Not applicable.

### **2. DESIGN**

- a. Date for completion and submittal to Consultation and Construction Review Section of preliminary drawings: Not applicable.
- b. Date for completion and submittal to Consultation and Construction Review Section of final drawings: Not applicable.

### **3. CONSTRUCTION**

- a. Date for construction contract award: Not applicable.
- b. Date for 25 percent completion of: Not applicable.
- c. Date for 50 percent completion of construction: Not applicable.
- d. Date for 75 percent completion of construction: Not applicable.
- e. Date for completion of construction: Not applicable.
- f. Date for obtaining licensure approval: Completed
- g. Date for occupancy/offering of service(s): Completed

**M. As the applicant(s) for this project, please describe your experience and expertise in the planning, developing, financing, and construction of skilled nursing and intermediate care facilities.**

ETCS is managed by Bethany of the Northwest (Bethany). Bethany was first established in 1901 as a college and became a home for the aged in 1931. Bethany is one of the largest providers of long-term care in Snohomish County, and its three Everett locations provide skilled nursing, sub-acute nursing, and assisted living care. To that end, a number of construction projects related to skilled nursing, assisted living, memory care and rehabilitation have been undertaken. Over the decades, the projects were planned, financed, and constructed on time and within budget, and have served both our residents and the general community very well.

## SECTION 4 PROJECT RATIONALE: NEED

### 1. Identify and analyze the unmet health service need and/or other problems to which this project is directed.

#### a. Describe the need of the people you plan to serve for the service you propose.

ETCS was re-envisioned and redesigned in 2019 to support the timely discharge of hard-to-place/difficult to discharge hospital patients appropriate for skilled nursing or custodial level care. The patients targeted for care at ETCS were experiencing hospital stays of several months to years, even when they no longer met acute care criteria, because the existing nursing facilities or nursing facility comparable locations were not available or accessible to them because of their clinical, behavioral health, and/or socio-economic needs. The redesigned ETCS has been a critical resource for the community by providing safe and appropriate discharge options for these patients. The benefit of these beds cannot be overstated, and includes:

- 1) Providing **timely discharge** from the acute setting..
- 2) Achieving **safe long-term placements** post ETCS: Assisting patients navigate clinical, behavioral, financial, social, economic, and legal issues preventing them from post-NF appropriate placement.
- 3) **Reducing the total cost of care.**
- 4) Increasing **access and availability to acute care beds** in the County: The availability of the 31 additional beds has helped Snohomish County hospitals manage high census and have additional capacity to admit new patients.

From a community perspective, the 31 beds made operational during COVID have been a “win-win” by providing a better, more appropriate level of care for the defined patient cohort and supporting access to acute care beds for the community. Given the continuing high inpatient census, the loss of the 31 beds would be detrimental. In terms of total cost of care, we very conservatively estimate that each day the patient is in ETCS versus in the hospital, the reduced cost to the system is \$150 per patient per day. This doesn’t account for the significant decrease in cost of care for those patients discharged from ETCS to permanent community placements.

#### b. Address the need for nursing home beds based on the 45 beds per 1,000 population and Substitute House Bill 2098, which encourages the development of a broad array of home and community-based long-term care services as an alternative to nursing home care.

The CN Program’s published calculation of nursing facility bed need for the period of 2023-2025 shows that Snohomish County currently (2023) has less than one-half of the target supply (19 beds per 1,000 residents age 70+), decreasing to 17 beds per 1,000 by 2025. The nursing facility bed shortage ranges from 2,043 beds in 2023 to 2,462 beds in 2025. Even where a shortage of beds exists, RCW 70.38.115(2)(k)(ii) requires that the Program consider:

*The availability of other services in the community to be served. Data used to determine the availability of other services will include but not be limited to data provided by the department of social and health services.*

Historically, to account for these beds, the Department of Social and Health Services undertook an annual survey entitled *Nursing-Home-Comparable Home and Community Based Service Capacity*. According to the CN Program website, this survey has not been updated since 2018, and is now 5 years out of date. In summary, this survey used DSHS data to determine the number of County level clients receiving personal care with RUG ADL scores of 13 or higher. It then determined the number of licensed residential beds in the County and estimated that 34.6% of those beds were “nursing home comparable”. When it did this calculation in 2018 it identified 3,544 beds that were comparable, meaning that if that number remained constant through 2023, there would be a surplus of nursing facility beds in the County.

ETCS rejects the use of this data for several reasons: first it is outdated by five years and does not reflect the dramatic shift in long-term care resulting from COVID, and secondly, even if the alternative bed supply has increased, the overwhelming majority of alternative providers do not accept the difficult to discharge patients being cared for by ETCS. To date, 100% of patients ETCS admits have been denied acceptance at other SNFs and/or community based long-term care services in the County.

The needs of these patients are based in large part on their diverse backgrounds, stories, needs, and personalities. From our perspective, each patient represents a life worthy of investment. Since the opening of the redesigned ETCS, we have been proud to be able to support these patients in addressing many of their clinical, social, financial, behavioral, and legal challenges, and help find them safe, quality, long-term placements.

The additional 31 beds on the 5<sup>th</sup> floor, the subject of this CN, have been successful by any measure. The specific profile of patients admitted to ETCS since October of 2022 includes:

- 100% of the cases referred to and accepted at ETCS were denied admission at other local skilled nursing homes or other community-based placement prior to admission to ETCS.
- Age Range of accepted patients: 35 – 101 years old
- Average age: 70 years old
- Hospital LOS before transferring to ETCS since the addition of the additional 31 beds ranged from **6 days to 215 days, the average was 43 days**. This compares to the average LOS for all patients transferring to a nursing home from a Snohomish County hospital of **11 days**; and the average length of stay overall at Snohomish County acute care hospitals of **6 days**.
- The ALOS in ETCS is 56 for all residents discharged since opening of the 5<sup>th</sup> floor, with nearly 60% of residents being discharged to a less institutional or community-based alternative within that timeframe.

Provided below is more detail on the successes that ETCS patients are realizing. All of the names in the stories below have been changed to protect patient confidentiality.

### Patient A: “Joe”

- ***Reason Difficult to Discharge:***
  - Wound infection.
  - History of substance use disorder.
  - Experiencing homelessness.
  - Recently divorced and lost all belongings.
  - Son committed suicide.
  
- ***ETCS Experience:*** On initial admission, Joe was experiencing psychotic and hallucinogenic episodes. He was discharged back to the hospital and was then able to be readmitted with appropriate medications. Staff were able to work with Joe through several suicidal ideation episodes and ensure he was receiving appropriate behavioral health services and supports. Social Services additionally worked with Joe to obtain new identification and a new Social Security card and to apply for Medicaid and Section 8 Housing. Staff also assisted Joe in responding to court documents relating to his divorce proceedings.
  
- ***Discharge/Placement:*** After addressing many of Joe’s challenges and barriers to placement, staff was able to get Joe connected to a primary care provider and then discharged to a low income, independent apartment with a COPES Medicaid waiver. This will ensure he continues to receive the ongoing support needed to be successful.

### Patient B: “Jane”

- ***Reason Difficult to Discharge:***
  - Alcohol related dementia due to 10+ years alcohol abuse.
  - No established income.
  - Possible guardianship issues.
  
- ***ETCS Experience:*** Prior to her hospitalization, Jane was living with her significant other who will not allow her to move back. On admission to ETCS, Jane isolated in her room. Social Services encouraged her to join activities and socialize, and we are happy to say the efforts were successful. Social Services also mediated the contentious relationship between Jane and her sister, who was her former Power of Attorney and were then able to assist Jane in applying for disability benefits and in getting new identification. Initially Jane did not acknowledge her cognitive issues that made discharge to an independent apartment unsafe. Social Services was able to work with her in the decision-making process, helping her to compare her needs to her ability to self-care.
  
- ***Discharge/Placement:*** ETCS was able to help Jane get connected to a primary care provider and discharged to an Adult Family Home in the community.



### **Patient C: “Brent”**

- ***Reason Difficult to Discharge:***
  - Hospitalized for limb amputation.
  - Homeless; friends dropped him off in the parking lot prior to hospital admission.
  - Needed physical and occupational therapy.
  - Behavior challenges resulting in adult protective services and police involvement.
  - Obesity
  
- ***ETCS Experience:*** Brent came to ETCS after being turned down for placement by over 50 adult family homes due to his behavior issues, low assigned rate by the Department of Social and Health Services (DSHS), and a lack of community-based providers equipped to support obese patients. ETCS staff was able to assist Brent with his Medicaid application and help him get a new identification. We were also able to work with Brent and his bank to protect his funds after having a friend remove funds without his consent multiple times. Social Services also supported Brent in addressing behavioral challenges that were impacting his ability to get a long-term placement.
  
- ***Discharge/Placement:*** ETCS worked directly with DSHS to reassess his needs and get him a rate adjustment recognizing his unique needs. This allowed ETCS to both find Brent a primary care provider and an Adult Family Home placement.

### **Patient D: “Tom”**

- ***Reason Difficult to Discharge:***
  - Hospitalized for heart failure.
  - Needed ongoing physical and occupational therapy.
  - Experiencing homelessness.
  
- ***ETCS Experience:*** Tom had been homeless for 10+ years prior to his hospitalization. ETCS was able to help Tom obtain new identification and a new social security card and assist him with his Medicaid and Section 8 Housing applications.
  
- ***Discharge/Placement:*** Tom was able to be discharged to an independent apartment with the support of a COPES Medicaid waiver, COPES caregiver, a primary care provider and prescribed home health services.

### **Patient F: “Patty”**

- ***Reason Difficult to Discharge:***
  - Hospitalized for COPD exacerbation.
  - Needed physical and occupational therapy.
  - Experiencing homelessness.
  - History of substance use disorder.
  - Current smoker.
  
- ***ETCS Experience:*** Patty was extremely hard to place due to a low assigned DSHS rate coupled with being a current smoker. She was denied placement by over 40 Adult Family Homes. Social Services was able to assist Patty in getting a new identification, a new social security card, and in applying for Medicaid. We also provided Patty with new clothes and a new phone.
  
- ***Discharge/Placement:*** Through the establishment of an adjusted DSHS rate, connection to a primary care provider and home health services, we were finally able to find placement for Patty in an Adult Family Home with a private room.

### **Patient G: “Vince”**

- ***Reason Difficult to Discharge:***
  - Hospitalized for respiratory failure.
  - Multiple Comorbidities: Congestive heart failure, diabetes, delusional disorder, under supported intellectual disabilities.
  - Experiencing homelessness.
  
- ***ETCS Experience:*** Prior to his latest hospitalization, Vince had been evicted by his brother from his late mother’s home. When he was admitted to ETCS, he isolated in his room. We were able to introduce Vince to other residents who were a good match and positive socialization did occur. We also assisted Vince with disability and Medicaid applications and acted as a liaison to the guardian ad litem. Vince was extremely hard to place due to a low DSHS rate and excessive weight.
  
- ***Discharge/Placement:*** After being declined for admission by over 50 Adult Family Homes, ETCS was finally able to find a successful placement for Vince.

### **Patient H: “Kevin”**

- ***Reason Difficult to Discharge:***
  - Cellulitis of lower extremity.
  - Wound care needs.
  - Experiencing homelessness.
  - Behavior challenges.

- ***ETCS Experience:***  
Kevin had been living in a friend's recreational vehicle but was not welcome back and so had no housing options. Kevin had impulse control and anger issues that prevented him from keeping a steady job. He had no clean clothes or belongings. ETCS was able to provide him with clean clothing, shoes, and supplies. ETCS also provided behavioral management coaching and support. Social Services coordinated obtaining new identification and a new social security card and assisted Kevin to apply for Medicaid and housing assistance.
  
- ***Discharge/Placement:*** ETCS was able to connect Kevin to a primary care provider, support services, and a low-income independent apartment.

- 2. If your proposal exceeds the number of beds identified as needed in your county nursing home planning area as shown in WAC 246-310-380 (6), please discuss how the approval of beds beyond the projected need would further the policy that beds should be located reasonably close to the people they serve.**

As demonstrated above, the patients being served by ETCS are not being accepted by skilled nursing facilities or alternative community-based providers directly from the acute care setting. The additional 31 beds at ETCS regularly operate at more than 90% occupancy. The loss of these beds would be detrimental to the timely acute care discharge of these patients and their ability to transition post-NF to a lesser restrictive, lower cost setting. Importantly, in its discharge planning ETCS' policy is that the setting should be located reasonably close to the patients' home, family, support groups, and organizations.

- 3. Provide utilization data for each of the last three full fiscal years, the current annualized full fiscal year, and the next three full fiscal years: (USE SCHEDULE A which is attached to these guidelines.)**

Utilization data is provided using Schedule A and is included in Exhibit 9.

- 4. In the case of any proposed conversion of beds from other service categories to nursing care beds, provide evidence that the conversion will not jeopardize the availability of service. Document the availability and accessibility of the services that are to be converted.**

This question is not applicable.

- 5. In the context of the criteria contained in WAC 246-310-210 (2) (a) and (b), please describe how the service will be available to the following: low-income individuals, racial and ethnic minorities, women, handicapped individuals, elderly, and other under-served individuals.**

Admission to ETCS is based on clinical need regardless of race, beliefs, age, ethnicity, religion, culture, language, social/physical/mental health, socio-economic status, sex, sexual orientation, gender identity or expression or disability.

- 6. Does/will the facility require a pre-admission deposit? Please explain the intent and use of the deposit.**

ETCS does not, and will not, require a pre-admission deposit.

- 7. Please submit copies of the facility's admission agreement, policies, and procedures.**

The requested policies are included in Exhibit 10.

- 8. If you propose any special services including, but not limited to, heavy care, Alzheimer's care, respite care, and adult day care, please provide the following:**
  - a. Describe the service in full detail.**
  - b. Include program content, staffing by classification and FTE commitment, budget, and the amount of space dedicated to each service.**
  - c. Document the need for any special services.**

None of the above special services are proposed. This question is not applicable.

- 9. If the purpose of the project is to correct existing structure, fire, and/or life-safety code deficiencies, or licensing, accreditation, or certification standards as provided for under provisions of WAC 246-310-480, provide a detailed description of the cited deficiencies and attach copies of the two most recent Fire Marshal's surveys and/or surveys conducted by the Survey Program, Aging and Adult Services Administration, Department of Social and Health Services, or other surveying agency.**

This question is not applicable.

**SECTION 5**  
**PROJECT RATIONALE: FINANCIAL FEASIBILITY**

**Section II: Applicants proposing to add beds at an existing nursing home or remodel a nursing home at a cost in excess of the Capital Expenditure Threshold should complete this section for the calculation of property and return on investment rate.**

**The information requested in this section must be provided by a licensed architect or engineer.**

**Indicate the name, address and phone number of the licensed architect or engineer that completed section.**

This project did not include construction, but Construction Review Services did require the development of new plans in order to complete their review. These plans were developed by the below architect:

**Name:** Botesch, Nash and Hall

**Address:** 2727 Oakes Avenue, Ste 100, Everett, WA 98201

**Phone Number:** (425) 259-0868

**Proposed Site Address:** 916 Pacific Ave, Everett, WA

**Zip Code:** 98201

- 1. Indicate the total cost of constructing the bed addition or the cost of remodeling an existing nursing home. In cases where a nursing home/boarding home facility shares a common foundation and roof, etc., the cost of the shared items shall be apportioned to the nursing home based on the Medicaid program methodology for apportioning costs to the nursing home service. Construction costs shall include the following:**

This project does not involve construction. The floor used for the addition of the 31 beds had previously been approved for, and used as a SNF. Only minor cosmetic changes and equipment were required. The costs for these items are included in the table below.

<i>ITEM</i>	<i>COST</i>
<i>a.</i> Land Purchase	\$
<i>b.</i> Utilities to Lot Line	\$
<i>c.</i> Land Improvements	\$
<i>d.</i> Building Purchase	\$
<i>e.</i> Residual Value of Replaced Facility	\$
<i>f.</i> Building Construction	\$
<i>g.</i> Fixed Equipment (which is not included in construction contract)	\$168,019.99
<i>h.</i> Movable Equipment	\$122,999.38
<i>i.</i> Architect and Engineering Fees	\$20,877.50
<i>j.</i> Consulting Fees	\$12,892.40
<i>k.</i> Site Preparation	\$21,972.16
<i>l.</i> Supervision and Inspection of Site	\$
<i>m.</i> Costs Associated with Securing the Source(s) of Financing (include interim interest during construction)	
1. Land	\$
2. Building	\$
3. Equipment	\$
4. Other	\$
<i>n.</i> Washington Sales Tax	(Included in dollar amounts above)
1. Land	\$
2. Building	\$
3. Equipment	\$
4. Other	\$
<i>o.</i> Other Projected Costs – itemize	\$
1.	\$
2.	\$
<b><i>p. TOTAL ESTIMATED CAPITAL COST (ACTUAL/REPLACEMENT COST)</i></b>	<b>\$346,761.43</b>

2. **Provide a copy of a signed, non-binding cost estimate or contractor's estimate of the project's land improvements, building construction cost, architect and engineering fees, site preparation, supervision and inspection of site, Washington State sales tax, and other project costs (Items c, f, i, k, m, n, and o above).**

The capital expenditure related to this project did not include construction, so this question is not applicable.

**3. Estimated Nursing Home Construction Costs**

This project does not include construction, so this question is not applicable.

**4. For an existing facility, indicate the incremental increase in capital costs per patient day that would result from this project using the chart below**

	<i>Budgeted 2023</i>	<i>2024</i>	<i>2025</i>	<i>2026</i>	<i>2027</i>
Total Depreciation Expense/PPD	53	68	68	68	68
Total Interest Expense/ PPD	0	0	0	0	0
Total Capital Expenditure	0	0	0	0	0
Patient Days	21,170	21,170	21,170	21,170	2,1170
Capital Cost per Patient Day (c/d)					

**1. Identify the owner or operator who will incur the debt for the proposed project.**

No debt will be incurred for this project. The costs incurred in 2022 were funded from operations.

**2. Anticipated sources and amounts of financing for the project (actual sources for conversions )**

There is no financing associated with this project. This question is not applicable.

**3. Provide a complete description of the methods of financing which were considered for the proposed project. Discuss the advantages of each method in terms of costs and explain why the specific method(s) to be utilized was (were) selected.**

There is no financing associated with this project. This question is not applicable.

**4. Indicate the anticipated interest rate on the loan for constructing the nursing home.....%**

There is no construction associated with this project, so this question is not applicable.



- 5. Indicate if the interest rate will be fixed or variable on the long-term loan and indicate the rate of interest.**

This question is not applicable.

**6. Estimated start-up and initial operating expenses**

The additional 31 beds associated with this project are already licensed, certified, staffed, and operational, so there will be no start-up costs.

**7. Anticipated Sources of Financing Start-up and Initial Operating Deficits.**

This question is not applicable.

**8. Evidence of Availability of Financing for the Project**

**Please submit the following:**

- a. Copies of letter(s) from the lending institution indicating a willingness to finance the proposed project (*both construction and permanent financing*). The letter(s) should include:
  - i. Name of person/entity applying**
  - ii. Purpose of the loan(s)**
  - iii. Proposed interest rate(s) (fixed or variable)**
  - iv. Proposed term (*period*) of the loan(s)**
  - v. Proposed amount of loan(s)****

This question is not applicable.

- b. Copies of letter(s) from the appropriate source(s) indicating the availability of financing for the initial start-up costs. The letter(s) should include the same items requested in 8(a) above, as applicable.**

This question is not applicable.

- c. Copies of each lease or rental agreement related to the proposed project.**

A copy of the lease is included as Exhibit 7.

- d. **Separate amortization schedule(s) for each financing arrangement including long-term and any short-term start-up, initial operating deficit loans, and refinancing of the facility's current debt setting forth the following:**
  - i. **Principal**
  - ii. **Term (number of payment period, long-term loans may be annualize)**
  - iii. **Interest**
  - iv. **Outstanding balance of each payment period**

This question is not applicable.

**9. Provide the following:**

- a. **Please supply copies of the following pages and accompanying footnotes of each applicant's three most recent financial statements: Balance Sheet, Revenue and Expense, and Changes in Financial Position. (If not available as a subsidiary corporation, please provide parent company's statements, as appropriate. )**

The requested information is included in Appendix 1.

- b. **Please provide the following facility-specific financial statements through the third complete fiscal year following project completion. Identify all assumptions utilized in preparing the financial statements.**

- i. **Schedule B     Balance Sheet**
- ii. **Schedule C     Statement of Operations**
- iii. **Schedule D     This Statement Has Been Eliminated**
- iv. **Schedule E     Statement of Changes in Equity/Fund Balance**
- v. **Schedule F     Notes to Financial Statements**
- vi. **Schedule G     Itemized Lists of Revenue and Expenses**
- vii. **Schedule H     Debt Information**
- viii. **Schedule I     Book Value of Allowable Assets**

***NOTE: USE SCHEDULES ATTACHED TO THESE GUIDELINES.***

The requested information is included in Exhibit 9.

**10. Utilizing the data from the financial statements, please calculate the following:**

- a. Debt Service Coverage
- b. Current Ratio
- c. Assets Financed by Liabilities Ratio
- d. Total Operating Expense to Total Operating Revenue

**NOTE: USE FORMS ATTACHED TO THESE GUIDELINES.**

The requested information is included in Exhibit 9.

**11. If the project's calculated ratios are outside the normal or expected range, please explain.**

The Total Operating Expense/Total Operating Revenue ratio is outside of the target ratio because there is an ongoing operating deficit expected for ETCS. However, this ongoing deficit is offset by an annual grant provided by Providence to ETCS. The specifics of this grant are included in Exhibit 11.

**12. If a financial feasibility study has been prepared, either by or on behalf of the proponent in relation to this project, please provide a copy of that study.**

This question is not applicable.

**13. Current and Projected Charges and Percentage of Patient Revenue**

**a. Per Diem Charges for Nursing Home Patients for Each of the Last Three Fiscal Years:**

	2020	2021	2022
Private Pay	\$274.36	\$277.11	\$327.21
Medicaid	\$236.79	\$276.83	\$310.67
Medicare	\$717.53	\$647.39	\$664.99
VA			
Other-HMO	\$273.49	\$463.08	\$420.79

**b. Current Average Per Diem Charges for Nursing Home Patients:**

	Current Year
Private Pay	\$359.66
Medicaid	\$322.12
Medicare	\$669.10
VA	
Other-HMO	\$461.15

**c. Projected Average Per Diem Charges for Nursing Home Patients for Each of the First Three Years of Operation:**

	Intervening Years		Projection Years		
	2023	2024	2025	2026	2027
Private Pay	\$360	\$360	\$360	\$360	\$360
Medicaid	\$338	\$338	\$338	\$338	\$338
Medicare	\$665	\$665	\$665	\$665	\$665
VA					
Other-HMO	\$460	\$460	\$460	\$460	\$460

**d. Please indicate the percentage of patient revenue that will be received for the:**

<i>Existing Facility</i>	
Private Pay	5%
Medicaid	81%
Medicare	3%
VA	
Other-Specify	11%

<i>Proposed Facility (expansion)</i>	
Private Pay	5%
Medicaid	81%
Medicare	3%
VA	
Other-Specify	11%

**SECTION 6  
STRUCTURE AND PROCESS (QUALITY) OF CARE (WAC 246-310-230)**

**1. WHAT IS THE QUESTION?**

As shown in the table below, since ETCS is already operating all 62 beds, there are no expected increases in staffing.

Staffing	Current Number of Employees		Projected Number of Employees*	
	Full-Time Equivalent	Consultant hr/week	Full-Time Equivalent	Consultant hr/week
Registered Nurse	9.4 (Inc RCM)		9.4 (Inc RCM)	
LPN	6.6 (Inc RCM)		6.6 (Inc RCM)	
Nurses Aides & Assistants	23		23	
<b>NURSING TOTAL</b>	<b>39</b>	<b>0</b>	<b>39</b>	<b>0</b>
Dietitians*		18		18
Aides	Dietary Mgr = 0.4		Dietary Mgr = 0.4	
<b>DIETARY TOTAL**</b>	<b>0.4</b>	<b>18</b>	<b>0.4</b>	<b>18</b>
Administrator	1		1	
Assistant Administrator	-		-	
Administrator In-training	-		-	
Activities Director	1		1	
Medical Director	1		1	
In-service Director	1		1	
Director of Nursing	1		1	
Clerical	2		2	
Housekeeping/Maintenance	3.6		3.6	
Laundry*	-		-	
<b>ADMINISTRATION TOTAL</b>	<b>10.6</b>	<b>0</b>	<b>10.6</b>	<b>0</b>
Physical Therapist		40		40
Occupational Therapist		30		30
Pharmacist		2		2
Medical Records	1		1	
Social Worker	2		2	
Plant Engineer	-		-	
Other (specify)**	4	50	4	50
<b>ALL OTHERS TOTAL</b>	<b>7</b>	<b>122</b>	<b>7</b>	<b>122</b>
<b>TOTAL</b>	<b>57</b>	<b>140</b>	<b>57</b>	<b>140</b>

\*The dietician is under agreement. ETCS' meals are provided by Providence and laundry is provided by Bethany.

