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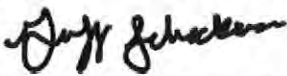
Washington State Department of
Health

WASHINGTON STATE
CERTIFICATE OF NEED
PROGRAM RCW 70.38 AND

WAC 246-310

**APPLICATION FOR CERTIFICATE OF NEED HOME HEALTH CARE PROJECTS
(Excludes amendments)**

Certificate of Need applications must be submitted with a fee in accordance with the instructions on page 2 of this form. Application is made for a Certificate of Need in accordance with provisions in Revised Code of Washington (RCW) 70.38 and Washington Administrative Code (WAC) 246-310 adopted by the Washington State Department of Health. I hereby certify that the statements made in this application are correct to the best of my knowledge and belief.

Signature and Title of Responsible Officer:  Geoff Schackmann, Program Manager Healthy Living at Home – Seattle, LLC Program Manager Date: 9/10/2019	Person To Whom Questions Regarding This Application Should Be Directed: Geoffrey Schackmann Program Manager Healthy Living at Home – Seattle, LLC Telephone Number: 480-495-5474
Legal Name of Applicant: Healthy Living at Home – Seattle, LLC Address of Applicant: 801 2nd Ave Suite 800 Seattle WA 98104 Telephone Number: 360-859-4886	Type of Project (check all that apply): <input checked="" type="checkbox"/> New Agency <input type="checkbox"/> Existing Medicare Certified/Medicaid Eligible Agency Expanding into Different County <input type="checkbox"/> Existing Licensed-Only Home Health Agency to Become Medicare Certified/Medicaid Eligible.
Project Summary: Establish a new Medicare Certified and Medicaid eligible Home Health Agency to serve King County, Washington. Estimated capital expenditure: \$ 90,000	

APPLICATION INFORMATION INSTRUCTIONS:

These application information requirements are to be used in preparing a Certificate of Need application. The information will be used to evaluate the conformance of the project with all applicable review criteria contained in RCW 70.38.115 and WAC 246-310-210, 220, 230, and 240.

NOTE: If this application is approved, the applicant will be expected to provide services to residents in the entire county.

Home Health applications are county specific. No more than one county per application.

Include a table of contents for major application sections and appendices.

Number **all** pages consecutively.

Do not bind or 3-hole punch the application.

Make the narrative information complete and to the point.

Cite all data sources.

Provide copies of articles, studies, etc., cited in the application.

Place extensive supporting data in an appendix.

Provide detailed descriptions of assumptions used for **all** projections.

Use **non-inflated** dollars for **all** cost projections

Do not include a general inflation rate for these dollar amounts.

Do include current contract cost increases such as union contract staff salary increases. You must identify each contractual increase in the description of assumptions in the application.

Do not include a capital expenditure contingency.

Application Submission:

Number of Copies:

Submit an **original, one copy, and an electronic (pdf) version**

All subsequent submissions associated with this application must be submitted with an **original, one copy and an electronic (pdf) version.**

To be accepted, the application must include:

A completed and signed Certificate of Need application face sheet

The review fee of **\$24,666** Make checks payable to ***Department of Health***

Send application to:

Mailing Address:

**Department of Health Certificate of
Need Program P O Box 47852
Olympia, Washington 98504-7852**

Other Than By

**Mail: Department
of Health**

**Certificate of Need Program
111 Israel Road SE
Tumwater, Washington 98501**

If you have questions, call (360) 236-2955

Certificate of Need Application

to establish a Medicare-certified and

Medicaid eligible Home Health Agency

to serve the residents of

King County, Washington

September 10th, 2019

Healthy Living at Home – Seattle, LLC

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I. APPLICANT DESCRIPTION:

A. Provide the legal name(s) of applicant(s).

Note: The term "applicant" for this purpose is defined as any person or individual with a ten percent or greater financial interest in a partnership or corporation or other comparable legal entity that engages in any undertaking which is subject to review under provisions of RCW 70.38.

Healthy Living at Home - Seattle, LLC is the applicant.

Healthy Living at Home - Seattle, LLC, a Washington limited liability company ("HLH - Seattle") is owned and operated by HLH Seattle Holdings, LLC a Delaware licensed limited liability company and Vistariver Healthcare Solutions, INC an Oregon c-corporation. This LLC, Healthy Living at Home - Seattle, LLC, was created specifically for this application.

An organizational chart, showing the entity relationships, can be found in Appendix A.

B. For each licensed applicant, please provide the professional license number and specialty represented. If the license was not issued by Washington State, please identify the state it was issued.

Not applicable, there are no licenses to report given the applicants are companies and not individuals.

C. For existing facilities, provide the name and address of the facility.

Note: The term "existing facility" for this purpose is defined as a home health agency that is currently providing licensed only home health care services OR a home health agency that is seeking to expand its Medicare certified service area.

Healthy Living at Home – Seattle, LLC is not a facility.

D. Identify the type of ownership (public, private, corporation, non-profit, etc.).

Healthy Living at Home – Seattle, LLC is a privately held Washington limited liability company.

E. Provide the name and address of *owning* entity at completion of project (unless same as applicant).

Healthy Living at Home – Seattle, LLC owning entity, HLH Seattle Holdings, LLC, 801 2nd Ave Suite 800 Seattle WA 98104. HLH Seattle Holdings, LLC is owned by HLH Capricorn Holdings, LLC.

F. Provide the name and address of *operating* entity at completion of project (unless same as applicant).

The operating name and address of entity completing this project is Trinity Management Services Organization, LLC DBA Healthy Living Network, LLC ("Healthy Living Network") which is located at 2365 Iron Point Rd, Suite 270, Folsom California. The financials of other entities do not impact the financial viability of Healthy Living at Home - Seattle, LLC.

G. Identify the corporate structure and related parties. Attach a chart showing organizational relationship to related parties.

Please see Appendix A which outlines the relationship of Healthy Living at Home - Seattle to the related parties.

H. Provide a general description and address of each facility and other related business (es) owned and/or operated by applicant (including out-of-state facilities, if any).

All facilities are owned and managed by Healthy Living Network.

<http://healthylivingnet.com/hlhnetworklocations/>

Agency	Service Line	Address	CMS #
PrecisionHoneCare-EastBay,LLC*	Home Care	1879 Lundy Ave Suite 129 San Jose CA 95131	N/S
PrecisionHomeCare-Chico,LLC*	Home Care	20 Constitution Dr Ste B Chico, CA 95973	NPI: 1780160242
AdvancedHealthcareServices,LLC	Home Health	39899 Balentine Drive, Suite 365 Newark, CA 94560	59682
GoodLifeHomeCareofCalifornia,LLC	Home Health	1320 Willow Pass Rd, Suite 460, Concord CA 94520	NPI: 1942551767
HealthyLivingatHome,LLC	Home Health	2450 VENTURE OAKS WAY, SUITE 220 SACRAMENTO. CA 95833	59385
HealthyLivingatHome-Arizona,LLC	Home Health	8767 EAST VIA DE VENTURA, SUITE 170 SCOTTSDALE. AZ 85258	37433
HealthyLivingatHome-EastBay,LLC	Home Health	1320 WILLOW PASS ROAD, SUITE 715 CONCORD. CA 94520	59536
HealthyLivingatHome-EICentro,LLC	Home Health	447 WEST ATEN ROAD, SUITE G IMPERIAL. CA 92251	59746
HealthyLivingatHome-Fresno,LLC	Home Health	1318 E Shaw Ave Ste 100 Fresno CA 93710	59516
HealthyLivingatHome-Modesto,LLC	Home Health	2301 Coffee Rd Ste 1 Modesto CA 95350	59686
HealthyLivingatHome-Monterey,LLC	Home Health	2150 Garden Road Suite B-2 Monterey, CA 93940	59726
HealthyLivingatHome-PalmDesert,LLC	Home Health	36953 Cook Street Suite 102 Bldg B Palm Desert CA 92211	59695
HealthyLivingatHome-Portland,LLC	Home Health	16083 SW Upper Boones Ferry Rd Suite 100 Portland OR 97224	387162
HealthyLivingatHome-Redding,LLC	Home Health	2155 Larkspur Ln Unit B Redding, CA 96002	59579
HealthyLivingatHome-SanDiego,LLC	Home Health	9444 Waples St Suite 450 San Diego, CA 92121	59474
SummitHealthcareOrganization-BayArea,LLC	Home Health	39899 Balentine Drive, Suite 220, Newark, CA 94560	59667
SummitHealthcareOrganization,LLC	Home Health	39899 Balentine Drive, Suite 220, Newark, CA 94560	59667
HealthyLivingatHome-Vancouver,LLC	Home Health	1499 SE Tech Center PI Suite 140 Vancouver WA 98683	507127
HealthyLivingatHome-Boise,LLC	Home Health	2950 E Magic View Dr Meridian, ID 83642	137134
HealthyLivingatHome-TwinFalls,LLC	Home Health	1182 Eastland Dr North Ste B Twin Falls ID 83301	137137
HealthyLivingatHome-Wenatchee,LLC	Home Health	620 N Emerson Ave Ste 300 Wenatchee, WA 98801	507113
HealthyLivingatHome-CarsonCity,LLC	Home Health	600 E William St. Ste 208 Carson City, NV 89701	NPI: 1922597574
HealthyLivingatHome-Pocatello,LLC	Home Health	2950 E Magic View Dr Ste 150 Meridian ID 83642	NPI: 1104315753
McMinnvilleHomeHealth,LLC	Home Health	421 SE Evans St McMinnville, OR 97218	387108
AdvancedNorthwestHomeHealth,LLC	Home Health	10121 SE SunnySide RD Suite 210 Clackamas, OR	387160

HealthyLivingatHome-LasVegas,LLC	Home Health	6623 Las Vegas Blvd South Ste F Las Vegas, NV	297126
CoastalLivingHomeHealth,LLC	Home Health	2150 Main St. Suite 8 Cambria, CA 93428	NPI: 1083050280
CherishHomeHealth,LLC	Home Health	2150 Main St. Suite 8 Cambria CA 93428	NPI: 1083050280
OneCareHomeHealthandHospice-Utah,LLC	Home Health & Hospice	11576 South State St Suite 101b Draper, UT	467214
ArizonaHospiceatHome,LLC	Hospice	1423 SOUTH HIGLEY ROAD, SUITE 121 MESA. AZ 85206	31623
SojournHospice&PalliativeCare-EastBay,LLC	Hospice	1320 Willow Pass Rd Suite 420 Concord, CA 94520	921543
SojournHospice&PalliativeCare-Fresno,LLC	Hospice	1318 E Shaw Ave Fresno, CA 93710	751518
SojournHospice&PalliativeCare-Modesto,LLC	Hospice	2301 Coffee Rd, Modesto, CA 95355	NPI: 1699168351
SojournHospice&PalliativeCare-Redding,LLC	Hospice	2155 Larkspur Ln, Unit B, Redding, CA 96002	751664
SojournHospice&PalliativeCare-Sacramento,LLC	Hospice	2150 River Plaza Drive, Suite 270, Sacramento, CA 95833	751507
SojournHospice&PalliativeCare-SanDiego,LLC	Hospice	9444 Waples St Suite 450 San Diego, CA 92121	751734
TrinityManagementServicesOrganization,LLC DBA Healthy Living Network	Management Service Organization	1879 Lundy Ave Suite 129 San Jose CA 95131	N/A

**Not currently owned or operated*

Healthy Living Network owns and operates the above entities.

I. For existing facilities, identify the geographic primary service area.

There are no current existing facilities.

J. Identify the facility licensure/accreditation status.

There is no facility licensure or accreditation status currently. Healthy Living at Home – Seattle, LLC will seek accreditation from The Joint Commission after successful receipt of the Certificate of Need application and Washington State licensure.

K. Is the applicant reimbursed for services under Medicare and Medicaid? List which ones.

The applicant, Healthy Living at Home – Seattle, LLC., is not currently Medicare-certified or Medicaid eligible and as such can not be reimbursed for Medicare and Medicaid services. We do intend to seek certification.

L. If applicable, identify the medical director and provide his/her professional license number, and specialty represented.

Kirsten Marie Winn Carr, MD, will serve as a contracted Medical Director for Healthy Living at Home – Seattle, LLC. Dr. Carr is a board certified internal medicine doctor. Her license number is MD60672461. Dr. Carr’s resume, Washington DOH Provider Credential Search PDF and Medical Director Agreement is attached as Appendix B,N,and O.

N. For existing facilities, please provide the following information broken down by discipline (i.e., RN/LPN, OT, PT, home health aide, social worker, etc.) for each county currently serving:

1. Total number of home health *visits* per year for the last three years; and
2. Total number of unduplicated home health *patients* served per year for the last three years.

Healthy Living at Home – Seattle, LLC does not have any facility data as it is not an existing facility.

II. PROJECT DESCRIPTION

Include the following elements in the project description. An amendment to a Certificate of Need is required for certain project modifications as described in WAC 246-310-100(1).

A. Provide the name and address of the proposed facility.

Healthy Living at Home - Seattle, LLC, the proposed facility, is currently located at 801 2nd Ave Suite 800 Seattle WA 98104.

B. Describe the project for which Certificate of Need approval is sought.

Healthy Living at Home – Seattle, LLC seeks approval to establish a Medicare-certified Home Health agency to serve the residents of King County.

C. List new services or changes in services represented by this project. In the following table, please indicate (by marking an ‘X’ in the appropriate column) which services would be provided directly by the agency and which services would be contracted.

	Direct	Contracted
Skilled Nursing	X	
Physical Therapy	X	X
Occupational Therapy	X	X
Speech Therapy	X	X
Medical Social Work	X	
Home Health Aide	X	
Medical Director		X
Respite Care	NA	NA
IV Therapy	NA	NA
Other (list):		Registered Dietician

Healthy Living at Home - Seattle, LLC will hire employees first and contract when and if necessary.

D. General description of the types of patients to be served by the project.

Healthy Living at Home – Seattle, LLC will provide nursing care; physical, occupational, and speech-language therapy; and medical social services – as prescribed by a Physician - to homebound King County residents’. The general description of the types of patients to be served by the project are, but not

limited to, King County elderly and disabled residents’.

E. List the equipment proposed for the project:

1. Description of equipment proposed; and
2. Description of equipment to be replaced, including the cost of the equipment, disposal, or use of the equipment to be replaced.

1. Please see Appendix C for an outline of proposed capital expenditures and expenses.

2. There is no equipment planned to be replaced.

F. Provide drawings of proposed project:

1. Single line drawings, *approximately to scale*, of current locations which identify current department and services; and
2. Single line drawings, *approximately to scale*, of proposed locations which identify proposed services and departments; and
3. Total net and gross square feet of project.

Healthy Living at Home - Seattle, LLC has an office space rented currently. The lease agreement and single line drawing can be found in Appendix D.

G. Identify the anticipated dates of both commencement and completion of project.

The anticipated commencement and completion date in the context of Home Health are the same.

Based off of previous CON experience we expect that it will take 1.5 years from the initial application submission through Medicare certification. Submitting the application September 2019 we estimate the commencement and completion date being February 2021.

H. Describe the relationship of this project to the applicant's long-range business plan and long-range financial plan (if any).

Healthy Living at Home – Seattle, LLC plans to evaluate additional aging-in-place services in the future, based on need, in time however the immediate and singular focus is to provide outstanding patient care to the residents’ of King County.

I. Provide documentation that the applicant has sufficient interest in the site or facility proposed. "*Sufficient interest*" shall mean any of the following:

1. Clear legal title to the proposed site; or
2. A lease for at least one year with options to renew for not less than a total of three years; or
3. A legally enforceable agreement (i.e., draft detailed sales or lease agreement, executed sales or lease agreement with contingencies clause) to give such title or such lease in the event that a Certificate of Need is issued for the proposed project. These agreements may be in draft form if all parties identified in the draft agreements provide a signed “Letter of Intent to finalize” the agreement.

The current lease agreement, Appendix D attached, satisfies the No. 2 above criteria of “A lease for at least one year with options to renew for not less than a total of three years; demonstrating “sufficient interest.”

III. PROJECT RATIONALE

A. Need (WAC 246-310-210)

1. Identify the proposed geographic service area.

The proposed geographic service area is all of King County.

2. If the proposed service area is designated as a Medically Underserved Area (MUA) as defined by HCFA or a Health Professional Shortage Area (HPSA), please provide documentation verifying the designation.

Appendix E identifies the Medically Underserved Areas in King County.

3. Identify and analyze the unmet home health service needs and/or other problems toward which this project is directed.

A. Identify the unmet home health needs of the patient population in the proposed service area. *Note that the unmet patient need should not include physical plant deficiencies and/or increase facility operating efficiencies.*

A. To identify unmet Medicare home health care needs in a planning area, the Department of Health has historically used a need methodology published in the 1987 Washington State Health Plan. The Certificate of Need Program has applied that methodology in its review of applications to establish new home health agencies.

The method combines projected planning area population by age cohort with expected home health use rate for each of those age cohorts. The target year number of projected/needed home health visits is divided by 10,000 to determine the total number of home health agencies required to meet the needs of the population of the planning area in that target year. Where there are fewer existing agencies than the number required, the Certificate of Need Program has consistently found that one or more additional agencies are needed.

The method involves collection of 1) population projections and 2) an inventory of current capacity and comparison of projected supply to an availability.

These are reflected in Tables 1 and 2 below¹:

King County	2019	2020	2021	2022	2023	2024	2025
0-64	1,885,115	1,906,749	1,918,470	1,930,192	1,941,913	1,953,635	1,965,356
65-79	241,674	254,184	263,725	273,267	282,808	292,350	301,891
80+	68,898	70,476	74,045	77,614	81,184	84,753	88,322
Total	2,195,687	2,231,409	2,256,241	2,281,073	2,305,905	2,330,737	2,355,569

Table 1 shows the OFM population projections by age cohort for 2019 through 2025².

¹Appendix F OFM "Projections of the Population by Age and Sex for Growth Management, 2017 GMA Projections - Medium Series"

²Appendix G Need Methodology and King County current inventory excel doc by Beth Harlow & Jeni Kido - March 2019

Table 2: Inventory of current capacity:

County: King								
Year: 2023								
Age Cohort	*	County Population	*	SHP Formula	*	Number of Visits	=	Projected Number of Visits
0-64		1,941,913		0.005		10		97,096
65-79		282,808		0.044		14		174,210
80+		81,184		0.183		21		311,989
Total		2,305,905				Total		583,294
				<i>Number of Expected Visits per Agency</i>				10,000
Projected Number of Agencies Needed							a	58.33
Source: CN Program Staff - August 2019								

Table 2 combines the King County population estimates by age cohort for 2023 with the Certificate of Need method use rate and visits per patient from the 1987 State Health Plan. The result is a projected number of 58.33 agencies needed to serve King County in 2023. The application will round 58.33 down to the nearest whole number; 58.

Table 3: The complete list of inventory and rationale can be located in Appendix H.

Provider Category	Count
TOTAL from DOH Inventory	74
A. Total M/M Certified HHA in King County	19
B. Total NON M/M Certified HHA Available and Accessible in King County	15
C. Total Accessible and Available HHA in King County (a+b)	34
D. Total projected HHA need in King County for 2023	58
E. Total Net Need for HHA in King County for 2023 (D - C)	24

Table 3 provides rationale and framework in determining which in-home health care agencies can be considered accessible and available. Of the 74 total inventory produced by the DOH technical analysts Healthy Living at Home - Seattle, LLC determined that only 34 qualify under State Health Plan criteria as accessible and available to serve the residents of King County with nursing and therapy services. The projected number of agencies needed, according to the need methodology, is 58.33. Rounding down to 58. Less the 34 inventory of in-home health agencies that are accessible and available leaves a projected net need of 24 Home Health agencies to serve the residents of King County.

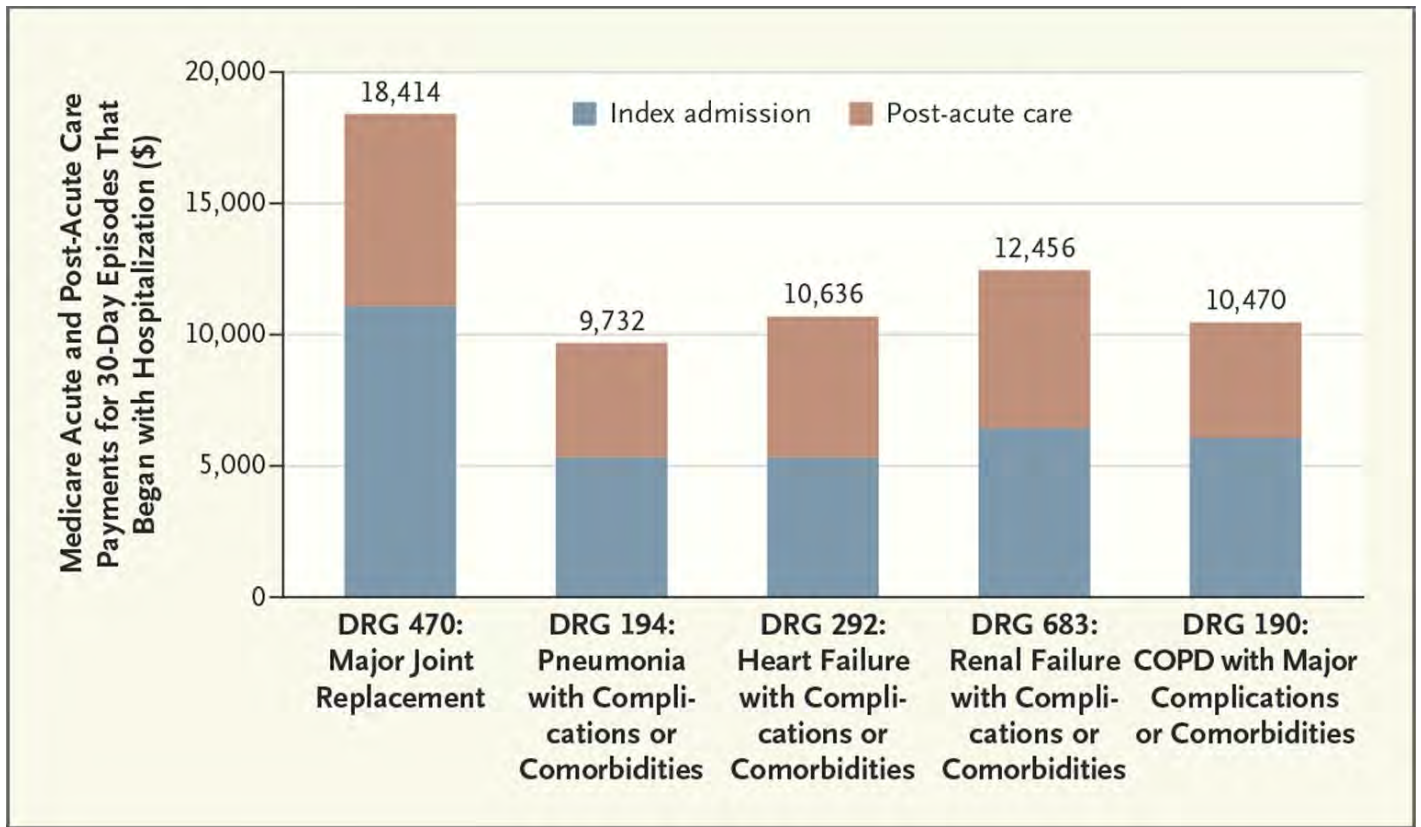
A. Identify the negative impact and consequences of unmet home health needs and deficiencies.

The health care system has become increasingly reliant on the use of in home services to cost-effectively support post-acute patients after hospitalization. Patients need time to recover from surgeries or physical traumas; however, in-patient post-acute care setting may not have the capacity to provide that necessary care, leaving the patient to recover at home. When a patient is discharged too soon and lacks adequate care at home, there is a higher likelihood of readmission to a hospital. *The New England Journal of Medicine* notes, “Patients are typically discharged to a post-acute facility...with little coordination or follow-up, reappearing on the acute care provider’s radar screen only if they return to the hospital in an ambulance.”³

This is costly to the patient’s health, as well as to Medicare, which covers post-acute care and in 2012, spent \$62 billion on these services. The cost for readmission and post-acute care is nearly exactly the same as it is for the initial hospital admission for patients with chronic conditions-and for some conditions, it is higher. In fact “...total Medicare spending for patients hospitalized with myocardial infarction, congestive heart failure, or hip fracture grew by 1.5 to 2.0% annually between 1994 and 2009, while spending on post-acute care for those patients grew by 4.5 to 8.5% per year.”⁴ The following chart represents these findings.

³Appendix I: Mechanic, Robert. “Post-Acute Care - The Frontier for Controlling Medicare Spending” February 20, 2014. Source: <https://www.nejm.org/doi/full/10.1056/NEJMp1315607>

⁴ ibid



With nearly half of all Medicare beneficiaries receiving post-acute care following treatment in an acute-care hospital, coordinating and improving care to prevent readmissions came into legislative focus. The Improving Medicare Post-Acute Care Transformation (IMPACT) Act of 2014 required the Medicare Payment Advisory Commission (MedPAC) to develop a prototype prospective payment system (PPS) spanning post-acute care settings, while the Bundled Payments for Care Improvement Initiative and Comprehensive Care for Joint Replacement Program was designed to increase the use of bundled payments to health care providers.⁵

Although participation in the Bundled Payments for Care Improvement Initiative is voluntary, in April 2016, the Center for Medicare and Medicaid Services required organizations in 67 territories to accept bundled payments for joint replacement, enhancing the relationship between acute care hospitals and post-acute care providers, such as home health care providers. As the Bundled Payments for Care Improvement Initiative places the financial burden on hospitals for post-acute care services, it helps to enhance care management as well as increase specialization for in-home care. Better, more coordinated in-home care will help drive down the number of hospital readmissions, as well as enhance the patient’s quality of life. The need for more home health agencies serving the residents of King County is clear.

⁵ Deloitte. “Health Policy Brief” Source: <https://www2.deloitte.com/content/dam/Deloitte/us/Documents/life-sciences-health-care/us-lshc-pacpolicy-brief.pdf>

4. Define the types of patients that are expected to be served by the project. The types of patients expected to be served can be defined according to specific needs and circumstances of patients (i.e., culturally diverse, limited English speaking, etc.) or by the number of people who prefer to receive the services of a particular recognized school or theory of medical care.

The patients expected to be served by Healthy Living at Home - Seattle, LLC will be those with a range of injuries, diseases and conditions. Most of the patients will be over the age of 65 who has recently discharged from acute facility setting or skilled nursing facilities to their home.

Additionally, we expect to see patients who would benefit from Healthy Living at Home - Seattle, LLC specialized programs which focus on behavioral health to address the psychiatric patient population. Healthy Living at Home - Seattle, LLC will work with Paula Johnston, RN, MSN, LMFT, PsyD., to administer a Behavioral Health Program Course to full-time registered nurses. This two-day, 10.5 hour course covers mental health statistics, causes and stigma, homebound and skilled need for CMS and insurance criteria, infrastructure (including policies and job descriptions) community outreach (including general referrals), program overviews, behavioral health nursing qualifications, scope of practice, administrative components, culture, support, and management, as well as behavioral health patient differences (denial, driving, approaching, oasis functional scoring, recertification). The course continues to cover evaluations and testing, behavioral health techniques, and case studies. An overview of the Behavioral Health Program can be found in Appendix J.

5. For existing facilities, including a patient origin analysis for at least the most recent three-month period, if such data is maintained, or provide patient origin data from the last statewide patient origin study. Patient origin is to be indicated by zip code. Zip codes are to be grouped by city and county, and include a zip code map illustrating the service area.

Not applicable, there is no existing facility.

6. For existing facilities, please identify the number of patients currently receiving skilled services, broken down by type(s) of services (i.e., skilled nursing), by county served.

Not applicable, there is no existing facility.

7. Please provide utilization forecasts for the following, broken down by discipline (i.e., RN/LPN, OT, PT, social worker, etc.) for each county proposing to serve:

- A. Total number of home health *visits* per year for the first three years; and
- B. Total number of unduplicated home health *patients* served per year for the first three years.

The following chart reflects (A) the total projected number of home health visits per year for the first three years; and (B) the total number of unduplicated home health patients served per year for the first three years.

Visits by discipline (a)	2022	2023	2024
RN	2251	3602	4953
PT	1501	2401	3302
HHA	250	400	550
OT	750	1200	1651
SLP	150	240	330
MSW	100	160	220
Total Visits	5002	8003	11006
Unduplicated pts (b)	300	480	660

The information used to construct the table above was sourced from Healthy Living Network’s experience starting Home Health agencies.

8. Provide the complete step-by-step quantitative methodology used to construct each utilization forecast. All assumptions related to use rate, market share, intensity of service, and others must be provided.

Assumptions, use rate, market share, growth forecast and intensity of services are derived from Healthy Living Network’s ownership and operational experience of Home Health agencies. The data is derived from Healthy Living at Home - Vancouver’s most recent experience starting an agency through the CON application process.

Assumptions for the Utilization Forecast were built using a conservative approach to the market and guided by Healthy Living Network’s experience starting up Medicare and Medicaid Home Health agencies. Healthy Living at Home - Seattle, LLC has evaluated potential market share using the 1987 State Health Plan Methodology to the projected population in 2023, which it used to build its assumptions. The Company further derived the intensity of service, use rate, market share, and approach by comparing demand and supply in King County and Healthy Living Network Agencies.

9. Provide detailed information on the availability and accessibility of similar existing services to the defined population expected to be served. This section should concentrate on other facilities and services which "compete" with the applicant.

- a. Identify all existing providers of services (licensed and certified) similar to those proposed and provide utilization experience of those providers that demonstrates that existing services are not available to meet all or some portion of the forecasted utilization.

Healthy Living at Home - Seattle, LLC categorizes the existing providers serving King County as follows, with rationale for inclusion or exclusion from the numeric need methodology. A more detailed excerpt from the application that follows each of the facilities is attached to this application as an excel document labeled HH Need Methodolgy.xls.

Provider Category	Count
TOTAL from DOH Inventory	74
A. Total M/M Certified HHA in King County	19
B. Total NON M/M Certified HHA Available and Accessible in King County	15
C. Total Accessible and Available HHA in King County (a+b)	34
D. Total projected HHA need in King County for 2023	58
E. Total Net Need for HHA in King County for 2023 (D - C)	24

- b. If existing services are available, demonstrate that such services are not accessible. Unusual time and distance factors, among other things, are to be analyzed in this section.

As existing services are available and accessible, however, the growing population of King County demonstrates a need for more providers offering in-home care. Based on the 1987 State Health Plan Methodology, there is a projected need for 24 home health care agencies in 2023. There are currently 19 CON-approved agencies that service the residents of King County. There are an additional 15 Non-CON approved agencies that serve King County which meet most SHP criteria and thus can be considered available and accessible. Totalling 34 HHA considered accessible and available. Given that the projected agency need for King County in 2023 is 58 that leaves a net need for 24 additional HHA.

- c. If existing services are available and accessible, justify why the proposed project does not constitute an unnecessary duplication of services.

A net need for 24 additional HHA to serve the residents to King County as demonstrated above constitutes a need from additional services and thus does not unnecessarily duplicate services.

10. Document the manner in which low-income persons, racial and ethnic minorities, women, people with disabilities, and other under-served groups will have access to the services proposed. The department uses the applicant's current or proposed status as a Medicare and Medicaid certified provider of service as part of its evaluation of question.

Healthy Living at Home - Seattle, LLC will serve individuals with a wide variety of healthcare needs, many of whom have few other resources of support for skilled routine medical or personal care. As a home-health care agency, Healthy Living at Home - Seattle will work with all racial and ethnic minorities, women, and people with disabilities. In certain markets, Healthy Living developed preferred provider relationships with managed care payors.