\*\*\*\*Other is the same for current and projected and includes:

- Director of Rehab (PTA) – 40 Consultant Hrs/week
- Speech Therapist(SLP) – 10 Consultant Hrs/week
- Discharge Planner (RN) – 1 FTE
- MDS Coordinator/RN– 1 FTE
- Activities Assistant – 1 FTE
- Scheduler – 1 FTE

2. **Nursing hours per patient day**

Registered Nurse	0.83
LPNs	0.55
Nurse's Aides & Assistants	2.26
<b>TOTAL</b>	<b>3.64</b>

3. **Provide evidence that the personnel needed to staff the nursing home will be available.**

ETCS is currently fully staffed to operate all 62 of its licensed and certified beds (including the 31 being added in the CN application).

Bethany operates ETCS, and as the largest most comprehensive long-term care operator in Snohomish County, Bethany does not anticipate any difficulties continuing to staff ETCS. Bethany uses the following strategies to ensure that there is sufficient staff available: 1) support/allow part time staff to increase their working hours; 2) continue to provide a competitive wage and benefit package; and 3) provide career development opportunities for staff interested in seeking additional certification and/or training.

4. **Provide evidence that there will be adequate ancillary and support services to provide the necessary patient services.**

ETCS is an existing operation currently supported by ancillary and support services. No changes are expected.

5. **Provide evidence that indicates the services provided at your facility will be in compliance with applicable federal and state laws, rules, and regulations for health care facilities.**

ETCS is a quality operator of skilled nursing services with a proven track record in operating in conformance with federal and state requirements. ETCS is currently operated in conformance with all laws, rules, and regulations.

6. **Provide evidence that the project will be in compliance with applicable conditions of participation related to the Medicare and Medicaid programs.**

ETCS is an existing licensed and Medicare certified SNF that has demonstrated compliance with the applicable conditions of participation related to the Medicare and Medicaid programs.

**7. Fully describe any history of each applicant with respect to the actions noted in the Certificate of Need criterion. (WAC 246-310-230 (5) (a). If there is such a history, provide evidence that ensures safe and adequate care to the public to be served and in conformance with applicable federal and state requirements.**

Neither ETCS, Bethany nor PRMCE have any history with respect to the actions noted in Certificate of Need WAC 246-310-230(5)(a).

**8. Provide evidence that the project will adequately address continuity of care. Describe the arrangements that will be made with other providers for patient care consultation services. Provide assurance that patients will be referred to a hospital for acute care needed. Also, provide assurance that patients discharged from the nursing home will be referred to home health, hospice, or assisted living agencies when such care is needed.**

ETCS exists to provide post-acute care for patients currently experiencing extended stays in the hospital (but who do not require acute care); and it is currently located on the Pacific campus of PRMCE. Staff work with patients, family members and guardians to find long term care placement. ETCS works closely with local hospitals and emergency transportation providers to ensure transport to the hospital for emergency care or hospitalization. In terms of home health, both Bethany and Providence provide this level of care, and Providence offers hospice. To be consistent with federal requirements, we offer patients a choice of all agencies. As shown in the table in response to Q9, below, the majority have been discharged to assisted living, adult family homes or similar providers. See the *Need* section for additional detail. ETCS works closely with all community-based organizations that have indicated an interest in supporting these patients.

**9. Existing nursing homes will document the number of patients discharged from the nursing home to the patients home, referred to home health, hospice agency, or assisted living services during the last three years.**

	2021	2022	YTD 2023
# Discharged Home	5	4	10
# Discharged to Home Health	8	16	23
# Discharged to Hospice	1	1	
# Discharged to Assisted Living Services/Adult Family Homes	29	31	26

**SECTION 7**  
**COST CONTAINMENT (WAC 246-310-240)**

**1. Describe distinct alternative means for meeting the need described previously. Identify alternative advantages and disadvantages, including cost, efficiency, or effectiveness.**

We have not identified an alternative to the ETCS model. We do not believe that there is an alternative that would be as effective as the current program. Prior to ETCS redesigning its care, the patient population we served spent an extraordinarily long time in acute care. This caused numerous repercussions to the patient, their family and to the hospital where the patient was boarding. The closure of 50% of our beds would place undue pressure to all of these groups. More detail is provided in response to Q2 below re: cost. In terms of effectiveness, our success in transitioning patients home or to adult family homes has been documented in both the *Need* and *Structure and Process* sections of this application.

**2. Describe, in as much detail as possible, specific efforts that were undertaken to contain the costs of offering the proposed service.**

One benefit of ETCS is the reduction of total health care costs. Patients being held in the acute care setting when no longer eligible for these services cost hospitals on average \$650 per patient day. This means that for the patients staying 100+ days beyond their eligibility for acute care services, hospitals are absorbing in excess of \$65,000 just for that one patient without any reimbursement.

In contrast, if these patients can be transferred to ETCS, the costs immediately are reduced to about \$460 per patient day. In addition:

1. ETCS provides services to patients eligible for skilled nursing services who are declined for admission at other nursing facilities.
2. ETCS works actively to assist patients in need of custodial care to apply for Medicaid, when appropriate, and accepts patients already eligible for Medicaid who are declined for admission from other nursing facilities;
3. ETCS works with all patients admitted helping address social determinants of health, legal issues, behavioral health issues, etc. to:
  - a. Achieve long-term placement with other community-based long-term care providers.
  - b. Develop the support needed to be able to move to independent housing with ongoing support from the Medicaid COPES program and other wrap-around services.



- 3. In the case of construction, renovation, or expansion, describe any operating or capital cost reductions achieved by architectural planning, engineering methods, methods of building design and construction, or energy conservation methods used.**

There was no construction associated with this project. This question is not applicable.

- 4. Under a concurrent or comparative review, preference will be given to the project which meets the greatest number of criteria listed below. Provide documentation describing how the proposed project meets the following criteria.**
  - a. Projects that include other institutional long-term care services or evidence of relatively greater linkages to community-based, long-term care services.**
  - b. Projects which improve the geographic distribution and/or provide access to nursing home beds in a currently under-served area.**
  - c. Nursing home operators having (*or proposing to have*) a Medicare contract in areas with less than the statewide proportion of Medicare nursing home beds to total nursing home beds.**
  - d. Nursing home operators serving (*or proposing to serve*) Medicaid clients.**
  - e. Nursing home operators proposing to serve additional heavy care patients in areas where CSO placement staff or hospital discharge planners document significant and continuing difficulties in placing such patients in nursing homes.**
  - f. Existing nursing home operators in the state who are seeking to achieve a 100-bed minimum efficient operating size for nursing homes or to otherwise upgrade a facility with substantial physical plant waivers or exemptions, as determined by Washington State Aging and Adult Services Administration.**
  - g. Projects that propose to serve individuals requiring mental health services and care for Alzheimer's or dementia conditions.**

This question is not applicable.

**EXHIBIT 1**  
**MANAGEMENT AGREEMENT**

**FIRST AMENDMENT TO  
AMENDED AND RESTATED  
MANAGEMENT SERVICES AGREEMENT**

THIS FIRST AMENDMENT TO AMENDED AND RESTATED MANAGEMENT SERVICES AGREEMENT ("Amendment") is made and entered into as of the 17 day of October, 2022, by and between Everett Transitional Care Services, a Washington nonprofit corporation ("ETCS"), and Bethany of the Northwest, a Washington nonprofit corporation ("Manager" or "Bethany") with regard to the Amended and Restated Management Services Agreement entered into by the parties effective April 1, 2020 ("Agreement").

The interim care facility being managed by the Manager for ETCS is being expanded to include both the 4<sup>th</sup> and 5<sup>th</sup> floors of the ETCS facility as of the Effective Date provided for in the First Amendment to ETCS's Lease Agreement adding the 5<sup>th</sup> floor to its lease ("Effective Date").

**The Agreement is hereby amended as follows:**

**1. COMPENSATION OF MANAGER.** The Management Fee is hereby increased to \$ 25,000 per month, commencing on the Effective Date.

**2. TERM.** The term of the Agreement is hereby extended until March 31, 2026, unless terminated earlier as provided for in the Agreement. However, the term remains subject to automatic one-year extensions on the terms and conditions as provided for in Section 9.1 of the Agreement.

**3. MISCELLANEOUS.** Defined terms in the Agreement are intended to have the same meaning herein, unless expressly defined otherwise herein. ~~Except as hereby amended, the Agreement remains in full force and effect as written. To the extent of any inconsistency between the Agreement and this Amendment, this Amendment is controlling.~~ This Amendment may be executed in any number of counterparts, including facsimile or an e-mail of scanned copy containing a copy of the signature page of the person executing this document, each of which shall be deemed an original, but all of which shall constitute one instrument, and shall become effective when such separate counterparts have been exchanged between the parties hereto.

IN WITNESS WHEREOF, the parties hereto have executed this Amendment on the day and year first written above.

(signature page follows)

MANAGER:

BETHANY OF THE NORTHWEST

By DocuSigned by:  
Joseph Scrivens  
493F0DF6C3284CD...  
Its Executive Director

Address: 1902 120th Place SE, Suite 201  
Everett, WA 98208-6292

ETCS:

EVERETT TRANSITIONAL CARE SERVICES

By DocuSigned by:  
Jason Peterson  
0716FEF68177463...  
Its President

Address: 1902 120th Place SE, Suite 201  
Everett, WA 98208-6292

## AMENDED AND RESTATED MANAGEMENT SERVICES AGREEMENT

THIS AMENDED AND RESTATED MANAGEMENT SERVICES AGREEMENT (this "Agreement") is made and entered into as of the 1st day of April, 2020, by and between Everett Transitional Care Services, a Washington nonprofit corporation ("ETCS"), and Bethany of the Northwest, a Washington nonprofit corporation ("Manager" or "Bethany").

### RECITALS

A. ETCS is a Washington nonprofit corporation that is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended. ETCS was founded by Manager and Providence Regional Medical Center, Everett ("PRMCE") to further their missions by operating an interim care facility ("ICF"). ETCS leases the facilities in which the ICF is operated from PRMCE.

B. Manager is a Washington nonprofit corporation that is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended. Manager is experienced in the operation of skilled nursing and subacute transitional care services and facilities.

C. ETCS has determined that:

1. Certain services needed at its ICF can be obtained more effectively and most prudently using an outside contractor;
2. Manager has the qualifications and experience to manage the ICF in a manner that has to achieved ETCS's goals of expanding services, minimizing costs, maximizing efficiency and improving quality; and
3. The community served by the ICF will benefit from an arrangement between ETCS and Manager whereby services available in the ICF are managed to achieve the goals described above.

D. ETCS therefore desires to contract with Manager for management services in connection with the operation of the ICF, and Manager desires to provide such services, on the terms and conditions further described herein.

NOW, THEREFORE, in consideration of the recitals, covenants, conditions and promises herein contained, the parties hereby agree as follows:

## AGREEMENT

### 1. DEFINITIONS.

1.1 "Business Plan" means the ETCS Business Plan prepared by Manager from time to time and approved by the ETCS Board pursuant to this Agreement.

1.2 "Confidential Information" includes without limitation: information relating to patient records and payer agreements; quality improvement, utilization review management and other peer review processes; pricing policies; marketing strategies and public relations materials; strategic plans; client lists; volume of business; systems, copyright, logo, service mark and trademark rights; practices, procedures, plans, rules, and regulations; contracts; and all similar information pertaining to a party's operations.

1.3 "ETCS Board" or "the Board" means the Board of Directors of ETCS.

1.4 "Manager Performance Criteria" is defined in Section 6 and Exhibit A.

1.5 "Members", collectively mean the members of ETCS, now consisting of Bethany and PRMCE, who may also be separately referred to as each "Member."

1.6 "ICF Director" is defined in Section 2.2.2.

### 2. ENGAGEMENT OF MANAGER.

Subject to the terms and conditions set forth in this Agreement, ETCS hereby engages Manager to provide the following services ("Management Services") in connection with the proper and efficient operation of ETCS and the ICF, and Manager hereby accepts such responsibilities.

~~2.1 Day to Day Management. Subject to the operating policies established by ETCS pursuant to Section 2.1.3, Manager shall be responsible for providing day to day management of the operations of the ICF, including but not limited to:~~

2.1.1 Developing and recommending to the Board the annual operating, capital and cash flow budgets for ETCS.

2.1.2 Establishing, recommending to the Board and administering operating policies and procedures for ETCS including without limitation quality and risk management programs. All such policies and procedures shall be consistent with applicable law, and shall promote high quality patient care, standardization of procedures, efficiency of scheduling, and highly trained professional and technical personnel.

2.1.3 Subject to paragraph 3.1 and budgets approved by the Board of ETCS, negotiating the terms of agreements with (a) contractors providing supplies and services to ETCS and (b) purchasers of ICF services.

**2.1.4** Working with the ETCS Board to develop annual performance objectives which shall, at a minimum, address measures of quality and financial performance to be used by ETCS to evaluate Manager's performance pursuant to Section 9.1.

**2.1.5** Employ and provide all staff necessary for the efficient operation of the ICF, in accordance with staffing plans as included in the budgets approved by the ETCS Board.

**2.2 Staff, Management Staff and Consultants.**

**2.2.1 Staff.** Manager shall employ such personnel and retain such advisors and consultants as are required to fulfill Manager's obligations under this Agreement. Manager shall have control of and responsibility for the hiring, compensation, supervision and termination of the individuals employed or retained by Manager to fulfill Manager's obligations hereunder, except as specifically set forth herein. Manager shall be responsible for the payment of salary, bonuses, and other compensation, benefits, payroll taxes, and all other taxes and charges now or hereafter applicable to the individuals employed by Manager to carry out its duties hereunder.

**2.2.2 ICF Director.** Manager, in consultation with and upon approval by the Board, shall employ an individual to fill the role of director of the ICF (the "ICF Director"). The ICF Director shall be responsible for the day to day operations of the ICF pursuant to this Agreement, and shall report to Manager and to the ETCS Board as it may request. The ICF Director shall be responsible for coordinating day to day management of the ICF with other health care facilities. Manager, as part of its performance appraisal of the ICF Director, shall solicit regular input from ETCS with respect to such performance.

**2.3 Business Plan and Budget.** Manager shall undertake the development of the ETCS Business Plan as well as a capital expenditure, cash flow and operating budget for the operation of the ICF.

**2.3.1** The initial pro forma is attached hereto as Exhibit B. No later than sixty (60) days before the beginning of each fiscal year of ETCS, Manager shall prepare and submit to the ETCS Board for review an assessment of the factors which may impact the Business Plan for the next fiscal year.

**2.3.2** Following the annual review of the Business Plan provided for in the preceding subsection, but in no event later than thirty (30) days before the beginning of each fiscal year of ETCS, Manager shall prepare and submit to the ETCS Board for review and approval, revisions and updates to the Business Plan and a capital expenditure, cash flow and operating budget for the operation of ETCS and the ICF for the ensuing fiscal year.

**2.4 Finance and Accounting Services.** Manager shall provide or contract for finance and accounting services, including but not limited to:

**2.4.1** The maintenance, custody and supervision of business records, papers, documents, ledgers, journals and reports relating to the business operations of ETCS: the establishment, administration and implementation of accounting procedures, controls, forms and

systems the preparation of financial reports (as contemplated herein) the planning and administration of the business operations of ETCS; and the payment of accounts payable incurred by ETCS and Manager within the scope of this Agreement. All of the foregoing accounting functions shall be performed in accordance with generally accepted accounting principles (GAAP) and applicable local, state and federal laws and regulations.

**2.4.2** Subject to Board approved budgets and directives, Manager shall also be responsible for developing a range of accounting systems for ETCS and the ICF that will assist ETCS in achieving the goals of efficiency and cost effectiveness set forth in this Agreement. Among the responsibilities of Manager is the maintenance of an accounting system for the ICF, the development of cost/benefit reports for the purchase of all new equipment for use in the ICF, and the development and implementation and maintenance of various clinical, cost and payment reports to reflect the systems that it develops.

**2.5 Financial and Management Reports.** As requested by ETCS Board, Manager shall provide or arrange for the provision to ETCS the following reports of ETCS operations:

**2.5.1** A Manager's Report at each Board meeting containing a summary of the financial performance of ETCS an operations report, including key quality and business indicators.

**2.5.2** Monthly Financial statements relating to the operation of ETCS, which includes, without limitation, the current month and year to date financial profit and loss statements, including any variance from budgeted amounts.

**2.5.3** Annual financial statements, which, if requested by PRMCE or Manager, shall be reviewed or audited by an independent certified public accountant selected by Manager with the approval of the ETCS Board.

**2.5.4** Any additional financial and management reports and information that are requested by the ETCS Board to assist in evaluating ETCS productivity and services.

Manager shall operate the ICF efficiently, and in accordance with such budgets and reports as may be approved by the Board.

**2.6 Sales and Marketing Services.** Manager shall provide for appropriate sales and marketing services to ETCS.

**2.7 Contract Negotiating.** During the term of this Agreement, Manager shall assist ETCS to facilitate ETCS's entry into and maintenance of arrangements with purchasers from and sellers to ETCS, including but not limited to third party payers. Manager shall, through discussions with payers and otherwise, assess the demand for managed care products and, in response to that assessment, develop global fee and package price for ICF service products on behalf of ETCS.

**2.8 Billing and Collection.** Manager shall be responsible, as agent for ETCS, for providing or arranging for billing and collection services for all charges on behalf of ETCS. Manager or an agent hired by ETCS for such purpose, will bill patients and third parties on behalf



of ETCS in compliance with applicable laws, regulations, rules and payer agreements. Manager will receive and handle, as agent for ETCS, all amounts collected on behalf of ETCS. Manager shall place accounts for collection; settle and compromise claims; and institute legal action for the recovery of accounts.

**2.9 Licensure and Accreditation Compliance with Law.** Manager shall be responsible to ensure that ETCS obtains and maintains all required licenses, accreditation, Medicare and Medicaid certification and provider numbers, and shall be responsible to ensure that the ICF is operated at all times in compliance with all applicable federal, state and local laws and regulations.

**2.10 Quality Improvement.** The Board of ETCS shall adopt quality assurance and risk management programs. The Manager shall be responsible for implementing such programs. Manager shall maintain appropriate interdisciplinary quality assurance and risk management activities for the ICF.

Manager shall report to Board on a quarterly basis the results of all quality assurance and risk management activities.

**2.11 Customer Satisfaction.**

**2.11.1** Manager shall make recommendations and otherwise assist ETCS in promoting good community relations and recognition for the ICF, including but not limited to participating in any ETCS customer relations program and the development and implementation of customer surveys.

**2.11.2 Complaints and Inquiries.** Manager will review, evaluate and supervise responses to complaints and inquiries of ICF patients concerning ICF services in a manner consistent with ETCS's customer service philosophy. In addition, Manager will furnish ETCS with a summary analysis of complaints and recommendations for improving any deficiencies, as appropriate.

**2.11.3 Customer Satisfaction** data and complaint data and complaint summary analysis will be presented to and reviewed by the ETCS Board on a Quarterly basis.

**2.12 Education.**

**2.12.1 Staff Education.** Manager shall develop and implement a program to establish and maintain the ICF as a center for continuing medical education for skilled nursing care services. Manager shall assist in providing clinical training of ICF personnel, and shall develop and provide such continuing education materials and instruction as necessary to properly instruct members of ETCS's medical, nursing, and allied health professional staffs, as well as other employee groups deemed appropriate by ETCS and Manager. Manager shall assist ETCS in the development and implementation of a staff education development plan for staff in the ICF.

**2.12.2 Physician Education.** Manager shall assist ETCS in the development and implementation of educational programs for the physician community regarding the types of services and mechanisms for delivery of services available in the ICF.

**2.12.3 Reports to Board.** Manager shall report to the ETCS Board on a quarterly basis a summary of the staff and physician education activities.

**2.13 Compliance with Quality Standards.** Manager shall conduct such investigation as it reasonably determines necessary to determine that each person providing services in the ICF has all licenses, registrations or certificates as required by federal, state or local laws. Manager shall undertake such investigation as it reasonably determines to be necessary to determine that each such person maintains such insurance as is required by the applicable rules and policies of ETCS.

Manager shall also undertake such investigation as it reasonably determines to be necessary to determine that persons who provide services in the ETCS facility do so in accordance with all applicable laws and regulations, and with prevailing standards of care in the community and in accordance with all rules and policies of ETCS. Manager shall provide ETCS and any affected person with prompt notice of any material concerns relating to the quality of service provided by such person, and Manager shall implement such corrective action as it reasonably determines is necessary and appropriate.

**2.14 Compliance with Laws, Directives and Mission.** Manager shall provide the services required hereunder in compliance with applicable federal, state and local laws, ETCS Board directives and the ETCS mission and values.

A corporate compliance program will be developed by manager and approved by the ETCS Board. Manager will make regular reports to the ETCS Board regarding the issues and actions taken as a result of the compliance program.

**2.15 Contracts with Members.** Where the Manager determines it is most cost effective and efficient to do so, the Manager may contract for provision of services or purchase of products from a Member, provided that all such contracts are disclosed to the Board and subject to its review. Such contracts may include, but are not limited to, agreements for provision of facility maintenance, IT support, lab and pharmacy services, imaging, food service, billing and accounting, dietician services, linens and personal products. Unless the contracting party and the Manager agree otherwise with regard to provision of a particular service or product, it is intended that services provided by employees of a Member will be reimbursed at the allocable gross wage amount of the employee plus 25%, and materials and products provided by a Member will also be paid for at their cost to the Member plus a service fee for overhead and administration costs in the amount of 10% of the cost of such materials and products unless otherwise agreed by the parties. The parties represent and warrant that such fees are consistent with the fair market value for the services and are not based in whole or in part on the volume or value of any referrals or other business between the parties. Any such contracts shall comply with applicable Medicare and Medicaid rules regarding related party transactions and be in accordance with all other applicable state and federal rules and regulations.

### **3. DECISIONS RESERVED TO ETCS BOARD.**

Decisions with respect to the operations of ETCS specifically reserved to the ETCS Board shall include, without limitation:

3.1 Approval of any borrowing, acquisition, contract or lease in excess of \$10,000 by or with respect to ETCS, except such matters included in an approved budget;

3.2 Approval of contracting guidelines for managed care contracts;

3.3 Approval of the ETCS Business Plan and any updates thereof;

3.4 Approval of the capital, operating and cash flow budgets for ETCS developed and recommended by Manager;

3.5 Veto of any decision of Manager that is outside Board approved budget, policies, procedures and plans; and

3.6 Any other non-day-to-day management matters not specifically delegated to Manager pursuant to this Agreement.

### **4. REVIEW OR AUDIT OF FINANCIAL RECORDS.**

ETCS shall have the right to review or audit the financial books and records of Manager or of any delegated member of ETCS who keeps financial records for ETCS relating to the operation of ETCS's business and/or the ICF. ETCS may arrange for an audit of such financial books and records as they relate to the operation of ETCS and/or the ICF (which may include an audit of the annual financial statements, as provided herein). Manager and any delegated member of ETCS shall, upon reasonable notice, allow ETCS's representatives access to all information and documents reasonably required for such review or audit during reasonable business hours, and provide copies of such documents at ETCS's expense.

### **5. COMPENSATION OF MANAGER.**

5.1 **Expense Reimbursement and Compensation.** Bethany will be reimbursed for all direct and indirect expenses it incurs in the start-up, operation and windup of the ICF, including the cost of labor, materials and services it provides, and the amount of its overhead and administration costs reasonably allocable to ICF operation. Such amounts will be itemized or allocated to ETCS in accordance with its annual budget approved in accordance with Section 2.3, as adjusted from time to time to reflect the actual amounts incurred. ETCS shall also pay to Manager a monthly management fee ("Management Fee") of Ten Thousand and No/100 Dollars (\$10,000) as compensation for the Management Services provided by Manager in accordance with this Agreement. The parties represent and warrant that such Management Fee is consistent with the fair market value for the Management Services rendered by Manager and is not based in whole

or in part on the volume or value of any referrals or other business between the parties. Manager's actual costs shall be determined in accordance with applicable Medicare and Medicaid rules relating to related party transactions and in accordance with all other applicable state and federal rules and regulations. The Management Fee, determined in accordance with this section, shall be subject to the approval of the ETCS Board on an annual basis, as part of the budget process. The approved Management Fee shall be paid to Manager on a monthly basis, on or before the 10th day of each month for services provided during the preceding month.

**5.2 Books and Records.** Manager's books and records shall reflect fees charged to ETCS, as set forth in this Agreement.

## **6. PERFORMANCE CRITERIA.**

All services to be provided by Manager hereunder shall be provided to the reasonable satisfaction of ETCS. Manager shall use reasonable efforts to achieve those performance criteria set forth in Exhibit A (the "Manager Performance Criteria"). Within sixty (60) days after the beginning of each fiscal year of ETCS, the Board and the Manager shall meet to review the performance of ETCS during the fiscal year just ended and the performance of Manager as measured against the performance criteria established pursuant to this Agreement. Performance reviews may be held more often, but no more than once per quarter, as required by the Board.

## **7. CONFIDENTIAL INFORMATION.**

**7.1 Legal Restriction.** Notwithstanding any other term or provision in this Agreement to the contrary, neither party hereto shall be obligated to reveal or supply information in violation of any applicable state or federal law.

### **7.2 Nondisclosure of Confidential Information.**

~~7.2.1 In the course of the relationship established between ETCS and Manager~~ certain Confidential Information may be disclosed by one party to another. During the term of this Agreement and thereafter, ETCS and Manager and their respective officers, directors or trustees, employees and agents shall: (a) hold Confidential Information disclosed to them in confidence and shall not, voluntarily or involuntarily, sell, transfer, publish, disclose, display or otherwise make available to any third party any portion of the Confidential Information or related materials without the express written consent of the party which disclosed the information, and (b) not use the Confidential Information, in any manner which would harm or compete with the party which disclosed the information.