11. Please provide copies (draft is acceptable) of the following documents:

- a. Admissions policy; (See Appendix K)
- b. Charity care policy; (See Appendix L)
- c. Patient referral policy, if not addressed in admissions policy. (Appendix M)

12. As applicable, substantiate the following special needs and circumstances that the proposed project is to serve.

- a. The special needs and circumstances of entities such as medical and other health professions' schools, multi-disciplinary clinics, and specialty centers that provide a substantial portion of their services, resources, or both, to individuals not residing in the health services areas in which the entities are located or in adjacent health service areas.

Not applicable.

- b. The special needs and circumstances of biomedical and behavioral research projects which are designed to meet a national need and for which local conditions offer special advantages.

Not applicable

- c. The special needs and circumstances of osteopathic hospitals and non-allopathic services with which the proposed facility/service would be affiliated.

Not applicable

B. Financial Feasibility (WAC 246-310-220)

WAC 246-310-990(2) defines “total capital expenditure” to mean the total project costs to be capitalized according to generally accepted accounting principles. These costs include, but are not limited to, the following: legal fees; feasibility studies; site development; soil survey and investigation; consulting fees; interest expenses during construction; temporary relocation; architect and engineering fees; construction, renovation, or alteration; total costs of leases of capital assets; labor; materials; fixed or movable equipment; sales taxes; equipment delivery; and equipment installation.

1. If applicable, provide the proposed capital expenditures for the project. These expenditures should be broken out in detail and account for at least the following:

SOURCES & USES	
SOURCES OF FUNDS	
Owner Investment	\$90,000
Total Sources	\$90,000
USES OF FUNDS	
<u>Start-up Expenses</u>	
CON Application Fee	\$24,666
Start Up Phase Operation Expenses (inc.)	\$2,500
Total Start-up Expenses	\$27,166
<u>Start-up Assets</u>	
Working Capital	\$53,006
Furniture	\$6,500
Computers	\$2,000
Printer	\$500
Telephone	\$828
Total Start-up Assets	\$62,834
Total Uses	\$90,000

2. Explain in detail the methods and sources used for calculating estimated capital expenditures.

Healthy Living at Home - Seattle calculates the estimated capital expenditures of \$90,000 based on Healthy Living Network’s experience establishing similar Home Health agencies across the western US. Based on experience.

3. Document the project impact on: (a) Capital costs (b) Operating costs and charges for health services.

Increased use of, and access to, home health care by Medicare patients and others is a key element of health care reform. As part of that reform, Medicare is now financially penalizing hospitals that experience high rates. This approach rests on the core concept that each patient should receive care in the least restrictive and least expensive level of care appropriate to that patient's clinical requirements. Available and accessible home health services are central to a hospital or physician's program of serving patients in this manner. Through a broad strategy of admitting and keeping only the sickest patients, hospitals and third party payers, including Medicare, expect to reduce the need for excess facility utilization that results in both unnecessary capital expense and operating costs.

Recognizing a continuing increase of patients that could receive home health care services along with an expected shortage of home health service providers, the creation of Healthy Living at Home, Seattle will contribute significantly to the effort to continue to reduce capital and operating expenses by shifting the site of care for more individuals to patient's homes.

Reimbursement is set by region. How much we spend will not impact reimbursement.

4. Provide the total estimated operating revenue and expenses for the first three years of operation (*please show each year separately*) for the items listed below, as applicable. **Include all formulas and calculations used to arrive at totals on a separate page.**

The revenue and expenses for the first three years of operations is listed in the table below. The source data comes from the applicants experience with Home Health startups including WA CON applications. A copy of the formulas and calculations is included as an excel document and in Appendix AB.

REVENUE FORECAST			
	2022	2023	2024
Revenue			
Medicare Patient Visits	\$1,032,075	\$2,986,137	\$5,727,328
HMO Patient Visits	\$750,600	\$2,171,736	\$4,165,330
Private Pay Patient Visits	\$23,456	\$67,867	\$130,167
Medicaid	\$109,775	\$317,616	\$609,179
Commercial / Health Care Contractor	\$42,221	\$122,160	\$234,300
Other Government / L&I	\$21,955	\$63,523	\$121,836
Total Revenue	\$1,980,083	\$5,729,040	\$10,988,139
Deduction From Revenue			
Charity Care	\$19,801	\$57,290	\$109,881
Direct Cost of Revenue			
Total Field Staff Payroll	\$981,388	\$2,981,455	\$6,004,266
Field Staff Payroll Taxes	\$69,090	\$209,894	\$422,700
Medical Supplies	\$48,789	\$141,163	\$270,746
Subtotal Cost of Revenue	\$1,119,067	\$3,389,803	\$6,807,594
Total Direct Costs	\$1,119,067	\$3,389,803	\$6,807,594
Gross Margin	\$861,016	\$2,339,237	\$4,180,545
Gross Margin/Revenue	43%	41%	38%

5. Please note: according to revised HCFA regulations, home health agencies must have enough reserve funds (determined by an authorized fiscal intermediary) to operate for three months after becoming Medicare/Medicaid certified. Please provide the following information in relation to this requirement:

A. Provide the name and address of the fiscal intermediary you will be using to determine capitalization; and

National Government Services, INC.
Provider Enrollment, P.O. Box 6474, Indianapolis, IN 46206-6474

B. Provide a copy of the forms you are providing to the fiscal intermediary.

Please see appendix U for a copy of the form to be submitted to the fiscal intermediary.

Healthy Living at Home - Seattle will reserve three months of working capital to cover operational expenses after becoming Medicare and Medicaid certification.

Home Health and Hospice Contractor National Government Services, Inc. 855-834-5596
Provider Enrollment, P.O. Box 6474 Indianapolis, IN 42606-6474
<http://www.ngsmedicare.com>

6. Identify the source(s) of financing (*loan, grant, gifts, etc.*) for the proposed project. Provide all financing costs, including reserve account, interest expense, and other financing costs. If the acquisition of the asset is to be by lease, copies of any lease agreements, and/or maintenance repair contracts should be provided. The proposed lease should be capitalized with interest expense and principal separated. For debt amortization, provide a repayment schedule showing interest and principal amount for each year over which the debt will be amortized.

The costs associated with starting up Healthy Living at Home - Seattle, LLC are paid for through direct owner investment. No other financing sources were considered because direct owner investment is the most efficient funding source for this project. Please see appendix T which outlines the support from the board of directors and Healthy Living Network's audited financials in appendix U demonstrating enough capital reserves to fund this project.

7. Provide documentation that the funding is, or will be, available and the level of commitment for this project.

Funding is available for this project demonstrated by the statement of available funds per audited financials in Appendix V and a support letter from the board of directors Appendix T.

8. Provide a cost comparison analysis of the following alternative financing methods: purchase, lease, board-designated reserves, and interfund loan or bank loan. Provide the rationale for choosing the financing method selected.

We didn't consider going into debt and seek outside or alternative financing. The funds are available to cover the cost of the startup and ongoing operational costs.

9. Provide a pro forma (projected) balance sheet and expense and revenue statements for the first three years of operation.

PRO FORMA PROFIT & LOSS			
	2022	2023	2024
Total Revenue	\$1,980,083	\$5,729,040	\$10,988,139
Total Direct Cost of Revenue	\$1,119,067	\$3,389,803	\$6,807,594
Gross Margin	\$861,016	\$2,339,237	\$4,180,545
Gross Margin/Revenue	43%	41%	38%
Expenses			
Audit / Accounting Fees	\$5,778	\$5,778	\$5,778
Bus. Dev. - Entertainment	\$1,600	\$1,600	\$1,600
Bus. Dev. - Meals	\$1,800	\$3,300	\$3,300
Consulting Fees (Medical Director)	\$8,000	\$8,000	\$8,000
Education (Meals)	\$331	\$333	\$333
Education (Quarterly Staff Meetings)	\$661	\$667	\$667
Facilities - Insurance (Commercial)	\$800	\$800	\$800
Facilities - Phone (Cell Phones)	\$1,600	\$1,600	\$1,600
Facilities - Phone (LandLine)	\$752	\$752	\$752
Facilities - Rent / Prop. Mgmt. Fee)	\$6,708	\$6,708	\$6,708
Insurance (Worker's Comp)	\$8,103	\$8,103	\$8,103
Trinity MSO (HLH Mgt. Contract)	\$128,705	\$372,388	\$714,229
Legal Fees	\$1,600	\$1,600	\$1,600
Liability Insurance	\$3,200	\$3,200	\$3,200
Office Supplies	\$1,600	\$1,600	\$1,600
Payroll - ADP	\$2,400	\$2,400	\$2,400
Postal / Shipping	\$160	\$160	\$160
PR / Advertising	\$1,600	\$1,600	\$1,600
PR / Advertising (Job Postings)	\$1,600	\$1,600	\$1,600
Repairs & Maintenance	\$666	\$810	\$954
Taxes & Licenses	\$8,000	\$8,000	\$8,000
Vehicle - Mileage	\$6,400	\$6,400	\$6,400
Vehicle - Stipend	\$5,466	\$5,610	\$5,754
Depreciation	\$655	\$655	\$655
Administrative/Office Payroll Taxes	\$32,531	\$57,306	\$65,975
Total Administrative/Office Payroll	\$464,727	\$818,655	\$942,505
Total Op. Expenses	\$566,737	\$947,237	\$1,080,045
Profit Before Int. & Tax	\$294,278	\$1,391,999	\$3,100,500
EBITDA	\$295,030	\$1,392,751	\$3,101,252
Trinity MSO (HLN Mgt Contract)	\$128,705	\$372,388	\$714,229
Taxes Incurred	\$0	\$49,642	\$252,461
Net Profit	\$165,573	\$969,970	\$2,133,810
Net Profit %	8.4%	16.9%	19.4%

Source applicant

10. Provide a capital expenditure budget through the project completion and for three years following completion of the project.

No significant capital expenditure requirements expected in years 1-3 following initial project startup.

11. Identify the expected sources of revenue for the applicant's total operations (e.g., Medicare, Medicare Managed Care, Medicaid, Healthy Options, Blue Cross, Labor and Industries, etc.) for the first three years of operation, with anticipated percentage of revenue from each source. Estimate the percentage of change per year for each payer source.

REVENUE FORECAST			
	2022	2023	2024
Revenue			
Medicare Patient Visits	\$1,032,075	\$2,986,137	\$5,727,328
HMO Patient Visits	\$750,600	\$2,171,736	\$4,165,330
Private Pay Patient Visits	\$23,456	\$67,867	\$130,167
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Total Direct Costs	\$1,119,067	\$3,389,803	\$6,807,594
Gross Margin	\$861,016	\$2,339,237	\$4,180,545
Gross Margin/Revenue	43%	41%	38%

Our revenue forecasts was built with the assumption of no shift in % of revenues by source. It is likely that some change will occur depending on multiple factors, but not accurate to assume a specific direction or volume of shift.

12. If applicant is an existing provider of health care services, provide expense and revenue statements for the last three full years.

Not applicable as the applicant is not an existing provider.

13. If applicant is an existing provider of health care services, provide cash flow statements for the last three full years.

Not applicable as the applicant is not an existing provider.

14. If applicant is an existing provider of health care services, provide balance sheets detailing the assets, liabilities, and net worth of facility for the last three full *fiscal* years.

Not applicable as the applicant is not an existing provider.

15. For existing providers, provide actual costs and charges per visit broken down by discipline (i.e., RN/LPN, OT, PT, social worker, etc.) and by payer source.

Not applicable as the applicant is not an existing provider.

16. Provide anticipated costs and charges per visit broken down by discipline (i.e., RN/LPN, OT, PT, social worker, etc.) and by payer source.

Cost by discipline			
	2022	2023	2024
SN	\$93.75	\$98.44	\$103.36
PT	\$114.58	\$120.31	\$126.33
OT	\$114.58	\$120.31	\$126.33
SLP	\$152.78	\$160.42	\$168.44
MSW	\$152.78	\$160.42	\$168.44
HHA	\$55.56	\$58.33	\$61.25

Source: applicant

17. Indicate the addition or reduction of FTEs with the salaries, wages, and employee benefits for each FTE affected, for the first three years of operation. Please list each discipline separately.

Below is a table which projects the agencies first three years of operations FTE with salaries, wages, and employee benefits for each FTE affected.

FIELD STAFF PERSONNEL			
	2022	2023	2024
Field Staff Count			
Registered Nurse-FTE	3.9	11.3	21.7
Physical Therapist-FTE	3.7	10.7	20.6
Occupational Therapist-FTE	1.4	4.0	7.6
Speech Language Pathologist	0.1	0.4	0.7
Medical Social Worker	0.3	0.8	1.4
Home Health Aide	0.7	2.0	3.8
Total Field Staff	10.1	29.1	55.9
Salary Per Position			
Registered Nurse-FTE	\$90,000	\$76,469	\$80,293
Physical Therapist-FTE	\$110,000	\$98,318	\$103,234
Occupational Therapist-FTE	\$110,000	\$87,394	\$91,763
Speech Language Pathologist	\$110,000	\$76,440	\$80,262
Medical Social Worker	\$110,000	\$65,520	\$68,796
Home Health Aide	\$40,000	\$32,760	\$34,398
Payroll Per Position (Count x Salary)			
Registered Nurse-FTE	\$110,000	\$864,955	\$1,741,908
Physical Therapist-FTE	\$110,000	\$1,056,481	\$2,127,616
Occupational Therapist-FTE	\$110,000	\$345,982	\$696,763
Speech Language Pathologist	\$110,000	\$28,821	\$58,041
Medical Social Worker	\$40,000	\$49,407	\$99,499
Home Health Aide	\$52,000	\$65,165	\$131,234
Total Field Staff Payroll	\$532,000	\$2,410,810	\$4,855,061

18. Please describe how the project will cover the costs of operation until Medicare reimbursement is received. Provide documentation of sufficient reserves.

A majority of HLH-Seattle, LLC patients will be Medicare enrollees. For home health services, Medicare provides 60% of the established rate at the beginning of service to each patient. As a result, managing cash flow and covering the costs of operation while waiting for Medicare reimbursement is not a substantial issue.

Healthy Living Network has committed to reserve working capital through the timeframe in which the agency is awaiting reimbursement from Medicare.

C. Structure and Process (Quality) of Care (WAC 246-310-230)

1. Please provide the current and projected number of employees for the proposed project, using the following:

Staff	Current FTE		Year 1		Year 2		Year 3	
	FTE	Contracted	FTE	Contracted	FTE	Contracted	FTE	Contracted
RN	5		3.9		11.3		21.7	
LPN								
HH Aide	1		.7		2		3.8	
NURSING TOTAL	6		4.6		13.5		25.5	
Admin	1		1		1		1	
Medical Director	1		1		1		1	
DNS	1		1		1		1	
Business/Clerical	2		5		10		11	
ADMIN. TOTAL	5		8		13		14	

PT	2		3.7		10.7		20.6	
OT	1		1.4		4		7.6	
Speech Therapist	1		.1		.4		0.7	
Med Social Work	1		.3		.8		1.4	
Other (specify):								
ALL OTHERS TOTAL	5		5.5		15.9		30.3	
TOTAL STAFFING	10		13.6		28.9		44.3	

Healthy Living Network has hired staff which works at Healthy Living at Home locations in Washington which will serve as the staff responsible for initial start up. Healthy Living Network has a full time recruitment division which is dedicated to sourcing and retaining candidate. Healthy Living Network has a strong track record of hiring in very competitive medical staffing environments.

2. Please provide your staff to visit ratio.

Type of Staff	Staff / Visit Ratio
Skilled Nursing (RN & LPN)	1:10
Physical Therapist	1:10
Occupational Therapist	1:10
Medical Social Worker	1:14
Speech Therapist	1:14
Home Health Aide	1:14
Other (list)	
Total	1:12

3. Explain how this ratio compares with other national or state standards of care and existing providers for similar services in the proposed service area.

Ratios are based on actuals from Healthy Living Network's experience in Home Health in the Washington State.

4. Identify and document the availability of sufficient numbers of qualified health manpower and management personnel. If the staff availability is a problem, describe the manner in which the problem will be addressed.

Healthy Living Network has identified and hired Washington State licensed Home Health clinicians that work in Healthy Living at Home agencies currently who will join the HLH Seattle agency once it is operational. The number of available qualified health manpower and management personnel that will join the HLH Seattle agency is identified in number 1 from this section.

5. Please identify, and provide copies of (if applicable) the in-service training plan for staff. (Components of the training plan should include continuing education, home health aide training to meet Medicare criteria, etc.).

Appendix AC shows in-service training plans for the staff based on this year.

6. Describe your methods for assessing customer satisfaction and quality improvement.

Healthy Living at Home uses DSS Research vendor as a third-party company to collect and report patient satisfaction scores to Medicare. Additionally, Healthy Living at Home conducts internal customer satisfaction and quality improvement data for QAPI and Annual Agency Evaluations. Contract for DSS Research is in Appendix Z.

7. Identify your intended hours of operation. In addition, please explain how patients will have access to services outside the intended hours of operation.

Healthy Living at Home - Seattle, LLC will have an RN and a Business Office Administrator on call 24 hours per day 7 days per week 365 days per year providing patient accessibility. The agency will be open from 8:30 AM to 5:00 PM Monday through Friday.

8. Identify and document the relationship of ancillary and support services to proposed services, and the capability of ancillary and support services to meet the service demands of the proposed project.

Healthy Living at Home - Seattle, LLC does not anticipate any issues meeting ancillary and support services demands.

9. Explain the specific means by which the proposed project will promote continuity in the provision of health care to a defined population and avoid unwarranted fragmentation of services. This section should include the identification of existing and proposed formal working relationships with hospitals, nursing homes, and other health service resources serving your primary service area. This description should include recent, current, and pending cooperative planning activities, shared services agreements, and transfer agreements. Copies of relevant agreements and other documents should be included.

Healthy Living at Home - Seattle, LLC will help patients get onto Home Health Services versus going to an inappropriate level of care while simultaneously providing the community with a cost effective health care alternative.

10. Fully describe any history of the applicant entity and principles in Washington with respect to criminal convictions, denial or revocation of license to operate a health care facility, revocation of license to practice a health profession, or decertification as a provider of services in the Medicare or Medicaid program. If there is such history, provide clear, cogent, and convincing evidence that the proposed project will be operated in a manner that ensures safe and adequate care to the public to be served and in conformance with applicable federal and state requirements.
- a) Have any of the applicants been adjudged insolvent or bankrupt in any state or federal court?
 - b) Have any of the applicants involved in a court proceeding to make judgment of insolvency or bankruptcy with respect to the applicant).

The applicant nor its principles' have a history with respect to criminal convictions, denial or revocation of a license to practice a health profession, or decertification as a provider of services in the Medicare or Medicaid program.

11. List the licenses and/or credentials held by the applicant(s) and principles in Washington, as well as other states, if applicable. Include any applicable license numbers.

Not applicable as the applicant does not have any licenses and/or credentials.

12. Provide the background experience and qualifications of the applicant(s).

Healthy Living Network has experience owning and operating Home Health, Hospice and Private Duty healthcare agencies'.

13. For existing agencies, provide copies of the last three licensure surveys as appropriate evidence that the services will be provided (a) in a manner that ensures safe and adequate care, and (b) in accordance with applicable federal and state laws, rules, and regulations.

Not applicable

D. Cost Containment (WAC 246-310-240)

1. Identify the exploration of alternatives to the project you have chosen to pursue, including postponing action, shared service arrangements, joint ventures, subcontracting, merger, contract services, and different methods of service provision, including different spatial configurations you have evaluated and rejected. Each alternative should be analyzed by application of the following:

Do the project or not do the project.

Decision making criteria (cost limits, availability, quality of care, legal restrictions, etc.):

Advantages and disadvantages, and whether the sum of either the advantages or the disadvantages outweigh each other by application of the decision-making criteria;

Capital costs;

Staffing impact.

2. Describe how the proposal will comply with the Medicare conditions of participation, without exceeding the cost caps.

HLH Seattle will comply with Medicare's conditions of participation as it will seek accreditation from the Joint Commission.

3. Describe the specific ways in which the project will promote staff or system efficiency or productivity.

Healthy Living at Home - Seattle expects that it will promote efficiency, productivity and staff by serving the community at large.

4. If applicable, in the case of construction, renovation, or expansion, capital cost reductions achieved by architectural planning and engineering methods and methods of building design and construction. Include an inventory of net and gross square feet for each service and estimated capital cost for each proposed service. Reference appropriate recognized space planning guidelines you have employed in your space allocation activities.

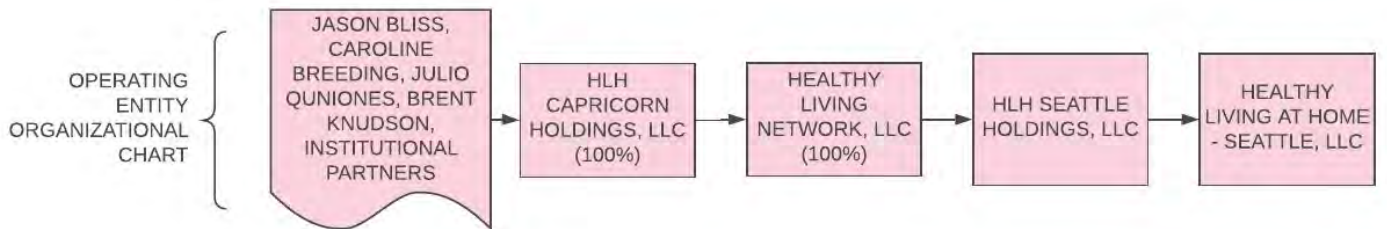
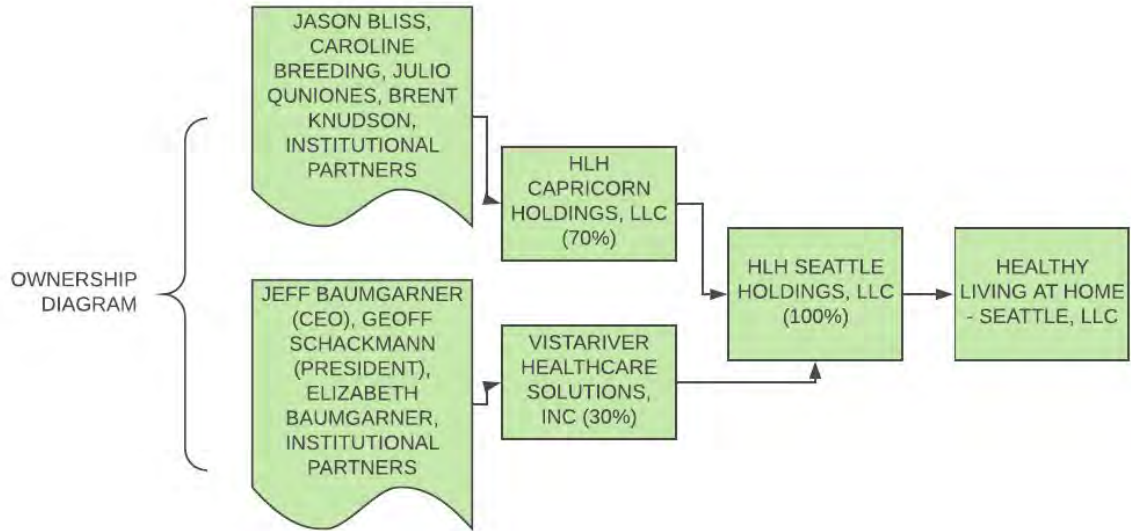
Not applicable.

5. If applicable, in the case of construction, renovation or expansion, an analysis of the capital and operating costs of alternative methods of energy consumption, including the rationale for choosing any method other than the least costly. For energy-related projects, document any efforts to obtain a grant under the National Energy Conservation Act.

Not applicable.

Appendix A: Org Chart (Ownership & Operational)

HEALTHY LIVING AT HOME - SEATTLE, LLC



*Trinity DBA Healthy Living Network

Appendix B: MD Contract

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MEDICAL CONSULTANT AGREEMENT

THIS MEDICAL CONSULTANT AGREEMENT (“**Agreement**”) is made and entered into effective as of 6/5/2019 (the “**Execution Date**”) by and between Healthy Living at Home – Seattle, LLC (“**Agency**”), and Kiersten Marie Carr, MD. (“**Consultant**”) with reference to the following facts:

RECITALS

A. Agency is a Washington corporation which is the owner and operator of a licensed home health agency headquartered at 801 2nd Ave Suite 800 Seattle WA 98104.

B. Consultant is a physician duly licensed to practice medicine in the State of Washington and is experienced and qualified to provide Medical Consultantship services.

C. Agency desires to engage Consultant as an independent contractor to oversee and be the Medical Consultant of the Agency, and Consultant desires to be so engaged, to provide the services set forth herein in accordance with the terms and conditions of this Agreement.

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

1. ENGAGEMENT AND CONSULTANT RESPONSIBILITIES

1.1 Engagement and Authority. Agency hereby engages Consultant, and Consultant hereby accepts such engagement, to provide to Agency the services described herein, in accordance with the terms and conditions hereof. Subject to the ultimate authority of Agency to operate the Agency, Consultant shall have authority and responsibility to perform the duties specified hereunder. The Consultant’s duties hereunder are solely administrative and do not include any direct patient care.

1.2 Medical Consultant. During the term of this Agreement, Consultant shall serve as the Medical Consultant of the Agency. Consultant shall oversee the Agency and shall ensure that the Agency is operated in accordance with all applicable laws and regulations, requirements of accrediting bodies and the Agency’s policies and procedures. In addition, Consultant shall perform the duties and obligations set forth in Exhibit A, attached hereto and made a part hereof.

(a) Service Log. Agency will maintain the recording of time and services performed under this Agreement, with Consultant to review and sign recordings on the form attached hereto as Exhibit B (the “**Service Log**”). The Service Log for each month will be picked up by Agency not later than the fifth (5th) day of each month for time and services rendered during the immediately preceding month. Consultant shall devote such time as is necessary to perform the Consultant duties and responsibilities set forth in this Agreement.

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1.3 Consultant Qualifications. Consultant shall at all times during the term of this Agreement: (a) be licensed by the State of Washington to practice medicine; and (b) maintain good interpersonal relations with Agency staff.

1.4 Compliance with Agency Requirements. When providing services in Agency's facilities or to Agency's patients, Consultant shall comply with the Agency's policies and procedures, applicable state and federal licensing and certification requirements and relevant professional standards.

1.5 Failure to Satisfy Qualifications. Failure of Consultant to satisfy the qualifications described in Section 1.3 or to comply with the requirements described in Section 1.4 above shall create in Agency an option to terminate this Agreement immediately.

1.6 Unavailability to Perform Services. Consultant shall inform the Agency CEO, or other Agency designee, of any extended periods (i.e., one week or more) during which Consultant will be unavailable due to vacation, professional meetings, or other personal or professional commitments. It is agreed that Consultant will be unavailable for no more than a total of four (4) weeks per year. To the extent necessary, Consultant, with Agency's prior written consent, shall engage a substitute physician ("**Substitute**") to perform the services required of Consultant under this Agreement, and Consultant shall be solely responsible for compensating the Substitute; *provided, however*, that the Substitute must satisfy all of the qualifications required of Consultant hereunder, act in accordance with all of the terms and conditions of this Agreement, and Agency must give prior written approval of the Substitute.

1.7 Use of Agency Facilities. Any facilities, equipment, supplies, or personnel provided by Agency hereunder shall be used by Consultant solely to provide services under this Agreement and shall not be used for any other purpose whatsoever. This Agreement shall not be construed as a lease to Consultant of any portion of Agency's facilities.

2. AGENCY RESPONSIBILITIES.

2.1 Facilities and Supplies. Agency shall furnish, at no expense to Consultant, for the use of Consultant such facilities, supplies and non-physician personnel as may be deemed reasonably necessary from time to time by Agency for the proper provision and performance of the services hereunder.

2.2 Responsibility for Agency. To extent required by applicable laws and regulations, Agency shall retain overall administrative responsibility for and control of the Agency.

3. ACCESS TO RECORDS. Consultant shall maintain and make available to Agency all necessary records, books, and documents, related to the provision of services hereunder. Consultant shall have access to any and all books, records, and other documents of Agency as necessary to perform Consultant's duties hereunder. Consultant and Agency hereby

agree to comply with the requirements of the Health Insurance Portability and Accountability Act of 1996 as set forth in Exhibit C attached hereto and incorporated herein.

4. LICENSING AND CERTIFICATION. Consultant hereby acknowledges that Agency desires to maintain all permits and licenses that may be necessary for the operation of the Department and to obtain and maintain certification for participation in the federal Medicare program and the Washington Medi-Cal program, and Consultant covenants to cooperate as necessary in said endeavors. Consultant further covenants to not willfully jeopardize the Agency's participation in or reimbursement from Medicare, Medi-Cal or other third-parties.

5. COMPENSATION.

5.1 Monthly Compensation. Subject to the completion of the monthly Service Log as required under Section 1.2,(a) Agency shall compensate Consultant for the provision of the Consultant services performed under this Agreement in an amount of \$150 per hour, up to a maximum of 10 hours per calendar month. The compensation paid to Consultant hereunder shall not exceed \$1,500 per month.

5.2 Fair Market Value: Arms' Length Agreement. Each party represents and warrants on behalf of itself, that the aggregate benefit given or received under this Agreement, whether in cash or in kind, has been determined in advance through a process of arms-length negotiations that were intended to achieve an exchange of goods and/or services consistent with fair market value in the circumstances, and that any benefit given or received under this Agreement is not intended to induce, does not require, and is not contingent upon, the admission, recommendation or referral of any patient, directly or indirectly to the Agency and further, is not determined in any manner that takes into account the volume or value of business generated between the parties

5.3 No Billing by Consultant. Consultant and Agency agree that the compensation provided under this Agreement shall be given as consideration for the Consultant's services hereunder and shall not constitute any payments for the professional practice of medicine, and Consultant shall not bill or assert any claim for payment against any patient or third party payer for services performed by Consultant under this Agreement.

6. TERM.

6.1 The term of this Agreement shall be for a period of one (1) year which shall commence on 1/1/2021 (the "Commencement Date") and shall expire twelve (12) months thereafter, unless earlier terminated pursuant to this Agreement. Upon the expiration of this initial term, this Agreement shall automatically renew for successive periods of one (1) year each. Contingent upon successful receipt of the Certificate of Need.

7. TERMINATION.

7.1 Termination With or Without Cause. Prior to the twelve (12) month anniversary of the Commencement Date, either party shall have the right to terminate this

Agreement, with or without cause, upon thirty (30) days' prior written notice to the other party; provided, however, that the parties shall not enter into another agreement for the same services provided hereunder until the end of the then-current one (1) year term. After the twelve (12) month anniversary of the Commencement Date, either party shall have the right to terminate this Agreement, with or without cause, upon thirty (30) days' prior written notice to the other party. Nothing herein shall prohibit Agency from hiring another physician to provide the same or similar services to the Facility.

7.2 Immediate Termination By Agency. Notwithstanding Section 7.1, Agency shall have the right to terminate this Agreement immediately upon notice to Consultant in the event of the occurrence of any of the following events:

(a) Any restriction, suspension or revocation of Consultant's license to practice medicine in the State of Washington, without regard to whether such adverse action has been finally adjudicated;

(b) Any restriction, suspension or revocation of Consultant's medical staff membership or privileges at any healthcare facility, without regard to whether such adverse action has been finally adjudicated

(c) Any restriction, suspension or revocation of Consultant's federal Drug Enforcement Agency ("DEA") number, without regard to whether such adverse action has been finally adjudicated;

(d) Consultant's suspension or exclusion from any federal and/or state healthcare payment program by action of the Office of Inspector General of the Department of Health and Human Services or the Bureau of Medi-Cal Fraud and Elder Abuse, or by any equivalent or coordinating governmental agencies;

(e) Consultant's being charged with a felony or misdemeanor involving moral turpitude;

(f) Failure of Consultant to comply with insurance requirements of Section 9.1 of this Agreement;

(g) Failure of Consultant to cure a breach of any term hereof which Agency, at its sole discretion, has given Consultant an opportunity to cure, within thirty (30) calendar days after written notice of said breach and opportunity to cure from Agency;

(h) A determination by any governmental entity that an independent contractor relationship does not exist between Agency and Consultant; or

(i) The closure of the Agency for any reason.