**7.2.2** The undertaking of the parties pursuant to this section shall include, without limitation, each party's agreement, subject to applicable state and federal laws, to keep all documents and information obtained in the performance of quality assurance, utilization management and peer review activities strictly confidential and not to disclose such documents or information to any person or entity, without the disclosing party's prior written consent.

7.2.3 A party shall promptly return all Confidential Information provided in written or other fixed form, upon demand by the disclosing party.

7.2.4 The obligations of the parties under this Section 7 shall survive any termination or expiration of this Agreement.

## 8. INSURANCE AND INDEMNIFICATION.

8.1 **Manager Liability Insurance.** Manager shall procure and maintain policies of general and professional liability insurance and other insurance that shall be necessary to insure it and its employees, contractors, agents, directors or trustees, and officers against any claim or claims for damages arising by reason of personal injuries or death arising directly or indirectly, in connection with the negligent or wrongful acts or omissions of Manager.

8.2 **ETCS Liability Insurance.** Manager shall, on behalf of ETCS, procure and maintain policies of general and professional liability insurance, and fire, casualty and other insurance that shall be necessary to insure ETCS and its employees, contractors, agents, directors or trustees, and officers against any claim or claims for damages arising by reason of personal injuries or death arising directly or indirectly, in connection with the negligent or wrongful acts or omissions of ETCS.

## 9. TERMS AND TERMINATION.

9.1 **Term of Agreement.** The term of this Agreement shall commence on the date first written above and shall terminate on March 31, 2023 unless terminated as provided herein. During the term of this Agreement, and by each anniversary of the date first written above, Manager and ETCS shall meet and review Manager's performance under this Agreement. However, the Agreement will automatically be extended for successive one-year terms commencing the day after it would otherwise terminate, unless a party gives the other party notice of non-extension at least four (4) months in advance of the termination date. This Agreement will automatically terminate upon the termination of (1) the Member Collaboration Agreement between the parties, which is entered contemporaneously herewith, or (2) the Lease Agreement between Providence and ETCS for the 4<sup>th</sup> floor of the Providence Regional Medical Center Everett – Pacific Campus, which is entered contemporaneously herewith.

9.2 **Termination for Cause.** Either party may terminate this Agreement if the other party fails to perform any material obligation required hereunder, and such default continues for ninety (90) days after the giving of written notice by the terminating party to the other parties, specifying the nature and extent of such default. "Default" shall include but not be limited to failure on the part of Manager to meet the Manager Performance Criteria. In addition, in the event the parties fail to agree, after good faith discussions between the parties, upon budgets, policies, or decisions which Manager in its reasonable discretion determines are necessary to fulfill its obligations under this Agreement, Manager may terminate this Agreement by providing ninety (90) days advance written notice of termination.

**9.3 Effect of Termination.** Upon termination or expiration of this Agreement for any cause or reason:

**9.3.1** Manager shall deliver to ETCS all records necessary for the conduct of ETCS' business, and all other property of ETCS in its possession, and Manager shall remain subject to the confidentiality provisions of this Agreement with respect to such records; and

**9.3.2** Manager and ETCS shall thereafter be automatically relieved and released from all further obligations hereunder, except for the obligations that by their terms required continuing performance, including without limitation those set forth in Sections 7, 8 and 10, and payment of any amounts owing to Manager through the effective date of termination in accordance with Sections 2.15 and 5.1 above, together with reimbursement of all costs and expenses incurred in the process of winding down and/or liquidating the Facility.

## **10. RECORDS AND INFORMATION.**

**10.1 Access to Information.** Each party shall at all reasonable times during the term of this Agreement and thereafter permit the other party to have reasonable access to its documents, books and records relating to this Agreement.

**10.2 Ownership of Records and Information.** All business records and information relating exclusively to the business and activities of a party shall be the property of that party, irrespective of the identity of the party responsible for producing or maintaining such records and information. Without limiting the foregoing, all records and information maintained by Manager relating to the business of ETCS, including corporate, personnel and financial records and information, shall be the sole property of ETCS.

**10.3 Confidentiality of Records.** Manager and ETCS shall adopt procedures to ensure the confidentiality of the records relating to the operations of Manager and ETCS.

**10.4 Maintenance of Records.** Except as otherwise provided in this Agreement, the parties shall safeguard all records maintained by them pursuant to this Agreement as required by law and, prior to destruction of any such records, shall give the other party notice of such destruction and, if the other party so elects and the law so permits, shall deliver such records to the other party in lieu of destroying them.

**10.5 Confidentiality of Patient Records.** The Manager agrees to hold all individually identifiable patient health information ("Protected Health Information") that may be shared, transferred, transmitted, or otherwise obtained pursuant to this Agreement strictly confidential, and provide all reasonable protections to prevent the unauthorized use or disclosure of such information, including, but not limited to the protection afforded by applicable federal, state and local laws and/or regulations regarding the security and the confidentiality of patient health care information. Manager further agrees to make every reasonable effort to comply with any regulations, standards, or rules promulgated pursuant to the authority of the Health Insurance Portability and Accountability Act of 1996 ("HIPAA"), including those provisions listed below, as soon as possible. The Manager may use and disclose Protected Health Information when

necessary for Manager's proper management and administration (if such use or disclosure is necessary), or to carry out the Manager's specific legal responsibilities pursuant to this Agreement. Specifically, the Manager agrees as follows: (1) to maintain safeguards as necessary to ensure that the Protected Health Information is not used or disclosed except as provided herein; (2) to mitigate, if possible, any harmful effect known to Manager of a use or disclosure of Protected Health Information by Manager; (3) to ensure that any subcontractors or agents to whom it provides ETCS's Protected Health Information will agree to the same restrictions and conditions that apply with respect to such information; (4) to make available respective internal practices, books and records relating to the use and disclosure of Protected Health Information received from ETCS to the Department of Health and Human Services or its agents; (5) to incorporate any amendments or corrections to Protected Health Information when notified by ETCS that the information is inaccurate or incomplete; (6) to return or destroy all Protected Health Information received from ETCS that Manager still maintains in any form and not to retain any such Protected Health Information in any form upon termination or expiration of this Agreement, if feasible or, if not feasible, Manager agrees to limit any uses of ETCS's Protected Health Information after this Agreement's termination or expiration to those specific uses or disclosures that make it necessary for Manager to retain the information; (7) to ensure applicable policies are in place for providing the Protected Health Information to ETCS to satisfy an individuals' request to access their information; (8) to report to ETCS any use or disclosure of Protected Health Information which is not provided for in the Agreement; and (9) to make Protected Health Information available to ETCS as requested to provide an accounting of disclosures to an individual who is the subject of the information, to the extent required by HIPAA. If at any time after the effective date of this Agreement it is determined that Manager is in breach of this Section, ETCS may immediately terminate this Agreement. Manager further agrees to sign any other documents, as appropriate, including but not limited to a Business Associate Agreement with ETCS, if requested to do so by ETCS.

## **11. GENERAL PROVISIONS.**

**11.1 Delegation and Assignment.** Except as expressly provided herein, no party shall delegate its duties or assign its rights hereunder in whole or in part, without the prior written consent of the other party. Subject to the requirements of the preceding sentence, this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns.

**11.2 Amendment.** Amendments to this Agreement must be approved in writing by the parties hereto.

**11.3 Counterparts.** For the convenience of the parties hereto, this Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

**11.4 Governing Law.** This Agreement shall be interpreted in accordance with and governed by the laws of the State of Washington.

**11.5 Entire Agreement.** This Agreement and the exhibits attached hereto, constitute the entire agreement among the parties with respect to the matters contained herein, and supersede all prior agreements, proposals, negotiations, representations and other communications among the parties, regarding its subject matter.

**11.6 No Waiver.** The failure of a party to object to or take affirmative action with respect to any conduct of another party which is in violation of the provisions of this Agreement shall not be construed as a waiver of that violation or of any future violations of the provisions of this Agreement.

**11.7 Section Headings.** The headings of sections in this Agreement are for reference only and shall not affect the meaning of this Agreement.

**11.8 Severability.** In the event that any of the provisions, or portions thereof, of this Agreement are held to be unenforceable or invalid by any court of competent jurisdiction, the validity and enforceability of the remaining provisions, or portions thereof, shall not be affected thereby.

**11.9 Changes in Law.** If at any time during the term hereof, applicable state or federal statutes or regulations are amended, revised or interpreted in such a manner as to require modification of the terms and conditions of this Agreement, this Agreement shall be deemed to be automatically amended to conform to the requirements of such statutes or regulations.

**11.10 Notices.** Any notice required or permitted to be given hereunder shall be written, and may be delivered personally to the addressee or sent to it by telecopier or by United States registered or certified mail, postage prepaid and return receipt requested, and addressed or delivered to each of the parties at the fax numbers or addresses set forth below or such other address as may hereafter be designated by a party by written notice thereof to the other party.

~~**11.11 Omnibus Budget Reconciliation Act of 1980.** To the extent required under the provisions of the Omnibus Budget Reconciliation Act of 1980 and its implementing regulations, Manager shall provide access to its books and records pertaining to this Agreement to the Comptroller General of the United States, the Secretary of Health and Human Services, the Secretary of the Washington State Department of Social and Health Services, and their duly authorized representatives, for a minimum of four years following the termination of this Agreement. If Manager carries out its duties through a subcontract that is subject to such law and regulations, Manager shall include a provision in the subcontract providing for similar access to the subcontractor's books and records. Manager shall notify ETCS and its Members immediately upon receipt of any request to disclose its books and records for the purpose of an audit or investigation and will make available to ETCS and its Members the books and records it intends to disclose in response to any such request. If the law or regulations governing disclosure of records change, Manager shall comply with the law and regulations as changed.~~

**11.12 Licenses, Permits and Certificates.** Manager shall take all reasonable and necessary actions to apply and reapply (as necessary) in order to obtain and maintain in effect, during the term of this Agreement, all licenses, permits and certificates required by law and relating



to the operation of ETCS, and all accreditations applicable to the operation of the ICF pursuant to this Agreement.

**11.13 Relationship of the Parties.** In the performance of the work, duties and obligations under this Agreement, it is mutually understood and agreed that each party is at all times acting and performing as an independent contractor with respect to the other parties. Each party to this Agreement shall be responsible for all applicable state and federal payroll taxes, Social Security withholding, employee benefits and other taxes, expenses or deductions in connection with any compensation received by such party under the terms of this Agreement. Each party shall file a schedule of expenses with the IRS in connection with its business tax filing as required by law. Each party shall maintain an account with the Washington Department of Revenue and other appropriate state agencies. Each party shall maintain its own books and records with respect to its business.


**11.14 Medicare/Medicaid Participation.** Manager hereby represents and warrants that neither Manager nor Manager's principals (if applicable) are presently debarred, suspended, proposed for debarment, declared ineligible, or excluded from participation in any federally funded health care program, including Medicare and Medicaid. Manager hereby agrees to immediately notify ECTS of any threatened, proposed, or actual debarment, suspension, or exclusion from any federally funded health care program, including Medicare and Medicaid. In the event that Manager is debarred, suspended, proposed for debarment, declared ineligible, or excluded from participation in any federally funded health care program during the term of this Agreement, or if at any time after the effective date of this Agreement it is determined that Manager is in breach of this Section, this Agreement shall, as of the effective date of such action or breach, automatically terminate.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the day and year first written above.

MANAGER:

BETHANY OF THE NORTHWEST

By

  
Its Executive Director

Address: 1902 120<sup>th</sup> Place SE, Suite 201  
Everett, Washington 98208-6292

ETCS:

EVERETT TRANSITIONAL CARE SERVICES

By

  
Its President

Address: 1902 120<sup>th</sup> Place SE, Suite 201  
Everett, Washington 98208-6292

EXHIBIT A

MANAGER PERFORMANCE CRITERIA

Manager shall provide services as required to the reasonable satisfaction of the Board of ETCS. In addition, Manager shall use reasonable efforts to achieve results on the annual state and federal licensing surveys which exceed the annual survey average for the State of Washington.

The following performance criteria will be used to measure management performance. These criteria shall be reviewed and amended from time to time as necessary.

- Manager shall achieve all budget targets as approved by Board or provide a written variance report for any material variations from the established budget.
  - Manager shall report educational activities on a quarterly basis to the Board to include:
    - A summary of monthly in-service classes to staff.
    - A summary of all educational offerings for physicians.
  - Manager shall prepare and present the results of the quality program to the Board on an annual basis and:
    - Meet quality goals as agreed to annually by ETCS Board.
    - Present Patient Satisfaction scores against a goal set annually.
  - Manager shall develop a business plan, updated annually.
  - Manager shall prepare and present operational reports to the Board at each Board meeting including utilization, staffing and financial indicators to assure operational excellence and performance. These reports shall reflect the annual targets and indicators mutually developed between manager and Board on an annual basis.
- 
- Manager shall use reasonable efforts to achieve results on the annual state and federal licensing surveys which exceed the annual survey average for the State of Washington. Results of such surveys will be presented to the Board at the meeting following the survey. Operational action plans will be developed for any areas resulting in a below average survey result.

**Exhibit 2**  
**Everett Transitional Care Services**  
**Member Facility Listing**

<b>Member</b>	<b>Facility</b>	<b>Address</b>	<b>Medicaid Provider Number</b>	<b>Medicare Provider Number</b>
Bethany of the Northwest	Bethany at Pacific	916 Pacific Avenue Everett, WA 98206	4112900	50-5404
Bethany of the Northwest	Bethany at Silver Lake	2131 Lake Heights Drive, Everett, WA 98208	4110490	50-5403
Bethany of the Northwest	Bethany at Silver Crest	2235 Lake Heights Drive, Everett, WA 98208	219178	NA
PRMCE	Providence Regional Medical Center Everett	1321 Colby Everett, WA 98201	3309606	50-0014 50-T0014 (Rehab)

**EXHIBIT 3**  
**COVID LOI AND TRANSITION PLAN**



P.O. BOX 13700, Mill Creek, WA 98082

August 23, 2022

Eric Hernandez, Manager  
Certificate of Need  
Office of Community Health Systems  
Washington State Department of Health  
[eric.hernandez@doh.wa.gov](mailto:eric.hernandez@doh.wa.gov)

Dear Mr. Hernandez:

Please accept this correspondence as a letter of intent from Everett Transitional Care Services to permanently maintain the 31 skilled nursing beds being added to our existing 31 bed skilled nursing facility under the Governor's Proclamation 20-36 waivers. Recognizing that the Governor's proclamation will be rescinded effective October 27, 2022, ETCS is fully prepared to comply with the Compliance Glidepath established by the Department of Health.

ETCS will additionally be submitting a formal letter of intent to the CN Program (consistent with the Concurrent Review cycle established in WAC 246-310-130 for Snohomish County nursing home applicants) by the first working day of September 2023 and a CN application by the first working day of October 2023.

Also in compliance with the Department's Compliance Glidepath, Attachment 1 includes the ETCS Patient Transition Plan in the event that the CN application submitted in the 2023 Concurrent Review cycle is denied.

The Compliance Glidepath additionally requires the submittal of a CRS application by August 28, 2022. ETCS submitted its CRS application specific to the expansion of the 31 beds addressed in this LOI on July 7, 2022 (CRS # 61334474) and has included as Attachment 2 the CRS application to demonstrate compliance.

The below information is provided to comply with the specific LOI requirements of WAC 246-310-080(1).

### **1. Description of the Services Proposed:**

Everett Transitional Care Services (ETCS) is a 31-bed skilled nursing facility (SNF) jointly owned by Providence Regional Medical Center Everett (PRMCE) and Bethany of the Northwest (Bethany) designed specifically to support the timely discharge of hard-to-place hospital patients appropriate for SNF level care. Two years after opening, ETCS is now regularly at or near 100% occupancy, and local Snohomish County hospitals, which often exceed 90% on licensed bed capacity, continue to care for a large number of patients ready to discharge but are not able to

secure appropriate post-acute placement for them. This results in hospital beds not being available for people who really need acute care and impacts hospitals' ability to handle COVID surges as well as caring for people needing elective procedures. In addition, community SNFs continue to experience staffing and capacity challenges due to COVID and/or are closing altogether.

To address this urgent need facing Snohomish County patients and providers, ETCS is proposing the permanent addition of an additional 31 beds to ETCS, for a total licensed bed capacity of 62.

**2. Estimated Cost of the Proposed Expansion:**

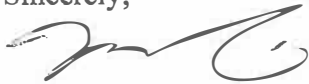
The capital expenditure is estimated at \$225,000.

**3. Description of Service Area:**

The primary service area of Everett Transitional Care Services is Snohomish County.

If you have any questions, please feel free to contact me directly.

Sincerely,



Joseph Scrivens  
Chief Executive Officer

**Attachment 1**  
**Everett Transitional Care Services**  
**Patient Transition Plan**

Everett Transitional Care Services (ETCS) is a 31-bed skilled nursing facility (SNF) jointly owned by Providence Regional Medical Center Everett (PRMCE) and Bethany of the Northwest (Bethany) designed specifically to support the timely discharge of hard-to-place hospital patients appropriate for SNF level care. To address an urgent need for additional nursing home beds in the community for difficult to discharge patients, ETCS is utilizing the certificate of need and construction review services COVID waivers authorized through Proclamation 20-36 to add an additional 31 beds to ETCS. Below is ETCS' transition plan in the event that its Certificate of Need application to permanently add the beds to its license is denied.

**Average # of Clients**

ETCS will have a total of 62 beds after the addition of the 31-bed expansion and expects to be operating at approximately 90-95% occupancy (or an average daily census of 56-59 residents). If the CN application to permanently add the additional 31 beds is denied, ETCS will need to transition approximately 25-28 residents.

**Identification of Similar Facilities that could Provide Care to Clients**

ETCS is designed to serve a population that does not meet the criteria necessary to be admitted to traditional SNFs, ALFs and AFHs. ETCS accepts many of these patients and provides them with medical care, social, and psychosocial services in preparation for discharge to the community. As part of their transition to the community, we assist them with accessing on-going medical, social, and psychosocial services to help sustain them after discharge. Typical discharge locations include SNFs, ALFs, AFHs and occasionally, home. In the event of closure, we would continue to focus on SNFs, ALFs, and AFHs, home, etc. to expedite the process.

**Steps to be Taken for Patients to Be Transitioned if Needed**

The ETCS Facility Administrator is responsible for oversight of day-to-day operations and safe discharge of residents during facility closure. These requirements include the following:

1. ETCS will immediately discontinue all admissions to the 5<sup>th</sup> floor.
2. ETCS will ensure that every patient is discharged to an appropriate level of care prior to 5<sup>th</sup> floor closure. This will take into consideration the resident's needs, choice, and best interest.
3. ETCS will ensure that appropriate staffing levels are maintained during closure to ensure that patient needs are being met.
4. ETCS will ensure there are on-going assessments of residents' care needs and an on-going provision of care, supplies, treatment as ordered by physicians/practitioners.
5. ETCS will ensure (where applicable) on-going accounting, maintenance, and reporting of patient funds.

6. ETCS will ensure the provision of appropriate resident care information to the receiving facility for continuity of care.
7. ETCS will ensure the labeling, safekeeping, and appropriate transfer of resident's personal belongings at the time of transferor relocation.
8. ETCS will ensure that the patient's complete medical record is provided to the receiving facility at the time of discharge.

**The timeline for transitioning clients to CN approved facilities/services if an application is denied.**

As stated above, in the event that the ETCS CN application to permanently add the 31 beds to the ETCS license is denied, ETCS will immediately discontinue admissions to the 5<sup>th</sup> floor. For residents already residing in ETCS, it is our practice to begin discharge planning upon admission, so will have already started this process and will continue until the census can be supported in the original ETCS space (31 beds).

Since the purpose of ETCS is to accept difficult to discharge patients with the goal of providing them with the on-going medical, social, and psychosocial services to help sustain them after discharge, the average length of stay for residents is 60-75 days, so we would expect that we should be able to have all residents safely discharged within 75 days of the denial. We will work with the Department directly and early if there are residents that will be difficult to place in other settings within that timeframe.



**EXHIBIT 4**  
**CONCURRENT REVIEW LOI**



P.O. BOX 13700, Mill Creek, WA 98082

**RECEIVED**

By Andrew Struska at 3:03 pm, Aug 30, 2023

August 30, 2023

Eric Hernandez, Manager  
Certificate of Need  
Washington State Department of Health  
[eric.hernandez@doh.wa.gov](mailto:eric.hernandez@doh.wa.gov)

Dear Mr. Hernandez:

Please accept this correspondence as a letter of intent from Everett Transitional Care Services (ETCS) to permanently increase licensed bed capacity to include the 31 beds added under the Governor's Proclamation 20-36 waiver.

The information below is provided to comply with the specific LOI requirements of WAC 246-310-080(1):

**1. Description of the Services Proposed:**

ETCS is a skilled nursing facility (SNF) jointly owned by Providence Regional Medical Center Everett (PRMCE) and Bethany of the Northwest (Bethany). It is designed specifically to support the timely discharge of hard-to-place hospital patients appropriate for SNF level care. To address urgent needs for additional beds during the COVID Public Health Emergency and consistent with state and federal waivers, ETCS added 31 beds.

ETCS' pre-COVID license was for 31 beds. This LOI proposes the permanent addition of the 31 additional beds, for a total licensed bed capacity of 62.

**2. Estimated Cost of the Proposed Acquisition:**

The estimated capital expenditure is \$350,000.

**3. Description of Service Area:**

The primary service area of Everett Transitional Care Services is Snohomish County.

If you have any questions, please feel free to contact me directly.

Sincerely,

Joseph Scrivens  
Chief Executive Officer  
Bethany of the Northwest

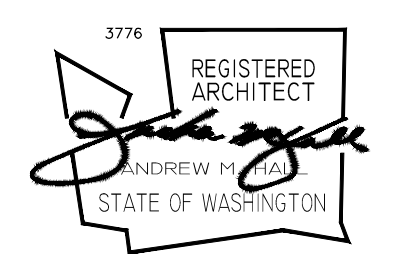
**Exhibit 5: Moveable Equipment List**

<b>Category</b>	<b>Items</b>	<b>Cost</b>
Lockers	Lockers	\$ 834.33
Key pad locks	Key pad locks	\$ 1,007.78
IM filtration	Water filtration systsem	\$ 325.00
Wastebaskets	75 LG wastebaskets	\$ 910.80
Control box	Control box	\$ 236.06
Shelving	Utility shelving unit (5)	\$ 1,917.76
Resident Room furnishings	USB chg kit (31)	\$ 1,450.10
Resident Room furnishings	Bed frame (31)	\$ 58,105.79
Resident Room furnishings	Counter-rotating assists (31)	\$ 4,796.47
Resident Room furnishings	Head & foot board (31)	\$ 2,935.91
5TH FLOOR EXPANSION -	3 Patient lift/1 scale/6 slings	\$ 11,881.99
Resident Room furnishings	Bed spread (31)	\$ 3,095.69
Resident Room furnishings	Cubicle curtains (31)	\$ 2,443.01
Resident Room furnishings	Mattresses (25)	\$ 4,556.70
Resident Room furnishings	Mattress (6)	\$ 1,367.34
Resident Room furnishings	31 Overbed tables	\$ 4,387.47
Televisions	TVs (2)	\$ 419.88
Televisions	TVs (2)	\$ 420.26
Wall mounts	Wall mounts (13)	\$ 756.27
Wall mounts	Wall mounts (4)	\$ 112.04
Wall mounts	TV wall mounts (2) & furniture straps (3)	\$ 100.62
Televisions	TVs (24)	\$ 4,747.44
Televisions	TVs (3)	\$ 497.22
Furniture	2 desks/6 chairs/1 round table	\$ 3,732.20
Ice Water Dispenser	2 Icewater despensers	\$ 9,261.67
Refrigerators	Refrigerator (2)	\$ 1,724.24
Refrigerators	Refrigerator (1)	\$ 746.22
Med Room Refrigerator	Refrigerator (1)	\$ 229.12
<b>Total</b>		<b>\$ 122,999.38</b>

**EXHIBIT 6**  
**ETCS DRAWINGS**

**REVISIONS**

NO.	DESCRIPTION



JOB NO. 20-1019

DRAWN BY -

CHECKED BY AH

DATE 3/11/2020

**FLOOR PLAN**

**A1.0**

**FLOOR PLAN KEYNOTES**

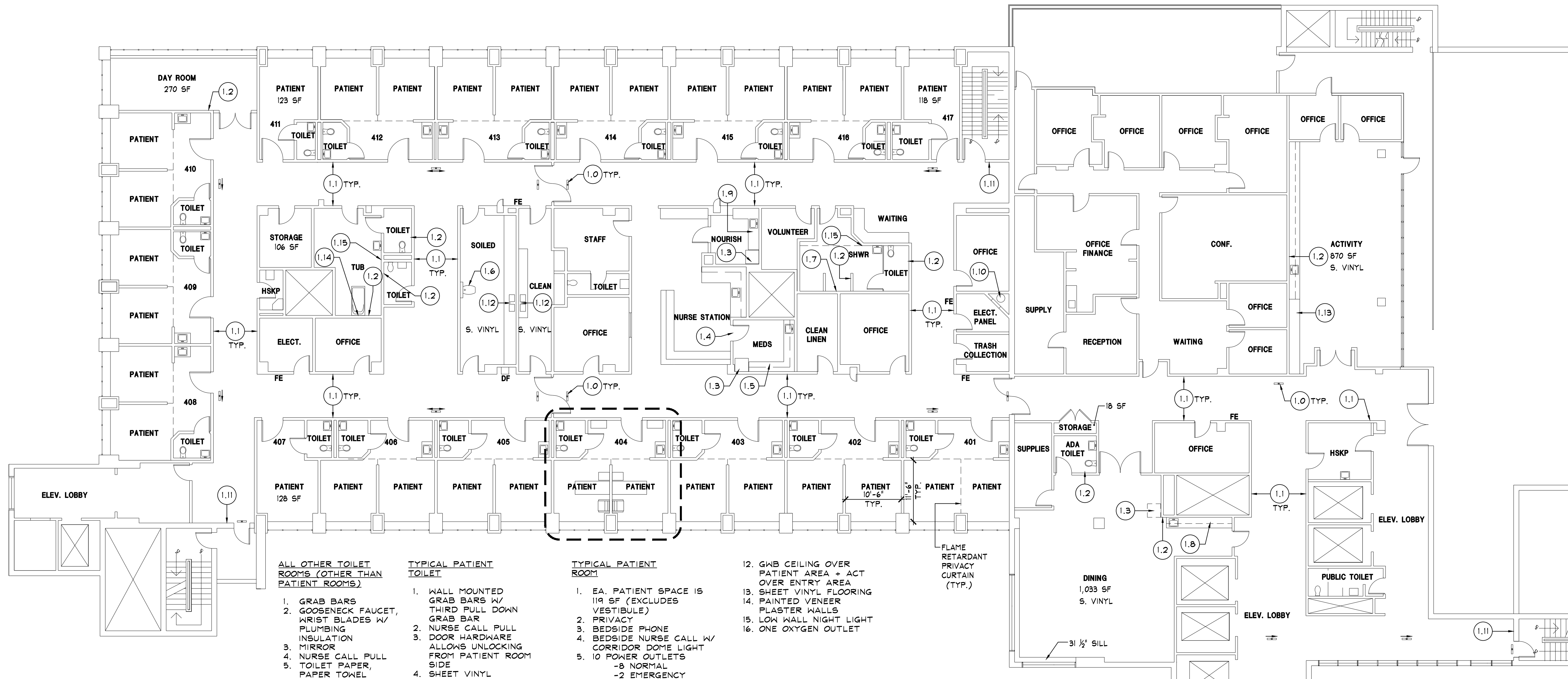
- # KEYNOTE
- 1.0 ILLUMINATED EXIT LIGHTS
- 1.1 CONTINUOUS HANDRAILS EA. SIDE OF CORRIDOR
- 1.2 NURSE CALL PULL STATION
- 1.3 REFRIGERATOR
- 1.4 LOCKED MEDS ROOM DOOR
- 1.5 LOCKED MEDS STORAGE CABINETS
- 1.6 CLINIC SINK W/ SIPHON JET AND SPLASH SHIELD
- 1.7 WALL MOUNTED HAND HELD SHOWER SPRAY
- 1.8 SOLID SURFACE COUNTERTOP W/ STAINLESS STEEL FOOD CONTAINERS W/ LIDS, WARMING OVEN, COFFEE MAKER + WATER/ICE DISPENSER (RPB WILL BE INSTALLED)
- 1.9 STAINLESS STEEL CASEWORK W/ JUICE DISPENSER AND WATER/ICE DISPENSER (RPB WILL BE INSTALLED)
- 1.10 ABANDONED + LOCKED LAUNDRY CHUTE HATCH
- 1.11 SECURITY ACCESS CONTROL DEVICE
- 1.12 DOUBLE COMPARTMENT SINK
- 1.13 ACTIVITY EQUIPMENT STORAGE UNITS
- 1.14 TUB UNIT W/ CHAIR UNIT
- 1.15 TOWEL BAR

**FINISHES**

- 1. CORRIDORS, OFFICES, DAYROOM HAVE CARPET AND ACT CEILING
- 2. TUB ROOM AND SHOWER ROOMS HAVE CERAMIC TILE FLOOR AND WALLS UP TO GWB CEILING
- 3. NOURISHMENT, MEDS, CLEAN LINEN, DINING ROOM AND ACTIVITY ROOM HAVE SHEET VINYL FLOORING AND ACT CEILING
- 4. PAINTED VENEER PLASTER WALLS
- 5. SOILED AND CLEAN ROOMS HAVE SHEET VINYL FLOORING W/ COVE BASE AND GWB CEILING

**LIFE SAFETY**

- 1. FLOOR IS FULLY SPRINKLERED W/ QUICK RESPONSE HEADS
- 2. FLOOR HAS SMOKE DETECTION
- 3. FLOOR HAS FIRE ALARM SYSTEM
- 4. CORRIDOR DOUBLE EGRESS DOORS HAVE EXISTING 20 MIN. UL RATING W/ EXIT HARDWARE DEVICE
- 5. SOILED AND CLEAN ROOMS AND STORAGE DOORS ARE SELF CLOSING AND HAVE SMOKE GASKETS
- 6. FIRE EXTINGUISHERS ARE 2A10BC



**ALL OTHER TOILET ROOMS (OTHER THAN PATIENT ROOMS)**

- 1. GRAB BARS
- 2. GOOSENECK FAUCET, WRIST BLADES W/ PLUMBING INSULATION
- 3. MIRROR
- 4. NURSE CALL PULL TOILET PAPER, PAPER TOWEL DISPENSER
- 6. TRASH RECEPTACLE
- 7. DOOR HARDWARE UNLOCKABLE FROM HALL SIDE

**TYPICAL PATIENT TOILET**

- 1. WALL MOUNTED GRAB BARS W/ THIRD PULL DOWN GRAB BAR
- 2. NURSE CALL PULL
- 3. DOOR HARDWARE ALLOWS UNLOCKING FROM PATIENT ROOM SIDE
- 4. SHEET VINYL FLOORING W/ COVE BASE
- 5. HANDWASH SINK W/ GOOSENECK FAUCET, WRIST BLADES, PLUMBING INSULATION.

**TYPICAL PATIENT ROOM**

- 1. EA. PATIENT SPACE IS 119 SF (EXCLUDES VESTIBULE)
- 2. PRIVACY
- 3. BEDSIDE PHONE
- 4. BEDSIDE NURSE CALL W/ CORRIDOR DOME LIGHT
- 5. 10 POWER OUTLETS -8 NORMAL -2 EMERGENCY
- 6. LOCKABLE BEDSIDE TABLE
- 7. WARDROBE CLOSET W/ ROD 22"Dx36"Wx76"H
- 8. HANDWASH SINK W/ GOOSENECK FAUCET, WRIST BLADES, PLUMBING INSULATION -1 GFI DUPLEX
- 9. ONE VISITOR CHAIR
- 10. WINDOW AT EACH PATIENT SPACE -32" SILL -42 SF AREA = 35% OF FLOOR AREA
- 11. 48" DOOR W/ 46" CLEAR OPENING. DOOR HAS LATCHING HARDWARE AND SMOKE GASKETS.

- 12. GWB CEILING OVER PATIENT AREA + ACT OVER ENTRY AREA
- 13. SHEET VINYL FLOORING
- 14. PAINTED VENEER PLASTER WALLS
- 15. LOW WALL NIGHT LIGHT
- 16. ONE OXYGEN OUTLET

**LIGHTING**

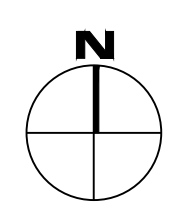
- 1. ALL PATIENT CARE AREAS HAVE EITHER SURFACE MOUNTED OR RECESSED LENSED FIXTURES
- 2. SOILED, CLEAN, CORRIDORS, CLEAN LINEN, NOURISHMENT, MED ROOM SUPPORT SPACES HAVE EITHER SURFACE MOUNTED OR RECESSED LENSED FIXTURES
- 3. OFFICE AREAS HAVE TROFFER STYLE LIGHT FIXTURES

TOTAL COMBINED SF AREA FOR DINING, ACTIVITY AND DAY ROOMS

REQUIRED FOR 31 BEDS = 930 SF  
EXISTING = 2,173 SF

TOTAL STORAGE REQUIRED FOR 31 BEDS = 124 SF  
EXISTING = 124 SF

**1 FOURTH FLOOR PLAN**  
3/32" = 1'-0"



# BETHANY OF THE NORTHWEST

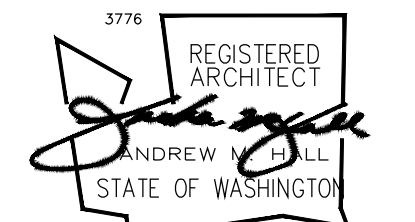
## 916 PACIFIC AVE., EVERETT, WA 98201



2727 Oakes Ave.  
Suite 100  
Everett, WA 98201

### REVISIONS

NO.	DESCRIPTION



# Bethany Pacific 5th Floor

916 Pacific Ave  
Everett, WA 98201

JOB. NO. 23-1012

DRAWN BY CR

CHECKED BY DS

6-23-23

Cover Sheet

# G1.0

### DESIGN TEAM

**OWNER:**  
BETHANY OF THE NORTHWEST  
916 Pacific Ave  
Everett, WA 98201

**PROJECT ARCHITECT:**  
BOTESCH, NASH & HALL ARCHITECTS, P.S.  
2727 Oakes Avenue  
Suite 100  
Everett, WA 98201  
(425) 259-0868

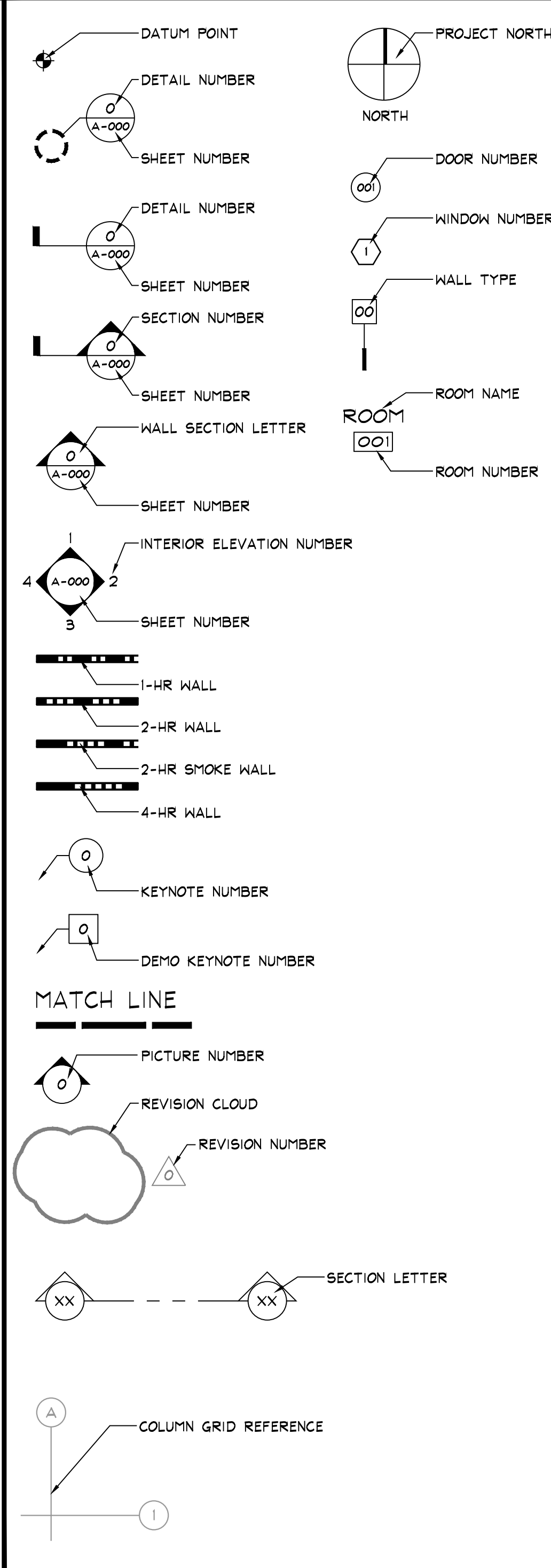
### GENERAL NOTES

- All construction shall comply with the 2018 International Building Code (IBC), Washington State regulations for barrier-free design, Washington State Energy Code, and all applicable local codes, ordinances and standards.
- The Contractor is to verify all existing conditions, dimensions, details, etc. and notify the Architect of any and all discrepancies prior to proceeding with the work.
- Do not scale drawings; dimensions govern. The Contractor shall notify the Architect immediately of any and all discrepancies. The drawing scales are indicated to provide visual proportion and should be verified with similar drawings and listed dimensions.
- All dimensions are to be center line of stud, or face of concrete wall, unless noted otherwise.
- Where devices or items or parts thereof are referred to in singular, it is intended that such shall apply to as many such devices, items or parts as are required to properly complete the work.
- It shall be the responsibility of the Contractor to locate all existing utilities whether shown hereon or not and to protect them from damage. The Contractor shall bear all expense of repair or replacement of utilities or other property damaged by operations in conjunction with the execution of his work.
- The Contractor will verify and conform to all requirements of all utility companies, unless noted otherwise in the plans and specifications.
- Existing elevations and locations to be joined shall be verified by the Contractor before construction layout. If they differ from those shown on the drawings, the Contractor shall notify the Architect, so modifications can be made before proceeding with the work.
- All debris shall be removed from the premises and all areas shall be left in broom clean condition at all times.
- The Contractor shall take all necessary precautions to ensure the safety of the occupants and workers at all times.
- Fire extinguishers: Verify the requirements and locations with the fire marshal. The Contractor is to supply fire extinguishers and cabinets, as required and/or as indicated on the drawings.
- Sound insulate all plumbing walls.
- The plans and specifications are minimums and where details are not specifically shown, consistent practices shall be used. Codes and ordinances take precedence over plans and specifications and whenever inconsistencies exist, it will be the Contractor's responsibility to immediately notify the Owner and provide acceptable corrections at no additional charge.
- Use 5/8-inch G&B, Type X, in all locations unless noted otherwise.
- The Contractor shall provide mechanical, plumbing and electrical permits.
- Sheet-metal flashing at skylights, roof hatches, rooftop mechanical units, masonry, head sills, soffits, parapet walls, reglets, expansion joints, etc., shall be installed as recommended by SMACNA (Sheet Metal and Air Conditioning Contractors National Association) manual.
- Penetrations through rated construction shall be protected by U.L. Listed T stop materials and methods per IBC 2018.
- Sealing caulking and weather-stripping shall be installed to provide a complete building envelope.
- Prior approval is required on all changes or alterations to the approved plans.

### ABBREVIATIONS

A	ANCHOR BOLT	L	LONG LENGTH
ABV	ABOVE	LAM	LAMINATE
A/C	AIR CONDITIONING	LAV	LAVATORY
ACT	ACUSTICAL CEILING TILE	LB #	LINEAR FOOT
AD	AREA DRAIN	LF	LIVE LOAD
ADJ	ADJUSTABLE	LL	LOCATION
AFF	ABOVE FINISH FLOOR	LT	LIGHT
ALUM	ALUMINUM	LP	LOW POINT
AL	ALTERNATE	MAS	MASONRY
APPROX	APPROXIMATE	MAT	MATERIAL
ARCH	ARCHITECT	MAX	MAXIMUM
ASPH	ASPHALT	MECH	MECHANICAL
AUTO	AUTOMATIC	MFD	MANUFACTURED
AGG.	AGGREGATE	MFR	MANUFACTURER
BD	BOARD	MH	MANHOLE
BLDG	BUILDING	MN	MISCELLANEOUS
BLK	BLOCK	M.O.	MASONRY OPENING
BLKG	BLOCKING	MTL	METAL
BLW	BELOW	N	NORTH
BM	BENCH MARK	NA	NOT APPLICABLE
BRG	BEARING	NC	NOT IN CONTRACT
BSMT	BASEMENT	NO	NO
BTM	BOTTOM	NOM	NOMINAL
BTWN	BETWEEN	NTS	NOT TO SCALE
CAB	CABINET	OA	OVERALL
C.B.	CATCH BASIN	O.C.	ON CENTER (S)
C.J.	CONTROL JOINT	OD	OUTSIDE DIAMETER
C.L.	CENTER LINE	OPNG	OPENING
CLO	CLOSET	OPF	OWNER FURNISHED-CONTRACTOR INSTALLED
CLR	CONCRETE MASONRY UNIT	O.P.C.I.	OWNER FURNISHED-OWNER INSTALLED
CMU	CONCRETE MASONRY UNIT	O.F.O.I.	OWNER FURNISHED-OWNER INSTALLED
COL	COLUMN	OP	OWNER FURNISHED-OWNER INSTALLED
CONC	CONCRETE	OP	OWNER FURNISHED-OWNER INSTALLED
CONT	CONTINUE (CONTINUOUS)	PER	PERIMETER
CTR	COUNTER	PL	PLATE
CPT	CARPET	PLM	PROPERTY LINE
C.F.O.I.	CONTRACTOR FURNISHED-OWNER INSTALLED	PLM	PLASTIC LAMINATE
DBL	DOUBLE	PLBG	PLUMBING
DF	DRINKING FOUNTAIN	PLFB	POUNDS PER LINEAR FOOT
DIA #	DIAMETER	PLYWD	PLYWOOD
DI	DIMENSION	PNT	PAINT (ED)
DISP	DISPENSER	PR	PAIR
DN	DOWN	PREFIN	PREFINISHED
DP	DEEP	PSF	POUNDS PER SQUARE FOOT
DET	DETAIL	PSI	POUNDS PER SQUARE INCH
DS	DOWNSPROUT	PTN	PARTITION
E	EAST	PVC	POLYVINYL CHLORIDE
EA	EACH	RA	RETURN AIR
EB	EXPANSION BOLT	RCP	REFLECTED CEILING PLAN
EJ	EXPANSION JOINT	RD	ROOF DRAIN
ELEV	ELEVATION	RECPT	RECEPTACLE
ELEC	ELECTRIC (AL)	REF	REFERENCE/REFRIGERATOR
EQ/UP	EQUIPMENT	REINFC	REINFORCE (MENT)
EN	EACH WAY	REQD	REQUIRE (D)
EXT	EXISTING	REV	REVISE(D)/REVISION/REVERSE
EXT	EXTERIOR	RY	ROUGH OPENING
FD	FLOOR DRAIN	R.O.M.	RIGHT OF WAY
FDN	FOUNDATION	R.T.U.	ROOF TOP UNIT
FE	FIRE EXTINGUISHER	RB	RESILIENT BASE
FEC	FIRE EXTINGUISHER CABINET	S	SOUTH
FH	FIRE HYDRANT	SAN	SANITARY
FIN	FINISH	SB	SPLASH BLOCK
FIN FLR	FINISH FLOOR	SC	SOLID CORE
FLR	FLOOR	SCD	SCHEDULE
FLUOR	FLUORESCENT	SD	STORM DRAIN
FR	FRAME(D)(ING)/FIRE RATED	SEAL	SEALANT
FT or (')	FOOT	SF	SQUARE FOOT
FTG	FOOTING	SHT	SHEET
FUR	FURRED/FURRING	SH	SIMILAR
GA	GAGE, GAUGE	SPEC	SPECIFICATION
GALV.	GALVANIZED	SQ	SQUARE
GB	GRAB BAR	SERV	SERVICE
GC	GENERAL CONTRACTOR	SS	SANITARY SEWER
GL	GLASS, GLAZING	SSS	STAINLESS STEEL
GWB	GYPSUM WALLBOARD-TYPE X	STC	SOUND TRANSMISSION CLASS
HC	HOLLOW CORE	STD	STANDARD
HDR	HEADER	STL	STEEL
HDN	HARDWARE	STS	STORM SEWER
HDWD	HARDWOOD	STRUCT	STRUCTURAL: STRUCTURE
HM	HOLLOW METAL	SUP	SUPPLY
HORIZ	HORIZONTAL	SUSP	SUSPEND (ED)
HP	HORSE POWER	SEV	STAIN & VARNISH
HT	HEIGHT	SHS	STORM WATER SEWER
HTG	HEATING	T.O.C.	TOP OF CURB
HTR	HEATER	TELE	TELEPHONE
HVAC	HEATING, VENTILATING AND AIR CONDITIONING	TEMP	TEMPORARY
HW	HOT WATER	T&G	TONGUE & GROOVE
HN	HOLLOW METAL	TV	TELEVISION
HTG	HEATING	T.O.B.	TOP OF BEARING
HTR	HEATER	T.O.P.	TOP OF PARAPET
HVAC	HEATING, VENTILATING AND AIR CONDITIONING	T.O.S.	TOP OF STEEL
HW	HOT WATER	T.O.M.	TOP OF MALL
HN	HOLLOW METAL	TYP	TYPICAL
HTG	HEATING	U,V,W & Y	
HTR	HEATER	V	VOLT
HVAC	HEATING, VENTILATING AND AIR CONDITIONING	V.C.T.	VINYL COMPOSITION TILE
HW	HOT WATER	VERT	VERTICAL
HN	HOLLOW METAL	W	WEST
HTG	HEATING	WTR	WATER
HTR	HEATER	W/	WITH
HVAC	HEATING, VENTILATING AND AIR CONDITIONING	W.C.	WATER CLOSET
HW	HOT WATER	WO	WOOD
HN	HOLLOW METAL	WH	WATER HEATER
HTG	HEATING	WO	WOOD
HTR	HEATER	WO	WOOD
HVAC	HEATING, VENTILATING AND AIR CONDITIONING	W/O	WITHOUT
HW	HOT WATER	WT	WEIGHT
HN	HOLLOW METAL	W.M.F.	WELDED WIRE FABRIC
HTG	HEATING	W.M.	WELDED WIRE MESH
HTR	HEATER	YD	YARD

### SYMBOL LEGEND



### PROJECT DATA

**MAJOR APPLICABLE CODES**  
INTERNATIONAL BUILDING CODE - 2018  
WASHINGTON STATE BUILDING CODE  
CHAPTER 51-50 WAC  
CHAPTER 388-97 WAC NURSING HOME

**FLOOR AREA:**  
21,369 SF

**EXISTING CONSTRUCTION TYPE (CHAPTER 6):**  
TYPE I-A SPRINKLED

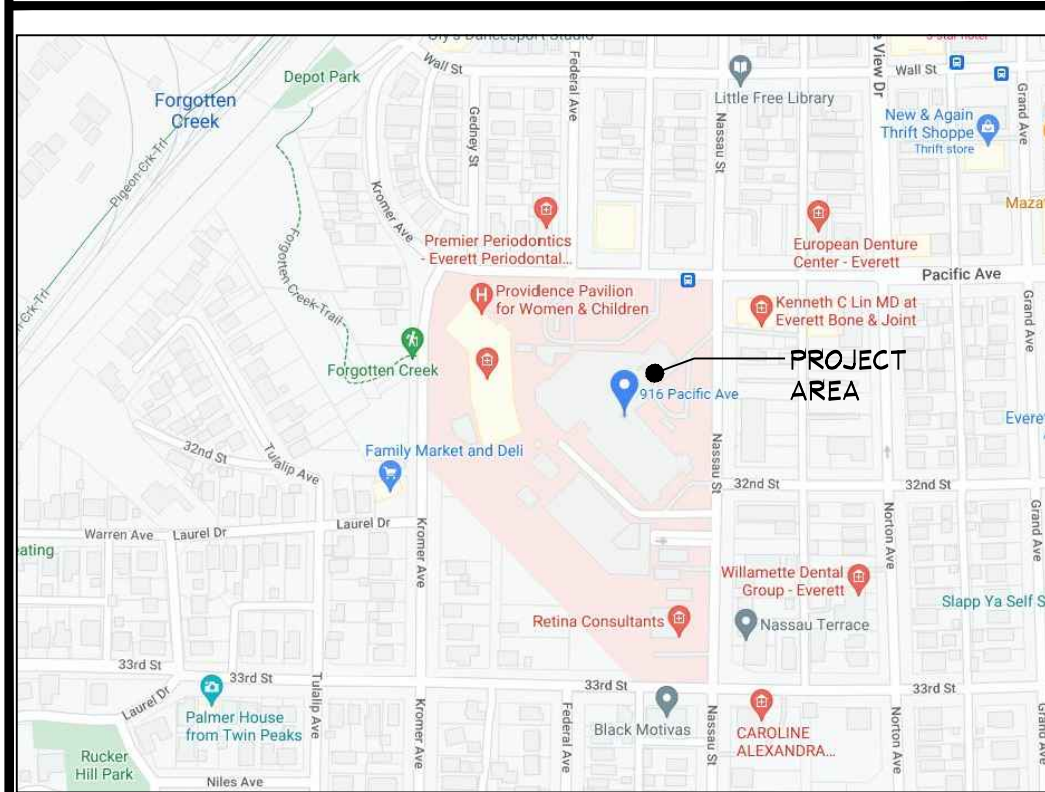
**OCCUPANCY TYPE (CHAPTER 3):**  
1-2

### DRAWING INDEX

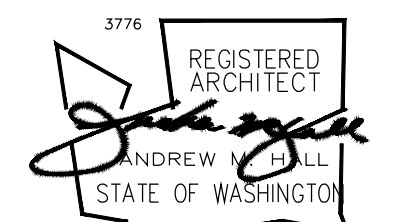
**GENERAL**  
G1.0 COVER SHEET  
G1.1 LIFE SAFETY PLAN