7.3 Disability. If Consultant becomes disabled or is rendered incapable by reason of illness or any other valid cause, as determined by Agency in its sole and absolute discretion, from complying with the terms of this Agreement for a period in excess of thirty

(30) days (whether or not consecutive) during any consecutive six (6) months of the term of this Agreement or any renewal term thereof, Agency, at its option, may terminate this Agreement upon ten (10) days' written notice to Consultant.

7.4 Death. In the event of the death of Consultant, this Agreement shall terminate automatically as of the date of death.

7.5 Effect of Termination. Termination of this Agreement, either without cause or for cause, shall terminate Consultant's right to be paid by Company for providing the services hereunder.

7.6 Vacate Premises. Upon the effective date of the expiration or earlier termination of this Agreement, Consultant shall immediately vacate any premises made available pursuant to this Agreement in the Agency, removing at such time any and all of Consultant's personal property. Agency may remove and store, at Consultant's expense, any personal property that Consultant has not so removed.

7.7 No Interference. Following the expiration or earlier termination of this Agreement, Consultant shall not do anything or cause any other person to do anything that might interfere with any Agency efforts to contract with any other individual or entity for the provision of services for the Department or to interfere in any way with any relationship between Agency and physicians who may replace Consultant.

8. REPRESENTATIONS.

8.1 Representations by Consultant. Consultant represents and warrants as of the Execution Date and for the duration of the term of this Agreement and any renewal term, as follows:

(a) Consultant is a physician duly licensed to practice medicine in the State of Washington and in good standing with the Medical Board of Washington;

(b) The medical staff membership or clinical privileges of Physician at any hospital or health care facility have not been denied, suspended, restricted, revoked or voluntarily relinquished (in connection with a disciplinary investigation);

(c) Consultant has a Federal DEA license without restriction;

(d) Consultant has not been excluded from any federal and/or state health care payment program by action of the Office of Inspector General of the Department of Health and Human Services or the Bureau of Medi-Cal Fraud and Elder Abuse, or by any equivalent or coordinating governmental agencies;

(e) Consultant is not subject of any disciplinary action by the Medical Board of Washington, or the equivalent medical licensing authority of any other State in the United States of America;

(f) Any and all information provided to Agency by Consultant in connection with this Agreement is accurate, true and correct;

(g) Consultant carries the insurance required pursuant to Section 9.3;

(h) Consultant is not in any way breaching any other agreement, whether written or oral, by entering into this Agreement; and

(i) Consultant is currently Board Certified or Board Eligible in any applicable medical specialty(s) appropriate for Consultant to provide the services contemplated under this Agreement.

8.2 Notification. Should any event occur which causes any of the above representations and warranties set forth in Section 8.1 no longer to be true, Consultant shall provide immediate written notice of such event to Agency and Agency shall have the option to immediately terminate this Agreement.

9. MISCELLANEOUS

9.1 Independent Contractor. No relationship of partner or employer and employee is created by this Agreement, it being understood that Consultant shall act hereunder solely as an independent contractor. Consultant shall not have any claim under this Agreement or otherwise against Agency for vacation pay, sick leave, retirement benefits, social security, workers' compensation, disability or unemployment insurance benefits or employee benefits of any kind. Agency shall neither have nor exercise any control or direction over the methods by which Consultant performs the services provided hereunder. The parties agree that the sole interest of Agency is to ensure that Consultant's services are performed and rendered in a competent, efficient and satisfactory manner in accordance with the standards required by the Medical Staff of the Agency.

9.2 No Agency. Nothing in this Agreement is intended or shall be construed to authorize Consultant to act as an agent on behalf of the Agency. Consultant shall have no authority to enter into any contracts binding upon Agency, or to create any obligations on the part of Agency, except as shall be specifically authorized by the Agency.

9.3 Insurance. Consultant shall maintain professional liability insurance in the minimum amounts of One Million Dollars (\$1,000,000) per occurrence and Three Million Dollars (\$3,000,000) annual aggregate. If such insurance is on a "claims-made" basis, Consultant shall also acquire "prior acts" or "tail" coverage, in the above amounts, covering all periods that this Agreement is or has been in force.

9.4 Indemnification. Each party shall indemnify, defend and hold harmless the other party and its agents, employees, contractors, officers and Consultants against: (i) any and all liability arising out of such party's failure to comply with the terms of this Agreement, and any injury, loss, claims, or damages arising from the negligent operations, acts, or omissions of such party or its employees relating to or arising out of this Agreement; and (ii) any and all

costs and expenses, including reasonable legal expenses, incurred by or on behalf of such party in connection with the defense of such claims. Each party shall cooperate with the other in the defense of any claim, demand or other matter and make available all information and assistance that the other party may reasonably request. The parties agree that the indemnification obligations under this Section shall only apply if and to the extent that such indemnified acts or omissions are not completely covered by insurance.

9.5 Notices. Any notice required or permitted by this Agreement will be in writing and will be deemed given at the time it is personally delivered or deposited in the United States mail, postage prepaid, certified or registered mail, return receipt requested, addressed to the party to whom it is to be given as follows:

If to Consultant: Name: Kirsten Carr
Address: 5252 SW Idaho St
City/St/Zip: Portland, OR 97221

If to Agency: Name: Geoff Schackmann
Address: 801 2nd Ave Suite 800
City/St/Zip: Vancouver, Washington 98104

Either party may change its address to which notices will be sent by a notice similarly sent.

1.1 Trade Secrets. During the term of this Agreement, Consultant will have access to and become acquainted with confidential information and trade secrets of the Agency including without limitation information and data relating to payer contracts and accounts, clients, patients, patient medical records, patient groups, patient lists, billing practices and procedures, business techniques and methods, strategic plans, operations and related data (collectively, "Trade Secrets"). All Trade Secrets are the property of the Agency and used in the course of the Agency's business and shall be proprietary information protected under the Uniform Trade Secrets Act. Consultant shall not disclose to any person or entity, directly or indirectly, either during the term of this Agreement or at any time thereafter, any Trade Secrets or use any Trade Secrets other than in the course of providing the services under this Agreement. All documents that Consultant prepares or Trade Secrets that might be given to Consultant in the course of providing the Consultant services under this Agreement, are the exclusive property of the Agency and, without the prior written consent of the Agency, shall not be removed from the Agency's premises.

1.2 Referrals. Consultant shall be entitled to refer patients to any Agency or other health care facility or provider deemed by Consultant best qualified to deliver services to any particular patient. No item of this Agreement shall be construed as requiring or inducing Consultant to refer patients to the Agency. Consultant's rights under this Agreement shall not be dependent in any way on the referral of patients or business to the Agency by Consultant.

1.3 Medicare Disclosure. For the purposes of implementing Section 1861(v)(i)(I) of the Social Security Act, as amended, Consultant agrees to comply with the following requirements governing the maintenance of documentation to verify the cost of services rendered under this Agreement:

(a) Until the expiration of ten (10) years after the furnishing of such services pursuant to this Agreement, upon request, Consultant shall make available to the Secretary of Health and Human Services, the Comptroller General, and their duly authorized representatives, this Agreement and books, documents, and records of Consultant that are necessary to certify the nature and extend of such costs furnished under this Agreement; and

(b) If Consultant carries out any of the duties of the contract through a subcontract, with a value of cost of ten thousand dollars (\$10,000.00), or more, over a twelve (12) month period, with a related organization, such subcontract shall contain a clause to the effect that, until the expiration of ten (10) years after the furnishing of such services pursuant to such subcontract, the related organization shall make available, upon written request of the Secretary of Health and Human Services, or authorized representatives, the subcontract, and books, documents and records of such organization that are necessary to verify the nature and extent of such costs.

1.4 Assignment. This Agreement will be binding upon and will inure to the benefit of Consultant and Agency, and to Agency's successors and assigns. Nothing contained in this Agreement will be construed to permit the assignment by Consultant of any rights or obligations hereunder, and such assignment is expressly prohibited. Agency may assign this Agreement.

1.5 Access to Reports. All reports, analyses, care management protocols, instructional materials, evaluations, statistics, data bases, and all other work product arising out of this Agreement shall be and remain the sole property of Agency upon the expiration or termination of this Agreement. However, Consultant shall be granted reasonable access to such items and on reasonable conditions, if Consultant requires such access by virtue of being a party to litigation or for any government or payer inquiry, so long as such access complies with applicable law. This Section 10.9 shall survive the termination of this Agreement.

1.6 Confidentiality. The terms of this Agreement are confidential and shall not be disclosed, except as necessary to the performance of this Agreement or as required by law. Notwithstanding the foregoing, a party may disclose this Agreement to its lawyers, accountants and other professional advisors.

1.7 Waiver. The waiver of any provision, or of the breach of any provision, of this Agreement must be set forth specifically in writing and signed by the waiving party. Any such waiver shall not operate or be deemed to be a waiver of any prior or future breach of such provision or of any other provision.

1.8 Headings and Captions. The subject headings of the Sections of this Agreement are included for purposes of convenience only and shall not affect the construction or interpretation of any of its provisions.

1.9 No Third Party Beneficiaries. Nothing in this Agreement, express or implied, is intended or shall be construed to confer upon any person, firm or Consultant, other than the parties hereto and their respective successors or assigns, any remedy or claim under or by reason of this Agreement or any term, covenant or condition hereof, as third party beneficiaries or otherwise, and all of the terms, covenants and conditions hereof shall be for the sole and exclusive benefit of the parties hereto and their successors and assigns.

1.10 Entire Agreement. This Agreement states the entire contract between the parties with respect to the subject matter of this Agreement and supersedes any oral or written contracts, understandings, proposals, statements, discussions, negotiations, or other agreements relating to the subject matter hereof, before or contemporaneous to this Agreement. The parties acknowledge that they have not been induced to enter into this Agreement by any oral or written representations or statements not expressly contained in this Agreement.

1.11 Severability. In the event any provision of this Agreement is found to be legally invalid or unenforceable for any reason, all remaining provisions of this Agreement will remain in full force and effect. Any terms or provisions of this Agreement which shall prove to be invalid, void or illegal shall in no way affect, impair or invalidate any other term or provisions herein and such remaining terms and provisions shall remain in full force and effect.

1.12 Amendments. This Agreement may be modified only by mutual agreement of the parties provided that, before any modification shall be operative or valid, it be reduced to writing and signed by both parties.

1.13 Governing Law. The existence, validity, construction and enforcement of this Agreement shall be governed by laws of the State of Washington, except for the laws that would require the application of the laws of any other jurisdiction.

9.6 Effectiveness of Agreement. This Agreement shall not become effective or in force until all of the required signatories have executed this Agreement. The effective date, however, shall remain the Commencement Date.

1.14 Gender. Whenever appropriate from the context of this Agreement, the use of any gender shall include any and all other genders and the single number shall include the plural and the plural number shall include the singular.

1.15 Attorneys' Fees. If a party to this Agreement brings an action or proceeding against the other party based on the performance, breach or interpretation of this Agreement, the prevailing party in such action, as determined by the court or other body having jurisdiction, shall be entitled to recover from the losing party in such action, as

determined by the court or other body having jurisdiction, all costs and expenses incurred or sustained by such prevailing party in connection with such action, including, without limitation attorney's fees, court costs, costs of investigation and other costs related to such action. In the event of any appeal from such action or proceeding, the prevailing party shall likewise be entitled to recover all costs, including attorney's fees, incurred in connection with such appeal.

9.7 Force Majeure. Except as otherwise provided in this Agreement, the failure of either party to perform any obligation otherwise due hereunder as a result of governmental action, laws, orders, regulations, directions or requests, or as a result of events, such as war, acts of public enemies, acts of terrorism, strikes or other labor disturbances, fires, floods, acts of God, or as a result of disruption of public utilities or any causes of like or different kind that are beyond the reasonable control of that party, is excused for so long as said cause exists.

9.8 Non-Discrimination. Each of the parties hereto represents and warrants that it is and at all time during the term of this Agreement will be in compliance with Section 504 of the Rehabilitation Act of 1973 and Titles VI and VII of the 1964 Civil Rights Act, as amended, and all regulations issued pursuant thereto.

1.16 Mediation and Arbitration. Upon the request of either party, any controversy or claim (whether such claim sounds in contract, tort or otherwise) arising out of or relating to this Agreement, or the breach thereof, shall be settled by binding arbitration in accordance with Washington Code of Civil Procedure Sections 1280 et seq., and judgment upon the award rendered by the arbitrator may be entered in any court having jurisdiction thereof. The arbitrator shall be selected from JAMS and the arbitration shall be conducted in accordance with JAMS' current rules for streamlined arbitration. Notwithstanding any other provision of this Agreement, in the case of a dispute involving a claim for equitable relief, a court with equitable jurisdiction may grant temporary restraining orders and preliminary injunctions to preserve the status quo existing before the events which are the subject of the dispute. Any final equitable or other relief shall be ordered in the arbitration proceeding. Each party shall pay an equal share of the fees and expenses of any arbitrator and any administrative fee of JAMS. Subject to Section 9.21 of this Agreement (attorneys fees), each party shall pay the fees and expenses of its own attorney and witnesses.

9.9 Venue. The parties agree that the County of Santa Clara, Washington shall be the only proper venue for disputes related to this Agreement.

1.17 Any Legal Event: Consequences.

(a) Notice To Amend. Notwithstanding any other provision of this Agreement, if, subsequent to the effective date hereof, the governmental agencies that administer the Medicare, Medicaid, or other federal programs (or their representatives or agents), or any other federal, state or local governmental or nongovernmental agency, or any court or administrative tribunal passes, issues or promulgates any law, rule, regulation, standard, interpretation, order, decision or judgment, including but not limited to those relating to any Safe Harbor regulations pursuant to 42 U.S.C. §1320a-7b (anti-kickback

statute) or any self-referral regulations pursuant to 42 U.S.C. §1395nn (“**Stark II**”) (collectively or individually, “**Legal Event**”), which, in the good faith judgment of one party (the “**Noticing Party**”), materially and adversely affects either party’s licensure, accreditation, certification, or ability to refer, to accept any referral, to bill, to claim, to present a bill or claim, or to receive payment or reimbursement from any federal, state or local governmental or non-governmental payer, or which subjects the Noticing Party to a risk of prosecution or civil monetary penalty, or which, in the good faith judgment of the Noticing Party, indicates a Safe Harbor rule or regulation with which the Noticing Party desires further compliance, then the Noticing Party may give the other party notice of intent to amend or terminate this Agreement or take other action in accordance with the next subsection.

(b) Notice Requirements. The Noticing Party shall give notice to the other party together with an opinion of counsel setting forth the following information:

- (1) The Legal Event(s) giving rise to the notice;
- (2) The consequences of the Legal Event(s) as to the Noticing

Party;

(3) The Noticing Party’s intention to either: (A) Terminate this Agreement due to unacceptable risk of prosecution or civil monetary penalty; or (B) Amend this Agreement, together with a statement of the proposed amendments; or (C) Take other specified steps to address the Legal Event(s).

(c) Renegotiation Period; Termination. In the event of notice of intent to amend is given pursuant to the above, the parties shall have ten (10) days from the giving of such notice (“**Renegotiation Period**”) within which to attempt to amend this Agreement in accordance with the Noticing Party’s proposal (if any) or otherwise as the parties may agree. If this Agreement is not so amended within the Renegotiation Period, this Agreement shall terminate as of midnight on the tenth (10th) day after said notice was given. Except as otherwise required by applicable law, any amounts owing to either party hereunder shall be paid, on a pro rata basis, up to the date of such termination, and any obligation hereunder that is to continue beyond expiration or termination shall so continue pursuant to its terms. All opinions of counsel presented by the Noticing Party hereunder, and any corresponding opinions given by the other party in response, shall be deemed confidential and given solely for purposes of renegotiation and settlement of a potential dispute, and shall not be deemed disclosed so as to waive any privileges otherwise applicable to said opinions.

9.10 Counterparts. This Agreement may be executed in one or more counterparts, each of which will be deemed an original, but all of which together will constitute one and the same instrument.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their duly authorized representatives as of the Execution Date.


“AGENCY”

“CONSULTANT”

HEALTHY LIVING AT HOME- Seattle,
LLC

Kirsten Carr

By: _____
(Signature)

By:  6/27/2019
43BA4DC58A52454 (Signature)

Name: _____

Its: _____

Date: _____

EXHIBIT A

CONSULTANT DUTIES AND RESPONSIBILITIES

Consultant's duties shall include:

- (a) Reviewing training programs for Agency Staff and personnel;
- (b) Preparing such reports and records as may be required by this Agreement or the Agency;
- (c) Participating in continuing medical education, research and teaching activities upon request by the Agency;
- (d) Advising and assisting in the development of protocols and policies for the Agency;
- (e) Upon request by the Agency, be available at all times to respond/consult in the event of urgent or emergency situations;
- (f) Working with the Agency to monitor and review the clinical performance of professionals who provide services to the Agency's patients. Consultant shall assist in monitoring the performance of those professionals who are not meeting Agency quality and/or performance standards, and in disciplining any professionals who continue poor performance, recognizing that the Agency Board of Consultants is ultimately responsible for maintaining the standards of care provided to patients; and
- (g) Assisting Agency management with preparation for, and conduct of, any inspections and on-site surveys of the Agency conducted by governmental agencies, accrediting organizations, or payers contracting with Agency.
- (h) Interacting with the administration and Board of Consultants in all matters of mutual concern within the Agency.
- (i) Attending meetings of the Board of Consultants as provided by Agency by-laws.
- (j) Consulting with Agency Utilization Review Consultant, Quality Assurance Consultant, and Therapy Services Consultant as deemed necessary.
- (k) Assisting in reviewing documentation for completeness as per Medicare guidelines.
- (l) Assisting in developing reference materials to resolve inadequacies.
- (m) Communicating with management of notable situations requiring more extensive actions.
- (n) Helping to develop, approve, and implement specific clinical practices for the Agency to incorporate plan of care related policies and procedures, including areas required by laws and regulations.
- (o) Assisting in developing procedures and guidance for facility staff regarding communication with practitioners, including information gathering and presentation, change in patient conditions, and when to contact contracted Consultants.
- (p) Reviewing other Consultants' recommendations that affect the Agency's patient care policies and procedures or the care of an individual patient.

- (q) Attending team conference meetings as deemed necessary.
- (r) Providing medical input or interpretation of social, political, regulatory or economic factors that impact patient care.
- (s) Acting as a physician spokesperson and resource in representing the Agency's position in dealing with regulatory or accrediting organizations.
- (t) Serving as a spokesman for Agency professional and public matters as deemed necessary.
- (u) Participating in internal Agency surveys and inspections.
- (v) Assisting with federal, state, local and other external surveys and inspections.
- (w) Serving as liaison between professional services staff and patient's private physician on concerns related to medical management and patient progress.
- (x) Participating in the development of ethical policies and decisions and provide medical input on patient care issues of an ethical nature.

**EXHIBIT B
SERVICE LOG**

Physician Time Report Detail																	
Date	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
Case Conference																	
Care Plan Oversight																	
Consultation/Referral Communication																	
Inservice																	
Care Coordination																	
PAC Meeting																	
Staff Education																	
Chart Review																	
Document Preparation/Signing																	
Marketing																	
Daily Total Hours																	

MD Signature

Date

Administrative

Print Name

EXHIBIT C

BUSINESS ASSOCIATE ADDENDUM

This Business Associate Addendum ("**Addendum**" or "**BAA**") supplements and is made a part of that certain Medical Consultant Agreement ("**Agreement**") by and between Healthy Living at Home - Vancouver, LLC, a Washington corporation ("**Covered Entity**" or "**CE**") and Kirsten Carr, M.D. ("**Business Associate**" or "**BA**"), dated 6/27/2019, 20. This BAA is effective as of the Commencement Date of the Agreement ("**BAA Effective Date**"). This BAA is attached to and made a part of the Agreement.

RECITALS

CE is a "covered entity" under the Health Insurance Portability and Accountability Act of 1996, Public Law 104-191 ("**HIPAA**") and, as such, must enter into so-called "business associate" contracts with certain contractors that may have access to certain patient medical information.

CE wishes to disclose certain information to BA pursuant to the terms of the Agreement, some of which may constitute Protected Health Information ("**PHI**") (defined below).

CE and BA intend to protect the privacy and provide for the security of PHI disclosed to BA pursuant to the Agreement in compliance with the Health Insurance Portability and Accountability Act of 1996, Public Law 104-191 ("**HIPAA**"), the Health Information Technology for Economic and Clinical Health Act, Public Law 111-005 ("**HITECH Act**"), and regulations promulgated thereunder by the U.S. Department of Health and Human Services ("**HIPAA Regulations**") and other applicable laws, including without limitation Washington patient privacy laws.

As part of the HIPAA Regulations, the Privacy Rule and the Security Rule (defined below) require CE to enter into a contract containing specific requirements with BA prior to the disclosure of PHI (defined below), as set forth in, but not limited to, Title 45, Sections 164.314(a), 164.502(c) and 164.504(c) of the Code of Federal Regulations ("**C.F.R.**") and contained in this BAA.

NOW, THEREFORE, in consideration of the mutual promises below and the exchange of information pursuant to this BAA, CE and BA agree as follows:

AGREEMENT

1. Definitions

1.1 **Breach** shall have the meaning given under 42 U.S.C. § 17921(1) and 45 C.F.R. § 164.402.

1.2 **Business Associate** shall have the meaning given to such term under 42 U.S.C. § 17938 and 45 C.F.R. § 160.103.

1.3 **Covered Entity** shall have the meaning given to such term under 45 C.F.R. § 160.103.

1.4 **Data Aggregation** shall have the meaning given to such term under 45 C.F.R. § 164.501.

1.5 **Designated Record Set** shall have the meaning given to such term 45 C.F.R. § 164.501.

1.6 **Electronic Protected Health Information** means Protected Health Information that is maintained in or transmitted by electronic media.

1.7 **Electronic Health Record** shall have the meaning given to such term under 42 U.S.C. § 17921(5).

1.8 **Health Care Operations** shall have the meaning given to such term under 45 C.F.R. § 164.501.

1.9 **Privacy Rule** shall mean the HIPAA Regulation that is codified at 45 C.F.R. Parts 160 and 164, Subparts A and E.

1.10 **Protected Health Information or PHI** means any information, whether oral or recorded in any form or medium: (i) that relates to the past, present or future physical or mental condition of an individual; the provision of health care to an individual; or the past, present or future payment for the provision of health care to an individual; and (ii) that identifies the individual or with respect to which there is a reasonable basis to believe the information can be used to identify the individual, and shall have the meaning given to such term under the Privacy Rule, including, but not limited to, 45 C.F.R. § 164.501. Protected Health Information includes Electronic Protected Health Information.

1.11 **Security Rule** shall mean the HIPAA Regulation that is codified at 45 C.F.R. Parts 160 and 164, Subparts A and C.

1.12 **Unsecured PHI** shall have the meaning given to such term under 42 U.S.C. § 17932(h), 45 C.F.R. § 164.402 and guidance issued pursuant to the HITECH Act including, but not limited to the guidance issued on April 17, 2009 and published in 74 Federal Register 19006 (April 27, 2009), by the Secretary of the U.S. Department of Health and Human Services (“Secretary”).

2. **Obligations of Business Associate**

2.1 **Permitted Uses and Disclosures.** BA shall not use or disclose PHI other than as permitted or required by the Agreement, this BAA or as permitted or required by law. Further, BA shall not use PHI in any manner that would constitute a violation of the Privacy Rule or the HITECH Act if so used by CE. However, BA may use or disclose PHI (i) for the proper management and administration of BA’s business, (ii) to carry out BA’s legal responsibilities, or (iii) for Data Aggregation purposes for the Health Care Operations of BA. If BA discloses PHI to a third party, BA must obtain, prior to making any such disclosure, (i) reasonable written assurances from such third party that such PHI will be held confidential as provided pursuant to this BAA and only disclosed as required by law or for the purposes for which it was disclosed to such third party, and (ii) a written agreement from such third party to immediately notify BA of any breaches of confidentiality of the PHI, to the extent it has obtained knowledge of such breach.

2.2 **Prohibited Uses and Disclosures under HITECH.** Notwithstanding any other provision in this BAA, BA shall comply with the following requirements: (i) BA shall not use or disclose

PHI for fundraising or marketing purposes, except as provided under the Agreement and consistent with the requirements of 42 U.S.C. § 17936; (ii) BA shall not disclose PHI to a health plan for payment or health care operations purposes if CE has informed BA that the patient has requested this special restriction, and has paid out of pocket in full for the health care item or service to which the PHI solely relates, 42 U.S.C. § 17935(a); (iii) BA shall not directly or indirectly receive remuneration in exchange for PHI, except with the prior written consent of CE and as permitted by the HITECH Act, 42 U.S.C. § 17935(d)(2); however, this prohibition shall not affect payment by CE to BA for services provided pursuant to the Agreement.

2.3 Appropriate Safeguards. BA shall implement appropriate safeguards as are necessary to prevent the use or disclosure of PHI other than as permitted by the Agreement, this BAA, or other applicable laws. To the extent BA creates, maintains, receives or transmits Electronic PHI on behalf of CE, BA shall use administrative, physical and technical safeguards that reasonably and appropriately protect the confidentiality, integrity and availability of such Electronic PHI. BA shall comply with each of the requirements of 45 C.F.R. §§ 164.308, 164.310, and 164.312 and the policies and procedures and documentation requirements of the HIPAA Security Rule set forth in 45 C.F.R. § 164.316.

2.4 Mitigation. BA shall mitigate, to the extent practicable, any harmful effect that is known to BA of a use or disclosure of PHI in violation of this BAA.

2.5 Reporting of Improper Access, Use or Disclosure. BA shall promptly report to CE in writing of any access, use or disclosure of PHI not permitted by the Agreement, this BAA, or applicable laws; and any security incident, as defined in the Security Rule, of which it becomes aware. BA shall, following the discovery of any Breach of Unsecured PHI, notify CE in writing of such breach without unreasonable delay and in no case later than three (3) business days after discovery. The notice shall include the following information if known (or can be reasonably obtained) by BA: (i) contact information for the individuals who were or who may have been impacted by the Breach (e.g., first and last name, mailing address, street address, phone number, email address); (ii) a brief description of the circumstances of the Breach, including the date of the Breach and date of discovery (as defined in 42 U.S.C. § 17932(c)); (iii) a description of the types of Unsecured PHI involved in the Breach (e.g., names, social security numbers, date of birth, addresses, account numbers of any type, disability codes, diagnostic and/or billing codes and similar information); (iv) a brief description of what BA has done or is doing to investigate the Breach, mitigate harm to the individuals impacted by the Breach. BA shall pay the actual, reasonable costs of CE to provide required notifications.

2.6 BA's Subcontractors and Agents. BA shall ensure that any agents or subcontractors to whom it provides PHI agree in writing to the same restrictions and conditions that apply to BA with respect to such PHI, including without limitation, the duty to notify BA of the discovery of any Breach of Unsecured PHI without unreasonable delay and in no event later than sixty (60) days after discovery.

2.7 Access to PHI. To the extent BA maintains a Designated Record Set on behalf of CE, BA shall make PHI it maintains or maintained by its agents or subcontractors in Designated Record Sets available to CE for inspection and copying within ten (10) days of a request by CE to enable CE to fulfill its obligations under the Privacy Rule, including, but not limited to, 45 C.F.R. § 164.524. If BA maintains an Electronic Health Record, BA shall provide such information in electronic format to enable CE to fulfill its obligations under the HITECH Act, including, but not limited to, 42 U.S.C. § 17935(e). BA may charge a reasonable fee based on its labor costs in responding to a request to access PHI and a

cost-based fee for the production of non-electronic media copies. BA shall notify CE within five (5) business days of receipt of any request for access to PHI.

2.8 Amendment of PHI. To the extent BA maintains a Designated Record Set on behalf of CE, within ten (10) days of receipt of a request from CE or an individual for an amendment of PHI or a record about an individual contained in a Designated Record Set, BA or its agents or subcontractors shall make any amendments that CE directs or agrees to in accordance with the Privacy Rule. BA may charge a reasonable fee based on its labor costs in responding to a request to amend PHI and a cost-based fee for the production of non-electronic media copies. BA shall notify CE within five (5) business days of receipt of any request for amendment to PHI.

2.9 Accounting Rights. Within ten (10) days of notice by CE of a request for an accounting of disclosures of PHI, BA and its agents or subcontractors shall make available to CE the information required to provide an accounting of disclosures to enable CE to fulfill its obligations under the Privacy Rule, including, but not limited to, 45 C.F.R. § 164.528, and its obligations under the HITECH Act, including but not limited to 42 U.S.C. § 17935(c), as determined by CE. BA agrees to implement a process that allows for an accounting to be collected and maintained by BA and its agents or subcontractors for at least six (6) years prior to the request. However, accounting of disclosures from an Electronic Health Record for treatment, payment, or health care operations purposes are required to be collected and maintained for only three (3) years prior to the request, and only to the extent BA maintains an electronic health record and is subject to this requirement. At a minimum, the information collected and maintained shall include: (i) the date of the disclosure; (ii) the name of the entity or person who received PHI and, if known, the address of the entity or person; (iii) a brief description of the PHI disclosed; and (iv) a brief statement of the purpose of the disclosure that reasonably informs the individual of the basis for the disclosure, or a copy of the individual's authorization, or a copy of the written request for disclosure. The accounting must be provided without cost to the individual or the requesting party if it is the first accounting requested by such individual within any twelve (12) month period. For subsequent accountings within a twelve (12) month period, BA may charge the individual or party requesting the accounting a reasonable fee based upon BA's labor costs in responding to the request and a cost-based fee for the production of non-electronic media copies, so long as BA informs the individual or requesting party in advance of the fee and the individual or requesting party is afforded an opportunity to withdraw or modify the request. BA shall notify CE within five (5) business days of receipt of any request by an individual or other requesting party for an accounting of disclosures. The provisions of this subparagraph 2.9 shall survive the termination of this BAA.

2.10 Governmental Access to Records. BA shall make its internal practices, books and records relating to the use and disclosure of PHI available to CE and to the Secretary for purposes of determining BA's compliance with HIPAA. BA shall make such internal practices, books and records available within five (5) business days of a request by CE for inspection for the purposes of determining compliance with this BAA.

2.11 Minimum Necessary. BA (and its agents or subcontractors) shall request, use and disclose only the minimum amount of PHI necessary to accomplish the purpose of the request, use or disclosure. Because the definition of "minimum necessary" is in flux, BA shall keep itself informed of guidance issued by the Secretary with respect to what constitutes "minimum necessary."

3. Term and Termination

3.1 Term. The term of this BAA shall be effective as of the BAA Effective Date and shall terminate when all of the PHI provided by CE to BA, or created or received by BA on behalf of CE, is destroyed or returned to CE.

3.2 Termination.

3.2.1 Material Breach by BA. Upon any material breach of this BAA by BA, CE shall provide BA with written notice of such breach and such breach shall be cured by BA within thirty (30) business days of such notice. If such breach is not cured within such time period, CE may immediately terminate this BAA and the Agreement.

3.2.2 Effect of Termination. Upon termination of the Agreement for any reason, BA shall, at the option of CE, return or destroy all PHI that BA or its agents or subcontractors still maintain in any form, and shall retain no copies of such PHI. If return or destruction is not feasible, as determined by CE, BA shall continue to extend the protections of this BAA to such information, and limit further use of such PHI to those purposes that make the return or destruction of such PHI infeasible. If CE elects destruction of the PHI, BA shall certify in writing to CE that such PHI has been destroyed.

- 4. Indemnification; Limitation of Liability.** To the extent permitted by law, BA shall indemnify, defend and hold harmless CE from any and all liability, claim, lawsuit, injury, loss, expense or damage resulting from or relating to the acts or omissions of BA in connection with the representations, duties and obligations of BA under this BAA. Any limitation of liability contained in the Agreement shall not apply to the indemnification requirement of this provision. This provision shall survive the termination of the BAA.
- 5. Assistance in Litigation.** BA shall make itself and any subcontractors, employees or agents assisting BA in the performance of its obligations under the Agreement or BAA available to CE, at no cost to CE, to testify as witnesses, or otherwise, in the event of litigation or administrative proceedings being commenced against CE, its Consultants, officers or employees based upon a claim of violation of HIPAA, the HITECH Act, or other laws related to security and privacy, except where BA or its subcontractor, employee or agent is named as an adverse party.
- 6. Amendment to Comply with Law.** Because state and federal laws relating to data security and privacy are rapidly evolving, amendment of the Agreement or this BAA may be required to provide for procedures to ensure compliance with such developments. BA and CE shall take such action as is necessary to implement the standards and requirements of HIPAA, the HITECH Act, the Privacy Rule, the Security Rule and other applicable laws relating to the security or confidentiality of PHI. BA shall provide to CE satisfactory written assurance that BA will adequately safeguard all PHI. Upon the request of either party, the other party shall promptly enter into negotiations concerning the terms of an amendment to this BAA embodying written assurances consistent with the standards and requirements of HIPAA, the HITECH Act, the Privacy Rule, the Security Rule or other applicable laws. CE may terminate the Agreement upon thirty (30) days written notice in the event (i) BA does not promptly enter into negotiations to amend the Agreement or this BAA when requested by CE pursuant to this Section or (ii) BA does not enter into an amendment to the Agreement or BAA providing assurances regarding the safeguarding of PHI that CE, in its sole discretion, deems sufficient to satisfy the standards and requirements of applicable laws.

7. **No Third-Party Beneficiaries.** Nothing express or implied in the Agreement or BAA is intended to confer, nor shall anything herein confer upon any person other than CE, BA and their respective successors or assigns, any rights, remedies, obligations or liabilities whatsoever.
8. **Interpretation.** The provisions of this BAA shall prevail over any provisions in the Agreement that may conflict or appear inconsistent with any provision in this BAA. This BAA and the Agreement shall be interpreted as broadly as necessary to implement and comply with HIPAA, the HI TECH Act, the Privacy Rule and the Security Rule. Any ambiguity in this BAA shall be resolved in favor of a meaning that complies and is consistent with HIPAA, the HITECH Act, the Privacy Rule and the Security Rule. Except as specifically required to implement the purposes of this BAA, or to the extent inconsistent with this BAA, all other terms of the Agreement shall remain in force and effect.
9. **Entire Agreement of the Parties.** This BAA supersedes any and all prior and contemporaneous business associate agreements or addenda between the parties and constitutes the final and entire agreement between the parties hereto with respect to the subject matter hereof. Each party to this BAA acknowledges that no representations, inducements, promises, or agreements, oral or otherwise, with respect to the subject matter hereof, have been made by either party, or by anyone acting on behalf of either party, which are not embodied herein. No other agreement, statement or promise, with respect to the subject matter hereof, not contained in this BAA shall be valid or binding.
10. **Regulatory References.** A reference in this BAA to a section of regulations means the section as in effect or as amended, and for which compliance is required.
11. **Identity Theft Program Compliance.** To the extent that CE is required to comply with the final rule entitled "Identity Theft Red Flags and Address Discrepancies under the Fair and Accurate Credit Transactions Act of 2003," as promulgated and enforced by the Federal Trade Commission (16 C.F.R. Part 681) ("**Red Flags Rule**"), and to the extent that BA is performing an activity in connection with one or more "covered accounts," as that term is defined in the Red Flags Rule, pursuant to the Agreement, BA shall establish and comply with its own reasonable policies and procedures designed to detect, prevent, and mitigate the risk of identity theft, which shall be consistent with and no less stringent than those required under the Red Flags Rule or the policies and procedures of CE's Red Flags Program. BA shall provide its services pursuant to the Agreement in accordance with such policies and procedures. BA shall report any detected "red flags," as that term is defined in the Red Flags Rule, to CE and shall, in cooperation with CE, take appropriate steps to prevent or mitigate identity theft.

IN WITNESS WHEREOF, the parties hereto have duly executed this BAA as of the BAA Effective Date.

Healthy Living at ^{"CF"}Home - Vancouver, LLC

a Washington corporation
By: Geoff Schackmann
Print Name: Geoff Schackmann
Title: Program Manager
Date: 6/26/2019

^{"BA"}
Kirsten Carr, M.D.,
an individual
By: Kirsten Carr
Print Name: Kirsten Carr
Date: 6/27/2019

(f) Any and all information provided to Agency by Consultant in connection with this Agreement is accurate, true and correct;

(g) Consultant carries the insurance required pursuant to Section 9.3;

(h) Consultant is not in any way breaching any other agreement, whether written or oral, by entering into this Agreement; and

(i) Consultant is currently Board Certified or Board Eligible in any applicable medical specialty(s) appropriate for Consultant to provide the services contemplated under this Agreement.

8.2 Notification. Should any event occur which causes any of the above representations and warranties set forth in Section 8.1 no longer to be true, Consultant shall provide immediate written notice of such event to Agency and Agency shall have the option to immediately terminate this Agreement.

9. MISCELLANEOUS

9.1 Independent Contractor. No relationship of partner or employer and employee is created by this Agreement, it being understood that Consultant shall act hereunder solely as an independent contractor. Consultant shall not have any claim under this Agreement or otherwise against Agency for vacation pay, sick leave, retirement benefits, social security, workers' compensation, disability or unemployment insurance benefits or employee benefits of any kind. Agency shall neither have nor exercise any control or direction over the methods by which Consultant performs the services provided hereunder. The parties agree that the sole interest of Agency is to ensure that Consultant's services are performed and rendered in a competent, efficient and satisfactory manner in accordance with the standards required by the Medical Staff of the Agency.

9.2 No Agency. Nothing in this Agreement is intended or shall be construed to authorize Consultant to act as an agent on behalf of the Agency. Consultant shall have no authority to enter into any contracts binding upon Agency, or to create any obligations on the part of Agency, except as shall be specifically authorized by the Agency.

9.3 Insurance. Consultant shall maintain professional liability insurance in the minimum amounts of One Million Dollars (\$1,000,000) per occurrence and Three Million Dollars (\$3,000,000) annual aggregate. If such insurance is on a "claims-made" basis, Consultant shall also acquire "prior acts" or "tail" coverage, in the above amounts, covering all periods that this Agreement is or has been in force.

9.4 Indemnification. Each party shall indemnify, defend and hold harmless the other party and its agents, employees, contractors, officers and Consultants against: (i) any and all liability arising out of such party's failure to comply with the terms of this Agreement, and any injury, loss, claims, or damages arising from the negligent operations, acts, or omissions of such party or its employees relating to or arising out of this Agreement; and (ii) any and all

Appendix C: Capital Expenditures

Capital Expenditures	
<i>SOURCES OF FUNDS</i>	
Owner Investment	\$90,000
Total Sources	\$90,000
<i>USES OF FUNDS</i>	
<u>Start-up Expenses</u>	
CON Application Fee	\$24,666
Start Up Phase Operation Expenses (inc. wages)	\$2,500
Total Start-up Expenses	\$27,166
<u>Start-up Assets</u>	
Working Capital	\$53,006
Furniture	\$6,500
Computers	\$2,000
Printer	\$500
Telephone	\$828
Total Start-up Assets	\$62,834
Total Uses	\$90,000

Appendix D: Lease Agreement & Single Line Drawing





Office Service Agreement

Agreement Date (mm/dd/yy):		05 / 07 / 2019	Reference No.:		32768-756479
Business Center Address:			Client Address (Not a Business Center Address):		
Wa, Seattle - Norton Building			Company Name: Healthy Living at Home-King County		
801 Second Avenue			Contact Name: Geoff Schackmann		
Suite 800			Address: 1499 SE Tech Center Place, #140		
Seattle, Washington 98104			Address: Vancouver, WA 98683		
United States of America			Phone & Email: 888-832-0471 geoff.schackmann@healthy-living.com		
Office Payment Details (excluding tax and excluding services)					
Office Number	No. of People	Monthly Office Fee	Currency		
866	1	559	usd		
Total per Month		1	559	-	
Initial Payment		First Month's Fee		559	
		Service Retainer		1118	
		Total Initial Payment		1677 -	
Monthly Payment		Total Monthly Payment Thereafter		559	
Service Provision		Start Date	June 1, 2019	End Date*	May 31, 2020

* All agreements end on the last calendar day of the month.

Comments:

Invoice Fees are charged on a monthly basis which is calculated on a 30-day month
 A lease for at least one year with options to renew for not less than a total of three years
 All Agreements end on the last calendar day of the month
 A refundable service retainer equivalent to 2 x monthly office fee will be payable

We are Regus Management Group, LLC. This Agreement incorporates our terms of business set out on attached Terms and Conditions, attached House Rules and Service Price Guide (where available) which you confirm you have read and understood. We both agree to comply with those terms and our obligations as set out in them. This agreement is binding from the agreement date and may not be terminated once it is made, except in accordance with its terms. Note that the Agreement does not come to an end automatically. See "Automatic Renewal" section of your terms and conditions for the notice terms if you wish to end your agreement.

AGREEMENT TO ARBITRATE; CLASS ACTION WAIVER: Any dispute or claim relating in any way to this agreement shall be resolved by binding arbitration administered by the American Arbitration Association in accord with its Commercial Arbitration Rules (available at www.adr.org), except that you or the Provider may assert claims in small claims court and the Client and the Provider may pursue court actions to remove you, or prevent your removal, from the Center if you do not leave when this agreement terminates. The arbitrator shall have exclusive authority to resolve any dispute relating to the interpretation, applicability, enforceability, or formation of this agreement. The arbitrator shall not conduct arbitration as a class or representative action. The Client and the Provider acknowledge that this agreement is a transaction in interstate commerce governed by the Federal Arbitration Act. The Client and the Provider agree to waive any right to pursue any dispute relating to this agreement in any class, private attorney general, or other representative action.

Name (printed): _____
 Title (printed): _____
 Date: _____

SIGNED on your behalf

These General Terms and Conditions apply to Office/Co-Working, Virtual Office and Membership agreements for services We supply to You.

I. General Agreement

- 1.1. Nature of an agreement: At all times, each Center remains in Our possession and control. YOU ACCEPT THAT AN AGREEMENT CREATES NO TENANCY INTEREST, LEASEHOLD ESTATE OR OTHER REAL PROPERTY INTEREST IN YOUR FAVOR WITH RESPECT TO THE ACCOMMODATION. Occupation by You is the commercial equivalent of an agreement for accommodation in a hotel. We are giving You the right to share the use of the Center with Us and other clients.
- 1.2. House Rules: The House Rules, which are incorporated into these terms and conditions, are primarily in place and enforced to ensure that all clients have a professional environment to work in.
- 1.3. Availability at the start of an agreement: If for any unfortunate reason We cannot provide the services or accommodation in the Center stated in an agreement by the start date, We will have no liability to You for any loss or damage but You may either move to one of Our other Centers (subject to availability), delay the start of the agreement or cancel it.
- 1.4. **AUTOMATIC RENEWAL:** SO THAT WE CAN MANAGE YOUR SERVICES EFFECTIVELY AND TO ENSURE SEAMLESS CONTINUITY OF THOSE SERVICES, ALL AGREEMENTS WILL RENEW AUTOMATICALLY FOR SUCCESSIVE PERIODS EQUAL TO THE CURRENT TERM UNTIL BROUGHT TO AN END BY YOU OR US. ALL PERIODS SHALL RUN TO THE LAST DAY OF THE MONTH IN WHICH THEY WOULD OTHERWISE EXPIRE. THE FEES ON ANY RENEWAL WILL BE AT THE THEN PREVAILING MARKET RATE. IF YOU DO NOT WISH TO RENEW AN AGREEMENT, THEN YOU CAN CANCEL IT EASILY WITH EFFECT FROM THE END DATE STATED IN THE AGREEMENT, OR AT THE END OF ANY EXTENSION OR RENEWAL PERIOD, BY GIVING US PRIOR NOTICE. NOTICE MUST GIVEN THROUGH YOUR ONLINE ACCOUNT OR THROUGH THE APP. THE NOTICE PERIODS REQUIRED ARE AS FOLLOWS:

Term	Notice Period
Month-to-Month	no less than 1 month's notice from the 1 st day of any calendar month
3 months	no less than 2 months' notice prior to the end of the term
More than 3 months	no less than 3 months' notice prior to the end of the term

- 1.5. We may elect not to renew an agreement. If so, We will inform You by email, through the App or Your online account, according to the same notice periods specified above.
- 1.6. If the Center is no longer available: In the event that We are permanently unable to provide the services and accommodation at the Center stated in an agreement, We will offer You accommodation in one of Our other centers. In the unlikely event We are unable able to find an alternative accommodation that is acceptable to You, Your agreement will end and You will only have to pay monthly fees up to that date and for any additional services You have used.
- 1.7. Ending an agreement immediately: We may put an end to an agreement immediately by giving You notice if (a) You become insolvent or bankrupt; or (b) You breach one of your obligations which cannot be remedied, or which We have given You notice to remedy and which You have failed to remedy within 14 days of that notice; or (c) Your conduct, or that of someone at the Center with Your permission or invitation, is incompatible with ordinary office use and, (i) that conduct continues despite You having been given notice, or (ii) that conduct is material enough (in Our reasonable opinion) to warrant immediate termination; or (d) You are in breach of the "Compliance With Law" clause below. If We put an end to an agreement for any of the reasons referred to in this clause, it does not put an end to any of Your financial obligations, including, without limitation, for the remainder of the period for which Your agreement would have lasted if We had not terminated it.
- 1.8. When an Office agreement ends: When an agreement ends, You must vacate Your accommodation immediately, leaving it in the same state and condition in which You found it. Upon Your departure or if You choose to relocate to a different room within a Center, We will charge a fixed office restoration service fee to cover normal cleaning and any costs incurred to return the accommodation to its original condition and state. This fee will differ by country and is listed in the House Rules. We reserve the right to charge additional reasonable fees for any repairs needed above and beyond normal wear and tear. If You leave any property in the Center, We may dispose of it at Your cost in any way We choose without owing You any responsibility for it or any proceeds of sale. If You continue to use the accommodation when an agreement has ended, You are responsible for any fees stated in the House Rules for any use of the accommodation after the end of the agreement.

2. Use of the Centers:

2.1. **Business Operations:** You may not carry on a business that competes with Our business of providing serviced offices and flexible working. You may not use Our name (or that of Our affiliates) in any way in connection with Your business. You are only permitted to use the address of a Center as Your registered office address if it is permitted by both law and if We have given You prior written consent (given the additional administration, there is an additional fee for this service). You must only use the accommodation for business purposes. If We decide that a request for any particular service is excessive, We reserve the right to charge an additional fee. To ensure that the Center provides a great working environment for all, We kindly ask you to limit any excessive visits by members of the public.

2.2. Accommodation

2.2.1. **Alterations or Damage:** You are liable for any damage caused by You or those in the Center with Your permission, whether express or implied, including but not limited to all employees, contractors and/or agents.

2.2.2. **IT Installations:** We take great pride in Our IT infrastructure and its upkeep and, therefore, You must not install any cabling, IT or telecom connections without Our consent, which We may refuse at our absolute discretion. As a condition to Our consent, You must permit Us to oversee any installations (for example, IT or electrical systems) and to verify that such installations do not interfere with the use of the accommodation by other clients or Us or any landlord of the building. Fees for installation and de-installation will be at Your cost.

2.2.3. **Use of the Accommodation:** An agreement will list the accommodation We initially allocate for Your use. You will have a non-exclusive right to the rooms allocated to You. Occasionally, to ensure the efficient running of the Center, We may need to allocate a different accommodation to You, but it will be of a reasonably equivalent size and We will notify You with respect to the different accommodation in advance.

2.2.4. **Access to the Accommodation:** To maintain a high level of service, We may need to enter Your accommodation and may do so at any time, including and without limitation, in an emergency, for cleaning and inspection or in order to resell the space if You have given notice to terminate. We will always endeavor to respect any of Your reasonable security procedures to protect the confidentiality of Your business.

2.3. Membership:

2.3.1. If You have subscribed to a Membership Agreement, You will have access to all participating centers worldwide during standard business working hours and subject to availability.

2.3.2. **Membership Usage:** Usage is measured in whole days and unused days cannot be carried over to the following month. A membership is not intended to be a replacement for a full-time workspace and all workspaces must be cleared at the end of each day. You are solely responsible for Your belongings at the center at all times. We are not responsible for any property that is left unattended. Should You use more than Your membership entitlement, We will charge You an additional usage fee. You may bring in 1 guest free of charge (subject to fair usage). Any additional guests will be required to purchase a day pass.

2.3.3. As a Member, You may not use any Center as Your business address without an accompanying office or virtual office agreement in place. Any use of the Center address in such a way will result in an automatic enrollment in the Virtual Office product for the same term as Your membership and You will be invoiced accordingly.

2.4. **Compliance with Law:** You must comply with all relevant laws and regulations in the conduct of Your business. You must not do anything that may interfere with the use of the Center by Us or by others (including but not limited to political campaigning or immoral activity), cause any nuisance or annoyance, or cause loss or damage to Us (including damage to reputation) or to the owner of any interest in the building. If We have been advised by any government authority or other legislative body that it has reasonable suspicion that You are conducting criminal activities from the Center, or You are or will become subject to any government sanctions, then We shall be entitled to terminate any and all of Your agreements with immediate effect. You acknowledge that any breach by You of this clause shall constitute a material default, entitling Us to terminate

- 2.5. Ethical Trading: Both We and You shall comply at all times with all relevant anti-slavery, anti-bribery and anti-corruption laws.
 - 2.6. Data protection: You acknowledge that We may collect and process personal data from You and Your employees as strictly necessary to ensure compliance with applicable laws and regulations and to enable Us to effectively provide services to You. You acknowledge and accept that such personal data may be transferred or made accessible to other entities in our group, wherever located, for the purposes of providing the services, in each case in accordance with all applicable data protection legislation.
 - 2.7. Employees: We will both have invested a great deal in training Our staff, therefore, neither of us may knowingly solicit or offer employment to the other's staff employed in the Center (or for 3 months after they have left their employment). To recompense the other for staff training and investment costs, if either of us breaches this clause the breaching party will pay upon demand to the other the equivalent of 6 months' salary of any employee concerned.
 - 2.8. Confidentiality: The terms of an agreement are confidential. Neither of us may disclose them without the other's consent unless required to do so by law or an official authority. This obligation continues for a period of 3 years after an agreement ends.
 - 2.9. Assignment: An agreement is personal to You and cannot be transferred to anyone else without prior consent from Us unless such transfer is required by law. However, We will not unreasonably withhold our consent to assignment to an affiliate provided that You execute our standard form of assignment. We may transfer any agreement and any and all amounts payable by You under an agreement to any other member of Our group.
 - 2.10. Applicable law: An agreement is interpreted and enforced in accordance with the law of the place where the Center is located other than in a few specific jurisdictions which are detailed in the House Rules. We and You both accept the exclusive jurisdiction of the courts of that jurisdiction. If any provision of these terms and conditions is held void or unenforceable under the applicable law, the other provisions shall remain in force.
3. Our liability to You and Insurance
- 3.1. The extent of Our liability: To the maximum extent permitted by applicable law, We are not liable to You in respect of any loss or damage You suffer in connection with an agreement, including without limitation any loss or damage arising as a result of our failure to provide a service as a result of mechanical breakdown, strike or other event outside of Our reasonable control otherwise unless We have acted deliberately or have been negligent. In no event shall We be liable for any loss or damage until You provide written notice and give Us a reasonable time to remedy it. If We are liable for failing to provide You with any service under an agreement then, subject to the exclusions and limits set out immediately below, We will pay any actual and the reasonable additional expense You have incurred in obtaining the same or similar service from elsewhere.
 - 3.2. Your Insurance: It is Your responsibility to arrange insurance for property which You bring in to the Center, for any mail You send or receive and for Your own liability to your employees and to third parties. We strongly recommend that You put such insurance in place.
 - 3.3. IT Services and Obligations: While We have security internet protocols in place and strive to provide seamless internet connectivity, WE DO NOT MAKE ANY REPRESENTATION AND CANNOT GUARANTEE ANY MAINTAINED LEVEL OF CONNECTIVITY TO OUR NETWORK OR TO THE INTERNET, NOR THE LEVEL OF SECURITY OF IT INFORMATION AND DATA THAT YOU PLACE ON IT. You should adopt whatever security measures (such as encryption) You believe are appropriate to Your business. Your sole and exclusive remedy in relation to issues of reduced connectivity which are within Our reasonable control shall be for Us to rectify the issue within a reasonable time following notice from You to Us.
 - 3.4. EXCLUSION OF CONSEQUENTIAL LOSSES: WE WILL NOT IN ANY CIRCUMSTANCES BE HELD LIABLE FOR A LOSS OF BUSINESS, LOSS OF PROFITS, LOSS OF ANTICIPATED SAVINGS, LOSS OF OR DAMAGE TO DATA, THIRD-PARTY CLAIMS OR ANY CONSEQUENTIAL LOSS. WE STRONGLY RECOMMEND THAT YOU INSURE AGAINST ALL SUCH POTENTIAL LOSS, DAMAGE, EXPENSE OR LIABILITY.
 - 3.5. Financial limits to our liability: In all cases, our liability to You is subject to the following limits:
 - 3.5.1. without limit for personal injury or death;
 - 3.5.2. up to a maximum of GBP 1 million (or USD 1.5 million or EUR 1 million or other local equivalent) for any one event or series of connected events for damage to Your personal property; and
 - 3.5.3. in respect of any other loss or damage, up to a maximum equal to 125% of the total fees paid.

question arises; or if higher, for office agreements only, GBP 50,000 / USD 100,000 / EUR 66,000 (or local equivalent).

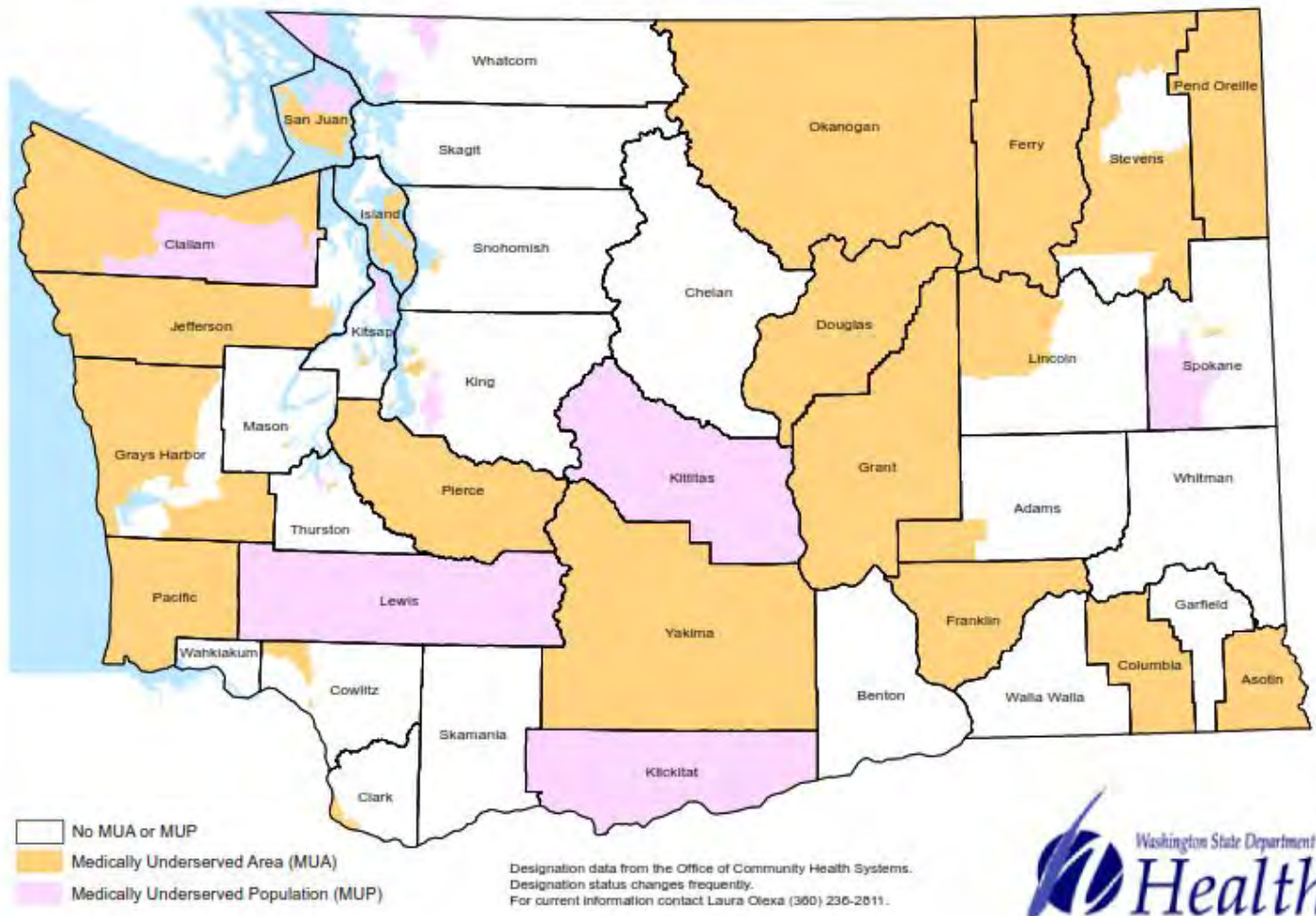
4. Fees

- 4.1. Service Retainer/Deposit: Your service retainer / deposit will be held by Us without generating interest as security for performance of all Your obligations under an agreement. All requests for the return must be made through Your online account or App after which the service retainer/deposit or any balance will be returned within 30 days to You once your agreement has ended and when You have settled Your account. We will deduct any outstanding fees and other costs due to Us before returning the balance to You. We may require You to pay an increased retainer if the monthly office or virtual office fee increases upon renewal, outstanding fees exceed the service retainer/deposit held and/or You frequently fail to pay invoices when due.
- 4.2. Taxes and duty charges: You agree to pay promptly (i) all sales, use, excise, consumption and any other taxes and license fees which You are required to pay to any governmental authority (and, at Our request, You will provide to Us evidence of such payment) and (ii) any taxes paid by Us to any governmental authority that are attributable to Your accommodation, where applicable, including, without limitation, any gross receipts, rent and occupancy taxes, tangible personal property taxes, duties or other documentary taxes and fees.
- 4.3. Payment: We are continually striving to reduce our environmental impact and support You in doing the same. Therefore, We will send all invoices electronically and You will make payments via an automated method such as Direct Debit or Credit Card, wherever local banking systems permit.
- 4.4. Late payment: If You do not pay fees when due, a fee will be charged on all overdue balances. This fee will differ by country and is listed in the House Rules. If You dispute any part of an invoice, You must pay the amount not in dispute by the due date or be subject to late fees. We also reserve the right to withhold services (including for the avoidance of doubt, denying You access to the Center where applicable) while there are any outstanding fees and/or interest, or You are in breach of an agreement.
- 4.5. Insufficient Funds: Due to the additional administration We incur, You will pay a fee for any returned or declined payments due to insufficient funds. This fee will differ by country and is listed in the House Rules.
- 4.6. Indexation: If an agreement is for a term of more than 12 months, We will increase the monthly fee on each anniversary of the start date in line with the relevant inflation index detailed in the House Rules.
- 4.7. Standard services: Monthly fees, plus applicable taxes, and any recurring services requested by You are payable monthly in advance. Where a daily rate applies, the charge for any such month will be 30 times the daily fee. For a period of less than one month, the fee will be applied on a daily basis.
- 4.8. Pay-as-you-use and Additional Variable Services: Fees for pay-as-you-use services, plus applicable taxes, are payable monthly in areas at our standard rates which may change from time to time and are available on request.
- 4.9. Discounts, Promotions and Offers: If You benefited from a special discount, promotion or offer, We will discontinue that discount, promotion or offer without notice if You materially breach Your agreement.

Global – Terms & Conditions – Feb 2019

Appendix E: MUA

Medically Underserved Area & Medically Underserved May 29, 2019



Appendix F: King County OFM "Projections of the Population by Age and Sex for Growth Management, 2017 GMA Projections - Medium Series".