**ARCHITECTURAL**  
A1.0 FLOOR PLAN

### VICINITY MAP



**REVISIONS**

**Bethany Pacific 5th Floor**

916 Pacific Ave  
Everett, WA 98201

JOB NO. **23-1012**

DRAWN BY **CR**

CHECKED BY **DS**

**6-23-23**

**Life Safety Plan**

**G1.1**

**LEGEND**

- HAZARD AREA PER 19.3.2.1  
SEPARATION REQUIRED:  
SMOKE PARTITION - 1/2" TYPE 'X'  
GWB TO EXTEND FROM FLOOR  
TO ACOUSTICAL TILE OR GWB  
CEILING ON ONE SIDE OF STUD  
-SPRINKLER SYSTEM IN LIEU OF  
1 HOUR PER 19.3.2.1 AND 8.7.1
- CORRIDOR PER 19.3.6  
SEPARATION REQUIRED:  
SMOKE PARTITION - 1/2" TYPE 'X'  
GWB TO EXTEND FROM FLOOR  
TO ACOUSTICAL TILE OR GWB  
CEILING ON ONE SIDE OF STUD
- STAIR
- ELEVATOR  
SEPARATION REQUIRED:  
1 HR. FIRE RATING  
EXISTING SEPARATION:  
2 HR. FIRE RATING  
NO VESTIBULE REQUIRED AS  
ELEVATOR SHAFT IS  
PRESSURIZED
- SMOKE COMPARTMENT PER 19.3.7  
SEPARATION REQUIRED:  
SMOKE BARRIER  
1/2 HR. FIRE RATING  
EXISTING SEPARATION:  
1 HR. FIRE RATING
- SHAFT ENCLOSURE PER 7.2.3  
AND 8.3.4.2  
SEPARATION REQUIRED:  
1 HR. FIRE RATING  
EXISTING SEPARATION:  
2 HR. FIRE RATING
- EXIT

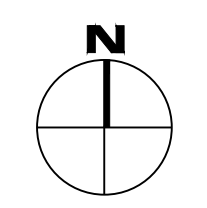
**SMOKE COMPARTMENTS**

- SMOKE COMPARTMENT 55A  
8,287 SF.  
MAX. NORTH/SOUTH DIST. = 111'  
MAX. EAST/WEST DIST. = 102'
- SMOKE COMPARTMENT 55B  
8,142 SF.  
MAX. NORTH/SOUTH DIST. = 91'  
MAX. EAST/WEST DIST. = 94'
- SMOKE COMPARTMENT 55C  
5,107 SF.  
MAX. NORTH/SOUTH DIST. = 63'  
MAX. EAST/WEST DIST. = 118'



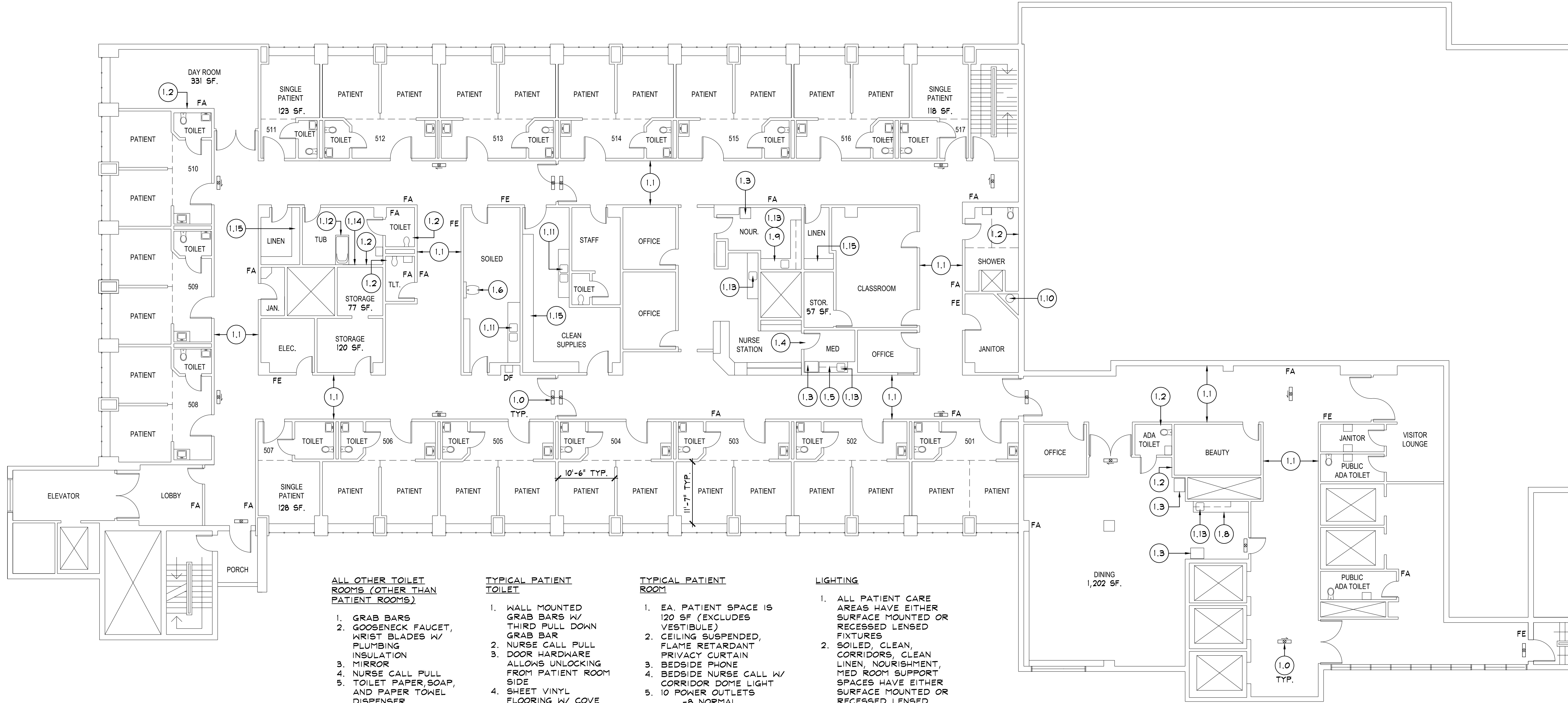
SYMBOL	PARTITION	RATING	DOOR	RELITE	DAMPER
	SMOKE BARRIER -NFPA 19.3.7 -NFPA TABLE 8.3.4.2 -IBC TABLE 716.5	1 HR	20 MIN	45 MIN	SD
	SHAFT ENCLOSURE: STAIR AND ELEVATOR -NFPA TABLE 8.3.4.2 -IBC TABLE 716.5	2 HR	90 MIN	--	FD / SD

**1 FIFTH FLOOR PLAN LIFE SAFETY PLAN**  
1/16" = 1'-0"



**OCCUPANCY TYPE**

I-2 OCCUPANCY UNLESS NOTED OTHERWISE  
NON HOSPITAL LEASED TENANT OCCUPANCY



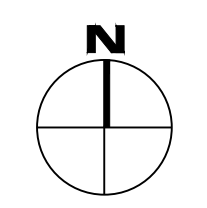
- ALL OTHER TOILET ROOMS (OTHER THAN PATIENT ROOMS)**
1. GRAB BARS
  2. GOOSENECK FAUCET, WRIST BLADES W/ PLUMBING INSULATION
  3. MIRROR
  4. NURSE CALL PULL
  5. TOILET PAPER, SOAP, AND PAPER TOWEL DISPENSER
  6. TRASH RECEPTACLE
  7. DOOR HARDWARE UNLOCKABLE FROM HALL SIDE
  8. FIRE ALARM DEVICE

- TYPICAL PATIENT TOILET**
1. WALL MOUNTED GRAB BARS W/ THIRD PULL DOWN GRAB BAR
  2. NURSE CALL PULL
  3. DOOR HARDWARE ALLOWS UNLOCKING FROM PATIENT ROOM SIDE
  4. SHEET VINYL FLOORING W/ COVE BASE
  5. HANDWASH SINK W/ GOOSENECK FAUCET, WRIST BLADES, PLUMBING INSULATION.
  6. 36" DOOR WITH 34" CLEAR OPENING
  7. TOILET PAPER, SOAP, AND PAPER TOWEL DISPENSER
  8. FIRE ALARM DEVICE

- TYPICAL PATIENT ROOM**
1. EA. PATIENT SPACE IS 120 SF (EXCLUDES VESTIBULE)
  2. CEILING SUSPENDED, FLAME RETARDANT PRIVACY CURTAIN
  3. BEDSIDE PHONE
  4. BEDSIDE NURSE CALL W/ CORRIDOR DOME LIGHT
  5. 10 POWER OUTLETS -8 NORMAL -2 EMERGENCY
  6. LOCKABLE BEDSIDE TABLE
  7. WARDROBE CLOSET W/ ROD 22"Dx36"Wx76"H
  8. HANDWASH SINK W/ GOOSENECK FAUCET, WRIST BLADES, PLUMBING INSULATION -1 GFI DUPLEX
  9. ONE VISITOR CHAIR
  10. WINDOW AT EACH PATIENT SPACE -32" SILL -42 SF AREA = 35% OF FLOOR AREA
  11. 48" DOOR W/ 46" CLEAR OPENING. DOOR HAS LATCHING HARDWARE AND SMOKE GASKETS.
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  13. SHEET VINYL FLOORING
  14. PAINTED VENEER PLASTER WALLS
  15. LOW WALL NIGHT LIGHT
  16. ONE OXYGEN OUTLET
  17. SOAP AND PAPER TOWEL DISPENSER
  18. SMOKE DETECTOR

- LIGHTING**
1. ALL PATIENT CARE AREAS HAVE EITHER SURFACE MOUNTED OR RECESSED LENSED FIXTURES
  2. SOILED, CLEAN, CORRIDORS, CLEAN LINEN, NOURISHMENT, MED ROOM SUPPORT SPACES HAVE EITHER SURFACE MOUNTED OR RECESSED LENSED FIXTURES
  3. OFFICE AREAS HAVE TROFFER STYLE LIGHT FIXTURES
- TOTAL COMBINED SF AREA FOR DINING AND DAY ROOMS**
- REQUIRED FOR 31 BEDS = 930 SF  
EXISTING = 1,533 SF
- TOTAL STORAGE REQUIRED FOR 31 BEDS = 124 SF**  
EXISTING = 254 SF

**1 FIFTH FLOOR PLAN**  
3/32" = 1'-0"



**FLOOR PLAN KEYNOTES**

- # KEYNOTE
- 1.0 ILLUMINATED EXIT LIGHT
  - 1.1 CONTINUOUS HANDRAILS EACH SIDE OF CORRIDOR
  - 1.2 NURSE CALL PULL STATION
  - 1.3 REFRIGERATOR
  - 1.4 LOCKED MEDS ROOM DOOR
  - 1.5 LOCKED MEDS STORAGE UNITS
  - 1.6 CLINIC SINK WITH SIPHON JET AND SPLASH SHIELD
  - 1.7 WALL MOUNTED HAND HELD SHOWER SPRAY
  - 1.8 SOLID SURFACE COUNTERTOP WITH STAINLESS STEEL FOOD CONTAINERS WITH LIDS, WARMING OVEN, COFFE MAKER AND WATER/ICE DISPENSER (RBP INSTALLED)
  - 1.9 STAINLESS STEEL CASEWORK WITH JUICE DISPENSER AND WATER/ICE DISPENSER (RBP INSTALLED)
  - 1.10 ABANDONED AND LOCKED LAUNDRY CHUTE HATCH
  - 1.11 DOUBLE COMPARTMENT SINK WITH GOOSENECK FAUCET AND WRISTBLADES, SOAP, AN PAPER TOWEL DISPENSERS
  - 1.12 TUB UNIT WITH CHAIR UNIT
  - 1.13 SINGLE COMPARTMENT SINK WITH GOOSENECK FAUCET AND WRISTBLADES, SOAP, AN PAPER TOWEL DISPENSERS
  - 1.14 TOWEL BAR
  - 1.15 STORAGE SHELF UNITS

**SYMBOLS**

- ILLUMINATED EXIT LIGHTS
- FA FIRE ALARM
- FE 2A10BC FIRE EXTINGUISHER

**FINISHES**

1. CORRIDORS, OFFICES, DAYROOM HAVE CARPET AND ACT CEILING
2. TUB ROOM AND SHOWER ROOMS HAVE CERAMIC TILE FLOOR AND WALLS UP TO GNB CEILING
3. NOURISHMENT, CLEAN LINEN, AND DINING ROOM HAVE SHEET VINYL FLOORING AND ACT CEILING
4. PAINTED VENEER PLASTER WALLS
5. SOILED ROOM HAS SHEET VINYL FLOORING W/ COVE BASE AND GNB CEILING
6. CLEAN SUPPLIES AND MED ROOM HAVE VCT FLOORING AND ACT CEILING

**LIFE SAFETY**

1. FLOOR IS FULLY SPRINKLERED W/ QUICK RESPONSE HEADS
2. FLOOR HAS SMOKE DETECTION
3. FLOOR HAS FIRE ALARM SYSTEM
4. CORRIDOR DOUBLE EGRESS DOORS HAVE EXISTING 20 MIN. UL RATING W/ EXIT HARDWARE DEVICE, MAG HOLD OPENS, CLOSER, AND SMOKE GASKET
5. SOILED AND CLEAN ROOMS AND STORAGE DOORS ARE SELF CLOSING AND HAVE SMOKE GASKETS
6. FIRE EXTINGUISHERS ARE 2A10BC
7. STAIR EXIT DOORS HAVE EXIT HARDWARE, CLOSER AND SMOKE GASKET. DEVICE WITH 15 SECOND DELAYED EGRESS FUNCTION



2727 Oakes Ave.  
Suite 100  
Everett, WA 98201

**REVISIONS**

NO.	DESCRIPTION



**Bethany Pacific 5th Floor**

916 Pacific Ave  
Everett, WA 98201

JOB. NO. 23-1012

DRAWN BY CR

CHECKED BY DS

6-23-23

**Floor Plan**

**A1.0**



**EXHIBIT 7**  
**LEASE**

## FIRST AMENDMENT TO LEASE

THIS FIRST AMENDMENT TO LEASE (the "Amendment") is made as of the 17th day of October, 2022 (the "Effective Date"), between **Providence Health & Services-Washington**, a Washington nonprofit corporation ("Lessor" or "Landlord"), and **Everett Transitional Care Services**, a Washington nonprofit corporation ("Lessee" or "Tenant").

### RECITALS

A. Lessor and Lessee are the parties to that certain Lease dated April 1, 2020, (as amended, the "Lease"), pursuant to which Lessor leases to Lessee, and Lessee leases from Lessor that certain premises consisting of approximately 21,974 useable square feet and 23,800 rentable square feet on the South Wing 4<sup>th</sup> floor (the "Premises") of that certain building known as Providence Regional Medical Center Everett – Pacific Campus located at 916 Pacific Ave, Everett, WA 98201 (the "Building").

B. Lessee seeks to improve the quality of life for patients being discharged from the hospital and help transition to the next level of care. Lessee's mission is consistent with Lessor's mission to support the poor and vulnerable. Lessee and Lessor are also parties to that certain Member Collaboration Agreement dated April 1, 2020, which addresses certain rights, duties and responsibilities between them (the "Collaboration Agreement").

C. Lessor and Lessee desire to modify the premises and extend the term of the Lease, among other things, on the terms and conditions as are further set forth herein.

NOW THEREFORE, in consideration of the promises, covenants and undertakings contained in this Amendment, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. **Defined Terms**. All terms used in this Amendment but not otherwise defined herein shall have the definitions ascribed to them in the Lease.

2. **Term**. The Term of the Lease is hereby extended for a period of Three (3) years, with such Extension Term (defined below) commencing on April 1, 2023 (the "Extension Term Commencement Date") and shall expire on March 31, 2026 (such period is hereinafter referred to as the "Extension Term"), on all of the same terms and conditions as set forth in the Lease, except as otherwise set forth in this Amendment.

Lessee has one (1) remaining 3-year renewal option per section 2.2 of the Lease.

Notwithstanding the forgoing, in the event that the Member Collaboration Agreement dated April 1, 2020 between Lessor, Lessee and Bethany of the Northwest, a Washington nonprofit corporation, governing the provision of professional services within the Premises is terminated for any reason, this Lease shall also automatically terminate, effective on the date of termination of the Member Collaboration Agreement. The early date of termination shall operate as if that date was the original expiration date of this Lease and this Lease shall come to an end with the same force and effect as if such early termination date was the date originally provided

for the normal expiration hereof. Further, all provisions of this Lease that are to become effective on the termination of this Lease shall become operative or effective on the early termination date.

3. **Premises.** Effective on October 17, 2022 (the “Expansion Space Commencement Date”), the Premises shall be modified to include approximately 18,253 useable square feet and 19,770 rentable square feet on the South Wing 5<sup>th</sup> floor (the “Expansion Space”) in the Building as shown on the floor plan attached hereto as Exhibit A. Lessee accepts the Expansion Space in its “As-Is” condition. Any alterations or tenant improvements shall be in compliance with Section 8 and Exhibit E of the Lease. Lessee will be allowed to access the Expansion Space prior to the Expansion Space Commencement Date following coordination with Lessor to install furniture and equipment, as long as: (i) access is coordinated and integrated with Lessor’s schedule, (ii) Lessee and Lessee’s contractors do not delay or interfere with Lessor’s Work, (iii) Lessee and Lessee’s contractors abide by the Building Rules and Regulations, and (iv) Lessee provides a Certificate of Insurance to Lessor confirming Lessee’s compliance with the insurance requirements under this Lease.

As of the Expansion Space Commencement Date, the Premises shall (i) include the Expansion Space, and (ii) consist of approximately 40,227 useable square feet and 43,570 rentable square feet.

4. **Base Rent.** The monthly base rental for the Premises shall be as follows:

Period	Monthly Rent
October 1, 2022 – October 31, 2022	\$24,471.95 (Includes 15 pro-rated days for the Expansion Space)
November 1, 2022 – March 31, 2023	\$32,188.17
April 1, 2023 – March 31, 2024	\$32,831.93
April 1, 2024 – March 31, 2025	\$33,488.57
April 1, 2025 – March 31, 2026	\$34,158.34

5. **Additional Rent.** Pursuant to Section 3.5 of the Lease and commencing on November 1, 2022, Lessee’s proportional share of operating costs shall be updated per Exhibit B.

6. Section 4.1 of the Lease shall be deleted and replaced with:

Purpose. The Leased Premises shall be for Tenant’s operation of a 62 bed adult skilled nursing unit as permitted by licensure issued by the Washington Department of Health. In addition to those services, Tenant will provide services for patients who intend to go home, to their previous setting or to a new location but have some complications in their discharge planning, (“Permitted Uses”).

7. **Brokers.** The parties represent and warrant that there is no real estate broker or agent who is or may be entitled to any commission or finder’s fee in connection with representation in this Amendment. The parties shall indemnify and hold the other harmless from and against any and all claims, demands, losses, liabilities, lawsuits, judgments, costs and expenses (including reasonable attorney’s fees) with respect to any commission or equivalent

compensation alleged to be owing on account of any discussions, negotiations and/or dealings with any real estate agent or broker other than the aforesaid brokers.

8. **Medicare/Medicaid Disclosure.** Lessor and Lessee hereby acknowledge and agree that it is not a purpose of this Amendment or any of the transactions contemplated herein to exert influence in any manner over the referral of patients or business of any nature whatsoever. It is the intent of the parties hereto that any referral that may be made directly or indirectly by Lessee to Lessor’s business, and vice versa, shall be based solely upon the medical judgment and discretion of a patient’s physician while acting in the best interest of the patient. Lessor and Lessee hereby agree that the terms of this Amendment do not take into account the volume or value of referrals or business that may otherwise be generated between the parties for which payment may be made in whole or in part under Medicare, Medicaid or other Federal health care programs.

9. **Conflict.** In the event there is conflict or inconsistency between the terms and conditions of this Amendment and the terms and conditions of the Lease, the terms of this Amendment shall control. Except as otherwise expressly amended hereby, the Lease shall remain in full force and effect according to its terms. The execution, delivery and effectiveness of this Amendment shall not operate as a waiver of any right or remedy of Lessor under the Lease.

10. **Counterparts.** This Amendment may be executed in two or more counterparts, each of which shall be considered an original and all of which, when taken together, shall constitute one instrument. A facsimile or PDF copy of either party's signature to this Amendment shall be deemed an original for all relevant purposes.

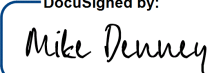
IN WITNESS WHEREOF, Lessor and Lessee have duly executed this instrument as of the date first set forth above.

**LESSOR:**

**LESSEE:**

Providence Health & Services-Washington

Everett Transitional Care Services

DocuSigned by:  
  
By: \_\_\_\_\_  
Printed Name: Mike Denney  
Title: VP, Real Estate Strategy & Operations

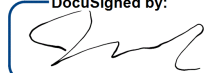
DocuSigned by:  
  
By: \_\_\_\_\_  
Printed Name: Joseph Scrivens  
Title: CEO

Exhibit A – Floor Plan  
Exhibit B – Additional Rent

State of WA

County of Clark

I certify that I know or have satisfactory evidence that Mike Denney is the person who appeared before me, and said person acknowledged that he/she signed this instrument, on oath stated that he/she was authorized to execute the instrument and acknowledged it as the VP, Real Estate Strategy & Operations of Providence Health & Services-Washington to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument. This notarial act involved the use of communication technology.

Dated: 10/17/2022

DEBRA MCDANIEL  
NOTARY PUBLIC  
STATE OF WASHINGTON  
Commission #22013553  
My Comm. Expires 5/1/2026

DocuSigned by:  
Debra McDaniel  
3E86D5FD920A49D...  
Signature of Notary Public  
  
Notary Public  
Title (Such as "Notary Public")

My appointment expires: 05/01/2026

State of WA

County of Clark

I certify that I know or have satisfactory evidence that Joseph Scrivens is the person who appeared before me, and said person acknowledged that he/she signed this instrument, on oath stated that he/she was authorized to execute the instrument and acknowledged it as the CEO of Everett Transitional Care Services to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument. This notarial act involved the use of communication technology.

Dated: 10/17/2022

DEBRA MCDANIEL  
NOTARY PUBLIC  
STATE OF WASHINGTON  
Commission #22013553  
My Comm. Expires 5/1/2026

DocuSigned by:  
Debra McDaniel  
3E86D5FD920A49D...  
Signature of Notary Public  
  
Notary Public  
Title (Such as "Notary Public")

My appointment expires: 05/01/2026

**EXHIBIT A**  
**FLOOR PLAN**

**South Wing 4th Floor**

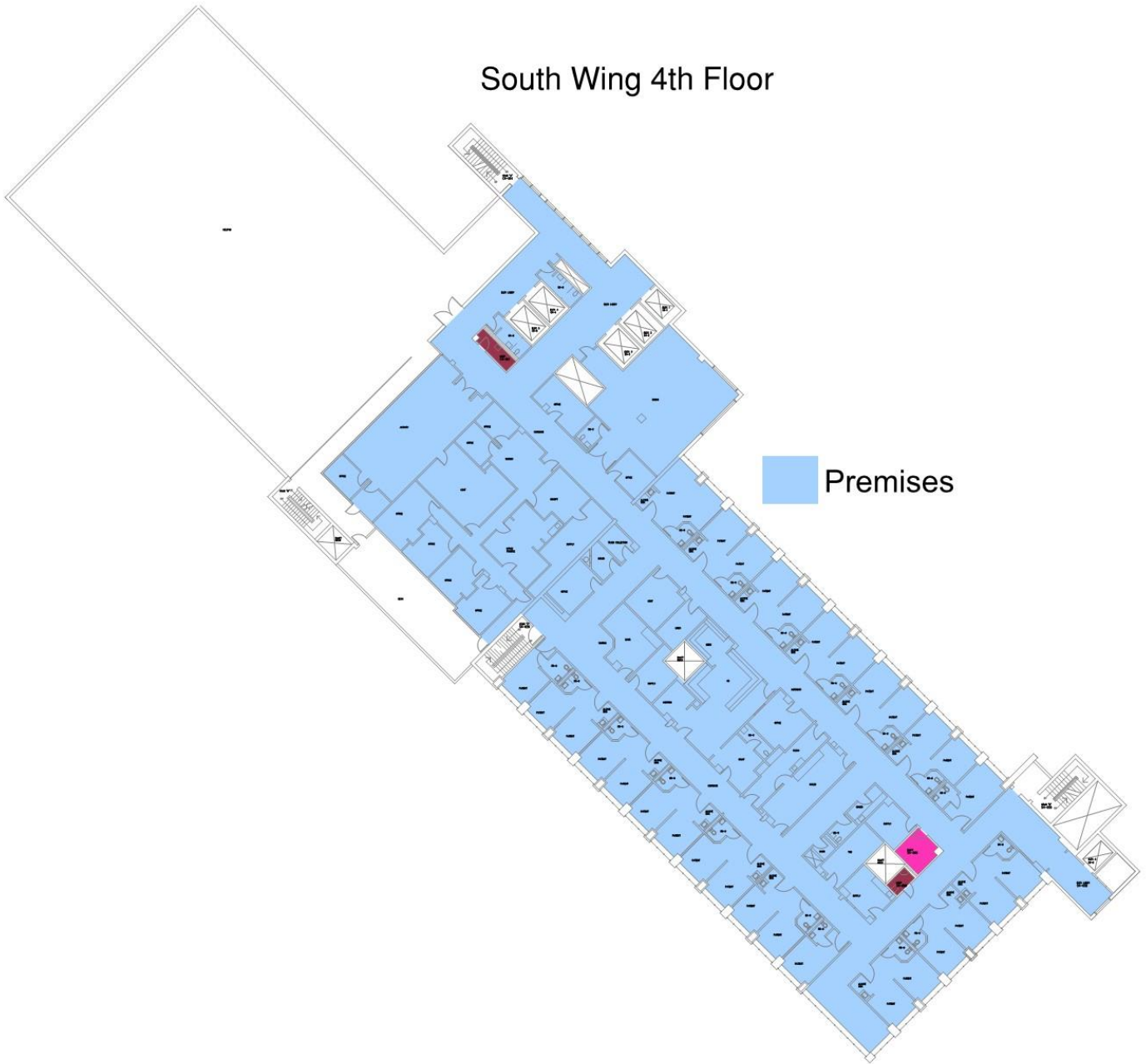


EXHIBIT A CONTINUED...

South Wing 5th Floor



**EXHIBIT B**  
**ADDITIONAL RENT**

Pursuant to the Lease, Section 3.5 Additional Rent, listed below are the estimated operating costs. The prorated share of any property tax imposed upon the building or specifically the Leased Premises shall be a pass through and paid by the Tenant.

	<b>sf</b>	<b>Tenant's Share %</b>		
<b>Leased Area</b>	43,570			
<b>Campus Area</b>	500,000	8.71%		
<b>Pacific Building Area</b>	350,000	12.45%		
		<b>Estimated \$/yr</b>	<b>Tenant's Share %</b>	<b>Tenant's Share \$/yr</b>
<b>General Building Maintenance</b>				
Building Automation (Controls)	<i>Pacific Bldg</i>	\$ 10,000.00	12.45%	\$1,244.86
Sprinkler Testing/Inspection	<i>Pacific Bldg</i>	\$ 10,000.00	12.45%	\$1,244.86
Fire Detection Inspection/Test	<i>Pacific Bldg</i>	\$ 20,000.00	12.45%	\$2,489.71
Fire Extinguishers	<i>Pacific Bldg</i>	\$ 6,000.00	12.45%	\$746.91
Elevator Maintenance	<i>Pacific Bldg</i>	\$ 53,600.00	12.45%	\$6,672.43
Garage Cleaning & Maintenance	<i>Campus</i>	\$ 17,500.00	8.71%	\$1,524.95
Roofing Maintenance	<i>Pacific Bldg</i>	\$ 3,000.00	12.45%	\$373.46
Common Area Maintenance	<i>Pacific Bldg</i>	\$ 10,000.00	12.45%	\$1,244.86
Generator Testing & Service	<i>Campus</i>	\$ 20,000.00	8.71%	\$1,742.80
		\$ 150,100.00		\$17,284.84
<b>General Cleaning and Landscaping</b>				
Landscape Maintenance	<i>Campus</i>	\$ 42,000.00	8.71%	\$3,659.88
Cleaning - Common Areas	<i>Pacific Bldg</i>	\$ 57,200.00	12.45%	\$7,120.58
Floor Care - Common Areas	<i>Pacific Bldg</i>	\$ 36,000.00	12.45%	\$4,481.49
Window Washing	<i>Campus</i>	\$ 16,000.00	8.71%	\$1,394.24
		\$ 151,200.00		\$16,656.19
<b>Utility</b>				
Electrical, Gas, Water & Sewer	<i>Campus</i>	\$ 1,346,000.00	8.71%	\$117,290.44
<b>Taxes</b>	<i>Campus</i>	\$ -	8.71%	\$-
<b>Annual Total</b>		<b>\$ 1,647,300.00</b>		<b>\$151,231.47</b>
<b>Monthly Total</b>				<b>\$12,602.62</b>

Base Rent Includes Insurance, Boiler & Chiller Maintenance, Supply & Exhaust Fan



**EXHIBIT 8**  
**SITE CONTROL**

## Property Account Summary

9/28/2023

Parcel Number	29053000200100	Property Address	916 PACIFIC AVE , EVERETT, WA 98201-4147
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### General Information

Property Description	Section 30 Township 29 Range 05 Quarter NE & NW BEG AT SW COR OF PACIFIC AVE & NASSAU ST EVERETT DIV H TH S ALG NASSAU ST 550FT TH W AT R ANG 264FT TH N AT R ANG 550FT TO PACIFIC AVE TH E 264FTPOB TGW ADJ & ABTG PTNS ONLY OF VAC FEDERAL AVE LY BTW BLKS 773 & 774 PLAT OF EV DIV "H" & ALLEYS LY E OF FEDERAL & LY WHN SD BLK 773 PER COE ORD NO 845-82 REC AFN 8210080081 (EXEMPT ST OF WA REG#12150-001 formerly 02657-001 & 09875-001 FOR TRANS CARE SVCS PTN)
Property Category	Land and Improvements
Status	Active, Locally Assessed
Tax Code Area	00010

### Property Characteristics

Use Code	651 Medical & Other Health Services
Unit of Measure	Acre(s)
Size (gross)	3.53

### Parties

Role	Percent	Name	Address
Taxpayer	100	PROVIDENCE HEALTH & SERVICES WASHINGTON	1801 LIND AVE SW, RENTON, WA 98057
Owner	100	PROVIDENCE HEALTH & SERVICES-WASHINGTON	1801 LIND AVE SW #9016, RENTON, WA 98057

### Related Properties

No Related Properties Found
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### Property Values

Value Type	Tax Year 2023	Tax Year 2022	Tax Year 2021	Tax Year 2020	Tax Year 2019
Taxable Value Regular	\$7,625,700	\$7,403,552	\$7,187,916	\$6,717,646	\$6,278,160
Exemption Amount Regular	\$95,424,300	\$92,644,448	\$89,946,084	\$84,061,354	\$78,561,840
Market Total	\$103,050,000	\$100,048,000	\$97,134,000	\$90,779,000	\$84,840,000
Assessed Value	\$103,050,000	\$100,048,000	\$97,134,000	\$90,779,000	\$84,840,000
Market Land	\$2,493,600	\$2,278,100	\$2,253,100	\$2,092,500	\$2,077,500

**EXHIBIT 9**  
**FINANCIAL SCHEDULES AND ASSUMPTIONS**

SCHEDULE A - HISTORICAL AND PROJECTED PATIENT UTILIZATION

(NURSING HOME OPERATION ONLY)

Name of Facility: Everett Transitional Care Services

11315 31 beds  
22630 62 beds

Line No.	Fiscal Year	Medicare Patient Days	Medicaid Patient Days	Private Patient Days	VA PATIENT DAYS	HMO DAYS	TOTAL PATIENT DAYS	# OF LICENSED BEDS	OCCUPANCY RATE
1	Actual <u>4</u> to <u>12</u> , 2020	360	5,551	612		163	6,686	31	78%
2	Actual <u>1</u> to <u>12</u> , 2021	504	8,659	305		637	10,105	31	89%
3	Actual <u>1</u> to <u>12</u> , 2022	405	7,746	665		1,529	10,345	31	91%
4	Estimated <u>1</u> to <u>12</u> , 2023	539	14,438	1,261		2,283	18,521	62	82%
5	Estimated <u>1</u> to <u>12</u> , 2024	730	17,155	1,095		2,190	21,170	62	94%
6	Projected <u>1</u> to <u>12</u> , 2025	730	17,155	1,095		2,190	21,170	62	94%
7	Projected <u>1</u> to <u>12</u> , 2026	730	17,155	1,095		2,190	21,170	62	94%
8	Projected <u>1</u> to <u>12</u> , 2027	730	17,155	1,095		2,190	21,170	62	94%
9									

**SCHEDULE B - BALANCE SHEETS - ASSETS**  
**( in 000's )**  
**(NURSING HOME OPERATION ONLY)**  
**AMOUNTS ENTERED SHOULD REFLECT ADJUSTMENTS/RECLASSIFICATIONS**  
**FOLLOWING ASA REPORTING GUIDELINES**

Name of Facility Everett Transitional Care Services

Page 1 of 2

Line No.	Account	Actual FYE 2020	Actual FYE 2021	Actual FYE 2022	Current FYE 2023	NON-INFLATED DOLLARS			
						Projected FYE 2024	Projected FYE 2025	Projected FYE 2026	Projected FYE 2027
1	CURRENT ASSETS								
2	Cash	931	984	152	235	235	235	235	235
3	Marketable Securities								
4	Patient Accounts Receivable	456	279	718	1,147	1,147	1,147	1,147	1,147
5	Other Receivables								
6	Less Allowance for Doubtful Accounts	-107	-177	-265	-245	-245	-245	-245	-245
7	Inventories	23	11	22	22	22	22	22	22
8	Prepaid Expenses		107	678	63	63	63	63	63
9	Due from Other Funds								
10	Home Office Current Assets								
11	Patient Trust Fund Assets								
12	Current Interco. Receivables								
13	Other Current Assets								
14	TOTAL CURRENT ASSETS	1,303	1,204	1,305	1,222	1,222	1,222	1,222	1,222
15									
16	PROPERTY, PLANT AND EQUIP.								
17	Land								
18	Land Improvements								
19	Buildings								
20	Building Improvements	825	825	816	816	816	816	816	816
21	Equipment	427	427	631	638	638	638	638	638
22	Leasehold Improvements		30	137	181	181	181	181	181
23	Construction in Process								
24	Home Office Depreciable Assets								
25	TOTAL PROPERTY, PLANT & EQUIP.	1,252	1,282	1,584	1,635	1,635	1,635	1,635	1,635
26	Accumulated Depreciation	-1,048	-1,098	-1,144	-1,410	-1,478	-1,546	-1,614	-1,635
27	Accum. Depreciation - Home office								
28	NET PROPERTY, PLANT & EQUIP.	204	184	440	225	157	89	21	0
29									
30	NON-CURRENT ASSETS								
31	Long-Term Investments								
32	Intercompany Receivables								
33	Unamort. Start-up/Organ. Costs								
34	Goodwill								
35	Home Office Non-Current Assets								
36	Other Non-Current Assets								
37	TOTAL NON-CURRENT ASSETS								
38									
39	TOTAL ASSETS (Lines 14 + 28 + 37)	1,507	1,388	1,745	1,447	1,379	1,311	1,243	1,222

**SCHEDULE B - BALANCE SHEETS - LIABILITIES AND EQUITY**  
**( in 000's )**  
**(NURSING HOME OPERATION ONLY)**  
**AMOUNTS ENTERED SHOULD REFECT ADJUSTMENTS/RECLASSIFICATIONS**  
**FOLLOWING ASA REPORTING GUIDELINES**

Name of Facility Everett Transitional Care Services

Page 2 of 2

Line No.	Account	Actual FYE 2020	Actual FYE 2021	Actual FYE 2022	Current FYE 2023	NON-INFLATED DOLLARS			
						Projected FYE 2024	Projected FYE 2025	Projected FYE 2026	Projected FYE 2027
40	CURRENT LIABILITIES								
41	Accounts Payable	97	68	316	267	199	151	88	72
42	Notes Payable								
43	Accrued Payroll & Related Liabilities	90	45	70	101	101	101	101	101
44	Current Portion of Long-Term Debt								
45	Due to Other Funds								
46	Home Office Current Liabilities								
47	Patient Trust Fund Liabilities								
48	Current Interco. Payables								
49	Other Current Liabilities	308	261	345	65	65	45	40	35
50	TOTAL CURRENT LIABILITIES	495	374	731	433	365	297	229	208
51									
52	LONG-TERM LIABILITIES								
53	Mortgage Payable								
54	Notes Payable								
55	Capitilized Lease Obligations								
56	Intercompany Payables								
57	Deferred Income Tax								
58	Home Office Long-Term Liabilities								
59	Other Long-Term Liabilities								
60	TOTAL LONG-TERM LIABILITIES								
61									
62	EQUITY/FUND BALANCE								
63	Stockholder's Equity								
64	Common Stock								
65	Preffered Stock								
66	Treasury Stock								
67	Additional Paid in Capital	850	850	850	850	850	850	850	850
68	Proprietorship Equity	-1,821	-1,821	-1,821	-1,821	-1,821	-1,821	-1,821	-1,821
69	Partnership Equity	-1,821	-1,821	-1,821	-1,821	-1,821	-1,821	-1,821	-1,821
70	Fund Balance								
71	Retained Earnings	3,804	3,806	3,806	3,806	3,806	3,806	3,806	3,806
72	Divisional Equity								
73	TOTAL EQUITY/FUND BALANCE	1,012	1,014	1,014	1,014	1,014	1,014	1,014	1,014
74									
75	TOTAL LIABILITIES AND EQUITY	1,507	1,388	1,745	1,447	1,379	1,311	1,243	1,222

**SCHEDULE C - STATEMENT OF OPERATIONS**  
**(in 000's)**  
**(NURSING HOME OPERATION ONLY)**  
**AMOUNTS ENTERED SHOULD REFLECT ADJUSTMENTS/RECLASSIFICATIONS**  
**FOLLOWING ASA REPORTING GUIDELINES**

Name of Facility Everett Transitional Care Services

Page 1 of 1

Line No.	Account	NON-INFLATED DOLLARS							
		Actual FYE 2020	Actual FYE 2021	Actual FYE 2022	Current FYE 2023	Projected FYE 2024	Projected FYE 2025	Projected FYE 2026	Projected FYE 2027
1	ROUTINE CARE REVENUE	1,785	3,103	3,537	6,554	7,684	7,684	7,684	7684
2									
3	OTHER PATIENT REVENUE	144	219	279	529	44	44	44	44
4									
5	OTHER OPERATING REVENUE	21	13	17	4	0	0	0	0
6									
7	REVENUE DEDUCTIONS	-126	-199	-258	-495	-42	-42	-42	-42
8									
9	NET OPERATING REVENUE	1,824	3,136	3,575	6,592	7,686	7,686	7,686	7,686
10	(lines 1 + 3 + 5 - 7)								
11	ROUTINE EXPENSES								
12	Nursing Services	1,520	1,964	2,863	4,760	5,011	5,011	5,011	5011
13	Food								
14	Property	198	258	301	478	471	480	488	449
15	Administration & Operations	1,319	1,724	2,159	2,968	2,993	2,993	2,993	2993
16	TOTAL ROUTINE EXPENSES	3,037	3,946	5,323	8,206	8,475	8,484	8,492	8,453
17									
18	OTHER PATIENT EXPENSES	78	122	160	202	278	278	278	278
19									
20	OTHER OPERATING EXPENSES	173	255	255	257	458	458	458	458
21	(unallowable)								
22	TOTAL OPERATING EXPENSES	3,288	4,323	5,738	8,665	9,211	9,220	9,228	9,189
23	(lines 16 + 18 + 20)								
24	NON-OPERATING REVENUE	1,465	1,188	2,162	2,072	1,525	1,534	1,542	1503
25									
26	NON-OPERATING EXPENSES	1	1	-1	-1	0	0	0	0
27									
28	NET INCOME (LOSS)	0	0	0	0	0	0	0	0
29	(lines 9 - 22 + 24 - 26)								

**SCHEDULE G - ITEMIZED LIST OF REVENUE AND EXPENSES**  
**REVENUE - ( in 000's)**  
**(NURSING HOME OPERATION ONLY)**  
**AMOUNTS ENTERED SHOULD REFLECT ADJUSTMENTS/RECLASSIFICATIONS**  
**FOLLOWING AASA REPORTING GUIDELINES**

Name of Facility Everett Transitional Care Services

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Line No.	Account	Actual FYE 2020	Actual FYE 2021	Actual FYE 2022	Estimated Current FYE 2023	NON-INFLATED DOLLARS			
						Projected FYE 2024	Projected FYE 2025	Projected FYE 2026	Projected FYE 2027
0	ROUTINE CARE REVENUE								
1	Medicare	258	326	269	379	485	485	485	485
2	Medicaid	1,314	2,397	2,407	4,698	5,798	5,798	5,798	5,798
3	Private	168	85	218	458	394	394	394	394
4	Other Routine Care	45	295	643	1,019	1,007	1,007	1,007	1,007
5	TOTAL ROUTINE CARE REVENUE	1,785	3,103	3,537	6,554	7,684	7,684	7,684	7,684
6	OTHER PATIENT REVENUE								
7	Physician Care								
8	Physical Therapy	49	89	82	160	11	11	11	11
9	Pharmacy	37	40	73	175	16	16	16	16
10	Speech Therapy	12	15	21	45	4	4	4	4
11	Occupational Therapy	40	65	72	119	10	10	10	10
12	Nursing Supplies	3	3	8		1	1	1	1
13	Equipment Rental	0	0	1	2				
14									
15	Patient Activities								
16	Laboratory/ X-Ray	3	7	22	28	2	2	2	2
17	Exceptional Care								
18	Oxygen	0	0	0					
19	Other Patient Revenue								
20	Mental Retardation								
21	Mental Health								
22	Supplementation								
23	Hold Room								
24	TOTAL OTHER PATIENT REVENUE	144	219	279	529	44	44	44	44
25	OTHER OPERATING REVENUE								
26	Laundry								
27	Meals								
28	Vending Machines								
29	Barber & Beauty Shop								
30	Gift Shop								
31	Patient Telephone								
32	Property Rental								
33	Other Operating	21	13	17	4				
34	TOTAL OTHER OPERATING REVENUE	21	13	17	4	0	0	0	0
35	NON-OPERATING REVENUE								
36	Gain on Sale of Fixed Assets								
37	Interest Income								
38	Divident Income								
39	Other Non-Operating (PEMC Grant Reve	1,465	1,188	2,162	2,072	1,525	1,534	1,542	1503
40	TOTAL NON-OPERATING REVENUE	1,465	1,188	2,162	2,072	1,525	1,534	1,542	1,503
41	REVENUE DEDUCTIONS	-126	-199	-258	-495	-42	-42	-42	-42
42	TOTAL REVENUE	3,289	4,324	5,737	8,664	9,211	9,220	9,228	9,189
43	(lines 5+24+34+40+41)								



**SCHEDULE G - ITEMIZED LIST OF REVENUE AND EXPENSES**  
**NURSING SERVICES EXPENSES - ( in 000's)**  
**(NURSING HOME OPERATION ONLY)**  
**AMOUNTS ENTERED SHOULD REFECT ADJUSTMENTS/RECLASSIFICATIONS**  
**FOLLOWING AASA REPORTING GUIDELINES**

Name of Facility Everett Transitional Care Services

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Line No.	Account	Actual FYE 2020	Actual FYE 2021	Actual FYE 2022	Estimated Current FYE 2023	NON-INFLATED DOLLARS			
						Projected FYE 2024	Projected FYE 2025	Projected FYE 2026	Projected FYE 2027
44	SALARIES & WAGES								
45	DNS	192	148	148	155	135	135	135	135
46	RN	238	314	322	503	838	838	838	838
47	LPN	60	97	217	445	507	507	507	507
48	Nursing Assistants	345	488	524	825	1,079	1,079	1,079	1,079
49	Other Nursing Services	243	384	518	716	910	910	910	910
50	TOTAL SALARIES & WAGES	1,078	1,431	1,729	2,644	3,469	3,469	3,469	3,469
51									
52	FRINGE BENEFITS	175	229	214	289	488	488	488	488
53	PAYROLL TAXES	103	150	161	236	329	329	329	329
54	PURCHASED SERVICES	164	154	759	1,591	725	725	725	725
55	ALLOCATED EXPENSES								
56	REVENUE OFFSET								
57	NURSING SERVICES (lines 50+52+53+54+55+56+57)	1,520	1,964	2,863	4,760	5,011	5,011	5,011	5,011

**FOOD EXPENSES**

Line No.	Account	Actual FYE 2020	Actual FYE 2021	Actual FYE 2022	Estimated Current FYE 2023	NON-INFLATED DOLLARS			
						Projected FYE 2024	Projected FYE 2025	Projected FYE 2026	Projected FYE 2027
58	Food								
59									
60	Revenue Offset								
61									
62	TOTAL FOOD (lines 58 + 60)								

**SCHEDULE G - ITEMIZED LIST OF REVENUE AND EXPENSES**  
**ADMINISTRATION AND OPERATIONS EXPENSES - ( in 000's)**  
**(NURSING HOME OPERATION ONLY)**  
**AMOUNTS ENTERED SHOULD REFLECT ADJUSTMENTS/RECLASSIFICATIONS**  
**FOLLOWING AASA REPORTING GUIDELINES**

Name of Facility Everett Transitional Care Services

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Line No.	Account	Actual FYE 2020	Actual FYE 2021	Actual FYE 2022	Estimated Current FYE 2023	NON-INFLATED DOLLARS			
						Projected FYE 2024	Projected FYE 2025	Projected FYE 2026	Projected FYE 2027
63	GENERAL AND ADMINISTRATIVE								
64	Salaries and Wages								
65	Administrator	125	200	209	157	145	145	145	145
66	Assistant Administrator								
67	Administrator In-Training								
68	Other	65	128	107	95	111	111	111	111
69	TOTAL SALARIES	190	328	316	252	256	256	256	256
70									
71	Admin., Asst. Admin., Admin-in-Training								
	Fringe benefits	33	55	41	47	61	61	61	61
72	Admin. Asst., Admin., Admin. in-Training								
	Payroll Taxes	13	22	21	27	24	24	24	24
73	Other Fringe Benefits	2	7	7					
74	Other Payroll Taxes	2	3	3					
75	Admin. Supplies	13	10	29					
76	PURCHASED SERVICES								
77	Administrator								
78	Assistant Administrator								
79	Administrator In-Training								
80	Ward Clerks								
81	Medical Records								
82	Accounting/Bookkeeping								
83	Legal	38	8	4		8	8	8	8
84	Other	56	61	70	99	14	14	14	14
85	TOTAL PURCHASED SERVICES	94	69	74	99	22	22	22	22
86									
87	Allocated Expenses								
88									
89	Management Fees	277	334	483	653	761	761	761	761
90	Travel	0	1	1	1				
91	Telephone	3	2	3		13	13	13	13
92	Dues and Subscriptions	6	9	13	18	12	12	12	12
93	Education & In-Service Training	1	1	1		1	1	1	1
94	Insurance	8	14	17	44	22	22	22	22
95									

**SCHEDULE G - ITEMIZED LIST OF REVENUE AND EXPENSES**  
**ADMINISTRATION AND OPERATIONS EXPENSES - ( in 000's)**  
**(NURSING HOME OPERATION ONLY)**  
**AMOUNTS ENTERED SHOULD REFLECT ADJUSTMENTS/RECLASSIFICATIONS**  
**FOLLOWING AASA REPORTING GUIDELINES**

Name of Facility Everett Transitional Care Services

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Line No.	Account	Actual FYE 2020	Actual FYE 2021	Actual FYE 2022	Estimated Current FYE 2023	NON-INFLATED DOLLARS			
						Projected FYE 2024	Projected FYE 2025	Projected FYE 2026	Projected FYE 2027
96	Miscellaneous Taxes								
97	Start-up/Organization Costs								
98	Advertising	17	5	6	28	41	41	41	41
99	Other	0	1	57	41	28	28	28	28
100	Nursing Supplies	152	184	330	477	306	306	306	306
101	Group retro expenses								
102	Licenses	25	11	9	23	23	23	23	23
103									
104	Other	37	24	50	69	76	76	76	76
105	TOTAL GENERAL AND ADMIN. (lines 69 through 104, less line 85)	873	1,080	1,461	1,779	1,646	1,646	1,646	1,646

**SCHEDULE G - ITEMIZED LIST OF REVENUE AND EXPENSES**  
**ADMINISTRATION AND OPERATIONS EXPENSES - ( in 000's)**  
**(NURSING HOME OPERATION ONLY)**  
**AMOUNTS ENTERED SHOULD REFLECT ADJUSTMENTS/RECLASSIFICATIONS**  
**FOLLOWING AASA REPORTING GUIDELINES**