King County:
 source: OFM "Projections of the Population by Age and Sex for Growth Management, 2017 GMA Projections - Medium Series"

	2010	2015	2020	2025	2030	Age
	1,931,249	2,052,800	2,231,409	2,355,569	2,474,627	Total
	120,294	122,637	133,532	141,338	145,113	0-4
	113,295	122,982	130,652	135,625	143,257	5-9
	110,789	115,221	123,432	128,496	133,158	10-14
	117,514	120,198	121,298	129,041	134,147	15-19
	129,822	132,416	157,213	151,906	162,691	20-24
	160,656	166,562	190,506	184,450	177,439	25-29
	152,061	176,312	163,740	201,005	193,593	30-34
	149,158	155,847	174,253	162,344	199,937	35-39
	147,632	146,206	153,108	171,641	159,534	40-44
	147,837	142,855	146,751	149,636	167,814	45-49
	143,295	144,036	142,773	142,581	145,451	50-54
	126,272	136,655	138,523	135,277	135,081	55-59
	101,945	116,653	130,968	132,016	129,629	60-64
	67,317	91,447	111,565	121,694	123,021	65-69
	45,430	60,514	87,497	102,041	111,753	70-74
	35,200	39,671	55,122	78,156	91,684	75-79
	28,948	28,280	33,441	46,024	66,093	80-84
	33,784	34,306	37,035	42,298	55,232	85+

	2019	2020	2021	2022	2023	2024	2025
0-64	1,885,115	1,906,749	1,918,470	1,930,192	1,941,913	1,953,635	1,965,356
65-79	241,674	254,184	263,725	273,267	282,808	292,350	301,891
80+	68,898	70,476	74,045	77,614	81,184	84,753	88,322
Total	2,195,687	2,231,409	2,256,241	2,281,073	2,305,905	2,330,737	2,355,569

Appendix G: 1987 Need Methodology - King County

1987 State Health Plan Methodology - Home Health

County: King
 Years: 2020-2023

2020	Age Cohort	County Population	SHP Formula	Number of Visits	=	Projected Number of Visits
	0-64	1,906,749	0.005	10		95,337
	65-79	254,184	0.044	14		156,577
	80+	70,476	0.183	21		270,839
TOTAL:						522,754
<i>Number of Expected Visits per Agency</i>						<i>10,000</i>
Projected Number of Needed Agencies						52.28

2021	Age Cohort	County Population	SHP Formula	Number of Visits	=	Projected Number of Visits
	0-64	1,918,470	0.005	10		95,924
	65-79	263,725	0.044	14		162,455
	80+	74,045	0.183	21		284,556
TOTAL:						542,934
<i>Number of Expected Visits per Agency</i>						<i>10,000</i>
Projected Number of Needed Agencies						54.29

2022	Age Cohort	County Population	SHP Formula	Number of Visits	=	Projected Number of Visits
	0-64	1,930,192	0.005	10		96,510
	65-79	273,267	0.044	14		168,332
	80+	77,614	0.183	21		298,272
TOTAL:						563,114
<i>Number of Expected Visits per Agency</i>						<i>10,000</i>
Projected Number of Needed Agencies						56.31

2023	Age Cohort	County Population	SHP Formula	Number of Visits	=	Projected Number of Visits
	0-64	1,941,913	0.005	10		97,096
	65-79	282,808	0.044	14		174,210
	80+	81,184	0.183	21		311,989
TOTAL:						583,294
<i>Number of Expected Visits per Agency</i>						<i>10,000</i>
Projected Number of Needed Agencies						58.33

Appendix H: King County Existing Agencies Inventory List

Aval Home Health	IHS.FS.00000231	no	Yakima	Benton, Chelan, Clallam, Clark, Cowlitz, Franklin, Grant, Grays Harbor, Jefferson, King, Kitsap, Kittitas, Lincoln, Mason, Okanogan, Pend Oreille, Pierce, Skagit, Skamania, Snohomish, Spokane, Thurston, Walla Walla, Whatcom, Yakima
Beam for Seniors - Bridge Park, Seattle, WA	IHS.FS.80874051	no	King	Clark, King, Pierce, Thurston
Brightstar Care	IHS.FS.60934495	no	Pierce	King, Pierce, Thurston
BrightStar Care N Seattle	IHS.FS.60296098	no	King	Chelan, Clallam, Grant, Grays Harbor, Island, Jefferson, King, Kitsap, Kittitas, Klickitat, Lewis, Lincoln, Pacific, Pierce, San Juan, Skagit, Whitman
Careforce	IHS.FS.00000243	no	Snohomish	Island, King, Pierce, Skagit, Snohomish, Thurston
Childrens Country Home	IHS.FS.00000253	no	King	King
Comfort Keepers	IHS.FS.00000259	no	King	King
D.C.S. LLC	IHS.FS.60671358	no	King	Chelan, King, Pierce
Dependable Staffing and Home Health Services	IHS.FS.60576093	no	King	King, Kitsap, Pierce, Snohomish
Estrella Su Homecare	IHS.FS.60542605	no	King	King, Snohomish
Fedella Care Solutions	IHS.FS.60095203	no	King	King, Kitsap, Pierce, Snohomish, Thurston
Guardian Home Care	IHS.FS.60266397	no	Pierce	Adams, Benton, Clark, Cowlitz, Franklin, Garfield, Grant, Grays Harbor, Island, Jefferson, King, Kitsap, Lewis, Mason, San Juan, Skagit, Snohomish, Spokane, Stevens, Thurston, Whitman, Yakima
Health People	IHS.FS.00000309	no	King	King, Pierce, Snohomish
Husky Senior Care	IHS.FS.60052952	no	King	Island, King, Pierce, Snohomish
Infinity Home Health Solutions Inc.	IHS.FS.60935703	no	King	King, Pierce
JandJ Integrity Home Health Care LLC	IHS.FS.60542117	no	Snohomish	King, Snohomish
Judson Park	IHS.FS.60251296	no	King	King
Kays Home Health Services	IHS.FS.60210873	no	Pierce	King, Pierce
Meroy Homecare LLC	IHS.FS.60367010	no	King	King, Pierce
Nogah Home Care	IHS.FS.60503577	no	King	Chelan, Island, Jefferson, King, Kitsap, Kittitas, Lewis, Mason, Pierce, San Juan, Skagit, Snohomish, Spokane, Thurston, Yakima
Nursing Evolutions	IHS.FS.60310430	no	Snohomish	Clallam, Jefferson, King, Kitsap, Lewis, Mason, Pierce, San Juan, Thurston
Personal Best Services, LLC	IHS.FS.60450750	no	King	King, Lewis, Mason, Pierce, Snohomish, Thurston
Popes Kids Place	IHS.FS.60053809	no	Lewis	All
ProactiveHome Care	IHS.FS.60636320	no	King	King, Snohomish
Rehab Without Walls	IHS.FS.60263077	no	Snohomish	Clark, Columbia, Cowlitz, King, Kitsap, Pierce, Skagit, Skamania, Snohomish, Spokane, Stevens, Thurston, Whatcom, Yakima
Right At Home	IHS.FS.00000096	no	King	Jefferson, King, Kitsap, Pierce, Skagit, Snohomish, Thurston, Whatcom
Ro Health	IHS.FS.60610351	no	King	Clark, Cowlitz, King, Kitsap, Lewis, Pierce, Snohomish
Seattle Childrens Hospital Home Care Services	IHS.FS.00000097	no	Snohomish	Adams, Asotin, Benton, Chelan, Clark, Columbia, Cowlitz, Douglas, Ferry, Franklin, Garfield, Grant, Grays Harbor, Island, Jefferson, King, Kitsap, Kittitas, Klickitat, Lewis, Lincoln, Mason, Okanogan, Pacific, Pend Oreille, Pierce, San Juan, Skagit, Skamania, Snohomish, Spokane, Stevens, Thurston, Wahkiakum, Walla Walla, Whatcom, Whitman, Yakima
Sofavi Home Health LLC	IHS.FS.60900400	no	King	King
Sound Options	IHS.FS.60963143	no	Pierce	King, Kitsap, Pierce, Thurston

Agency	License Number	CON Approved	County	Counties Served
Assured Home Health	IHS.FS.60497952	yes	Snohomish	King, Pierce, Snohomish
Brookdale Home Health	IHS.FS.60327055	yes	King	King
Brookdale Home Health	IHS.FS.60532552	yes	Snohomish	Island, King, Snohomish
Careage Home Health	IHS.FS.60007855	yes	King	King
CHI Franciscan Health at Home	IHS.FS.60500455	yes	Pierce	Jefferson, King, Pierce
Eden Home Health	IHS.FS.60571555	yes	King	King
Envision Home Health	IHS.FS.60521150	yes	Pierce	King, Pierce, Snohomish, Thurston
Evergreen Health	IHS.FS.00000275	yes	King	Island, King, Snohomish
Harvard Partners LLC	IHS.FS.00000153	yes	King	King, Pierce, Snohomish
Kaiser Permanente Home Health and Hospice	IHS.FS.00000305	yes	King	King, Kitsap, Pierce, Snohomish
Kline Galland Community Based Services	IHS.FS.60103742	yes	King	King
MudCare Home Health, Hospice and Palliative Care	IHS.FS.60001744	yes	Pierce	King, Pierce
Providence Home Services	IHS.FS.00000419	yes	King	King
Providence Hospice and Home Care of Snohomish County	IHS.FS.00000415	yes	Snohomish	Island, King, Snohomish
Puget Sound Home Health of King County	IHS.FS.60751653	yes	Pierce	King, Pierce
Sea Mar Community Health Center	IHS.FS.00000433	yes	King	King
Signature Home Health	IHS.FS.00000220	yes	King	Island, King, Skagit, Snohomish
Signature Home Health	IHS.FS.00000352	yes	King	King, Kitsap, Pierce, Thurston
Wesley Homes Hospice	IHS.FS.60270500	yes	King	King, Pierce, Snohomish
A and K Health Care Services LLC	IHS.FS.60044133	no	King	King, Pierce
AdvisaCare	IHS.FS.00000156	no	King	Cowlitz, Island, King, Kitsap, Pierce, Skagit, Snohomish, Thurston
Assured Home Health and Hospice	IHS.FS.00000229	no	Lewis	Clallam, Cowlitz, Grays Harbor, Jefferson, King, Lewis, Mason, Pacific, Pierce, Thurston, Wahkiakum
CHC Services	IHS.FS.00000154	no	Snohomish	Grays Harbor, Island, King, Kitsap, Pierce, Snohomish
GoldenCare Home Health Agency	IHS.FS.60720657	no	King	King
Harbor Health Solutions LLC	IHS.FS.60552797	no	Pierce	King, Kitsap, Pierce, Snohomish, Thurston
ICHS PACE at Legacy House	IHS.FS.60904213	no	King	King
Kindred at Home	IHS.FS.00000293	no	King	King
Kindred at Home	IHS.FS.00000295	no	Snohomish	King, Snohomish
Maxim Healthcare Services	IHS.FS.00000375	no	Pierce	Benton, Chelan, Clark, Columbia, Cowlitz, Grays Harbor, Island, Jefferson, King, Kitsap, Lewis, Mason, Pacific, Pierce, Skagit, Skamania, Snohomish, Spokane, Stevens, Thurston, Walla Walla
Maxim Healthcare Services Inc	IHS.FS.00000373	no	Snohomish	Chelan, Douglas, Grant, Island, King, Kitsap, Kittitas, Pierce, San Juan, Skagit, Snohomish, Whatcom, Yakima
Providence Elder Place	IHS.FS.00000415	no	King	King
Riverstone Homehealth	IHS.FS.60553291	no	King	King, Kitsap, Pierce, Skagit, Snohomish, Whatcom
Serengeti Care	IHS.FS.60550145	no	King	King, Pierce
Universal Home Care LLC	IHS.FS.60531342	no	King	King
Care Homehealth	IHS.FS.60474101	no	Snohomish	King, Snohomish
Advanced Health Care	IHS.FS.00000205	no	Pierce	Grays Harbor, King, Kitsap, Lewis, Mason, Pierce, Thurston
Agape Healthcare Services LLC	IHS.FS.60676117	no	King	King, Pierce, Snohomish, Wahkiakum
American Healthcare Services	IHS.FS.00000214	no	King	King
Amicable Health Care	IHS.FS.00000215	no	King	King, Pierce, Snohomish
A-One Home Care	IHS.FS.00000219	no	Snohomish	Chelan, Grant, Island, King, Pierce, Skagit, Snohomish, Thurston, Whatcom
Ashley House	IHS.FS.00000227	no	King	King

Total Care	IHS.FS.0000452	no	Yavina	All
Visions Home Health Care	IHS.FS.0000134	no	King	King
Wilderness Shores Nursing	IHS.FS.0000010	no	King	King

Post-Acute Care — The Next Frontier for Controlling Medicare Spending

Robert Mechanic, M.B.A.

A striking conclusion from the Institute of Medicine's recent report on geographic variation in Medicare spending is that post-acute care is the largest driver of overall variation.¹ Medicare pays for post-acute care — short-term skilled nursing and therapy services for patients recovering from acute illness (typically after a hospitalization), provided by home health agencies, skilled nursing facilities (SNFs), inpatient rehabilitation hospitals, and long-term care hospitals. In 2012, Medicare spending for these services exceeded \$62 billion. For patients who are hospitalized for exacerbations of chronic conditions such as con-

gestive heart failure, Medicare payments for post-acute care have grown faster than most other categories of spending. For example, total Medicare spending for patients hospitalized with myocardial infarction, congestive heart failure, or hip fracture grew by 1.5 to 2.0% annually between 1994 and 2009, while spending on post-acute care for those patients grew by 4.5 to 8.5% per year.²

Most acute care hospitals and physicians pay little attention to post-acute care. Patients are typically discharged to a post-acute care facility or home health care with little coordination or follow-up, reappearing on the acute care

post-acute care providers when recently hospitalized patients have complications. Medicare's recent readmission penalties have begun focusing hospitals' attention on these issues. But Medicare's new bundled-payment and shared-savings programs provide much stronger incentives to integrate acute and post-acute care.

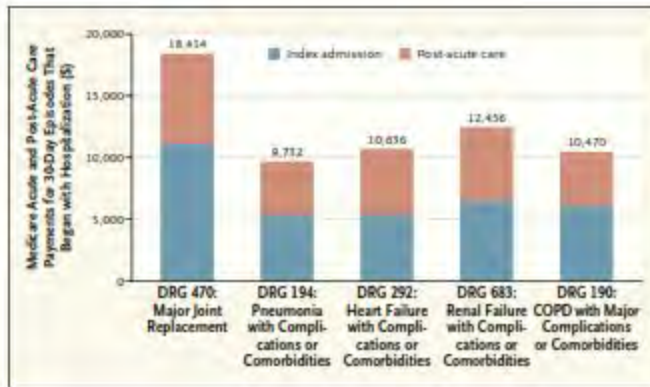
There are many opportunities to save money and improve quality through better management of post-acute care. One lies in ensuring that patients are treated in the most cost-effective, clinically appropriate setting. For patients hospitalized with congestive heart failure in 2008, Medicare paid about \$2,500 in the 30 days after discharge for each patient who received home health care, as compared with \$10,700 for those admitted to a SNF and \$15,000 for those cared for in a rehabilitation hospital.³

Under a bundled-payment or shared-savings program, health systems have strong financial incentives not to refer patients to high-intensity post-acute care settings that they don't need. There is concern that these incentives could lead providers to inappropriately steer patients away from needed care in more intensive settings. But under bundled payment, health systems are also financially responsible for rehospitalizations, which are a significant component of total spending per episode. In 2008, nearly 22% of patients hospitalized with congestive heart failure

gestive heart failure, Medicare spends nearly as much on post-acute care and readmissions in the first 30 days after a patient is discharged as it does for the initial hospital admission (see graph). Post-acute care spending for surgical episodes is some-

what lower but still substantial. provider's radar screen only if they return to the hospital in an ambulance. Under fee-for-service reimbursement, acute care providers have had little financial incentive to invest in systems to ensure effective transitions to post-acute care or to support

Hospitals and physicians participating in bundled-payment or shared-savings programs will need to establish meaningful partnerships with all types of post-acute care providers. Partnerships with SNFs are particularly important, since they account for about half of Medicare's post-acute care spending.



Medicare Acute and Post-Acute Care Payments for 30-Day Episodes That Began with a Hospitalization, 2008.

Data are from Gage et al.⁸ Thirty-day fixed episodes include the full amount of all claims incurred within 30 days after discharge, including readmissions. COPD denotes chronic obstructive pulmonary disease, and DRG diagnosis-related group.

were readmitted to the hospital within 30 days, at an average cost of \$10,800. Thus, the financial incentive under bundled payment is to use the post-acute care settings that are most likely to efficiently bring about an effective recovery.

Hospitals and physicians participating in bundled-payment or shared-savings programs will need to establish meaningful partnerships with all types of post-acute care providers. Partnerships with SNFs are particularly important, since they account for about half of Medicare's post-acute care spending. Apart from geographic location, hospitals will focus on three basic characteristics when considering SNF partners: capacity to effectively care for Medicare patients with complex needs, ability to provide high-quality care efficiently, and willingness to actively collaborate on care coordination.

Under bundled payment, hospitals and health systems will pursue preferred relationships with nursing homes that are dedicated to post-acute care, with distinct short-stay units and 24/7 on-site skilled nursing staff. They will expect 24-hour coverage by a physician or advanced practice provider with expertise in geriatrics, and many will want their own physicians to conduct rounds. Preferred facilities will need to develop capacity to treat acute exacerbations of common conditions such as cellulitis and congestive heart failure on site in consultation with their acute care partners, rather than routinely sending patients with these conditions to the emergency department.

Hospitals will favor SNFs with a proven record of performance and should assess each nursing home in the context of the complexity of its cases. Under bundled payments, one relevant

measure of both quality and efficiency is rehospitalization. In 2011, a quarter of nursing homes had risk-adjusted rehospitalization rates of 23% or greater for five potentially avoidable conditions, while a quarter had rates below 15%.⁴

Average length of stay is another key metric, because Medicare pays nursing homes a daily fee for up to 100 days per spell of illness. In 2010, a quarter of nursing homes had an average Medicare length of stay of less than 24 days, while another quarter had a length of stay of more than 34 days — a difference of about \$4,000 per admission given the prevailing Medicare rates.

Equally important for new partnerships is a willingness to actively collaborate on quality improvement and care coordination. Communication between acute and post-acute care providers has historically been poor. Hospital providers need to do a better job of providing complete clinical information to SNFs and responding quickly to requests from their clinicians, and nursing homes should be more willing to collaborate on managing lengths of stay with a robust discharge-planning process. Establishment of a clinical point person at both the hospital and the nursing homes would help facilitate rapid responses to unexpected changes in patient status. Finally, such partnerships will need to establish regular and transparent performance reporting.

In Medicare Advantage, health plans can require that patients use a subgroup of preferred nursing homes. But traditional Medicare patients have free choice of providers — a feature that does

not change under the bundled-payment and shared-savings programs. Nevertheless, physician groups and hospitals will increasingly establish preferred networks of post-acute care providers. Although they cannot require patients to use these providers, they may be able to make a convincing case based on the quality, service level, and continuity of care that a strong partnership can offer.

Hospitals can take other steps to reduce post-acute care spending under a bundled-payment system. Those with extra bed capacity can keep some Medicare patients in the hospital longer and discharge them to home health care rather than a nursing home or rehabilitation facility; the extra cost of extending a hospital stay by an additional day or two is far less than the average cost of a nursing home admission. According to one study involving 12,000 patients, the incremental cost incurred on the last full day of hospitalization was just 2.4% of the average total cost per admission.⁵

Hospitals and physicians have

considerable influence over patients' choices of post-acute care settings, and they will increasingly exert that influence under bundled-payment programs. Post-acute care providers need to make a compelling case for their value, and those that establish preferred relationships with major hospitals and physician groups will generate additional volume and thus be able to maintain revenue levels as they shorten lengths of stay.

These changes will, however, create considerable financial stress for post-acute care providers that lack preferred arrangements. Most post-acute care providers rely on Medicare payments to cross-subsidize care for Medicaid beneficiaries. Although the trends discussed above will generally be good for Medicare patients, they will draw resources away from nonpreferred providers. For nursing homes in particular, this will diminish their ability to adequately care for long-term residents for whom Medicaid is the primary source of payment.

Medicare payment reform will eventually shake up the world of post-acute care. Policymakers

should track the effects of these changes on patients, particularly Medicaid patients, and be prepared to intervene to ensure that the evolving system is capable of providing all older Americans and those requiring long-term support services with needed care.

Disclosure forms provided by the author are available with the full text of this article at NEJM.org.

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The Hospital-Dependent Patient

David B. Reuben, M.D., and Mary E. Tinetti, M.D.

Approximately 20% of Medicare patients who have been hospitalized are readmitted within 30 days,¹ with substantial implications for outcomes and costs of care. Many reasons have been identified, including poor transitions from the hospital setting, lack of medication reconciliation, inadequate access to medical ser-

vices after discharge (e.g., timely postdischarge appointments with primary care physicians and specialists), and lack of accountability regarding which clinician is responsible after discharge.² The problem has been conceptualized as a failure of the health care system to fulfill its responsibility to provide comprehensive,

coordinated, and continuous care. Accordingly, the Centers for Medicare and Medicaid Services began to invoke penalties for readmissions of patients who have been discharged after hospitalizations for selected diagnoses. Hospitals and health systems are responding with innovations such as care coordinators, post-

Appendix J: Behavioral Health Program Outline



Behavioral Health Program Course Outline

Presented by

Paula Johnston, RN, MSN, LMFT, Psy.D

Wednesday, January 6, 2019

10:00am-12:30pm

1. Introduction
 - a. Why do we need a behavioral health program
 - i. Mental Health Statistics
 - ii. Cause and Stigma
 - b. CMS & Insurance Criteria
 - i. Homebound & Skilled Need
2. Infrastructure
 - a. Policies
 - b. Behavioral Health Lead
 - c. BHN Job Description
 - d. BHN Competency
 - e. Psychiatrist
 - f. Personnel
3. Marketing the Behavioral Health Program
 - a. Identifying Existing Behavioral Health Patients
 - b. Referrals
 - c. Patient Diagnoses
 - d. Getting Referrals
 - e. Marketing to Build a Caseload

Wednesday, January 6, 2019

1:30pm-5:00pm

4. Behavioral Health Program Overview
 - a. SOC's & Visits
 - b. F/D
 - c. BHN vs MSW
5. Behavioral Health Nurses (BHN)
 - a. Qualifications
 - b. Scope of Practice
 - c. Finding/Hiring BHN's
 - d. BHN Job Description, Competencies and Skills
 - e. BHN Orientation
 - f. Culture & Language
 - g. BHN Support & Management
6. Behavioral Health Patient Differences
 - a. Denial
 - b. Driving
 - c. Approaching
 - d. Oasis Functional Scoring
 - e. Recertification



Behavioral Health Program Course Outline

Presented by

Paula Johnston, RN, MSN, LMFT, Psy.D

Thursday, January 7, 2019

10:00am-12:30pm

7. Behavioral Health Forms
 - a. Psychiatric Evaluation
 - b. Follow Up Visit Notes
 - c. BHN POC
 - d. Devero
8. Behavioral Health Psychiatric Evaluation Screening/Tests
 - a. How were screens selected
 - b. Which test & When
 - c. Suicide Screening & Practices Guidelines
 - d. Generalized Anxiety Disorder
 - e. Clinically Useful Depression Outcome Scale (CUDOS)
 - f. Geriatric Depression Scale
 - g. Cornell Scale for Depression in Dementia
 - h. St Louis University Mental Status Exam
 - i. 10 Point Clock & Scoring
 - j. Montreal Cognitive Assessment
 - k. Montreal Cognitive Assessment-Blind
 - l. Blessed Dementia Scale
 - m. Mood Disorder Questionnaire
 - n. CAGE
9. Quality Improvement
 - a. Outcome Goals

Thursday, January 7, 2019

1:00pm-3:00pm

10. Behavioral Health Techniques
 - a. Key Areas of BHN Interventions
 - b. BHN Case Manager Responsibilities
 - c. BHN Administrative Time
 - d. SOLAR
 - e. Counseling
 - f. Cognitive Distortions & CBT
 - g. ABC
 - h. Therapeutic Communication
 - i. Patient Transitions
 - j. Validation Therapy
 - k. Family Meetings
 - l. APS
 - m. Medication Management
11. Case Studies
 - a. Do they meet Homebound Criteria?
 - b. Do they have a Skilled Need?

Appendix K: Admission Policy

Healthy Living at Home - Seattle, LLC

Provision of Care, Treatment, and Service
ADMISSION CRITERIA AND PROCESS
Policy No. 2-005.1

PURPOSE

To establish standards and a process by which a patient can be evaluated and accepted for admission.

POLICY

Patients will be accepted for care without discrimination on the basis of race, color, religion, age, gender, sexual orientation, disability (mental or physical), communicable disease, or place of national origin.

Patients will be accepted for care based on the adequacy and suitability of organization personnel, resources to provide required services, and the reasonable expectation that the patient's medical, nursing, rehabilitative, and social needs can be adequately met in the patient's place of residence.

While patients are accepted for services based on their medical needs, a patient's ability to pay for such services, whether through state or federal assistance programs, private insurance, or personal assets is another factor that will be considered.

The organization reserves the right not to accept any patient who does not meet the admission criteria.

The patient will be referred to other resources if the organization cannot meet his/her needs.

Once a patient is admitted to service, the organization will be responsible for providing care and services within its financial and service capabilities, mission, and applicable law and regulations.

Admission Criteria

1. The patient must be under the care of a physician. The patient's physician (or other authorized licensed independent practitioner) must order and approve the provision of any service. A skilled service must be ordered.
2. The patient must desire home health services.
3. Healthy Living at Home - Seattle, LLC will accept any patient who is appropriate for home health, regardless of payment source. The effectiveness and safety of care, treatment, and service is not dependent on the patient's ability to pay.
4. The patient must reside within the geographical area that Healthy Living at Home - Seattle, LLC serves.
5. The physical facilities and equipment in the patient's home must be adequate for safe and effective care.

Washington Joint Commission Home Health/Revised April 2017

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6. Services may be provided to patients insured by Medicare who have a primary need for skilled nursing, physical, and/or speech therapy on an intermittent basis and are homebound. (A patient is considered to be homebound if he/she has a condition that restricts his/her ability to leave his/her place of residence except with the aid of supportive devices, the use of special transportation, the assistance of another person, or if he/she has a condition which is such that leaving his/her home is medically contraindicated.)
7. Acceptance for home health services is realistically based on the patient's willingness and ability to function in a noninstitutional environment, and the willingness, ability, and availability of family/caregiver or significant individuals to participate in the care.

PROCEDURE

1. The organization will utilize referral information provided by the family/caregiver, health care clinicians from acute care facilities, skilled or intermediate nursing facilities, other agencies, and physician offices in the determination of eligibility for admission to the program. If the patient's physician does not make the request for service, he/she will be consulted prior to the evaluation visit and initiation of services.
 - A. If the patient resides in an assisted living facility, it will be determined the type of state license the facility holds, if any, and the required services the facility is obligated to provide.
 1. A copy of the patient's service agreement with the facility will be viewed to ensure that home health services ordered and provided are not duplicative of those services or required to be provided by the facility
2. The Clinical Supervisor will assign clinical organization personnel to conduct assessments of eligibility for services within 48 hours of acceptance of referral information and/or discharge from a referring facility.
 - A. The initial visit must be performed either within 48 hours of the referral, within 48 hours of the patient's return home, or on the start of the care date ordered by the physician (or other authorized licensed independent practitioner).
 - B. The patient's most critical needs for home health services must be identified during the initial assessment, and met in a timely fashion.
 - C. The initial and comprehensive assessments must be conducted by a registered nurse, unless physical therapy or speech language pathology is the only requested service for that patient. In those cases, the physical therapist or speech therapist may conduct the assessments. These assessments may be conducted by the occupational therapist if the need for occupational therapy establishes program eligibility.
3. Assignment of appropriate clinical personnel to conduct the initial assessment of patient's eligibility for admission will be based on:
 - A. Patient's geographical location

- B. Complexity of the patient's medical needs and level of care required
 - C. Organization personnel's education and experience
 - D. Organization personnel's special training and their competence to meet patient's needs
 - E. Urgency of identified need for assessment
4. In the event that the time frame for assessment cannot be met, the patient's physician and the referral source, as well as the patient, will be notified for approval of the delay.
- A. Such notification and approval will be documented.
 - B. If approval is not obtained for the delay, the patient will be referred to another organization for services.
5. A nurse or therapist will attempt to make a first contact prior to the patient's hospital discharge, if possible or appropriate. The initial home visit will be made within 48 hours after the patient's discharge from a facility or as ordered by the physician (or other authorized licensed independent practitioner).
6. During the initial assessment visit, the admitting clinician will review the patient's eligibility for home health services, according to the admission criteria to determine or confirm:
- A. Level of services required
 - B. Eligibility (meets admission criteria)
 - C. Qualifying face-to-face encounter date, if completed within ninety (90) days prior to admission. (See ["Face-to-Face Encounter Procedure"](#) Addendum 2-005.A.)
 - D. Source of payment
7. If eligibility criteria is met, the patient and family/caregiver will be provided with an organization brochure and various educational materials providing sufficient information on:
- A. Nature and goals of care and service
 - B. Hours during which care and service are available
 - C. Access to care after hours
 - D. Care costs, if any, to be paid by the patient
 - E. Organization mission, objectives, and the scope of care provided both directly and through contractual agreement
 - F. Safety information

- G. Infection control information including hand and respiratory hygiene practices
 - H. Emergency management plans
 - I. Available community resources
 - J. Complaint/grievance process
 - K. Advance Directives
 - L. Other organization personnel involved in care
 - M. Mechanism for notifying the patient and/or family/caregiver of changes in care and any related liability for payment as a result of those changes
 - N. Notice of privacy practices
8. Patient rights and responsibilities will be explained to the patient and family/caregiver. If a face-to-face encounter has not been completed prior to admission, the clinician will explain the requirement that a face-to-face encounter visit with their physician or allowed NP must be completed within thirty (30) days of admission.
 9. The admitting clinician will document that the above information has been furnished to the patient and/or family/caregiver, and he/she will also document any information not understood by the patient and/or family/caregiver.
 10. The patient and/or family/caregiver, after review, will be given the opportunity to either accept or refuse services.
 11. The patient or his/her representative will sign the required forms indicating acceptance of services and receipt of patient rights and privacy information.
 12. Refusal of services will be documented in the clinical record. Notification of the Clinical Supervisor, physician, and referral source will follow with appropriate documentation in the clinical record.
 13. The admitting clinician will contact the physician for clarification, acceptance, or rejection of care.
 14. The admitting clinician will consult with the Clinical Supervisor concerning the patient's condition following the initial visit. Based on the clinical personnel's assessment of the patient's eligibility for admission, the patient will be admitted for services or referred to alternate sources for care.
 15. If the patient is accepted for home health, an initial plan of care will be developed in consultation with the physician and the patient and then submitted to the physician for signature.

16. The initial written assessment will be completed within 24 hours of the original assessment/admission visit. All documentation needed to develop the plan of care will be completed and turned into the office no later than the next business day.
17. A comprehensive assessment must be completed within five (5) calendar days of the patient's start of care. (See "[Initial and Comprehensive Assessment](#)" Policy No. 2-007.)
 - A. Each patient must receive a patient-specific, comprehensive assessment that identifies the need for home health care and that meets the patient's medical, nursing, rehabilitative, social, and discharge planning needs.
 - B. Outcomes and Assessment Information Set (OASIS) data must be collected on all patients receiving skilled services, except prepartum and postpartum patients, and patients under the age of 18. OASIS data collection is not required for patients who are receiving only personal care or support services (homemaker services). The OASIS data will be collected during the comprehensive assessment. The assessment tool must include the exact use of the current versions of the OASIS data set.
18. The time frames apply for weekends, holidays, and weekday admissions.
19. A clinical record will be initiated for each patient admitted for home health services.
20. If a patient does not meet the admission criteria or cannot be cared for by the organization, the Clinical Supervisor will be notified and appropriate referrals to other sources of care will be made on behalf of the patient.
21. The following individuals will be notified of non-admits:
 - A. Patient
 - B. Physician
 - C. Referral source (if not physician)
22. A record of non-admits will be kept for statistical purposes, referencing the date of referral, date of assessment, patient name, services required, physician, reason for non-admit, referral to other health care facilities, etc.
23. In the event a patient does not meet the stated criteria for admission to the program, the Executive Director/Administrator, in consultation with the Medical Director, may decide upon exceptions, with the request of the referring party and/or the patient.
24. In the event continued care to a patient contradicts the recommendations of an external or internal entity performing a utilization review, the Executive Director/Administrator will be notified. All care, service, and discharge decisions must be made in response to the care required by the patient, regardless of the external or internal organization's recommendation. The patient, family/caregiver (as appropriate), and physician will be involved in deliberations about the denial of care or conflict about care decisions.

25. A record of conflict of care issues and outcomes will be kept for statistical purposes, referencing the date of the conflict of care issue, the patient name, the external or internal organization recommendations and reasons, and complete documentation of organization decision and patient care needs.
26. Home Health agencies providing a one-time visit for a patient may provide the following written documentation in lieu of the home health plan of care and patient recovered to included:
 - A. Patient name, age, current address and phone number
 - B. Confirmation that the patient was provided a written bill of rights
 - C. Patient consent for services to be provided
 - D. Authorizing practitioner orders; and
 - E. Documentation of services provided.

Appendix L: Charity Care Policy (currently in use at HLH Vancouver)

PURPOSE

To identify the criteria to be applied when accepting patients for charity care.

POLICY

Patients without third-party payer coverage and who are unable to pay for medically necessary care will be accepted for charity care admission, per established criteria.

Healthy Living at Home - Seattle, LLC will establish objective criteria and financial screening procedures for determining eligibility for charity care.

The organization will consistently apply the charity care policy.

PROCEDURE

1. When it is identified that the patient has no source for payment of services and requires medically necessary care, the patient must provide personal financial information upon which the determination of charity care will be made.
2. A social worker will meet with the patient to determine potential eligibility for financial assistance from other community resources.
3. The Executive Director/Administrator, with the Clinical Director, will review all applicable patient information, including financial declarations, physician (or other authorized licensed independent practitioner) orders, initial assessment information, and social work notes to determine acceptance for charity care.
4. All documentation utilized in the determination for acceptance for charity care will be maintained in the patient's billing record.
5. When financial declarations reveal the patient is able to make partial payment for services, the Executive Director/Administrator, with the Clinical Director, will determine the appropriate sliding-fee schedule to be implemented.
6. The revised sliding-fee schedule will be presented to the patient for agreement and signature.
7. After acceptance for charity care, the patient's ability to pay will be reassessed by the social worker prior to each recertification period.