Name of Facility Everett Transitional Care Services

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Line No.	Account	NON-INFLATED DOLLARS							
		Actual FYE 2020	Actual FYE 2021	Actual FYE 2022	Current FYE 2023	Projected FYE 2024	Projected FYE 2025	Projected FYE 2026	Projected FYE 2027
106	MAINTENANCE								
107	Salaries and Wages	0	0	6	51	55	55	55	55
108	Fringe Benefits	0	0	2	10	5	5	5	5
109	Supplies/Other	5	5	8	10	7	7	7	7
110	Purchased Services	102	127	131	145	191	191	191	191
111	Allocated Expenses								
112	Payroll Taxes			1	5	5	5	5	5
113	TOTAL MAINTENANCE	107	132	148	221	263	263	263	263
114	LAUNDRY								
115	Salaries and Wages								
116	Fringe Benefits								
117	Supplies/Other			2	2	1	1	1	1
118	Purchased Services	40	61	62	109	127	127	127	127
119	Allocated Expenses								
120	Payroll Taxes								
121	TOTAL LAUNDRY	40	61	64	111	128	128	128	128
122	HOUSEKEEPING								
123	Salaries and Wages	21	43	54	111	114	114	114	114
124	Fringe Benefits			7	24	10	10	10	10
125	Supplies/Other	5	11	17	6	13	13	13	13
126	Purchased Services								
127	Allocated Expenses								
128	Payroll Taxes	2	4	6	11	11	11	11	11
129	TOTAL HOUSEKEEPING	28	58	84	152	148	148	148	148
130	DIETARY								
131	Salaries and Wages	23	22	10	30	28	28	28	28
132	Fringe Benefits	2	2			5	5	5	5
133	Supplies/Other	2	4	2	4	10	10	10	10
134	Purchased Services	188	286	299	531	634	634	634	634
135	Allocated Expenses								
136	Payroll Taxes	2	2	1	3	3	3	3	3
137	TOTAL DIETARY	217	316	312	568	680	680	680	680
138	OTHER PROPERTY								
139	Utilities	52	75	88	134	126	126	126	126
140	Property Insurance	2	2	2	3	2	2	2	2
141	Real Estate Taxes								
142	Personal Property Taxes								
143	Allocated Expenses								
144	Minor Equipment								
145	Other								
146	Incidental Rentals								
147	TOTAL OTHER PROPERTY	54	77	90	137	128	128	128	128
148	REVENUE OFFSET								
149									
150	TOTAL ADMIN. & OPERATIONS	1,319	1,724	2,159	2,968	2,993	2,993	2,993	2,993
151	(Lines 105+113+121+129+137+147+148)								

**SCHEDULE G - ITEMIZED LIST OF REVENUE AND EXPENSES**  
**PROPERTY EXPENSES - ( in 000's)**  
**(NURSING HOME OPERATION ONLY)**  
**AMOUNTS ENTERED SHOULD REFLECT ADJUSTMENTS/RECLASSIFICATIONS**  
**FOLLOWING AASA REPORTING GUIDELINES**

Name of Facility Everett Transitional Care Services

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Line No.	Account	Actual FYE 2020	Actual FYE 2021	Actual FYE 2022	Estimated Current FYE 2023	NON-INFLATED DOLLARS			
						Projected FYE 2024	Projected FYE 2025	Projected FYE 2026	Projected FYE 2027
152	DEPRECIATION								
153	Land Improvements								
154	Buildings								
155	Building Improvements	2	2	8	20	6	6	6	6
156	Equipment	44	49	45	59	62	62	62	62
157	Leasehold Improvements								
158	TOTAL DEPRECIATION	46	51	53	79	68	68	68	21
159									
160	INTEREST								
161	ALLOCATED EXPENSES								
162	LEASE PAYMENTS								
163	Lease Payment-Land								
164	Lease Payment-Building	152	203	243	392	399	408	416	424
165	Lease Payment-Equipment		4	5	7	4	4	4	4
166	TOTAL LEASE PAYMENTS	152	207	248	399	403	412	420	428
167									
168	REVENUE OFFSET								
169									
170	TOTAL PROPERTY (lines 158 + 161 + 168)	198	258	301	478	471	480	488	449
171	TOTAL ROUTINE EXPENSES (lines 57 + 62 + 150 + 170)	3,037	3,946	5,323	8,206	8,475	8,484	8,492	8,453

**SCHEDULE G - ITEMIZED LIST OF REVENUE AND EXPENSES**  
**OTHER PATIENT EXPENSES - ( in 000's)**  
**(NURSING HOME OPERATION ONLY)**  
**AMOUNTS ENTERED SHOULD REFLECT ADJUSTMENTS/RECLASSIFICATIONS**  
**FOLLOWING AASA REPORTING GUIDELINES**

Name of Facility Everett Transitional Care Services

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Line No.	Account	Actual FYE 2020	Actual FYE 2021	Actual FYE 2022	Current FYE 2023	NON-INFLATED DOLLARS			
						Projected FYE 2024	Projected FYE 2025	Projected FYE 2026	Projected FYE 2027
172	Physical Therapy								
173	Salaries & Wages								
174	Fringe Benefits								
175	Payroll Taxes								
176	Supplies/Other	1	1	3		1	1	1	1
177	Purchased Services	41	65	80	106	117	117	117	117
178	Allocation Expenses								
179	TOTAL	42	66	83	106	118	118	118	118
180	Speech Therapy								
181	Salaries & Wages								
182	Fringe Benefits								
183	Payroll Taxes								
184	Supplies/Other								
185	Purchased Services	7	12	12	17	58	58	58	58
186	Allocation Expenses								
187	TOTAL	7	12	12	17	58	58	58	58
188									
189	Occupational Therapy								
190	Salaries & Wages								
191	Fringe Benefits								
192	Payroll Taxes								
193	Supplies/Other								
194	Purchased Services	29	44	65	79	102	102	102	102
195	Allocation Expenses								
196	TOTAL	29	44	65	79	102	102	102	102
197									
198	(SPECIFY)								
199									
200									
201									
202									
203									
204									
205									
206									
207									
208	TOTAL (199-207)								
209	TOTAL OTHER PATIENT EXPENSES (Lines 179 + 187 + 196 + 208)	78	122	160	202	278	278	278	278

**SCHEDULE G - ITEMIZED LIST OF REVENUE AND EXPENSES**  
**OTHER OPERATING EXPENSES (UNALLOWABLE) - ( in 000's)**  
**(NURSING HOME OPERATION ONLY)**  
**AMOUNTS ENTERED SHOULD REFLECT ADJUSTMENTS/RECLASSIFICATIONS**  
**FOLLOWING AASA REPORTING GUIDELINES**

Name of Facility Everett Transitional Care Services

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Line No.	Account	Actual FYE 2020	Actual FYE 2021	Actual FYE 2022	Current FYE 2023	NON-INFLATED DOLLARS			
						Projected FYE 2024	Projected FYE 2025	Projected FYE 2026	Projected FYE 2027
210	Chaplaincy								
211	Salaries & Wages	0	13	13	15	33	33	33	33
212	Fringe Benefits		1	1	1	2	2	2	2
213	Payroll Taxes		1	1	1	3	3	3	3
214	Supplies/Other								
215	Purchased Services								
216	Allocated Expenses								
217	TOTAL	0	15	15	17	38	38	38	38
218									
219	(SPECIFY)								
220	Salaries & Wages								
221	Fringe Benefits G & A								
222	Supplies/Other								
223	Purchased Services								
224	Allocation Expenses								
225	Payroll Taxes								
226	TOTAL								
227	OTHER UNALLOWABLE EXPENSES								
228	Admin. Compensation over Ceiling								
229	Management Fees over Ceiling								
230	Unallowable Depreciation								
231	Unallowable Bad Debts	173	240	240	240	420	420	420	420
232	Unallowable Advertising								
233	Unallowable Travel								
234	Unallowable Interest								
235	Unallowable Allocated Property								
236	Unallowable Lease Payment								
237	Other (Specify)								
238									
239									
240									
241									
242									
243	TOTAL (lines 256 - 281)	173	240	240	240	420	420	420	420
244	TOTAL OTHER OPER. EXPENSES (UNALLOWABLE) (Lines 217 + 226 + 243)	173	255	255	257	458	458	458	458

**SCHEDULE G - ITEMIZED LIST OF REVENUE AND EXPENSES**  
**NON-OPERATING EXPENSES (UNALLOWABLE) - ( in 000's)**  
**(NURSING HOME OPERATION ONLY)**  
**AMOUNTS ENTERED SHOULD REFLECT ADJUSTMENTS/RECLASSIFICATIONS**  
**FOLLOWING AASA REPORTING GUIDELINES**

Name of Facility Everett Transitional Care Services

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Line No.	Account	Actual FYE 2020	Actual FYE 2021	Actual FYE 2022	Current FYE 2023	NON-INFLATED DOLLARS			
						Projected FYE 2024	Projected FYE 2025	Projected FYE 2026	Projected FYE 2027
245	LOSS ON SALE OF FIXED ASSETS			-3					
246	INCOME TAX								
247	OTHER (Specify)								
248	Donations	1	1	2					
249									
250									
251	TOTAL NON-OPERATING EXPENSES (UNALLOWABLE)	1	1	-1	-1	0	0	0	0
252	TOTAL EXPENSES (Lines 171+209+244+251)	3,289	4,324	5,737	8,664	9,211	9,220	9,228	9,189
	NET INCOME (loss)	0	0	0	0	0	0	0	0



**SCHEDULE H  
DEBT INFORMATION FOR CURRENT FISCAL YEAR 2023**

**(NURSING HOME OPERATION ONLY)**

Name of Facility Everett Transitional Care Services

Page 1 of 1

Line No.	Date of Loan	Lender	Purpose & Security	Original Term of Loan	Annual Interest Rate	Original Loan Amount	Loan balance as of the End of Prior Year	Report Period Payments		Balance per Financial Statement
								Principal	Interest	
<b>DEBT WITH BALANCE OVER \$5,000 AT THE END OF REPORT PERIOD</b>										
1	None									
2										
3										
4										
5										
6										
7										
8										
<b>TOTAL OF ALL INDIVIDUAL DEBT UNDER \$5,000 AT THE END OF REPORT PERIOD</b>										
9	None									

**SCHEDULE K  
BOOK VALUE OF ALLOWABLE ASSETS  
(NURSING HOME OPERATION ONLY)**

Name of Facility \_\_\_\_ Everett Transitional Care Services \_\_\_\_\_

Page 1 of 1

Line No.	ACCOUNT	LAST REPORTED FISCAL YEAR 2022		
		ALLOWABLE ASSETS	ALLOWABLE ACCUMULATED DEPRECIATION	YEAR END BOOK VALUE
1	Land			
2	Land Improvement			
3	Building			
4	Building Improvement	816	-809	7
5	Fixed Equipment	54	-1	53
6	Moveable Equipment	577	-328	249
7	Vehicles			0
8	Other Equipment			0
9	Total Equipment			0
10	Leasehold Improvements	137	-7	130
11				
12				
13				
14	Total Book Value of Allowable Assets	1,584	-1,145	439

**FINANCIAL RATIOS**

Ratio	Actual FYE 2020	Actual FYE 2021	Actual FYE 2022	Current Yr. Estimated FYE 2023	Projected FYE 2024	Projected FYE 2025	Projected FYE 2026	Projected FYE2027
Current Ratio	3.04	3.71	2.39	3.34	3.78	4.41	5.43	5.88
Assets Financed by Liabilitie	0.33	0.27	0.42	0.30	0.26	0.23	0.18	0.17
Total Operating Expense/Total Operating Revenue	1.80	1.38	1.61	1.31	1.20	1.20	1.20	1.20
Debt Service Coveragev***	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

\*\*\*

We have not financed assets or debt

<b>Line Item</b>	<b>Assumption</b>
Deductions from revenue	90% based on historical operations ( total Revenue less contractual, less bad debt)
Salaries and Wages	Based on staffing ratios and current Bethany salaries and wages by discipline
Purchased Services, Schedule G, Line 54	Medical Director fees (see Question #11 for additional detail)
Fringe Benefits	14.5% of salaries and wages (current Bethany rate)
Payroll Taxes	Current Bethany rate (10% of salaries and wages)
Revenue Offset	Allowance for Bad Debt (5.5% of gross revenue)
Food	\$27.76 per patient day (based on ETCS historical experience)
Administrator	Assumed to be \$145,500/year based on ETCS historical experience
Purchased Services	\$956,500 per year for legal, travel, outside accounting services, banking fees, Purchased Nursing(based on historical ETCS experience)
Management Fee	Allocation of home office costs as allowed by Medicare cost reporting and assumed to be 20% of Bethany total beds)
Telephone	\$13,200/year (based on historical ETCS experience)
Dues and Subscriptions	\$11,500/year (based on historical ETCS experience)
Education and Inservice Training	\$5,000/year (based on historical ETCS experience)
Advertising	\$41,250/year (based on historical ETCS experience for staff recruiting)
Other	\$79,000/year (based on historical ETCS experience) includes staffing awards, small equipment, staff functions, other miscellaneous costs,
Nursing Supplies	Approximately \$9.07/per patient day based on historical ETCS experience)
Laundry	Supplies/Other: \$.04/PPD Laundry purchased services: \$6.00/PPD-historical -based on volume
Housekeeping	Based on historical ETCS experience
Dietary	Purchased services: Staffing based on historical ETCS
Other nursing services (Line 49, Schedule G)	This includes the following staff positions: social services, MDS coordinator, chaplain, Activity Coordinator, Medical Records
Licenses	Nursing home bed license fees

**EXHIBIT 10**  
**POLICIES**

# Everett Transitional Care Services Admission Agreement

This Admission Agreement is made between \_\_\_\_\_  
(hereinafter, referred to as Resident), or \_\_\_\_\_  
(hereinafter, referred to as Resident Surrogate) residing at: \_\_\_\_\_

Please also provide telephone number (\_\_\_\_\_) \_\_\_\_\_, and Everett Transitional Care Services (hereinafter referred to as Facility).

For purposes of notification provisions contained in this Admission Agreement or required by federal law, Resident's family shall be considered notified by notifying: \_\_\_\_\_

Currently residing at \_\_\_\_\_  
Whose telephone number is (\_\_\_\_\_) \_\_\_\_\_

- 1. Resident Surrogate** – The Resident's Surrogate, for purposes of making or authorizing health care decisions, may be the following, in order of priority: court appointed legal guardian; individual to whom the Resident has given a durable power of attorney with authorization to make health care decisions; the Resident's adult children; the Resident's parents; or the Resident's siblings. For purposes of making financial arrangements with the Facility, the Resident's Surrogate may include, in order of priority: The Resident's court appointed legal guardian; an individual to whom the Resident has given a durable power of attorney with authority over the Resident's financial affairs; any other individual with lawful authority to use the Resident's income or resources for Resident's benefit. A copy of the letters of guardianship or durable power of attorney is required and shall be kept on file in the Facility. The Resident's Surrogate, by signing below, agrees and commits to the Facility to apply the Resident's funds and assets to the Resident's obligations contained in this Admission Agreement. For example, if the Resident's Surrogate has signature authority on the Resident's bank account, Resident Surrogate will, if necessary, use this authority to satisfy the Resident's payment obligations under this agreement. By signing below, the Resident's Surrogate is not personally guaranteeing the Resident's obligation nor pledging the Surrogate's own individual funds or assets.
- 2. Services Provided** – Facility shall provide, directly or through third parties, Resident with room and board, nursing services, certain minor medical supplies, and certain routine personal supplies.
- 3. Payment for Services**
  - a. Facility currently participates in the Medicaid and/or Medicare program(s); however, Facility reserves the right to withdraw from participation in either of both programs.
  - b. Resident's payment source currently is: \_\_\_Medicare \_\_\_Medicaid\_\_\_Private\_\_\_Other
  - c. If Resident is eligible for, or is currently receiving Medicaid benefits, Facility shall receive payment for services and supplies provided to Resident as determined under the Medicaid

reimbursement system. The nursing facility services and supplies covered by the Medicaid reimbursement system may not be charged to the resident.

- d.** Resident shall be responsible for payment of any services or supplies authorized by Resident and not covered or reimbursed by Medicare or Medicaid, whichever is applicable. Resident shall be responsible for any co-payments/deductible amounts as determined by Medicare and/or Medicaid or private insurance.
- e.** If Resident is not covered by or eligible for Medicare or Medicaid, Resident shall be responsible for payment of all charges assessed by Facility for services/supplies provided to Resident. Residents shall pay a daily rate based on level of care. Level of care is reviewed monthly and any changes will be reflected on the invoice for the coming month. In addition, Resident will pay cost for services and supplies not covered under the daily rates.
- f.** Financial Agreement – The undersigned agrees, that in consideration of the services provided, as defined herein, to the Resident, he or she individually obligates himself and his or her marital community to pay the account of the Facility in accordance with the terms provided for in this agreement. Should the account be referred to an attorney or collection agency for collection, the undersigned shall pay actual attorney’s fees and collection expenses. All delinquent accounts shall bear interest at the legal rate of twelve percent (12%) per annum.
- g.** Resident will be billed monthly for those additional services and supplies not included in the daily rate that are requested by Resident. Payment shall be 30 days in advance. Statements shall be sent out around the 25<sup>th</sup> of the month and payment shall be due by the 10<sup>th</sup> of the following month. Charges accrued after the 22<sup>nd</sup> of the month will be reflected on the following month’s statement. The facility shall only increase the daily rate schedule upon 30 days written notice to the Resident and/or Surrogate.
- h.** Resident/Surrogate agrees to apply for a determination of eligibility benefits under the Medicare and/or Medicaid program as soon as Resident appears to meet either program’s eligibility requirements. Facility will provide Resident with assistance in obtaining information necessary to apply for Medicare and/or Medicaid program, whichever is applicable. Resident agrees to pay all charges on a timely basis until acceptance by Medicare or Medicaid. If Medicare or Medicaid coverage is backdated, Resident shall receive a refund of all charges that were paid out of Resident’s funds. Resident authorizes Facility to inquire and review all records and information pertinent to the Medicaid application process from the agency responsible for determining eligibility.
- i.** Assignment of insurance benefits – The undersigned authorizes direct payment to the Facility of any insurance benefits otherwise payable to or on behalf of the Resident for services rendered by the Facility, including emergency services if rendered, at a rate not to exceed the Facility’s regular charges. It is agreed that payment to the Facility, pursuant to this authorization, by an insurance company shall discharge such company of any and all obligations under its policy to the extent of such payment. It is understood by the undersigned that he or she is financially responsible for charges not covered by this assignment.
- j.** Termination – This Admission Agreement shall terminate upon the transfer or discharge of Resident; however, the Admission Agreement will remain in effect if Resident’s bed is being held.

- 4. Medical Care** – It is agreed that the Resident’s care shall be prescribed by the attending physician or a Physician contracted by the Facility if the Resident’s regular physician or alternate is not available, and the Facility shall not be liable for any acts, omissions, or errors resulting from the instructions of said physician. The undersigned consents to any treatment or services rendered by the Facility, pursuant to the instructions of the physician. The Resident’s personal physician, or any other physician or health professional may be called into attendance by the Facility, when the Facility deems said attendance necessary or advisable.
- 5. Nursing Care** – The Facility will provide nursing care in accordance with the Facility’s Resident Care Policies. Consent is hereby given for personal contact for purposes of nursing care the Facility is to provide. If approved by the Director of Nursing Services, special nursing services may be arranged. When special nursing services are approved, all arrangements must be made by the Resident/Surrogate, and the Facility shall in no event be liable for any damage or loss for failure to provide such services. The Facility shall not be liable for any damage or loss arising out of the care administered by any special day personnel.
- 6. General Release, Residents leaving Facility** – Residents may temporarily or permanently leave the Facility, either independently or with a family member or other non-employee of the Facility. In such cases, there may be substantial risk of injury and/or temporary or permanent deterioration of the physical or mental condition and capacity of the Resident. Accordingly, before leaving the Facility, it is recommended that Resident and/or Resident’s Surrogate notify the Facility and inquire as to any foreseeable risks associated with such leave, such as, without limitation, risks associated with the failure to timely administer medications, risks associated with the absence of physical aids (e.g. wheel chair crutches, canes, walkers, etc.), lack of properly managed nutrition and special dietary needs, etc.
- 7. Bed Hold** – Facility provides Resident with the opportunity to hold Facility bed during hospitalization with private funds regardless of payment source. Bed hold shall begin on the first day following discharge from Facility at the Resident/Surrogate’s request and charges shall be applied at the current Medicaid reimbursement rate. Residents opting not to hold bed for return shall be offered the next available and appropriate bed available.
- 8. Health Information** – Protected health information, including individually identifiable healthcare information, may be used and disclosed by Facility to carry out treatment, payment, or health care operations. By signature below, the Resident/Surrogate gives his/her consent for such use and disclosure. A more complete description of the possible uses and disclosures of protected health information may be found in the Resident Handbook issued by Facility under “Notice of Privacy Practices”. Terms in the Notice may change from time to time, and any Resident/Surrogate may obtain a copy of revised Notice upon request.



**9. Signed Acknowledgement** – Resident and/or Surrogate acknowledges via initial areas below, receipt and understanding of the following. By signing below, the Resident Surrogate is not personally guaranteeing his or her own individual funds or assets for the Resident’s obligation.

**FINANCIAL INFORMATION, including:** \_\_\_\_\_ **Initial Here**

Daily Rate Schedule,

Medicaid Services and Supplies

Medicare Information

**RESIDENT HANDBOOK, including:** \_\_\_\_\_ **Initial Here**

Discharge Options

Resident Rights

Trust Fund Information

Bed Hold Policy

Grievance Policy

Notice of Privacy Practices

\_\_\_\_\_  
**Resident Signature**

\_\_\_\_\_  
**Date**

\_\_\_\_\_  
**Surrogate Signature**

\_\_\_\_\_  
**Date**

\_\_\_\_\_  
**Facility Staff Signature**

\_\_\_\_\_  
**Date**



## EVERETT TRANSITIONAL CARE SERVICES

### FINANCIAL INFORMATION

#### COVERAGE OF CARE

**Medicare** – Medicare Part A coverage is dependent on several factors. To qualify for coverage the patient must have the following:

- A Medicare card – please provide us with a copy of your card.
- An inpatient hospital stay of at least 3 midnights that is covered by Medicare, and admission to the SNF within 30 days following hospitalization.
- Patient must require 24-hour daily skilled nursing or therapy, certified by your physician.

Once the above requirements are met, there is a copay of \$194.50 per day, which typically begins on day 21, but may begin on the day of admission if you've had a recent stay in a skilled nursing facility. The facility will bill your supplemental insurance when a copy of the card is provided. When it is determined that the skilled care requirement is no longer met, a Notice of Non-Coverage termination will be issued.

Those patients who do not qualify for Part A coverage may be eligible to receive some benefits under Medicare Part B if they are enrolled. Medicare Part B may cover up to 80% of the cost of visits from physicians, therapy services, or podiatry visits. Part B cannot be billed while the resident is covered by their Medicare Part A benefit.

**Managed Care** – Managed Care insurance includes Medicare Advantage plans, HMO's and commercial insurance. If you are insured by a managed care plan, your stay must be approved by your insurance prior to admission. The facility will obtain the approval on your behalf. Managed care plans vary widely in the benefits they provide. You may be responsible for a copay beginning with the day of admission.

**Medicaid** – Medicaid application and approval must take place prior to admission to the skilled nursing facility. The Department of Social and Health Services will determine the amount of "participation" (patient liability) based on your income. Our participation is due by the 10<sup>th</sup> of each month. Contact the billing department for questions regarding your participation. If you were admitted under a Medicare or Managed Care benefit and believe you are eligible for Medicaid, please contact the Social Services department for assistance.

**Private Pay** – Payment from private funding sources. A deposit of \$6,000.00 is required at the time of admission and for those remaining in the facility following the notice of non-coverage from Medicare and Managed Care plans. The facility will bill Medicare and Managed Care on behalf of the resident. We will gladly provide long term care insurance companies with documentation necessary to facilitate payment on request.

**Charges** – The basic daily rate includes all nursing services, meals, activities, housekeeping, laundry, social services and discharge planning. Pharmacy is billed separately by the contracted pharmacy.

**Effective July 1, 2022:**                      **\$360.00 per day**

Common items not included in the daily rate (\*\*Medicare Part B may cover these items):

- \*\*\*\*Pharmacy (\*\*\*\*Medicare Part D may cover some pharmacy charges)
- \*\*Physician
- \*\*Podiatrist
- \*\*Dentist

- \*\*Therapy, including Physical Therapy, Occupational Therapy and Speech Therapy
- \*\*Psychiatrist
- \*\*Audiologist
- Equipment Rentals
- Beauty Shop services
- Central Supply items

**BILLING**

All charges for care are payable in advance on a monthly basis. The facility issues billing statements around the 25<sup>th</sup> day of the month, and payments are due by the 10<sup>th</sup> of the following month. Charges accrued after the 22<sup>nd</sup> day of the month will be reflected on the following month's bill. Delinquent accounts shall bear interest at the legal rate of 12% per annum or 1% per month.

Rates are subject to change. In the event of a change in the fee for services rate, the resident and/or representative (if resident is not legally responsible for self) will receive written notice at least thirty (30) days in advance.

ETCS accepts payments via debit card, major credit card, check, ACH or cash. Checks may be processed electronically by the company.

**BED HOLD FEES**

The Department of Social and Health Services does not provide payment to hold a bed while a resident is hospitalized; however, the skilled nursing facility allows the family to hold the room with private funds. Bed Hold charges are applied at the resident or family request and begin the 1<sup>st</sup> day following discharge from the facility. The bed hold charge shall be equal to the current daily Medicaid reimbursement rate and a 3-day bed hold deposit will be required.

A resident who is unable to provide payment to hold the bed while hospitalized has the right to be readmitted to the first available and appropriate semi-private room.