8. When the organization is unable to admit the patient or to continue charity care, every effort will be made to refer the patient for appropriate care with an alternate provider.
9. The referral source will be advised of acceptance, non-acceptance, continuation, or discharge from charity care.

Appendix M: Patient Referral Policy

INTERNAL REFERRAL PROCESS

Policy No. 2-034.1

PURPOSE

To outline the process to make a referral for additional home health-provided services.

POLICY

Referrals to other disciplines within the organization will be processed as any other referral.

PROCEDURE

1. All internal referrals to other disciplines will be documented within the clinical record, including time frames.
2. When a clinician identifies that an additional service is needed, the Case Manager will complete an internal referral form (see "[Internal Referral Form](#)" Addendum 2-034.A) and give it to the Clinical Supervisor or scheduler, who will assign the appropriate clinician.
3. The clinician assigned to provide additional services will contact the physician (or other authorized licensed independent practitioner) for orders for evaluation and treatment.

- B. Complexity of the patient's medical needs and level of care required
 - C. Organization personnel's education and experience
 - D. Organization personnel's special training and their competence to meet patient's needs
 - E. Urgency of identified need for assessment
4. In the event that the time frame for assessment cannot be met, the patient's physician and the referral source, as well as the patient, will be notified for approval of the delay.
- A. Such notification and approval will be documented.
 - B. If approval is not obtained for the delay, the patient will be referred to another organization for services.
5. A nurse or therapist will attempt to make a first contact prior to the patient's hospital discharge, if possible or appropriate. The initial home visit will be made within 48 hours after the patient's discharge from a facility or as ordered by the physician (or other authorized licensed independent practitioner).
6. During the initial assessment visit, the admitting clinician will review the patient's eligibility for home health services, according to the admission criteria to determine or confirm:
- A. Level of services required
 - B. Eligibility (meets admission criteria)
 - C. Qualifying face-to-face encounter date, if completed within ninety (90) days prior to admission. (See ["Face-to-Face Encounter Procedure"](#) Addendum 2-005.A.)
 - D. Source of payment
7. If eligibility criteria is met, the patient and family/caregiver will be provided with an organization brochure and various educational materials providing sufficient information on:
- A. Nature and goals of care and service
 - B. Hours during which care and service are available
 - C. Access to care after hours
 - D. Care costs, if any, to be paid by the patient
 - E. Organization mission, objectives, and the scope of care provided both directly and through contractual agreement
 - F. Safety information

- G. Infection control information including hand and respiratory hygiene practices
 - H. Emergency management plans
 - I. Available community resources
 - J. Complaint/grievance process
 - K. Advance Directives
 - L. Other organization personnel involved in care
 - M. Mechanism for notifying the patient and/or family/caregiver of changes in care and any related liability for payment as a result of those changes
 - N. Notice of privacy practices
8. Patient rights and responsibilities will be explained to the patient and family/caregiver. If a face-to-face encounter has not been completed prior to admission, the clinician will explain the requirement that a face-to-face encounter visit with their physician or allowed NP must be completed within thirty (30) days of admission.
 9. The admitting clinician will document that the above information has been furnished to the patient and/or family/caregiver, and he/she will also document any information not understood by the patient and/or family/caregiver.
 10. The patient and/or family/caregiver, after review, will be given the opportunity to either accept or refuse services.
 11. The patient or his/her representative will sign the required forms indicating acceptance of services and receipt of patient rights and privacy information.
 12. Refusal of services will be documented in the clinical record. Notification of the Clinical Supervisor, physician, and referral source will follow with appropriate documentation in the clinical record.
 13. The admitting clinician will contact the physician for clarification, acceptance, or rejection of care.
 14. The admitting clinician will consult with the Clinical Supervisor concerning the patient's condition following the initial visit. Based on the clinical personnel's assessment of the patient's eligibility for admission, the patient will be admitted for services or referred to alternate sources for care.
 15. If the patient is accepted for home health, an initial plan of care will be developed in consultation with the physician and the patient and then submitted to the physician for signature.

6. Services may be provided to patients insured by Medicare who have a primary need for skilled nursing, physical, and/or speech therapy on an intermittent basis and are homebound. (A patient is considered to be homebound if he/she has a condition that restricts his/her ability to leave his/her place of residence except with the aid of supportive devices, the use of special transportation, the assistance of another person, or if he/she has a condition which is such that leaving his/her home is medically contraindicated.)
7. Acceptance for home health services is realistically based on the patient's willingness and ability to function in a noninstitutional environment, and the willingness, ability, and availability of family/caregiver or significant individuals to participate in the care.

PROCEDURE

1. The organization will utilize referral information provided by the family/caregiver, health care clinicians from acute care facilities, skilled or intermediate nursing facilities, other agencies, and physician offices in the determination of eligibility for admission to the program. If the patient's physician does not make the request for service, he/she will be consulted prior to the evaluation visit and initiation of services.
 - A. If the patient resides in an assisted living facility, it will be determined the type of state license the facility holds, if any, and the required services the facility is obligated to provide.
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 - A. Patient's geographical location

25. A record of conflict of care issues and outcomes will be kept for statistical purposes, referencing the date of the conflict of care issue, the patient name, the external or internal organization recommendations and reasons, and complete documentation of organization decision and patient care needs.
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 - A. Patient name, age, current address and phone number
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22. A record of non-admits will be kept for statistical purposes, referencing the date of referral, date of assessment, patient name, services required, physician, reason for non-admit, referral to other health care facilities, etc.
23. In the event a patient does not meet the stated criteria for admission to the program, the Executive Director/Administrator, in consultation with the Medical Director, may decide upon exceptions, with the request of the referring party and/or the patient.
24. In the event continued care to a patient contradicts the recommendations of an external or internal entity performing a utilization review, the Executive Director/Administrator will be notified. All care, service, and discharge decisions must be made in response to the care required by the patient, regardless of the external or internal organization's recommendation. The patient, family/caregiver (as appropriate), and physician will be involved in deliberations about the denial of care or conflict about care decisions.

Appendix N: Dr. Carr WA License Verification



STATE OF WASHINGTON
DEPARTMENT OF HEALTH
Olympia, Washington 98504

6/18/2019

Subject: Credential Verification

To Whom It May Concern:

This verifies the status of the Physician And Surgeon License for Carr, Kirsten Marie Winn.

This site is a Primary Source for Verification of Credentials.

Credential Number:	MD60672461
Credential Type:	Physician And Surgeon License
First Credential Date:	11/23/2016
Last Renewal Date:	04/16/2019
Credential Status:	ACTIVE
Current Expiration Date:	06/12/2021
Enforcement Action:	No

The Washington Department of Health presents this information as a service to the public.

The absence or presence of information in this system does not imply any recommendation, endorsement, or guarantee of competence of any health care professional, the mere presence of such information does not imply a practitioner is not competent or qualified.

This site provides disciplinary actions taken and credentials denied for failure to meet qualifications. If the Enforcement Action is listed as a No, there has been no disciplinary action. It allows viewing and downloading of related legal documents since July 1998. Contact our Public Disclosure Office at pdrc@doh.wa.gov for information on actions before July 1998. This information comes directly from our database. It is updated daily.



Kirsten Carr, MD

PERSONAL INFORMATION

Address: 6787 SW 30th Ave, Portland, OR 97216
Cell Phone: (503) 740-6693
Email: kirsten.carr@theMFCC.com

OFFICE INFORMATION

Multnomah Family Care Center, PC
Address: 7689 SW Capitol Highway, Portland, OR 97219
Work Phone: (503) 445-4454
Work Fax: (503) 445 - 4464

EDUCATION

9/2005 -6/2006	Fellow, Faculty Development, University of Arizona, Phoenix, AZ
7/2005-6/2006	Chief Resident, Scottsdale Healthcare Family Medicine Residency, Scottsdale, AZ
6/2003 – 6/2006	Resident Physician, Scottsdale Healthcare Family Practice Residency, Scottsdale, AZ
9/1999 - 6/2003	Doctorate of Medicine, Oregon Health and Science University, Portland, OR
8/1994 - 5/1998	Bachelor of Arts, Cum Laude, Biopsychology, Transylvania University, Lexington, KY
1994	Valedictorian, Honors Diploma, Grants Pass High School, Grants Pass, OR

WORK EXPERIENCES

11/2010 – current	Owner, Multnomah Family Care Center, Portland, OR
11/2010 - current	Locums work and Worker's Compensation Coordinator, McMinnville Immediate Health, McMinnville, OR
9/2007 – current	Affiliate Faculty, Oregon Health and Science University, Family Medicine, 2nd and 3rd year medical student clinical preceptor

9/2006-11/2010	Independent Contractor Physician, Tuality Healthcare, Family Doctor's Office, Hillsboro, OR
1/2007-5/2007	Employed Physician, Zoom Care, Tigard, OR
11/2004 – 5/2005	Staff Physician, John. C Lincoln Medical Center, Saguaro Family Practice and Deer Valley Family Practice Sites, Phoenix, AZ
10/2004 – 8/2006	Resident Coordinator, Concentra Medical Systems, Phoenix, AZ
10/2003 -8/2006	Resident coordinator of Reach Out and Read Program - Heuser Family Practice Office, Scottsdale, AZ
6/2000-4/2002	Research Assistant, Oregon Health and Science University, Portland, OR
2/2000-4/2000	Diener, Body Donation Program, Oregon Health and Science University, Portland, OR
9/1998-8/1999	Residential Treatment Counselor (QMHA equivalent), The Christie School, Marylhurst, OR

CERTIFICATIONS

Oregon Medical License – MD26408, unrestricted, exp 12/31/13

American Board of Family Medicine, Diplomate, recertification due 2016

DEA Certification – Current, expires 8/15

ACLS Provider, American Heart Association

HONORS & AWARDS

6/2006	Outstanding Third Year of the Year - Scottsdale Healthcare Family Practice Residency
5/2006	Nominee for Grobe Award honoring outstanding third year Family Medicine resident in state of Arizona
5/2005	First runner-up, resident poster competition, Arizona Academic Day of Excellence for "Literacy in the Family Practice Office: Implementation of a Family Reading Program"
4/2005	Presentation of poster at AZAFP conference on "Literacy in the Family Practice Office: Implementation of a Family Reading Program"
11/2004	Presentation of poster at STFM conference on patient education

6/2004	"Literacy in the Family Practice Office: implementation of a Family Reading Program" Outstanding Intern of the Year - Scottsdale Healthcare Family Practice Residency
10/2002	Student Presenter at Oregon Rural Health Conference on topic: "Smoking Cessation intervention in Lebanon, OR"
6/2002	First Time Attendee Scholarship, AAFP National Conference of Residents and Medical Students
1999-2003	School of Medicine Scholar
2000-2003	Southern Oregon Medical Society Scholar
11/1996	Ernest Meyer Award for undergraduate research - KY Psychological Association

PROFESSIONAL AFFILIATIONS / COMMITTEES

1999	American Academy of Family Physicians
2006	Oregon Academy of Family Physicians
1999 – 2003	American Medical Student Association- student member
1999 - 2003	Oregon Academy of Family Physicians - student member

RESEARCH AND PUBLICATIONS

6/2006	Literacy in the Primary Care Office: A Study of Health Literacy in Two Office Settings in Scottsdale, AZ
11/2004	Literacy in the Family Practice Office: implementation of a Family Reading Program - Poster presentation for Society of Teachers of Family Medicine Patient Education Conference, San Francisco 11/04
3/2002	Smoking Cessation research as part of Rural Primary Care rotation with the eventual development of a smoking cessation handout and presentation which has been adapted for use throughout the local area of original work and Portland as well.
6/2000-5/2001	Research Assistant, OHSU Women's Health Center, Portland, OR. Hansen, A. Carr, K. Jensen, JT. Characteristics and initial

Evelyn Carpiet MD
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Pamela Pattani
Office Manager
McMinnville Immediate Health
207 NE 19th St
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503-435-1077

Diagnosis of Women Presenting to a Referral Center for Vulvovaginal Disorders 1996-2000. Journal of Reproductive Medicine 2002 Oct; 47(10): 854-60.

Jensen, JT, Wilder, K, Carr, K, Romm, J, and Hansen, A. Quality of Life and Sexual Function Following Evaluation and Treatment at a Referral Center for Vulvovaginal Disorders. American Journal of Obstetrics and Gynecology 2003 Jun; 188 (6): 1629-35.

6/1996-9/1996 Research Assistant, VA Hospital, Dr. J. Crabbe P.I., Portland OR
genetics of ETOH in mice

VOLUNTEER/COMMUNITY SERVICE

9/2006-2012 Essential Health Clinic Volunteer Physician

10/2004 – Reach out and Read Resident Liaison for Heuser Family Practice
6/2006 Center

1999-2003 Mentor for Family Medicine Interest Group Undergraduate
Outreach Program

1999-2003 Wallace Medical Concern - free medical clinic in Portland,

1999-2003 OR Volunteer for Hopewell House - in-patient hospice

REFERENCES

Cynthia Kegowicz,
MD Program Director
Scottsdale Healthcare Family Practice Residency
7301 E Second St
Suite 210
Scottsdale, AZ 85251
480-882-4890

Wendy Danto Ellis, MC, LPC, PhD
Behavioral Science Director
Scottsdale Healthcare Family Practice Residency
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Scottsdale, AZ 85251
480-882-4890

Appendix P: Certificate of Liability Insurance



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
11/15/2018

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Willis Insurance Services of Georgia, Inc. c/o 26 Century Blvd P.O. Box 305191 Nashville, TN 372305191 USA		CONTACT NAME PHONE (A/C No. Ext): 1-877-945-7378 FAX (A/C No.): 1-888-467-2378 E-MAIL Address: certificates@willis.com	
INSURED SLR Capricorn Holdings, LLC 1879 Lundy Ave Ste 129 San Jose, CA 95131 USA		INSURER(S) AFFORDING COVERAGE INSURER A: Steadfast Insurance Company NAIC # 26387 INSURER B: Zurich American Insurance Company 16535 INSURER C: INSURER D: INSURER E: INSURER F:	

COVERAGES **CERTIFICATE NUMBER: W8847554** **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR INSD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GENL AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-SUBJECT <input type="checkbox"/> LOC <input type="checkbox"/> OTHER			RPC1066658-02	11/15/2018	11/15/2019	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Per occurrence) \$ 50,000 MED EXP (Any one person) \$ 5,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 3,000,000 PRODUCTS - COMP/OP AGG \$ 3,000,000
B	<input checked="" type="checkbox"/> AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS ONLY <input type="checkbox"/> NON-OWNED AUTOS ONLY			FRA1066629-01	11/15/2018	11/15/2019	COMBINED SINGLE LIMIT (Per accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
A	<input checked="" type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED: RETENTION \$			RPC1066658-02	11/15/2018	11/15/2019	EACH OCCURRENCE \$ 5,000,000 AGGREGATE \$ 5,000,000
B	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N	N/A	WC1066650-02	11/15/2018	11/15/2019	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTHER E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000
A	Professional Liab.			RPC1066658-02	11/15/2018	11/15/2019	Aggregate Limit \$3,000,000 Each Claim Limit \$1,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

SEE ATTACHED

CERTIFICATE HOLDER For Evidence Only	CANCELLATION SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.
	AUTHORIZED REPRESENTATIVE

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ACORD 25 (2016/03)

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ISS ID: 17059697

BATCH: 955536

Appendix Q: Letter of Intent



Certificate of Need Program
Department of Health
PO Box 47852
Olympia, WA 98504-7852

RECEIVED

Re: Letter of Intent
March 5th, 2019
Dear Ms. Sigman,

This is a letter of intent for Healthy Living at Home - Seattle, LLC ("HLH - Seattle") and hereby acknowledges our letter of intent requesting certificate of need ("CON") approval to establish and operate a Home Health Care agency offering Medicare Certified and Medicaid Eligible services to the residents of King County.

In accordance with WAC 246-310-080 the following information is provided:

1. Description of the Proposed Services:

HLH - Seattle will offer in-home skilled nursing, physical therapy, occupational therapy, speech language pathology, medical social worker, home health aide, and registered dietician services to homebound patients under the direction of a physician.

2. Estimated Cost of the Project:

HLH - Seattle capital expenditure is estimated to be \$90,000.

3. Identification of the Service Area:

HLH - Seattle will serve the residents of King County.

Please feel free to contact Geoff Schackmann, Administrator and Program Manager, for any items pertaining to the review of this project.

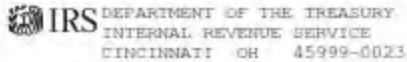
Sincerely,

Geoff Schackmann

Geoffrey Schackmann, Program Manager
Healthy Living at Home - Seattle, LLC

Direct: 360-485-5774 Fax: 360-485-5790

Appendix R: EIN



Date of this notice: 06-18-2019

Employer Identification Number:
84-2128481

Form: SE-4

Number of this notice: CP 575 B

HEALTHY LIVING AT HOME - SEATTLE
GEOFF SCHRACKMANN MSR
1499 DE TECH CENTER PL STE 140
VANCOUVER, WA 98683

For assistance you may call us at:
1-800-829-4933

IF YOU WRITE, ATTACH THE
STUB AT THE END OF THIS NOTICE.

WE ASSIGNED YOU AN EMPLOYER IDENTIFICATION NUMBER

Thank you for applying for an Employer Identification Number (EIN). We assigned you EIN 84-2128481. This EIN will identify you, your business accounts, tax returns, and documents, even if you have no employees. Please keep this notice in your permanent records.

When filing tax documents, payments, and related correspondence, it is very important that you use your EIN and complete name and address exactly as shown above. Any variation may cause a delay in processing, result in incorrect information in your account, or even cause you to be assigned more than one EIN. If the information is not correct as shown above, please make the correction using the attached tear off stub and return it to us.

Based on the information received from you or your representative, you must file the following form(s) by the date(s) shown.

Form 1065

03/15/2020

If you have questions about the form(s) or the due date(s) shown, you can call us at the phone number or write to us at the address shown at the top of this notice. If you need help in determining your annual accounting period (tax year), see Publication 538, *Accounting Periods and Methods*.

We assigned you a tax classification based on information obtained from you or your representative. It is not a legal determination of your tax classification, and is not binding on the IRS. If you want a legal determination of your tax classification, you may request a private letter ruling from the IRS under the guidelines in Revenue Procedure 2004-1, 2004-1 I.R.B. 1 (or superseding Revenue Procedure for the year at issue). Note: Certain tax classification elections can be requested by filing Form 8832, *Entity Classification Election*. See Form 8832 and its instructions for additional information.

A limited liability company (LLC) may file Form 8832, *Entity Classification Election*, and elect to be classified as an association taxable as a corporation. If the LLC is eligible to be treated as a corporation that meets certain tests and it will be electing S corporation status, it must timely file Form 2553, *Election by a Small Business Corporation*. The LLC will be treated as a corporation as of the effective date of the S corporation election and does not need to file Form 8832.

To obtain tax forms and publications, including those referenced in this notice, visit our Web site at www.irs.gov. If you do not have access to the Internet, call 1-800-829-3676 (TTY/ID 1-800-829-4059) or visit your local IRS office.

Appendix S: NPI



National Plan & Provider Enumeration System

DEPARTMENT OF HEALTH AND HUMAN SERVICES
CENTERS FOR MEDICARE & MEDICAID SERVICES

NATIONAL PROVIDER IDENTIFIER (NPI) APPLICATION/UPDATE FORM

PDF Generated by: gschackm on 06/18/2019 15:08 Submitted on: 06/18/2019 15:08 Tracking ID: 06152019282362

Section 1: BASIC INFORMATION

NPI:	1043870413
Entity Type:	Organization who renders health care.
Print Date:	06/18/2019
Enumeration Date:	06/18/2019
Certification/Updated Date:	06/18/2019

Section 2: PROFILE

Organization Name (includes Groups, Corporations and Partnerships)	
Employer Identification Number(EIN) XX-XXX8481	Organization Name(Legal Business Name) Healthy Living at Home - Seattle, LLC
Is the organization a subpart? N	

Section 3: BUSINESS ADDRESSES AND OTHER INFORMATION

Business Mailing Address Information				
Business Mailing Address: 1499 SE Tech Center Pl Ste 140, Vancouver WA 99063-9575, US				
Business Telephone number (360) 859-4580	Extension	Business Fax Number (360) 859-4891		
Primary Practice Location Address Information				
Primary Practice Location Address 801 2nd Ave Ste 800, Seattle WA 98104-1573, US				
Business Telephone number (480) 495-5474	Extension	Business Fax Number		
Primary Taxonomy Code				
Taxonomy Code 231E00000X	Taxonomy Type Home Health	Group Type	License Number	State Issued

Appendix T: Board of Directors Letter of Support

DocuSign Envelope ID: A3AC7F55-EDC3-48CA-8767-1D80177B23B6



Certificate of Need Program
2019
Department of Health
PO Box 47852
Olympia, WA 98504-7852

September 10th,

Re: Letter of Financial Commitment on behalf of Healthy Living at Home - Seattle, LLC

Dear Ms. Sigman,

The Certificate of Need Program's application for Medicare certified and Medicaid eligible hospice agency requests a letter of support and financial commitment on startup healthcare ventures.

We, the governing board of Healthy Living Network, will commit the necessary personnel, capital investment, and financial resources to finance the startup and initial operations of Healthy Living at Home - Seattle, LLC.

Thank You,

DocuSigned by:
Julio Quinones, CEO
20380C0D540C4E9

Julio Quinones, CEO

DocuSigned by:
Caroline Breeding, President
20380C0D540C4E9

Caroline Breeding, President

DocuSigned by:
Jonathan Bliss, Vice President Home Health
20380C0D540C4E9

Jonathan Bliss, VP – Home Health

DocuSigned by:
Geoff Schackmann
20380C0D540C4E9

Geoff Schackmann, Program Manager

Appendix U: Fiscal Intermediary Form

SECTION 12: SPECIAL REQUIREMENTS FOR HOME HEALTH AGENCIES (HHAS)

INSTRUCTIONS

All HHAs and HHA sub-units enrolling in the Medicare program must complete this section. HHAs and HHA sub-units initially enrolling in Medicare, Medicaid, or both programs on or after January 1, 1998 are required to provide documentation supporting that they have sufficient initial reserve operating funds (capitalization) to operate for the first three months in the Medicare and/or Medicaid program(s). The capitalization requirement applies to all HHAs and HHA sub-units enrolling in the Medicare program, including HHAs or HHA sub-units currently participating in the Medicare program that, as a result of a change of ownership, will be issued a new provider number. The capitalization requirement does not apply to a branch of an HHA. Regulations found at 42 C.F.R. 489.28 require that the fee-for-service contractor determine the required amount of reserve operating funds needed for the enrolling HHA or HHA sub-unit by comparing the enrolling HHA or HHA sub-unit to at least three other new HHAs that it serves which are comparable to the enrolling HHA or HHA sub-unit. Factors to be considered are geographic location, number of visits, type of HHA or HHA sub-unit and business structure of the HHA or HHA sub-unit. The fee-for-service contractor then verifies that the enrolling HHA or HHA sub-unit has the required funds. To assist the fee-for-service contractor in determining the amount of funds necessary, the enrolling HHA or HHA sub-unit should complete this section.

Check here if this section does not apply and skip to Section 13.

A. Type of Home Health Agency

1. CHECK ONE:

Non-Profit Agency Proprietary Agency

2. PROJECTED NUMBER OF VISITS BY THIS HOME HEALTH AGENCY

How many visits does this HHA project it will make in the first:
three months of operation? _____

twelve months of operation? _____

3. FINANCIAL DOCUMENTATION

A) In order to expedite the enrollment process, the HHA may attach a copy of its most current savings, checking, or other financial statement(s) that verifies the initial reserve operating funds, accompanied by:

- 1) An attestation from an officer of the bank or other financial institution stating that the funds are in the account(s) and are immediately available for the HHA's use, and
- 2) Certification from the HHA attesting that at least 50% of the reserve operating funds are non-borrowed funds.

B) Will the HHA be submitting the above documentation with this application? YES NO

NOTE: The fee-for-service contractor may require a subsequent attestation that the funds are still available. If the fee-for-service contractor determines that the HHA requires funds in addition to those indicated on the originally submitted account statement(s), it will require verification of the additional amount as well as a new attestation statement.

Appendix V: Trinity MSO Contract (draft)



PROFESSIONAL MANAGEMENT SERVICES ORGANIZATION (MSO) AGREEMENT

This Professional Management Services Organization Agreement (the "Agreement"), made this 15th day in June, 2019, by and between Healthy Living at Home - Seattle, LLC, hereinafter referred to as "Provider", and Trinity Management Services Organization, LLC. (hereinafter referred to as "Healthy Living Network");

WITNESSETH:

WHEREAS, Provider operates home health/hospice agencies located at:

801 2nd Ave Suite 800 Seattle, WA 98104

WHEREAS, Healthy Living Network located at 2365 Iron Point Rd. #270 Folsom 95630 provides a professional service, and Provider desires to retain the professional services of the Management Services Organization (MSO).

Both parties mutually agree as follows:

1. Term.

This Agreement shall be for a term commencing on the date of the Agreement (hereinafter referred to as "Commencement Date"), and continuing thereafter for the shorter of 90 days or when a joint venture agreement is reached between Healthy Living Network and the Provider. The Term may be extended by mutual agreement between the parties.

Upon expiration or earlier termination of this Agreement, Healthy Living Network shall invoice Provider and Provider shall pay Healthy Living Network for all services performed and all approved expenses incurred on Provider's behalf prior to the termination date, provided such services and expenses are in accordance with the terms of this Agreement.

Healthy Living Network 03-05-18

TRINITY

MANAGEMENT SERVICES ORGANIZATION, LLC

2. Scope of Service.

- A. Services: Healthy Living Network shall perform for Provider the services as set forth in Addendum A hereto (the "Services"). Addendum A is attached to this Agreement and the terms are hereby incorporated by reference.
- B. Project Schedule: Healthy Living Network shall perform the Services according to the schedule and time frame agreed upon by the parties.

3. Compensation.

All Services required to complete the Agreement shall be provided for a fee in accordance with the terms of Addendum A. Healthy Living Network shall not be entitled to receive any extra compensation of any kind whatsoever, for extra or additional service of any kind, unless such additional compensation is approved in advance by Provider in writing and outlined in Addendum A. Payments for amounts owed to Healthy Living Network shall be made by Provider each month based on fees outlined in Addendum A; and any per month additional costs agreed upon.

Invoicing and Payment.

Healthy Living Network shall prepare invoices for Services performed. Invoices must clearly reference the services performed and shall be directed to the owner or assigned individual for the company outlined. As a condition of payment, Healthy Living Network shall, at Provider's request, provide Provider's with any applicable waivers of lien or sworn contractor's statements.

In the event an invoice is outstanding for more than thirty (30) days from receipt of invoice by Provider, Healthy Living Network may suspend work until such time as the outstanding invoice is paid in full.

4. Confidentiality.

Healthy Living Network hereby agrees that all information gathered or learned about Provider as a result of Healthy Living Network's provision of Services, shall remain confidential at all times. For clarity this excludes any publicly available information previously released by Provider.

Healthy Living Network 03-05-18

TRINITY

MANAGEMENT SERVICES ORGANIZATION, LLC

5. Personnel.

Healthy Living Network shall provide adequate personnel to permit the timely completion of all Administrative Services.

6. Compliance with Laws.

Healthy Living Network shall comply with all applicable federal and state laws, codes and regulations and all municipal laws, ordinances and regulations in effect at the time of Healthy Living Network's performance of the Services and during the term of this Agreement. Healthy Living Network shall pay all taxes, assessments and premiums under the Federal Social Security Act and Workers Compensation Act, any applicable Unemployment Insurance, Sales Tax, Use Tax, Personal Property Tax, and other taxes and assessments now or hereafter in effect related to the payments received by Healthy Living Network for its Services.

Healthy Living Network shall obtain and maintain in effect all professional licenses, registrations, and permits necessary for the proper execution of Services hereunder, at its sole cost. Provider will be responsible for all such costs, when related specifically to their agency/location.

7. Equipment and Material.

Healthy Living Network shall provide and maintain adequate support materials and equipment to permit timely completion of all Services and shall use new materials which are in conformance with existing federal, state, and local laws and ordinances.

8. Trademark.

Healthy Living Network agrees not to use the name, logo, trademark, service mark or other identification of Provider or other information regarding the organization without the prior written consent of Provider. This prohibition shall apply, but not be limited, to Healthy Living Network's advertisements or literature regarding the Services. Provider also agrees to adhere to the guidelines outlined.

9. Force Majeure.

Healthy Living Network shall not be responsible to Provider for costs incurred by Provider as a result of any delays or failure to perform arising from: shortages of supplies or raw materials, acts of God, act or restraints of governmental authorities, fire, explosions, earthquakes, wars, hostilities, terrorism, blockades, public disorders, quarantines, embargoes, strikes or loss or shortage of transportation facilities to the extent such causes are not caused by Healthy Living Network's acts or omissions.

Healthy Living Network 03-05-18

TRINITY

MANAGEMENT SERVICES ORGANIZATION, LLC

16. Addendums.

The Addendum attached hereto are incorporated in and made a part of this Agreement. Both parties shall initial the additional terms on the Addendum as acceptance of such term as part of the Agreement. In case of conflict between the terms and conditions of the Agreement and the terms and conditions of the Addendum, the terms and conditions of the Agreement shall prevail.

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

By: _____

Printed Name: _____

Title: _____

Date: June 15, 2019

By: _____

Printed Name: _____

Title: _____

Date: June 15, 2019

Healthy Living Network 03-05-18

TRINITY

MANAGEMENT SERVICES ORGANIZATION, LLC

ADDENDUM A

PROJECT SCOPE OF WORK AND FEES

Services Provided:

- Billing; Collections; and other accounting related support services
 - Weekly/monthly reports
 - Raps at Risk Analysis
 - OASIS Error Reports
 - Monthly Aging Reports
 - Weekly Financial Recap Reports
 - Basic Cost Report preparation (additional fees apply to assistance for the Cost Report preparation)
 - HMO Contract Consultation
 - ADR Consultation tracking and support (additional fees apply to ADR request letters; assessments of response readiness)
 - OASIS transmission
 - Payroll:
 - Overtime Report (each pay period)

 - W2 oversight and generation
 - Manual Check oversight
 - Payroll Tax Preparation and Coordination (DE9C, 971, etc.)
 - Government Audit Requests (Health Benefit Review, Unemployment, Wage Review, etc.)
 - Staff Lien Oversight (Processing all liens, government or private) Operational:
 - Weekly Operational Meetings tracking IQA/FQA and addressing compliance
 - Report comparison by agency
 - Medical Supplies Cost Analysis by Agency/Comparisons
 - Dixon, Annette and other related Consulting Updates Companywide on a monthly basis
 - Monthly Financials (Financial Reviews)
 - Human Resource Consultation (e.g., regulation and legal changes and implications). HR or Legal consultation related to employee or patient issues necessitate additional fees
 - Preparation of documents (e.g., employee handbook; policies and procedures; forms)
 - Application renewals (e.g., CLIA; 855a renewal; CDPH updates). Additional fees required for some applications.
 - Recruiting (e.g., designated support recruitment for open positions)
 - Corporate Compliance Updates (Annually and as needed)
- Marketing/Business Development/Contract Relationships
 - Strategic Marketing Alliance
 - Development of Accountable Care Organization relationships
 - Development of Bundled Payment Initiative relationships

Healthy Living Network 03-05-18

TRINITY

MANAGEMENT SERVICES ORGANIZATION, LLC

10. Legal Fees.

In the event any legal action is taken by either party against the other party to enforce any of the terms and conditions of this Agreement, including, but not limited to, collection costs as a result of delinquent accounts, it is agreed that the unsuccessful party to such action shall pay to the prevailing party therein all court costs, attorneys' fees and expenses incurred by the prevailing party.

11. Non-exclusivity.

Nothing in this Agreement shall be construed to prohibit Healthy Living Network from rendering similar services to other customers at other locations.

12. Notices.

All notices, requests, demands and other communications hereunder shall be in writing and delivered or mailed, with postage prepaid, to the party intended at its address as hereinbefore set forth.

13. Binding.

This Agreement shall inure to and bind the successors, assigns and representatives of the parties, providing, however, this Agreement may not be assigned by either Party without the prior written consent of the other.

14. Entire Agreement.

This Agreement contains the entire agreement between the parties hereto; no representations, inducements, promises or agreements, oral or otherwise, between the parties not embodied herein shall be of any force or effect.

15. Amendment of Agreement.

This Agreement may be amended only by a written instrument signed by the parties hereto.

TRINITY

MANAGEMENT SERVICES ORGANIZATION, LLC

- Contract Negotiations and preferred pricing analysis
- Marketing Supply Cost Analysis by Agency/Comparisons
- Development of Marketing Material

Costs:

- Healthy Living Network will charge a Management fee of 6.5% of net operating revenue if positive.
- \$2000 Flat amount charged when the agency posts negative net operating revenue

- Local/Regional Management and Marketing fees paid Monthly as agreed. TBD
- Services not provided in the rate are as follows (and will be billed a per hour rate or monthly fee for services rendered and discussed in advance prior to implementing):
 - Legal Services — billed separately
 - Advanced Cost Report Preparation
 - Quality Assurance/Field Trainer Support for Chart Reviews and In-Field based quarterly reviews with feedback on performance.
 - Hotline (Report-It) ○ Call Backs (QA Calls to prior patients)
 - HMO Contracts
 - Clinical or Operational Consultants working independent of Agency staff (e.g., QA Nurse; IQA/FQA Consultant)
 - Mock Surveys— quarterly; bi-annual; or annual Mock Surveys (CDPH and JCAHO) ○ Survey Readiness-preparation and participation in initial state and federal, 3-year or unannounced surveys

Healthy Living Network 03-05-18

TRINITY

MANAGEMENT SERVICES ORGANIZATION, LLC

- Please note: Any services provided outside of Healthy Living Network will be pre-approved by managing members of the agency.

Healthy Living Network 03-05-18

HLH Capricorn Holdings, LLC
Independent Auditor's Report and Consolidated
Financial Statements
December 31, 2018 and 2017



HLH Capricorn Holdings, LLC
December 31, 2018 and 2017

Contents

Independent Auditor's Report 1

Consolidated Financial Statements

Balance Sheets 3
Statements of Operations 4
Statements of Members' Equity 5
Statements of Cash Flows 6
Notes to Financial Statements 8

Independent Auditor's Report

Board of Managers
HLH Capricorn Holdings, LLC
Folsom, California

We have audited the accompanying consolidated financial statements of HLH Capricorn Holdings, LLC and its subsidiaries, which comprise the consolidated balance sheets as of December 31, 2018 and 2017, and the related consolidated statements of operations, members' equity and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Board of Managers
HLH Capricorn Holdings, LLC
Page 2

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of HLH Capricorn Holdings, LLC and its subsidiaries, as of December 31, 2018 and 2017, and the results of their operations and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

BKD, LLP

Springfield, Missouri
April 30, 2019

HLH Capricorn Holdings, LLC
Consolidated Balance Sheets
December 31, 2018 and 2017

Assets

	2018	2017
Current Assets		
Cash	\$ 1,005,632	\$ 6,728,614
Patient accounts receivable, net of allowance 2018 - \$2,084,795, 2017 - \$1,717,005	22,377,794	14,326,547
Other receivables	200,266	274,175
Prepaid expenses and other	1,722,309	1,257,533
Total current assets	25,306,001	22,586,869
Property and Equipment, At Cost		
Furniture and fixtures	281,325	97,766
Equipment and technology	232,339	103,767
Vehicles	593,215	551,095
	1,106,879	752,628
Less accumulated depreciation	547,996	265,958
	558,883	486,670
Other Assets		
Goodwill, net of accumulated amortization 2018 - \$11,443,557, 2017 - \$6,706,875	36,074,775	40,635,781
Other intangible assets, net of accumulated amortization 2018 - \$1,299,442, 2017 - \$761,742	11,932,558	12,470,258
Deposits	222,128	188,828
	48,229,461	53,294,867
Total assets	\$ 74,094,345	\$ 76,368,406

See Notes to Consolidated Financial Statements

Liabilities and Members' Equity

	<u>2018</u>	<u>2017</u>
Current Liabilities		
Outstanding checks in excess of bank balance	\$ 1,473,427	\$ -
Current maturities of long-term debt	788,463	441,300
Note payable to insurance company	1,098,910	-
Accounts payable	5,548,922	2,682,777
Accrued payroll and related liabilities	5,502,388	5,424,254
Due to related parties	<u>52,950</u>	<u>50,000</u>
Total current liabilities	14,465,060	8,598,331
Long-Term Debt	<u>14,479,310</u>	<u>18,255,715</u>
Total liabilities	<u>28,944,370</u>	<u>26,854,046</u>
Members' Equity		
Members' equity	35,102,070	38,454,918
Noncontrolling interest	<u>10,047,905</u>	<u>11,059,442</u>
Total members' equity	<u>45,149,975</u>	<u>49,514,360</u>
Total liabilities and members' equity	<u>\$ 74,094,345</u>	<u>\$ 76,368,406</u>

HLH Capricorn Holdings, LLC
Consolidated Statements of Operations
Years Ended December 31, 2018 and 2017

	<u>2018</u>	<u>2017</u>
Net Patient Service Revenue	\$ 124,145,425	\$ 112,050,307
Cost of Net Patient Service Revenue		
Compensation	55,461,025	47,546,653
Direct patient expenses	8,855,416	9,285,135
	<u>64,316,441</u>	<u>56,831,788</u>
Gross Profit	<u>59,828,984</u>	<u>55,218,519</u>
Selling, General and Administrative Expenses		
Compensation	30,904,677	27,579,079
Purchased services	82,252	63,227
Other general and administrative services	21,320,560	18,842,171
Provision for uncollectible accounts	1,610,564	2,015,742
Depreciation and amortization	5,526,312	5,503,478
Advertising and promotion	1,291,745	1,112,345
	<u>60,736,110</u>	<u>55,116,042</u>
Operating Income (Loss)	<u>(907,126)</u>	<u>102,477</u>
Other Expense		
Other expense	(743,064)	-
Interest expense	(1,422,055)	(2,790,036)
	<u>(2,165,119)</u>	<u>(2,790,036)</u>
Net Loss	(3,072,245)	(2,687,559)
Net Income Attributable to Noncontrolling Interest	<u>1,569,000</u>	<u>2,030,967</u>
Net Loss Attributable to Controlling Interest	<u>\$ (4,641,245)</u>	<u>\$ (4,718,526)</u>

See Notes to Consolidated Financial Statements

4

HLH Capricorn Holdings, LLC
Consolidated Statements of Members' Equity
Years Ended December 31, 2018 and 2017

	Members' Equity	Noncontrolling Interest	Total
Balance, January 1, 2017	\$ 43,124,938	\$ 10,873,190	\$ 53,998,128
Contributions	5,000,000	-	5,000,000
Distributions	(153,281)	(1,844,715)	(1,997,996)
Return of capital	(4,798,213)	-	(4,798,213)
Net income (loss)	(4,718,526)	2,030,967	(2,687,559)
Balance, December 31, 2017	38,454,918	11,059,442	49,514,360
Contributions	1,000,000	-	1,000,000
Issuance of incentive units	288,397	-	288,397
Distributions	-	(2,995,918)	(2,995,918)
Purchases and sales of noncontrolling interest	-	415,381	415,381
Net income (loss)	(4,641,245)	1,569,000	(3,072,245)
Balance, December 31, 2018	<u>\$ 35,102,070</u>	<u>\$ 10,047,905</u>	<u>\$ 45,149,975</u>

See Notes to Consolidated Financial Statements

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HLH Capricorn Holdings, LLC
Consolidated Statements of Cash Flows
Years Ended December 31, 2018 and 2017

	<u>2018</u>	<u>2017</u>
Operating Activities		
Net loss	\$ (3,072,245)	\$ (2,687,559)
Items not requiring operating cash flow		
Depreciation and amortization	5,526,312	5,503,478
Amortization of debt issuance costs	145,082	-
Loss on disposal of property and equipment	-	14,662
Compensation expense for issuance of incentive units	288,397	-
Proceeds from issuance of short-term note	1,098,910	-
Changes in		
Patient accounts receivable	(7,934,247)	(4,264,279)
Accounts payable and accrued expenses	2,844,384	2,274,103
Other assets and liabilities	(423,664)	3,651,530
	<u>(1,527,071)</u>	<u>4,491,935</u>
Net cash provided by (used in) operating activities		
Investing Activities		
Purchase of property and equipment	(203,354)	(57,310)
Payment for business acquisitions	(156,000)	-
	<u>(359,354)</u>	<u>(57,310)</u>
Net cash used in investing activities		
Financing Activities		
Net borrowings from (repayments to) related parties	2,950	(961,086)
Principal payments under capital lease obligation	(124,508)	(163,321)
Principal payments on related party long-term debt	(3,475,000)	(23,000,000)
Increase in outstanding checks in excess of bank balance	1,473,427	-
Proceeds from issuance of long-term debt	-	18,262,500
Member contributions	1,000,000	5,000,000
Noncontrolling interest distributions	(2,995,918)	(1,844,715)
Proceeds from sale of membership units to noncontrolling interest	282,492	-
Return of capital	-	(4,798,213)
Member distributions	-	(153,281)
	<u>(3,836,557)</u>	<u>(7,658,116)</u>
Net cash used in financing activities		
Decrease in Cash	(5,722,982)	(3,223,491)
Cash, Beginning of Year	<u>6,728,614</u>	<u>9,952,105</u>
Cash, End of Year	<u>\$ 1,005,632</u>	<u>\$ 6,728,614</u>

See Notes to Consolidated Financial Statements

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HLH Capricorn Holdings, LLC
Consolidated Statements of Cash Flows
Years Ended December 31, 2018 and 2017

	2018	2017
Supplemental Cash Flows Information		
Interest paid	\$ 956,974	\$ 3,744,503
Capital lease obligations incurred for property and equipment	\$ 25,184	\$ 198,107
The Company purchased a portion of the membership units of Healthy Living at Home - Wenatchee, LLC, for \$156,000 in conjunction with the acquisition, assets and liabilities were assumed as follows:		
Fair value of assets acquired	\$ 388,784	
Noncontrolling interest	(132,889)	
Cash paid	(156,000)	
Liabilities assumed	\$ 99,895	

See Notes to Consolidated Financial Statements

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HLH Capricorn Holdings, LLC
Notes to Consolidated Financial Statements
Years Ended December 31, 2018 and 2017

Note 1: Nature of Operations and Summary of Significant Accounting Policies

Nature of Operations

HLH Capricorn Holdings, LLC is a Medicare-certified home health, hospice and personal care provider serving patients in the states of Arizona, California, Nevada, Oregon, Utah, Idaho and Washington. The Company was formed in 2016 and is headquartered in Folsom, California.

Principles of Consolidation

The consolidated financial statements include the accounts of HLH Capricorn Holdings, LLC (Parent) and one wholly owned subsidiary, HLH OpCo, LLC (collectively, the "Company"). At December 31, 2018 and 2017, the consolidated financial statements of HLH OpCo, LLC included the following controlled subsidiaries:

	<u>2018</u>	<u>2017</u>
Advanced Healthcare Services, LLC	62%	49%
Arizona Hospice at Home, LLC	70%	60%
Good Life Home Care of California, LLC	90%	90%
Healthy Living at Home, LLC	100%	100%
Healthy Living at Home - Arizona, LLC	51%	51%
Healthy Living at Home - East Bay, LLC	87%	87%
Healthy Living at Home - El Centro, LLC	75%	65%
Healthy Living at Home - Fresno, LLC	64%	72%
Healthy Living at Home - Modesto, LLC	65%	49%
Healthy Living at Home - Monterey, LLC	74%	74%
Healthy Living at Home - Palm Desert, LLC	60%	49%
Healthy Living at Home - Portland, LLC	51%	49%
Healthy Living at Home - Redding, LLC	88%	88%
Healthy Living at Home - San Diego, LLC	100%	100%
Precision Home Care, LLC	65%	65%
Sojourn Hospice & Palliative Care - East Bay, LLC	80%	75%
Sojourn Hospice & Palliative Care - Fresno, LLC	46%	51%
Sojourn Hospice & Palliative Care - Modesto, LLC	51%	51%
Sojourn Hospice & Palliative Care - Redding, LLC	68%	68%
Sojourn Hospice & Palliative Care - Sacramento, LLC	61%	61%
Sojourn Hospice & Palliative Care - San Diego, LLC	75%	75%
Summit Healthcare Organization - Bay Area, LLC	88%	49%
Summit Healthcare Organization, LLC	100%	100%
Trinity Management Services Organization, LLC	100%	100%
Precision Home Care - East Bay, LLC	75%	75%
Precision Home Care - Chico, LLC	85%	N/A
Healthy Living at Home - Vancouver, LLC	70%	70%
Healthy Living at Home - Boise, LLC	100%	N/A
Healthy Living at Home - Twin Falls, LLC	100%	N/A
Healthy Living at Home - Wenatchee, LLC	54%	N/A
Healthy Living at Home - Carson City, LLC	60%	N/A
Healthy Living at Home - Pocatello, LLC	100%	N/A
Healthy Living at Home - Newark Holdings, LLC	100%	N/A
McMinnville Home Health, LLC	51%	N/A
Advanced Northwest Home Health, LLC	51%	N/A
Kiso Tyme LLC, and its subsidiaries:		
Healthy Living at Home - Las Vegas, LLC	70%	60%
One Care Home Health and Hospice - Utah, LLC	90%	90%
One Care Hospice of California, LLC	95%	95%
Coastal Living Home Health, LLC	N/A	54%
Cherish Home Health, LLC	60%	100%

HLH Capricorn Holdings, LLC
Notes to Consolidated Financial Statements
Years Ended December 31, 2018 and 2017

All significant intercompany accounts and transactions have been eliminated in consolidation.

Use of Estimates

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

Cash

At December 31, 2018, the Company's cash accounts exceeded federally insured limits by approximately \$220,000.

Patient Accounts Receivable

The Company reports patient accounts receivable for services rendered at net realizable amounts from third-party payers, patients and others. The Company provides an allowance for doubtful accounts based upon a review of outstanding receivables, historical collection information and existing economic conditions. As a service to the patient, the Company bills third-party payers directly and bills the patient when the patient's liability is determined. Patient accounts receivable are due in full when billed. Accounts are considered delinquent and subsequently written off as bad debts based on individual credit evaluation and specific circumstances of the account.

Property and Equipment

Property and equipment acquisitions are recorded at cost or fair value for assets acquired as part of business combinations and are depreciated on a straight-line basis over the estimated useful life of each asset.

The estimated useful lives for each major depreciable classification of property and equipment are as follows:

Furniture and fixtures	3 - 10 years
Equipment and technology	3 - 5 years
Vehicles	3 - 5 years

Goodwill

The Company has elected the private company accounting alternative for the subsequent measurement of goodwill, ASU 2014-02, *Intangibles – Goodwill and Other (Topic 350): Accounting for Goodwill*. Under this alternative, goodwill is amortized on a straight-line basis over ten years. The Company evaluates the recoverability of the carrying value of goodwill at the entity level whenever events or circumstances indicate the carrying amount may not be recoverable.

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HLH Capricorn Holdings, LLC
Notes to Consolidated Financial Statements
Years Ended December 31, 2018 and 2017

In testing goodwill for impairment, the Company has the option first to perform a qualitative assessment to determine whether it is more likely than not that goodwill is impaired or the entity can bypass the qualitative assessment and proceed directly to the quantitative test by comparing the carrying amount, including goodwill, of the entity with its fair value. The goodwill impairment loss, if any, is measured as the amount by which the carrying amount of the entity, including goodwill, exceeds its fair value. Subsequent increases in goodwill value are not recognized in the consolidated financial statements.

The Company has elected the private company accounting alternative for identifiable intangible assets in a business combination, ASU 2014-18, *Business Combinations (Topic 805): Accounting for Identifiable Intangible Assets in a Business Combination*. Under this alternative, certain customer related intangible assets and noncompetition agreements are subsumed into goodwill and are no longer required to be recognized separately in the accounting for a business combination.

Intangible Assets

Intangible assets with finite lives are being amortized on the straight-line basis over ten years. Such assets are periodically evaluated as to the recoverability of their carrying values.

Indefinite-lived intangibles are evaluated annually for impairment or more frequently if impairment indicators are present. A qualitative assessment is performed to determine whether the existence of events or circumstances leads to a determination that it is more likely than not the fair value of the indefinite-lived intangible asset is less than its carrying amount. If, based on the evaluation, it is determined to be more likely than not that the fair value is less than the carrying value, then the indefinite-lived intangible is tested further for impairment. If the fair value of the indefinite-lived intangible is lower than their carrying amounts, an impairment loss is recognized in an amount equal to the difference. Subsequent increases in value are not recognized in the financial statements.

Long-Lived Asset Impairment

The Company evaluates the recoverability of the carrying value of long-lived assets whenever events or circumstances indicate the carrying amount may not be recoverable. If a long-lived asset is tested for recoverability and the undiscounted estimate future cash flows expected to result from the use and eventual disposition of the asset is less than the carrying amount of the asset, the asset cost is adjusted to fair value and an impairment loss is recognized as the amount by which the carrying amount of a long-lived asset exceeds its fair value. No asset impairment was recognized during the years ended December 31, 2018 or 2017.

Incentive Unit Plan

At December 31, 2018 and 2017, the Company had an incentive unit plan, which is described more fully in *Note 8*.

HLH Capricorn Holdings, LLC
Notes to Consolidated Financial Statements
Years Ended December 31, 2018 and 2017

Debt Issuance Costs

Debt issuance costs represent costs incurred in connection with the issuance of long-term debt. Such costs are being amortized over the term of the respective debt using the straight-line method.

Net Patient Service Revenue

The Company has agreements with third-party payers that provide for payments to the Company at amounts different from its established rates. Net patient service revenue is reported at the estimated net realizable amounts from patients, third-party payers and others for services rendered and includes estimated retroactive revenue adjustments. Retroactive adjustments are considered in the recognition of revenue on an estimated basis in the period the related services are rendered and such estimated amounts are revised in future periods as adjustments become known.

Professional Liability Claims

The Company recognizes an accrual for claim liabilities based on estimated ultimate losses and costs associated with settling claims and a receivable to reflect the estimated insurance recoveries, if any. Professional liability claims are described more fully in *Note 10*.

Income Taxes

The Company is not directly subject to income taxes under provisions of the Internal Revenue Code and applicable state income tax laws. Therefore, taxable income or loss is reported to the individual members for inclusion in their respective tax returns and no provision for federal and state income taxes is included in these consolidated financial statements.

The Company's various entities are responsible for a California LLC tax of \$800 and an LLC fee based on the revenue of the respective entities.

Reclassifications

Certain reclassifications have been made to the 2017 financial statements to conform to the 2018 financial statement presentation. These reclassifications had no effect on net loss.

Note 2: Net Patient Service Revenue

The Company has agreements with third-party payers that provide for payments to the Company at amounts different from its established rates. These payment arrangements include:

Medicare. Services rendered to Medicare program beneficiaries for home health are reimbursed under a prospective methodology and no additional settlement will be made on the difference between the interim prospective amounts paid and actual cost. Hospice services provided by the Company are reimbursed prospectively subject to certain limitations, and no additional settlement will be made on the difference between the interim per diem rates and actual costs.

HLH Capricorn Holdings, LLC
Notes to Consolidated Financial Statements
Years Ended December 31, 2018 and 2017

Medicaid. Home care, hospice and personal care services rendered to Medicaid program beneficiaries are reimbursed prospectively at rates established by the state Medicaid program with no settlement made on the difference between the interim prospective amounts paid and actual costs.

Approximately 85 percent and 86 percent of net patient service revenue is from participation in the Medicare and state-sponsored Medicaid programs for the years ended December 31, 2018 and 2017, respectively. Laws and regulations governing the Medicare and Medicaid programs are complex and subject to interpretation and change. As a result, it is reasonably possible that recorded estimates will change materially in the near term.

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

Note 3: Concentration of Credit Risk

The Company grants credit without collateral to its patients, most of whom are residents of the various geographies serviced and are insured under third-party payer agreements.

The mix of net receivables from patients and third-party payers at December 31, 2018 and 2017, is:

	<u>2018</u>	<u>2017</u>
Medicare	46%	51%
Medicaid	8%	8%
Other third-party payers	45%	39%
Patient	<u>1%</u>	<u>2%</u>
	<u>100%</u>	<u>100%</u>

HLH Capricorn Holdings, LLC
Notes to Consolidated Financial Statements
Years Ended December 31, 2018 and 2017

Note 4: Acquired Intangible Assets and Goodwill

The carrying basis and accumulated amortization of recognized intangible assets and goodwill at December 31, 2018 and 2017, were:

	2018		2017	
	Gross Carrying Amount	Accumulated Amortization	Gross Carrying Amount	Accumulated Amortization
Amortized intangible assets				
Trade names	\$ 5,377,000	\$ 1,299,442	\$ 5,377,000	\$ 761,742
Goodwill	<u>47,518,332</u>	<u>11,443,557</u>	<u>47,342,656</u>	<u>6,706,875</u>
	<u>\$ 52,895,332</u>	<u>\$ 12,742,999</u>	<u>\$ 52,719,656</u>	<u>\$ 7,468,617</u>
Unamortized intangible assets				
Licenses	<u>\$ 7,855,000</u>		<u>\$ 7,855,000</u>	

Amortization expense for the years ended December 31, 2018 and 2017, was \$5,274,382 and \$5,271,965, respectively.

Estimated amortization expense for each of the following five years is:

2019	\$ 5,289,533
2020	5,289,533
2021	5,289,533
2022	5,289,533
2023	5,289,533

The changes in the carrying amount of goodwill for the years ended December 31, 2018 and 2017, were:

	2018	2017
Balance as of January 1	\$ 40,635,781	\$ 45,370,046
Goodwill acquired during the year	175,676	-
Amortization expense	<u>4,736,682</u>	<u>4,734,265</u>
Balance as of December 31	<u>\$ 36,074,775</u>	<u>\$ 40,635,781</u>

HLH Capricorn Holdings, LLC
Notes to Consolidated Financial Statements
Years Ended December 31, 2018 and 2017

Note 5: Line of Credit

The Company has a \$4,000,000 revolving line of credit expiring in December 2022. The line of credit can be increased to \$7,000,000 if certain conditions are met. At both December 31, 2018 and 2017, there was \$0 borrowed against this line. Interest varies based on LIBOR plus 4.00 percent, which was 6.39 percent and 5.64 percent on December 31, 2018 and 2017, respectively, and is payable quarterly. Line of credit is secured by substantially all assets of the Company.

Note 6: Note Payable to Insurance Company

The Company has a short-term note payable with insurance company in the original amount of \$1,318,691. The note is due October 2019; payable in monthly installments of \$112,111, including interest at 4.39 percent; secured by workers' compensation and other insurance policies.

Note 7: Long-Term Debt

	2018	2017
Capital lease obligations (A)	\$ 335,191	\$ 434,515
Note payable (B)	15,525,000	19,000,000
	15,860,191	19,434,515
Less unamortized debt issuance costs	592,418	737,500
Less current maturities	788,463	441,300
	\$ 14,479,310	\$ 18,255,715

(A) Various fleet vehicle leasing agreements due various dates through September 2021, with imputed interest rates ranging from 1.00 percent to 17.00 percent; collateralized by automobiles.

(B) Due December 2022; quarterly principal payments of \$118,750 due through December 2019 and increase to \$237,500 thereafter; interest payments are due quarterly at LIBOR plus 4.00 percent. The interest rate was 6.39 percent and 5.64 percent at December 31, 2018 and 2017, respectively. Unamortized debt issuance costs were \$592,418 and \$737,500 at December 31, 2018 and 2017, respectively. Note is secured by substantially all of the assets of the Company.

In connection with this note payable to the bank, the Company is required, among other things, to maintain certain financial conditions, including a consolidated senior leverage ratio of 4.00:1.00 and a consolidated fixed charge coverage ratio of 1.25:1.00 as of December 31, 2018.

HLH Capricorn Holdings, LLC
Notes to Consolidated Financial Statements
Years Ended December 31, 2018 and 2017

Aggregate annual maturities of long-term debt and payments on capital lease obligations at December 31, 2018, are:

	Long-Term Debt (Excluding Leases)	Capital Lease Obligations
2019	\$ 475,000	\$ 337,819
2020	950,000	63,292
2021	950,000	3,983
2022	13,150,000	-
	\$ 15,525,000	405,094
Less amount representing interest		69,903
Present value of future minimum lease payments		335,191
Less current maturities		313,463
Noncurrent portion		\$ 21,728

Property and equipment include the following under capital leases:

	2018	2017
Equipment	\$ 593,215	\$ 556,925
Less accumulated depreciation	368,782	195,145
	\$ 224,433	\$ 361,780

Note 8: Operating Leases

The Company leases several operating facilities under operating leases that expire in various years through 2023. The leases generally require the Company to pay for utilities, insurance and internal maintenance.

HLH Capricorn Holdings, LLC
Notes to Consolidated Financial Statements
Years Ended December 31, 2018 and 2017

Future minimum lease payments at December 31, 2018, were:

2019	\$ 1,579,948
2020	996,180
2021	594,672
2022	265,118
2023	71,194
	\$ 3,507,112

Rent expense for all operating leases was \$1,655,466 and \$1,408,606 for the years ended December 31, 2018, and 2017, respectively.

Note 9: Incentive Unit Plan

The Company's 2016 Incentive Unit Plan (the "Plan"), which is unitholder approved, permits the grant of up to 7,079,147.0 Class A Profits Interest Units to certain employees and directors of the Company. The Company believes that such awards better align the interest of its employees and directors with those of its unitholders. Units are awarded under three specific types which are described below.

Time-Based Vesting Arrangement

Generally, one-fourth of the time vesting units shall vest after the employee completes one year of service, and one forty-eighth of the time vesting units shall vest on each one-month anniversary thereafter. In the event of a sale of the company, all time-based vesting units shall accelerate and automatically become vested.

Company Sale Vesting

Units granted will vest if, and only if, a company sale is consummated and the participant has remained in the continuous service of the Company as of the closing date of such company sale.

Multiple on Invested Capital Vesting

Units granted will vest, if and only if, a company sale is consummated, the participant has remained in the continuous service of the Company as of the closing date of such company sale, and investor entities, as defined (and any of their successors or assigns), have received distributions from the Company equal to at least \$93,213,516.

HLH Capricorn Holdings, LLC
Notes to Consolidated Financial Statements
Years Ended December 31, 2018 and 2017

A summary of the status of the Company's nonvested shares as of December 31, 2018 and 2017, and changes during the years then ended, are presented below:

	2018		2017	
	Units	Weighted-Average Grant-Date Fair Value	Units	Weighted-Average Grant-Date Fair Value
Nonvested, beginning of period	4,711,424.2		-	
Granted	847,080.0	\$ 0.35	5,816,993.0	\$ 0.35
Vested	(722,341.0)	0.35	(85,043.8)	0.35
Forfeited	(1,229,776.0)	0.35	(1,020,525.0)	0.35
Nonvested, end of period	3,606,387.2	\$ 0.35	4,711,424.2	\$ 0.35

Estimated forfeitures for compensation expense recognition purposes were 692,284.5 and 382,696.0 for the years ended December 31, 2018 and 2017, respectively.

The fair value of each award is estimated on the date of grant using a Black-Scholes option valuation model that uses certain assumptions and other valuation techniques. Expected volatility (43 percent) is based on historical volatility for guideline public companies that operate in the Company's industry. The expected term (five years) of awards granted represents management's estimate for the number of years until a liquidity event as of the grant date. The risk-free (2.3 percent) for periods within the expected term is based on the U.S. Treasury yield curve in effect at the time of grant. In addition, management considers the distribution priority schedule or "waterfall calculation" in its estimation process.

Note 10: Profit-Sharing Plan

Certain entities included in the consolidated financial statements have 401(k) profit-sharing plans covering certain employees who are at least 18 years of age and meet certain length of service requirements. The Company does not make contributions to employees' accounts.

Note 11: Professional Liability Claims

The Company purchases medical malpractice insurance under a claims-made policy on a fixed premium basis. The Company also purchases excess umbrella liability coverage, which provides additional coverage above the basic policy limits up to the amount specified in the umbrella policy. Based upon the Company's claims experience, no accrual has been made for the Company's medical malpractice costs as of December 31, 2018 and 2017. It is reasonably possible that this estimate could change materially in the near term.

HLH Capricorn Holdings, LLC
Notes to Consolidated Financial Statements
Years Ended December 31, 2018 and 2017

Note 12: Related-Party Transactions

The Company paid quarterly management fees ranging from \$100,000 to \$125,000 to companies owned by common members. During the years ended December 31, 2018 and 2017, management fee expense was \$541,549 and \$332,840, respectively.

Due to Related Parties

The following amounts were due to related parties at December 31, 2018 and 2017:

	2018	2017
Due to related parties		
Member (A)	\$ 52,950	\$ 50,000
	\$ 52,950	\$ 50,000

(A) Noninterest-bearing, unsecured, advance from member.

Note 13: Significant Estimates and Concentrations

Accounting principles generally accepted in the United States of America require disclosure of certain significant estimates and current vulnerabilities due to certain concentrations. Those matters include the following:

Allowance for Net Patient Service Revenue Adjustments

Estimates of allowances for adjustments included in net patient service revenue are described in *Notes 1 and 2*.

Malpractice Claims

Estimates related to the accrual for medical malpractice claims are described in *Note 10*.

Litigation

In the normal course of business, the Company is, from time to time, subject to allegations that may or do result in litigation. Some of these allegations are in the areas not covered by the Company's commercial insurance; for example, allegations regarding employment practices or performance of contracts. The Company evaluates such allegations by conducting investigations to determine the validity of each potential claim. Based upon the advice of counsel, management records an estimate of the amount of ultimate expected loss, if any, for each of these matters. Events could occur that would cause the estimate of ultimate loss to differ materially in the near term.

HLH Capricorn Holdings, LLC
Notes to Consolidated Financial Statements
Years Ended December 31, 2018 and 2017

Current Economic Conditions

Due to the current regulatory environment, economic uncertainties and the growing pressure on the budgets of both the state and federal governments, it is possible that Medicare and Medicaid reimbursement could change in the near term which could impact the financial results and cash flows of the Company. The values of assets and liabilities recorded in the consolidated financial statements could change rapidly, resulting in material future adjustments to certain assets and allowances for accounts receivable that could negatively impact the Company's ability to maintain sufficient liquidity.

Health Care Reform

Health care reform was passed through the *Patient Protection and Affordable Care Act of 2010* (PPACA). There has been several unsuccessful attempts to reform and/or replace the PPACA, however the ultimate impact of these legislative changes and/or reforms remain uncertain at this time. Medicare home health rates have been decreased by over 12 percent from 2011 to 2018. Medicare has also proposed a significant restructuring of the home health reimbursement system that will have a material effect on these payment rates beginning in 2020.