**SIGNED ACKNOWLEDGEMENT – Resident and/or Surrogate acknowledges receipt and understanding of the Financial Information and Skilled Rehab Benefits. By signing below, the Resident Surrogate is not personally guaranteeing his or her own individual funds or assets for the Resident's obligation.**

**Date:** \_\_\_\_\_ **Resident Name:** \_\_\_\_\_

**Resident Signature:** \_\_\_\_\_

**Responsible Party Name & Signature:** \_\_\_\_\_

**Responsible Party Phone # & Address:** \_\_\_\_\_

**In the event of an unexpected, extended stay, would you be able to afford the estimate of over \$11,000 monthly fee to pay for your care?** \_\_\_\_\_ **NO** \_\_\_\_\_ **YES**

**If not, may we assist you in beginning the Medicaid application process?** \_\_\_\_\_ **NO** \_\_\_\_\_ **YES**

**Are you currently receiving any Medicaid/COPEs benefits?** \_\_\_\_\_ **NO** \_\_\_\_\_ **YES**

**Provider One ID #:** \_\_\_\_\_ **Medicaid Client ID #:** \_\_\_\_\_

# Senior Connections

David Agnor Ph.D. Clinical Director

8340 NE 76<sup>th</sup> Street Vancouver, WA 98662

(360) 253-4912 Business Office

## INFORMED CONSENT AND ASSIGNMENT OF BENEFITS

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**Patient Name**

**Date of Birth**

**INTRODUCTION:** Senior Connections is a program within long-term care facilities assisting your family member. Our program seeks to maintain maximum cognitive, emotional and physical functioning for the resident. Individual and group sessions may utilize such techniques as Reflection, Validation, Behavior Modification, and Reminiscence, as well as other therapeutic techniques. We use Client Centered, Behavioral, Cognitive and Existential methods depending on the resident's needs. The resident's treatment plan will be individualized to his or her needs. Typically, a resident is seen about two times each week in individual sessions. Sessions vary from 20 minutes to 45 minutes. For example, residents may be encouraged to develop friendship interactions with other residents and other goals which can enhance their quality of life.

The members of the Senior Connections treatment team include a psychologist, and a team of qualified counselors who work under the supervision of the psychologist. If you have any questions or concerns at any time, please feel free to discuss them with any member of our team. Summaries of team members' qualifications will be provided upon request.

**FEES:** Your insurance provider will send a statement, an **Explanation of Medical Benefits**, of all our services. All fees are billed to the appropriate insurance provider, usually Medicare, as soon as services are provided. Fees cover evaluation, individual, group and special family therapy sessions. **Fees are regulated by Medicare; for most supplemental insurance subscribers, the co-insurance is paid. For State Medicaid recipients, the co-insurance is waived if not paid by Medicaid.** Some Medicare replacement plans require you to pay a co-payment. If you would like a further explanation of these services and **verify** financial responsibility, contact the Senior Connections business office at 360-253-4912 and we will cooperate as quickly as possible in providing the information you need. After insurance has paid, you are responsible for any unpaid balance. If this amount represents a financial difficulty for the resident or family member, you may request special status with our business office.

**CONFIDENTIALITY:** Information about the resident is kept confidential in accordance with our privacy policy. Medical, legal and ethical requirements specify certain conditions when it is necessary to share information about the resident with other professionals. The resident’s insurance provider sometimes requests clinical information to support a payment. Insurance companies are responsible for keeping this information confidential just as we are.

**FAMILY PARTICIPATION:** When a resident desires it, we welcome family participation in our work with the resident. It is important for family members to have as much information as possible so they can contribute to their loved ones’ wellbeing. When it is appropriate, family members may be contacted to plan and discuss treatment in Special Family Consultations. Family participation is voluntary. We do recognize that many families live far from the facility or may be unable to make contact for other reasons. If you are unable to participate in your family member’s treatment plan please advise us so we can make arrangements to keep you informed of the resident’s progress. If you are unable to attend a scheduled Special Family Session, please call in advance so that we may reschedule.

**ASSIGNMENT OF BENEFITS, INFORMATION RELEASE:** My right to payment for all procedures and psychologist services including major medical benefits are hereby assigned to Senior Connections. This assignment covers any all all benefits under Medicare, other government sponsored programs, private insurance and any other health plans. In the event my insurance carrier does not accept assignment of benefits, or if payment is made directly to my representative or me, I will endorse such payments to Senior Connections. I understand that I am responsible for any charge not reimbursed by Medicare or other insurance coverage that is in effect. I authorize Medicare or any other insurance carrier to release my personal data and any information regarding my coverage to Senior Connections. I authorize agents of any hospital, nursing home, long-term care facility or previous psychologists to Senior Connections copies of any records of my medical history, services or treatments. I authorize the release of any medical information and/or reports related to my treatment to any federal, state or accreditation agency, or any physician or insurance carrier as needed. I agree to a review of my records for purposes of audits and quality assurance reviews within Senior Connections.

**I have read this document and understand the information contained in it. I understand that this informed consent and assignment of benefits will remain in effect unless revoked by me in writing. In addition I acknowledge receipt of the “Notice of Policies and Practices to protect your health information: given to me along with this document.**

\_\_\_\_\_/\_\_\_\_\_  
Patient or Responsible Party                      Date

\_\_\_\_\_/\_\_\_\_\_  
Patient or Responsible Party                      Date



## Smoking Policy Everett Transitional Care Services

At Everett Transitional Care Services (ETCS) our goal is to ensure a safe place to receive care for all our patients. This means that we must protect all patients from potential hazards including the presence of smoking materials.

Everett Transitional Care Services resides on private property and reserves its right to maintain a non-smoking environment. This means that patients under our care cannot be in possession of items including, but not limited to, cigarettes, cigars, e-cigarettes, vaping implements, other smokable substances, lighters, etc. ETCS will assist with physician approved smoking cessation interventions upon patient request.

As a courtesy, smoking materials can be placed in our lock-box until the patient discharges or a family member/designee takes them home. During the patient's stay, ETCS cannot distribute smoking materials to the patient from the lock-box, even when requested by the patient. In order to ensure safety for all patients, Items that are found on the premises will be confiscated by staff and returned to the patient upon discharge or given to family members to take home.

For family members assisting your loved one through the healthcare process, please support ETCS in maintaining a smoke-free environment by not bringing smoking materials to your loved one.

If a patient is unwilling to comply with this policy, ETCS reserves the right to utilize the following (based on the circumstance) resources to protect all patients within our care: State Ombudsman, and/or 30-day discharge notification reportable to the state of Washington. In the event of an immediate concern for patient safety, ETCS reserves the right to utilize emergency response recourses. ETCS asks the patient and patient family/friends to support us by keeping smoking materials away for the safety of all.

If you have any questions, please contact ETCS staff for further clarification.

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Resident Name

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Resident/Responsible Party Signature



## Everett Transitional Care Services Bed Hold Policy Agreement

Everett Transitional Care Services provides each resident the option to hold their bed during hospitalizations or on therapeutic leave with private funds regardless of payment status. The Department of Social and Health Services, Medicare, and Health Maintenance Organizations do not provide funds to hold a resident's bed during hospital stays.

Beginning the first day following discharge from the facility, charges shall begin accruing at the facility's current daily Medicaid rate of \$338.57. Residents who are unable to provide private funds to hold their bed may opt to release the bed. Any resident releasing the bed shall be given priority consideration for the next appropriate bed available upon return to the facility. A Medicaid eligible resident may be charged if he or she requests that a specific bed be held but may not be charged a bed-hold fee for the right to return to the first appropriate, available bed in a semi-private room. Payment arrangements may be made by contacting the Business Office.

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Resident Name

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Date

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Signature acknowledging receipt of Bed Hold policy

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Facility Representative Signature

Everett Transitional Care Services  
Advance Directive  
Receipt of Information

Durable Power of Attorney is held by:

Financial: \_\_\_\_\_

Healthcare: \_\_\_\_\_

Do you have a Living Will or Directive to Physician (circle one)?                      YES                      NO

If yes, indicate type: \_\_\_\_\_

Everett Transitional Care Services should forward my mail to:

\_\_\_\_\_

If I am unable, an ETCS employee may open and read (in my presence) my mail:                      YES                      NO

Please list any family member(s) ETCS should **not** release my information to:

\_\_\_\_\_

Please invite the following to attend my Care Plan Conferences:

\_\_\_\_\_

I give permission for my photograph to be taken for record keeping purposes only. Photos will not be published outside of the medical record without separate consent.

I have been informed and have received written information regarding my right to execute Advance Directives.

\_\_\_\_\_  
Resident Name

\_\_\_\_\_  
Date

\_\_\_\_\_  
Resident / Surrogate Signature

\_\_\_\_\_  
Facility Representative Signature



# Everett Transitional Care Services Medicare Secondary Payer

**Resident Name:**

**Birth Date:**

**Age:**

**MBI #:**

1. WORK RELATED ACCIDENT. Is the illness/injury due to a work-related accident?

No. (Go to Part 2)

Yes. Please indicate date, time and place of accident:

\_\_\_\_\_ Covered by

Worker's Compensation?  Yes  No

Covered by Federal Black Lung Program?  Yes  No

2. NON – WORK-RELATED ACCIDENT. Is the illness/ injury due to a non-work-related accident?

No. (Go to Part 3)

Yes. If car accident, provide name and address of auto insurance:

\_\_\_\_\_ Claim #: \_\_\_\_\_

Was a third party responsible for the accident?  No

Yes. Provide name and address of liability insurer: \_\_\_\_\_

Is there litigation?  No. If yes, please give the name and address of the attorney:

\_\_\_\_\_

3. GROUP HEALTH INSURANCE. Is the patient 65 or over?  No. (Go to Part 4)

Yes. Is the patient employed and covered by employer's health plan? If yes, provide name and address of health plan: \_\_\_\_\_

Is spouse currently employed?  No. (Got to Part 4) If yes, provide name and address of health plan:

\_\_\_\_\_

4. END STAGE RENAL DISEASE. Is the patient undergoing kidney dialysis for ESRD and entitled to benefits based solely on ESRD?  Yes. MEDICARE IS PRIMARY PAYER.

No. Is patient covered by employer health plan? If yes, provide information in section 3.

5. DISABLED BENEFICIARY UNDER AGE 65. Is patient a disabled Medicare beneficiary under 65?

No. MEDICARE IS PRIMARY PAYER.

Yes. If patient has employer health plan coverage please indicate in section 3.

6. OTHER HEALTH INSURANCE. Does patient have other health insurance that will pay for nursing home benefits other than supplementary insurance before Medicare?

No. MEDICARE IS PRIMARY PAYER.

Yes. Provide name, address and claim number of insurance:

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Resident/ Representative signature

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Date

---

Witness Signature

---

Date

• **Have you been at another facility in the last 6 months?**

YES

**If Yes, what is the name of the facility?**

NO

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**THIS NOTICE DESCRIBES HOW MEDICAL INFORMATION ABOUT YOU MAY BE USED AND DISCLOSED AND HOW YOU CAN GET ACCESS TO THIS INFORMATION. PLEASE REVIEW IT CAREFULLY.**

Pursuant to Sections 1171 through 1179 of the Social Security Act, as added by Section 262 of Public Law 104-191, and Section 264 of Public Law 104-191, and the Administrative Simplification subtitle of the Health Insurance Portability and Accountability Act of 1996, individually identifiable healthcare information is subject to certain privacy standards.

1. Uses and Disclosures. You are entitled to see your own protected health information. In addition, Everett Transitional Care Services (“Facility”) is permitted to use or disclose protected health information pursuant to an appropriate consent or authorization. When using or disclosing protected health information, Facility will make reasonable efforts to limit protected health information to the minimum necessary to accomplish the intended purpose of the use, disclosure or request.

Under certain circumstances, medical information about you may be disclosed without consent or authorization to carry out treatment, payment, or health-care operations. Examples of disclosures for purposes of treatment include health-care management through risk assessment, disease management, referrals from one provider to another, and coordination of health-care or other services among health-care providers. Examples of disclosures for purposes of payment include disclosures to a health plan to obtain reimbursement, including billing and medical data processing. Examples of disclosures for purposes of health-care operations include quality assessment and improvements; evaluations of practitioners for professional accreditation, licensing or credentialing; and medical review and auditing.

Protected health information about you may also be disclosed without prior authorization to governmental organizations and public health agencies, or in response to judicial or agency process. This information may be used to collect vital statistics regarding diseases, injuries or disabilities, data regarding communicable diseases, public health surveillance and investigation information, or information regarding abuse or neglect. Certain limited information may also be disclosed to law enforcement officials. Protected health information about you may be disclosed in case of an emergency, where it reasonably appears that such disclosure is necessary to prevent or lessen a serious and imminent threat to the health or safety of an individual or the public.

Protected health information about you may also be disclosed for organ or tissue donation purposes, or for certain research purposes. Such information may also be disclosed as authorized by and to the extent necessary to comply with laws relating to worker’s compensation benefits or other similar programs.

2. Disclosure Requiring Your Consent. General health information about you or your condition may be disclosed in a directory if the information does not communicate specific medical information. You must consent to this disclosure or, if you are incapacitated, the disclosure must be consistent with the reasonable medical practice and any prior expressions of preference you have made. Likewise, medical information about you may be disclosed to your next of kin, family members, or close personal friends, if either verbally agreed to by you or, if you are incapacitated and cannot agree, only if directly relevant information is disclosed and such disclosure is consistent with good health professional practices and ethics.

Protected health information may be disclosed in response to a law enforcement official’s request for such information about an individual who is or is suspected to be a victim of a crime, if the individual agrees to the disclosure or if the individual is incapacitated and emergency circumstances require the disclosure. Protected health information may also be disclosed when reporting crimes in emergencies.

3. Authorization for Disclosure. Except as stated above, other uses and disclosures of protected health information will be made only with your written authorization. Facility has a form Authorization for Disclosure of Protected Health Information, which is available upon request. If you sign an authorization, you are entitled to keep a copy of it. You may revoke a prior authorization by providing Facility with a written revocation which specifically identifies the authorization being revoked.
  
4. Individual Rights. You have the right to request restrictions on certain uses and disclosures of protected health information, although Facility is not required to agree to a requested restriction. You have the right to receive confidential communications of protected health-care information, including the right to receive communications of protected health information by alternative means or at alternative locations, if you so request. Upon written request, you have the right to inspect and copy protected health-care information, although there are certain occasions upon which such a request for access may be denied. If Facility denies access, in whole or in part, you will receive written notice of the denial. If your request for access to protected health-care information is denied, you may ask to have the denial reviewed by a licensed health-care professional designated by Facility to act as a review and official. Reasonable charges may be imposed for copying of records.

Upon written request, you have the right to amend your protected health-care information, although there are certain occasions upon which such a request for amendment may be denied. If your request to amend protected health-care information is denied, you will receive written notice of the denial. Under such a circumstance, you would be allowed to submit a written statement disagreeing with the denial.

You have the right to receive an accounting of disclosures of protected health-care information made by Facility in the six years prior to the date on which the accounting is requested. Such a request for an accounting must be submitted in writing.

You have the right to receive a paper copy of this Notice upon request.

5. Facility's Duties. Facility is required by law to maintain the privacy of protected health-care information and to provide individuals with Notice of Facility's legal duties and privacy practices with respect to the information. Facility is required to abide by the terms of the Notice currently in effect, although Facility may apply a change in the privacy practice that is described in this Notice to protected health-care information that Facility created or received prior to issuing a revised Notice. Facility reserves the right to change the terms of this Notice and to make new notice provisions effective for all protected health information that Facility maintains. Facility will provide individuals with the revised Notice upon request.
  
6. Complaints. You may submit complaints to Facility's designated Privacy Officer and to the Secretary of the United States Department of Health and Human Services if you believe your privacy rights have been violated. Any such complaint may be submitted in writing and addressed to the privacy officer of Facility. Any individual filing such a complaint will not be retaliated against for filing a complaint.
  
7. Contact Person. For further information regarding Facility's policies with respect to protected health information, please contact the designated Privacy Officer – Medical Records.

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Resident Name

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Date

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Resident / Surrogate Signature

Facility Representative Signature

Everett Transitional Care Services

RESIDENT CONSENT/AUTHORIZATION  
Photography / videotaping / other imaging / audio recording

Resident Name: \_\_\_\_\_

Print Name

I hereby give my consent to have photographs, videotaped images, other images, or audio recordings made for the following purposes:

- To be posted in the hallway outside of the doorway of my room.
- For record keeping purposes. Photograph will not be published outside of my medical record.
- If I am in a group photo taken during an activity, it may be posted within the facility ONLY.
- A photograph or video to be used in a video production or related print media for the purpose of representing services provided by the facility.
- I hereby authorize the use of my first name when appropriate for the above purposes.
- Other \_\_\_\_\_

**I understand that this authorization is voluntary, and I have the right to refuse.**

**I understand that I may revoke this authorization at any time by notifying Everett Transitional Care Services in writing. Photographs, videos, other images, and audio recordings, which were obtained before revoking consent, will not be affected.**

\_\_\_\_\_  
Signature of Resident or Legal Representative / Relationship to Resident

\_\_\_\_\_  
Date

**EXHIBIT 11**  
**GRANT AGREEMENT**

AMENDMENT TO GRANT AGREEMENT

This Amendment to Grant Agreement ("Amendment") is entered into as of October 17, 2022 by and between PROVIDENCE HEALTH & SERVICES – WA d/b/a Providence Regional Medical Center Everett (the "Grantor"), a Washington nonprofit corporation, and THE EVERETT TRANSITIONAL CARE SERVICES FOUNDATION, a Washington nonprofit corporation (the "Grantee"), with respect to the Grant Agreement entered into by the parties effective April 1, 2020 ("Agreement").

The Agreement is hereby amended as follows:

1. Term. The "Term" of the Agreement is hereby extended until March 31, 2026. The quarterly payments provided for in Section 3 of the Agreement shall continue for the remainder of the Term, regardless of the total number of such quarterly payments that are made.

2. Miscellaneous. Defined terms in the Agreement have the same meaning herein, unless expressly defined otherwise herein. Except as hereby amended, the Agreement remains in full force and effect as written. To the extent of any inconsistency between the Agreement and this Amendment, this Amendment is controlling. This Amendment may be executed in any number of counterparts, including facsimile or an e-mail of scanned copy containing a copy of the signature page of the person executing this document, each of which shall be deemed an original, but all of which shall constitute one instrument, and shall become effective when such separate counterparts have been exchanged between the parties hereto.

IN WITNESS WHEREOF, the undersigned have executed this Agreement as of the date set forth below such party's signature.

GRANTOR:

GRANTEE:

PROVIDENCE HEALTH & SERVICES SERVICES

THE EVERETT TRANSITIONAL CARE FOUNDATION

By: [Signature]  
Title: NORTH DIVISION CEO  
Date: 10/18/22

DocuSigned by:  
Joseph Scrivens  
493F0DF0E3284CD...  
By: \_\_\_\_\_  
Title: CEO  
Date: 10/19/2022

## GRANT AGREEMENT

This Grant Agreement ("Agreement") is entered into as of April 1, 2020, ("Effective Date") by and between PROVIDENCE HEALTH & SERVICES – WASHINGTON d/b/a PROVIDENCE REGIONAL MEDICAL CENTER EVERETT (the "Grantor"), a Washington nonprofit corporation, and THE EVERETT TRANSITIONAL CARE SERVICES FOUNDATION, a Washington nonprofit corporation (the "Grantee").

### RECITALS

WHEREAS, Grantor and Grantee, which are exempt from federal income taxation under Section 501(c)(3) of the Internal Revenue Code of 1986, provide healthcare services, or funding for provision of such services, to residents of the Snohomish County, Washington community (the "Community");

WHEREAS, the availability of skilled nursing facility services is an important part of the continuum of care for residents in the Community;

WHEREAS, with this in mind, and for the purpose of helping to ensure the continued financial sustainability of the skilled nursing services in the Community, the Grantor is willing to provide certain charitable grant contributions (the "Grant") to Grantee equal to the approximate amount of ETCS's expected and actual operating losses ("Losses"), determined based on negative cash flows from the establishment and startup, operations, reductions in fund balance accounts and, if applicable, wind-down, of the ETCS, during the term of this Agreement and, with regard to the establishment and startup expenses, such costs incurred prior to the term of this Agreement.

### AGREEMENT

NOW THEREFORE, in consideration of the foregoing and the mutual promises and covenants herein contained, the Parties agree as follows:

**1. Purpose.** The Grant is intended to provide Grantee with financial support for it to assist ETCS in providing valuable activities that are important to the Grantor's and Grantee's shared public and charitable mission as set forth in the Recitals to this Agreement. Specifically, the amount of the Grant is intended to permit ETCS to provide services to patients who are indigent or have demonstrated financial need.

**2. Term.** The "Term" of this Agreement commences on the Effective Date and continues for three (3) years after the first quarterly payment under Section 3(b) is made by Grantor to Grantee. The initial term of this Agreement may be extended by the signed written agreement of each of the parties to this Agreement.

**3. Amount of Grant and Terms of Payment, Use of Funds.** An initial Grant will be made by Grantee in the amount of Three Hundred Thousand Dollars (\$300,000) ("Funds"), shall be made upon Effective Date of this Grant Agreement. Thereafter, Quarterly payments of an amount approximately equal to the prior quarter's ETCS Losses shall be made each on the



first day of each January, April, July and October until a total of twelve such payments have been made during the Term of this Agreement.

Grantee agrees that it will use the Funds solely for the purpose of providing support to ETCS in mitigation of its anticipated and actual Losses to permit ETCS to care for patients in the community who are indigent or have demonstrated financial need.

**4. Restrictions With Respect to Certain Acts.** Grantee agrees not to use any portion of the Grant:

- (a) to carry on propaganda, or otherwise to attempt to influence legislation (within the meaning of section 4945(d)(1) of the Internal Revenue Code of 1986 ("Code"));
- (b) to influence the outcome of any specific public election, or to carry on, directly or indirectly, any voter registration drive (within the meaning of Section 4945(d)(2) of the Code);
- (c) for any purposes other than Grantee's exempt purposes; or
- (d) for any purpose other than the purposes set forth in Section 1 of this Grant Agreement.

Grantor may terminate this Agreement and cease payment of the Grant or any portions thereof if Grantee uses the Grant or any portion thereof as described in Section 3(a)-(d) above.

**5. Record Keeping.** Grantee agrees to maintain its books and records in accordance with generally accepted accounting principles and in such a way that Grant funds will be shown separately on the Grantee's books. Grantee will maintain records of expenditures charged against the Grant which are adequate to identify the use of the funds in compliance with the purposes and restrictions specified in this Agreement.

**6. Availability of Grantee's Records.** Grantee will maintain its records of expenditures from the Grant, as well as copies of the reports submitted by it to Grantor with respect to such Grant, for a reasonable time after completion of the use of the Grant.

**7. Representations.** Grantor and Grantee acknowledge and agree that payment of the Grant or any portion thereof is not dependent upon the volume or value of referrals made by Grantee to Grantor or any business generated by the parties. Any compensation paid by Grantee to any healthcare provider employed or contracted by Grantee from the Grant will not be related to the volume or value of referrals by any Grantee provider to Grantor. Nothing in this Agreement shall be construed to require any party to refer patients to the other party or to utilize the other party to provide services to patients, or otherwise generate business for any party or for any of their medical facilities or programs. The parties intend to comply with 42 U.S.C. §1320a-7b(b), commonly known as the federal Anti-Kickback Statute, 42 U.S.C. §1395nn, commonly known as the Stark Law, and any federal or state law provision governing fraud and abuse or self-referrals under the Medicare or Medicaid programs, or any other federal or state health care program, as such provisions may be amended from time to time. This Agreement shall be construed in a manner consistent with compliance with such statutes and regulations, and the parties agree to take

such actions as are necessary to construe and administer this Agreement consistent with such compliance.

**8. Maintenance of Tax-Exempt Status.** Grantee represents that it has applied to be recognized as exempt from federal income taxation by the Internal Revenue Service as an organization described in Section 501(c)(3) of the Code. Grantee will immediately notify Grantor if such application is denied or if its designation as a tax- exempt entity is granted but later revoked, and will return to Grantor any portion of the Grant remaining unexpended as of the date the Grantee receives notice of such revocation or denial. Any installment payments remaining to be made on the Grant following the date of notice of such revocation will not be made and Grantor will have no further obligation to make such payments.

**9. Annual Assessment.** The parties will meet annually to review the current funding level and assess whether any adjustments in Grant support would be needed to fully mitigate Grantee's Losses and support Grantee's charitable, scientific and educational purposes as described herein, but in no event will the Grant amounts committed to under Section 2 be terminated or reduced without written consent of the parties.

**10. Representatives and Successors Bound.** This Agreement and the Grant to which it relates shall be binding upon and inure to the benefit of the parties hereto, their legal representatives, successors and assigns.

**11. Governing Law and Venue.** This Agreement will be interpreted, construed, and governed by the laws of the State of Washington. The exclusive venue for any legal action to interpret or enforce this Agreement will be the courts of the State of Washington, County of Snohomish.

**12. Entire Agreement/Modification.** This Agreement, and the exhibits, addendum and attachments hereto, represents the entire agreement of the Parties with respect to the subject matter hereof and supersedes all prior negotiations or discussions with respect thereto. This Agreement may be supplemented by additional agreements executed by the parties, or may amended or modified by written instrument signed by the parties hereto.

IN WITNESS WHEREOF, the undersigned have executed this Agreement as of the date set forth below such party's signature.

GRANTOR:

PROVIDENCE HEALTH & SERVICES-  
WASHINGTON dba PROVIDENCE  
REGIONAL MEDICAL CENTER EVERETT

By: Elaine Couture

Title: Chief Executive WA/MT

Date: March 30, 2020

GRANTEE:

THE EVERETT TRANSITIONAL CARE  
SERVICES FOUNDATION

By: [Signature]

Title: Chief Executive Officer

Date: April 2nd, 2020