Hospice payment rates are also beginning to be impacted by the PPACA provisions with the annual Medicare payment rates getting a less-than-full inflationary update. The Medicare hospice payment rates are proposed to be rebased across the four levels of care beginning October 1, 2019. While the proposed rebasing is intended to be budget neutral, the impacts on individual hospice agencies could differ based on their level of care mix.

Any changes resulting from the health care reform efforts could have an adverse impact on the Company's patient care service revenue.

Note 14: Subsequent Events

Subsequent to year end, the Company borrowed \$3,000,000 on the revolving line of credit, which is described in *Note 5*.

Subsequent events have been evaluated through April 30, 2019, which is the date the consolidated financial statements were available to be issued.

HLH Capricorn Holdings, LLC
Notes to Consolidated Financial Statements
Years Ended December 31, 2018 and 2017

Note 15: Future Change in Accounting Principle

Revenue Recognition

The Financial Accounting Standards Board amended its standards related to revenue recognition. This amendment replaces all existing revenue recognition guidance and provides a single, comprehensive revenue recognition model for all contracts with customers. The guidance provides a five-step analysis of transactions to determine when and how revenue is recognized. Other major provisions include capitalization of certain contract costs, consideration of the time value of money in the transaction price and allowing estimates of variable consideration to be recognized before contingencies are resolved in certain circumstances. The amendment also requires additional disclosure about the nature, amount, timing and uncertainty of revenue and cash flows arising from customer contracts, including significant judgments and changes in those judgments and assets recognized from costs incurred to fulfill a contract. The standard allows either full or modified retrospective adoption effective for annual periods beginning after December 15, 2018, for nonpublic entities. The Company is in the process of evaluating the impact the amendment will have on the financial statements.

Accounting for Leases

The Financial Accounting Standards Board amended its standard related to the accounting for leases. Under the new standard, lessees will now be required to recognize substantially all leases on the balance sheet as both a right-of-use asset and a liability. The standard has two types of leases for income statement recognition purposes: operating leases and finance leases. Operating leases will result in the recognition of a single lease expense on a straight-line basis over the lease term similar to the treatment for operating leases under existing standards. Finance leases will result in an accelerated expense similar to the accounting for capital leases under existing standards. The determination of lease classification as operating or finance will be done in a manner similar to existing standards. The new standard also contains amended guidance regarding the identification of embedded leases in service contracts and the identification of lease and nonlease components in an arrangement. The new standard is effective for annual periods beginning after December 15, 2019. The Company is evaluating the impact the standard will have on the financial statements; however, the standard is expected to have a material impact on the financial statements due to the recognition of additional assets and liabilities for operating leases.

Appendix X: Secretary of State UBI



Filed
Secretary of State
State of Washington
Date Filed: 05/30/2019
Effective Date: 05/30/2019
UBI #: 604 451 650

AMENDED CERTIFICATE OF FORMATION

BUSINESS INFORMATION

Business Name:
HEALTHY LIVING AT HOME - SEATTLE, LLC

UBI Number:
604 451 650

Business Type:
WA LIMITED LIABILITY COMPANY

Business Status:
ACTIVE

Principal Office Street Address:
801 2ND AVE STE 800, SEATTLE, WA, 98104-1573, UNITED STATES

Principal Office Mailing Address:
1499 SE TECH CENTER PL FL 4, VANCOUVER, WA, 98683-5528, UNITED STATES

Expiration Date:
05/31/2020

Jurisdiction:
UNITED STATES, WASHINGTON

Formation/Registration Date:
05/08/2019

Period of Duration:
PERPETUAL

Inactive Date:

Nature of Business:

BUSINESS NAME

Business Name:
HEALTHY LIVING AT HOME - SEATTLE, LLC

BUSINESS TYPE

Current Business Type:
WA LIMITED LIABILITY COMPANY

Amend Business Type:

REGISTERED AGENT

Registered Agent Name	Street Address	Mailing Address
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Work Order #: 2019052800278158 - 1
Received Date: 05/28/2019
Amount Received: \$50.00

NORTHWEST 906 W 2ND AVE STE 100, SPOKANE, WA, 906 W 2ND AVE STE 100, SPOKANE, WA,
REGISTERED AGENT LLC 99201-4540, UNITED STATES 99201-4540, UNITED STATES

PRINCIPAL OFFICE

Phone:

Email:

GSCHACKMANN@HEALTHYLIVING-VANCOUVER.COM

Confirm Email:

GSCHACKMANN@HEALTHYLIVING-VANCOUVER.COM

Street Address:

801 2ND AVE STE 800, SEATTLE, WA, 98104-1573, UNITED STATES

Mailing Address:

1499 SE TECH CENTER PL FL 4, VANCOUVER, WA, 98683-5528, UNITED STATES

DURATION

Duration:

PERPETUAL

EFFECTIVE DATE

Effective Date:

05/30/2019

RETURN ADDRESS FOR THIS FILING

Attention:

GEOFF SCHACKMANN

Email:

GSCHACKMANN@HEALTHYLIVING-VANCOUVER.COM

Address:

1499 SE TECH CENTER PL STE 140, VANCOUVER, WA, 98683-9575, UNITED STATES

UPLOADED DOCUMENTS

Document Type	Source	Created By	Created Date
No Value Found.			

UPLOAD ADDITIONAL DOCUMENTS

Name	Document Type
No Value Found.	

EMAIL OPT-IN

I hereby opt into receiving all notifications from the Secretary of State for this entity via email only. I acknowledge that I will no longer receive paper notifications.

AUTHORIZED PERSON - STAFF CONSOLE

This document is a public record. For more information visit www.sos.wa.gov/corps

Work Order #: 2019052800278158 - 1
Received Date: 05/28/2019
Amount Received: \$50.00

Document is signed.

Person Type:

ENTITY

First Name:

GEOFF

Last Name:

SCHACKMANN

Entity Name:

HEALTHY LIVING AT HOME - KING COUNTY, LLC

Title:

PROGRAM MANAGER

This document is a public record. For more information visit www.sos.wa.gov/corps

Work Order #: 2019052800278158 - 1
Received Date: 05/28/2019
Amount Received: \$50.00

Appendix Z: DSS Research Contract



DSS Research
4150 International Plaza, Suite 900
Fort Worth, TX 76109
800.989.5150
www.dssresearch.com

Created by: Donna Castonguay

Home Health CAHPS® Survey Statement of Work

Agency Name: Healthy Living at Home – Vancouver, LLC

Address: 1499 SE Tech Center PL, Suite 140

City: Vancouver

State: WA

Zip: 98660

Phone: 800-746-1051 or 480-495-5474

Project Contact: Geoff Schackmann, Area Director of Operations

Email: gschackmann@healthyliving-portland.com

Start Date: Q3, July 1, 2019

CCN: 057127

Methodology: Mixed

Software: Healthcare Synergy

Added Question: Yes

Language: English & Spanish

Switching: No

Deliverables:

Full online reporting of results and submission of patient data to CMS following all CMS guidelines and protocols.

Project Fee: \$1 200 annually

Billing Frequency: Half payments

Invoice Terms: Due within 30 days

By Signing this Agreement, I certify that I am authorized to sign on behalf of this HHA and agree to the attached Terms and Conditions of the Statement of Work and any documents incorporated herein.

DSS Research

Healthy Living at Home – Vancouver, LLC

Signature:

Signature:

Name: Jennifer Todd

Name: Geoff Schackmann

Title: Account Executive

Title: Administrator

Date: 6/4/2019

Date: 06/04/2019

Page 1 of 2



DSS Research
4150 International Plaza, Suite 900
Fort Worth, TX 76109
800.989.5150
www.dssresearch.com

Home Health CAHPS® Survey Terms and Conditions

- 1) Invoices for this project will be emailed to the project contact on this contract by Shawna Havlen - shawna.havlen@dssresearch.com. Please make sure this email is on an approved setting or safe senders list so notifications do not go to a junk folder or caught in a spam filter.
- 2) All invoices are due within 30 days of the date on the invoice. Failure to make payment within the 30 days of the invoice date will result in the temporary deactivation of your online portal. Once your payment has been received in our office your portal will be reactivated.
- 3) Take 5% off your total if you pay the project total within 30 days of the invoice date.
- 4) This agreement shall be automatically renewed each year on the Start Date indicated in this agreement unless a 60 day written notice is provided to:

Jennifer Todd, Account Executive
4150 International Plaza, Suite 900
Fort Worth, TX 76109
jtodd@dssresearch.com

- 5) Early termination of this contract is subject to a cancellation fee of 10% of the total amount of the project cost.
- 6) Data not provided in the required CMS format may cause delays in the mailing of your surveys and jeopardize your compliance.
- 7) HHA is responsible for providing logo in desired format or additional charges may apply to your account.
- 8) HHA agrees to complete the two required CMS forms for participation upon signing this contract. Failure to complete these forms will jeopardize your compliance with the CAHPS program.

- Registration for Log-in Credentials
- Vendor Authorization Form

Click on the link below to access the forms.

<https://homehealthcahps.org/ForHHAs/RegisterforLoginCredentials.aspx>

Appendix AA: Operating Agreement

DRAFT VERSION MAY 30th, 2019

OPERATING AGREEMENT OF HEALTHY LIVING AT HOME - SEATTLE, LLC

This OPERATING AGREEMENT (this "Agreement") of HEALTHY LIVING AT HOME - SEATTLE, LLC, a Washington limited liability company (the "Company"), is made effective as of MAY 30th, 2019 (the "Effective Date"), by and between the Company and HLH - SEATTLE HOLDINGS, LLC, a Delaware limited liability company (the "Member").

WHEREAS, the Company was organized as a Washington limited liability company on MAY 30th, 2019; and

WHEREAS, the Company and the Member now desire to enter into this Agreement to set forth the rights and obligations of the Member with respect to the ownership and operation of the Company.

NOW THEREFORE, in consideration of the agreements and obligations set forth herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Member and the Company, intending to be legally bound, hereby agree as follows:

1. **Previous Operating Agreement(s).** To the extent that the Company has previously adopted an Operating Agreement or LLC Agreement for the governance of the Company, this Agreement hereby amends and restates all prior agreements in their entirety as is set forth herein. Henceforth, this document shall serve as the only Operating Agreement of the Company unless and until it is otherwise amended or restated as otherwise provided herein.

2. **Formation.** The Company was formed on MAY 30th, 2019 as a limited liability company pursuant to and in accordance with the Washington Limited Liability Company Act (as amended from time to time, the "Act").

3. **Principal Office and Place of Business.** The principal office and place of business (the "Principal Office") of the Company shall be such place as the Member (as defined below) from time to time shall determine.

4. **Agent for Service of Process.** The agent for service of process for the Company shall be such person or entity as the Member shall appoint from time to time.

5. **Purpose.** The purpose of the Company is to transact all lawful business for which a limited liability company may be organized under Washington law.

6. **Term.** The term of the Company shall continue until dissolved.

7. **Capital Contributions.** No Member is required to make additional capital contributions, unless he, she or it consents to making such additional capital contributions.

8. **Distributions of Available Cash Flow.** Distributions of available cash flow shall be made in such amounts and at such times as the Member shall determine in the Member's sole discretion.

9. **Officers.** The Member may appoint Officers, from time to time, with such other titles as the Member may select, including the titles of Chairman, Chief Executive Officer, President, Vice

President, Treasurer and Secretary, to act on behalf of the Company. An Officer shall have such power and authority as the Member may delegate to any such person and need not be a Member of the Company.

10. **Banking Resolution.** The Member shall open all banking accounts as the Member deems necessary and enter into any deposit agreements as are required by the financial institution at which such accounts are opened. The Member and such other persons or entities designated in writing by the Member shall have signing authority with respect to such bank accounts. Funds deposited into such accounts shall be used only for the business of the Company.

11. **Indemnification of the Member.**

(a) To the fullest extent permitted by applicable law, the Member and its officers, directors, shareholders, members, managers, employees, agents and Affiliates (each, an "indemnitee"), shall be entitled to indemnification from the Company for any loss, damage or claim incurred by such Indemnitee by reason of any act or omission performed or omitted by such Indemnitee in good faith on behalf of the Company and in a manner reasonably believed to be within the scope of the authority conferred on such Indemnitee by this Agreement, except that no Indemnitee shall be entitled to be indemnified in respect of any loss, damage or claim incurred by such Indemnitee by reason of such Indemnitee's gross negligence, fraud or willful misconduct with respect to such acts or omissions; provided, however, any indemnity under this Section 11 (a) by the Company shall be provided out of and to the extent of Company assets only, and the Member shall not have personal liability on account thereof.

(b) To the fullest extent permitted by applicable law, expenses (including legal fees) incurred by an Indemnitee in defending any threatened or pending claim, demand, action, suit or proceeding shall, from time to time, be advanced by the Company prior to the final disposition of such claim, demand, action, suit or proceeding upon receipt by the Company of an undertaking by or on behalf of the Indemnitee to repay such amount if it shall be determined that the indemnitee is not entitled to be indemnified as authorized in this Section 11.

(c) For purposes of the definition of "Indemnitee" used above, "Affiliate" means a person or entity who, with respect to the Member: (i) directly or indirectly controls, is controlled by or is under common control with the Member; (ii) owns or controls ten percent (10%) or more of the outstanding voting securities of the Member; or (iii) is an officer, director, manager, shareholder, partner or member of the Member.

12. **Liability.** No Indemnitee shall be personally liable, responsible, or accountable in damages or otherwise to the Company for any act or omission performed or omitted by such Indemnitee in connection with the Company or its business. The Member's liability for the debts and obligations of the Company shall be limited as set forth in the Act and other applicable law.

13. **Reimbursable Expenses.** The Company will reimburse the Member for all actual out-of-pocket third-party expenses incurred in connection with carrying out of the duties set forth in this Agreement.

14. **Records.** The Member shall keep or cause to be kept at the Principal Office of the Company the following: (a) a written record of the full name and business, residence or mailing address of the Member; (b) a copy of the initial Articles of Organization and all amendments thereto; (c) copies of all written Operating Agreements and all amendments to such agreements, including any prior written Operating Agreements no longer in effect; (d) copies of any written and signed promises by the Member to make capital contributions to the Company; (e) copies of the Company's federal, state and

local income tax returns and reports, if any, for the three most recent years; (f) copies of any prepared financial statements of the Company for the three most recent years; and (g) minutes of every meeting as well as any written consents or actions taken without a meeting.

JS. Dissolution. The Company shall be dissolved upon the election of the Member to dissolve. A withdrawal event with respect to the Member shall not dissolve the Company, unless any assignees of the Member's interest do not elect to continue the Company and admit a member within 90 days of such withdrawal event.

16. Filing Upon Dissolution. As soon as possible following the dissolution of the Company, the Member shall execute and file all notices and other documents required under the Act and any other applicable law.

17. Liquidation. Upon dissolution of the Company, it shall be wound up and liquidated as rapidly as business circumstances permit, the Member shall act as the liquidating trustee, and the assets of the Company shall be liquidated and the proceeds thereof shall be paid (to the extent permitted by applicable law) in the following order: (a) first, to creditors, including the Member if such Member is a creditor, in the order and priority required by applicable law; (b) second, to a reserve for contingent liabilities to be distributed at the time and in the manner as the liquidating trustee determines in its sole discretion; and (c) third, to the Member.

18. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Washington, without regard to its conflicts of laws principles.

19. Severability. If any provision of this Agreement shall be conclusively determined by a court of competent jurisdiction to be invalid or unenforceable to any extent, the remainder of this Agreement shall not be affected thereby.

20. Binding Effect. Except as otherwise provided herein, this Agreement shall inure to benefit of and be binding upon the Member and its successors and assigns.

21. Titles and Captions. All article, section and paragraph titles and captions contained in this Agreement are for convenience only and are not a part of the context hereof.

22. Pronouns and Plurals. All pronouns and any variations thereof are deemed to refer to the masculine, feminine, neuter, singular or plural as the identity of the appropriate person may require.
3

23. No Third-Party Rights. This Agreement is intended to create enforceable rights between the parties hereto only, and, except as expressly provided herein, creates no rights in, or obligations to, any other persons.

24. Amendments. This Agreement may not be amended except by a written document executed by the Member and the Company.

25. Creditors. None of the provisions of this Agreement shall be for the benefit of or enforceable by any creditors of the Company.

26. Electronic Signatures. This Agreement may be executed by means of facsimile or portable document format (PDF).

[Signature Page to Follow]

IN WITNESS WHEREOF, the undersigned, intending to be legally bound, have duly executed this Agreement effective as of the Effective Date.

COMPANY:

HEALTHY LIVING AT HOME - SEATTLE, LLC

By: _____
Name: Julio Quinones
Title: Chief Executive Officer

MEMBER:

HLH - SEATTLE HOLDINGS, LLC

By: CHSO Partners II, LLC, its Manager
Name:
Title: Managing Partner

VISTARIVER HEALTHCARE SOLUTIONS, INC

By:
Name:
Title:

(SIGNATURE PAGE TO OPERATING AGREEMENT OF HEALTHY LIVING AT HOME
- SEATTLE, LLC)

LIMITED LIABILITY COMPANY AGREEMENT OF HLH - SEATTLE HOLDINGS, LLC

This Limited Liability Company Agreement (this "Agreement") of HLH - SEATTLE HOLDINGS, LLC, a Delaware limited liability company (the "Company"), is entered into effective as of MAY 30th, 2019 (the "Effective Date"), by and among the Company, the individuals who sign this Agreement under the heading "Members" (the "Initial Members"), and certain other Persons from time to time party hereto (together with the Initial Members, the "Members").

WHEREAS, the Company was formed on MAY 30th, 2019 as a limited liability company pursuant to and in accordance with the Delaware Limited Liability Company Act (as amended from time to time, the "LLC Act");

WHEREAS, the Designated Member entered that certain Limited Liability Company Agreement of the Company, dated as of MAY 30th, 2019 (the "Original LLC Agreement"); and

WHEREAS, the Members desire to amend and restate the Original LLC Agreement in its entirety and to set forth herein certain understandings regarding the operation and management of the Company.

NOW, THEREFORE, in consideration of the mutual covenants, agreements, and obligations contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Company and the Members, intending to be legally bound, covenant and agree as follows:

ARTICLE I GENERAL PROVISIONS

1.1 Name. The name of the Company is, and the Business shall be conducted under the name fowl Vancouver Holdings, LLC, or such other name as shall be determined by the Designated Member.

1.2 Offices. The principal place of business and office of the Company shall be at such place or places as may be designated from time to time by the Designated Member. The registered office of the Company required by the LLC Act to be maintained in the State of Delaware shall be the office of the initial registered agent named in the Certificate of Formation or such other office (which need not be a place of Business) as the Designated Member may designate from time to time in the manner provided by law. The registered agent of the Company in the State of Delaware shall be the initial registered agent named in the Certificate of Formation or such other person or persons as the Designated Member may designate from time to time in the manner provided by law.

1.3 Members. The names of the Members are as set forth on Schedule A attached hereto. New members may be admitted, from time to time, upon the discretion of the Designated Member. If any New Members are admitted, Schedule A shall be updated and amended accordingly.

1.4 Duration. The Company shall have a perpetual existence unless and until the Company is dissolved in accordance with the LLC Act or this Agreement.

1.5 Purpose and Powers. The Company is formed for, and the nature of the business to be conducted by the Company is, engaging in any lawful act or activity for which limited liability companies may be formed under the LLC Act and engaging in any activities necessary, convenient, or incidental thereto. The Company shall have the power and authority to take any actions necessary, convenient, or incidental to or for the furtherance of the purposes set forth in this Section 1.5.

1.6 Qualification in Other Jurisdictions. The Designated Member shall cause the Company to be qualified in any jurisdiction in which the Company transacts business in which such qualification is required or desirable.

1.7 Membership Unit Certificates. The Company may, in the sole discretion of the Designated Member, issue certificates evidencing the Membership Units issued by the Company. Such certificates shall (in addition to any legend required under applicable state securities laws) bear such legends as determined by the Designated Member.

1.8 Limitation on Liability of Members. Except to the extent required by the LLC Act or other applicable law, the debts, obligations and liabilities of the Company, whether arising in contract, tort, or otherwise, shall be solely the debts, obligations, and liabilities of the Company, and no Member shall have any personal liability for any such debt, obligation or liability of the Company solely by reason of being a Member. The failure of the Company to observe any formalities or requirements relating to the exercise of its powers or management of its business or affairs under this Agreement or the LLC Act shall not be grounds for imposing personal liability on any Member for the debts, obligations, or liabilities of the Company.

1.9 Title to Property Owned by the Company. Title to all real and other property owned by the Company shall be held in the name of the Company or, upon the election of the Designated Member, in the names of one or more nominees on behalf of the Company, and no Member shall (or shall be deemed to), by virtue of being a Member, own in bis/her individual capacity any interest in any property held by the Company or any of such nominees.

1.10 Tax Classification. The Members agree that the Company shall be classified as a partnership for federal and applicable state income tax purposes, and the Members and the Company agree that they shall refrain from making any elections under the Regulations, and from filing any returns or reports, that are inconsistent with such classification unless and until the Designated Member consents to a change in the income tax classification of the Company.

1.11 Definitions. Wherever used in this Agreement:

1.11.1 "Adjusted Capital Account Deficit" means, with respect to any Member, the deficit balance, if any, in such Member's Capital Account as of the end of the relevant fiscal year or other period, after giving effect to the following adjustments:

(i) increasing such Capital Account by any amounts which such Member is obligated to restore pursuant to this Agreement (including any note obligations) or is deemed to be obligated to restore pursuant to the penultimate sentence of each of Regulations Sections 1.704-2(I)(5) and 1.704-2(g); and

(ii) decreasing such Capital Account by the items described in Regulations Sections 1.704-1(b)(2)(ii)(d)(4), (5) and (6).

The foregoing definition of Adjusted Capital Account Deficit is intended to comply with the provisions of Regulations Section 1.704-1(b)(2)(ii)(d) and shall be interpreted consistently therewith.

1.11.2 "Affiliate" means any individual or entity that directly or indirectly, through one or more intermediaries, controls or is controlled by, or is under common control with, the subject person or entity.

1.11.3 "Assumed Tax Rate" applicable to the Members means the highest marginal United States federal and state income tax rates applicable to the kinds of taxable income realized by such Members as determined by the Designated Member, taking into account the individual tax rates on any long-term capital gains and any qualified dividend income, and assuming that the applicable state income tax rate is 12.3% and taking into account any benefit of a deduction of state income taxes for federal income tax purposes.

1.11.4 "Award Agreement" means each of the Award Agreements (or similar agreements), dated as of various dates, by and between the Company and any Member holding Class B Units, as amended, modified, and waived from time to time in accordance with its terms. Each Award Agreement is incorporated by reference herein and shall be treated as part of this Agreement.

1.11.5 "Business" means designing, developing, implementing, marketing, selling, managing, and providing home health, private duty nursing, hospice, and palliative care services and any other business of the Company during the term of this Agreement.

1.11.6 "Business Days" means any day that is not a Saturday, Sunday, or any other day on which banks are required to be, and are, closed in New York, New York.

1.11.7 "Capital Account" means the capital account maintained for each Member in accordance with Section 2.3 hereof.

1.11.8 "Carrying Value" means, with respect to any asset, the asset's adjusted basis for federal income tax purposes except as follows:

(a) The initial Carrying Value of any asset contributed (or deemed contributed) to the Company shall be that asset's gross fair market value (as determined by the Designated Member) at the time of the contribution.

(b) The Designated Member may elect to revalue the Carrying Value of all Company property (whether tangible or intangible) for book purposes to reflect the fair market value (as determined by the Designated Member) of Company property immediately prior to the occurrence of an event set forth in Regulations Section 1.704-1(b)(2)(iv)(f). If Company property is revalued pursuant to this subparagraph (b), the Capital Accounts of the Members shall be adjusted in accordance with Regulations Section 1.704-1(b)(2)(iv)(f).

(c) If the Designated Member does not elect to revalue Company property distributed to Members pursuant to subparagraph (b) above, (i) the Carrying Value of that property shall be revalued for book purposes to reflect the fair market value (as determined by the Designated Member) of that property immediately prior to its distribution, and (ii) the Capital Accounts of all Members shall be adjusted in accordance with Regulations Section 1.704-1(b)(2)(iv)(e).

(d) If the adjusted tax basis of Company assets is adjusted pursuant to Code Sections 732, 734 or 743, the Carrying Value of those Company assets shall be increased or decreased to the extent provided by Regulations Section 1.704-1(b)(2)(iv)(m).

(e) The Carrying Value of a Company asset shall be adjusted in the same manner as would the asset's adjusted basis for federal income tax purposes in accordance with Regulations Section I. 704-1 (b)(2)(iv)(g).

1.11.9 "Class A Unit" means any Membership Unit designated as a "Class A Unit" pursuant to Section 2.1.

1.11.1 "Class B Unit" means any Membership Unit designated as a "Class B Unit" pursuant to Section 2.1.

1.11.11 "Code" means the Internal Revenue Code of 1986, as amended (or any corresponding provision or provisions of any succeeding law).

1.11.12 "Company Sale" shall mean any transaction, sale, contribution, distribution, or other Transfer of Membership Units (whether by merger, recapitalization, reorganization, combination, consolidation, or otherwise), pursuant to which another party or parties shall acquire the voting power to replace the Designated Member or a majority of the Membership Units, or a sale of all or substantially all of the assets of the Company and its subsidiaries, in each case, in a single transaction or series of related transactions, including any such transaction, sale, contribution, distribution, or other Transfer of equity securities or all or substantially all of the assets of any Affiliate or direct or indirect parent entity of the Designated Member or the Company.

1.11.13 "Confidential Information" means all information of a confidential or proprietary nature (whether specifically labeled or identified as "confidential"), in any form or medium, that relates to the Company or its payors, referral sources, marketing representatives, service providers, landlords, suppliers, vendors, independent contractors, or other business relations. Confidential Information includes the following as they relate to the Company and, in each case, to the extent the Company obtains a commercial benefit from the secret nature of such information: internal business information (including information relating to strategic and staffing plans and practices, business, training, marketing, promotional and sales plans and practices, cost, rate and pricing structures, accounting and business methods and potential acquisition candidates); identities of, individual requirements of, and specific contractual arrangements with, the Company's payors, referral sources, marketing representatives, service providers, landlords, suppliers, vendors, independent contractors, or other business relations and their confidential information; trade secrets, know-how, compilations of data and analyses, techniques, systems, formulae, research, records, reports, manuals, documentation, models, data and data bases relating thereto; and inventions, innovations, improvements, developments, methods, designs, analyses, drawings, and reports.

1.11.14 "Consent of Spouse" means a Consent of Spouse in substantially the form attached hereto as Exhibit A.

1.11.1 "Designated Member" means HLH Copco, LLC, a Delaware limited liability company, or its Permitted Transferee.

1.11.16 "Membership Interest" has the meaning set forth in Section 2.1. 1.11.17 "Membership Unit" has the meaning set forth in Section 2.1.

1.11.18 "Other Member(s)" means all the Members other than the Designated member.

1.11.19 "Participation Threshold" with respect to Class B Units shall mean the

amount determined by the Designated Member and set forth in an applicable Award Agreement.

1.11.20 "Person" means an individual, partnership, joint venture, association, corporation, trust, estate, limited liability company, limited liability partnership, unincorporated entity of any kind, governmental entity, or any other legal entity.

1.11.21 "Profits" or "Losses" means, for each fiscal year or other period, an amount equal to the Company's taxable income or loss for that fiscal year or period, determined in accordance with Code Section 703(a) (for this purpose, all items of income, gain, loss or deduction required to be stated separately pursuant to Code Section 703(a)(1) shall be included in taxable income or loss), with the following adjustments (without duplication):

(a) Income of the Company that is exempt from federal income tax shall be added to taxable income or loss.

(b) Expenditures of the Company described in Code Section 705(a)(2)(B) or treated as such expenditures pursuant to Regulations Section 1.704-1(b)(2)(iv)(I), shall be subtracted from taxable income or loss.

(c) Gain or loss resulting from the disposition of a Company asset shall be determined by reference to the Carrying Value of the Company asset.

(d) Items of gain, loss, depreciation, amortization or depletion that would be computed for federal income tax purposes by reference to the tax basis of a Company asset shall be determined by reference to the Carrying Value of that asset in accordance with Regulations Section 1.704-1(b)(2)(iv)(g).

(e) If the Carrying Value of any Company asset is adjusted in accordance with subparagraph (b), (c) or (d) of the definition of Carrying Value, the amount of that adjustment shall be considered as gain or loss from the disposition of that asset.

(f) Items that are specially allocated pursuant to Section 4.2 shall not be considered in computing Profits or Losses.

1.11.22 "Regulations" means the income tax regulations promulgated under the Code and in effect, as amended, supplemented, or modified from time to time.

1.11.23 "Representative" means, with respect to any Person, any director, officer, manager, member, principal, attorney, employee, agent, advisor, consultant, accountant, or any other Person acting in a representative capacity for such Person.

1.11.24 "Restricted Period" means with respect to another Member, the period commencing on the date hereof and ending on the five (5) year anniversary of the Termination Date.

1.11.25 "Restricted Territory" means the United States of America.

1.11.26 "Spouse" means a husband, wife, or domestic partner, as may be principle.

1.11.27 "Supermajority Approval" means approval of Members holding at least sixty percent (60%) of the then outstanding Class A Membership Units.

1.11.28 "Tax Distribution Amount" means, for any fiscal year, the excess, if any, of (I) (Y) the excess, if any, of allocations of aggregate taxable income made to such Member (including such Member's predecessor in interest) commencing with the Effective Date and continuing to and including the close of the fiscal year for which the Tax Distribution Amount is being calculated over all allocations of taxable losses and deductions made to such Member (including such Member's predecessor in interest) during such period, multiplied by (Z) the Assumed Tax Rate, over (ii) all distributions of cash made with respect to such Member during such period pursuant to Section 3.1.

1.11.29 "Transfer" means a sale, assignment, pledge, hypothecation, encumbrance, gift, bequest, abandonment, disposition, or other transfer, and whether effected by contract, by operation of law, or otherwise.

ARTICLE 2

CAPITAL CONTRIBUTIONS; CAPITAL ACCOUNTS

2.1 Initial Capital Contribution. The Members have made the contributions to the capital of the Company (if any) as set forth on Schedule A, in exchange for a percentage interest in the Company's assets, liabilities, capital, profits, or losses and management and voting rights (its "Membership Interest"). The Membership Interests shall be represented by units, with each fractional share of the interests of the Members being designated as a

"Membership Unit" and having the rights and obligations specified with respect thereto in this Agreement. The membership Units shall be designated as "Class A Units" and "Class B Units." Class A Units are issued in exchange for capital contributions to the Company. Class B Units are intended to constitute "profits interests" in the Company within the meaning of Revenue Procedure 93-27,

1993-2 C.B. 343, as clarified by Revenue Procedure 2001-43, 2001-2 C.B. 191 and all provisions of this Agreement should be interpreted consistently with this tax treatment. The names of each Member and the number and ownership of Membership Units of each class held by each Member are set forth on Schedule A, as it may be amended from time to time. The Membership Units held by any Member shall represent the entire limited liability company interest of a Member in the Company at any particular time, including the right of such Member to any and all benefits to which a Member may be entitled as provided in this Agreement, together with the obligations of such Member to comply with all the terms and provisions of this Agreement and any reference herein to a Membership Unit shall be deemed to also be a reference to the underlying fractional share of the interests in the Company represented thereby.

2.2 Additional Capital Contributions. No Member is required to make any additional capital contributions to the Company but upon the Supermajority Approval of the Members may be permitted to make such contributions from time to time, which amounts shall be set forth in the books and records of the Company. Upon a Member making additional capital contributions to the Company, the Company may issue additional Class A Units to such Member as determined by the Designated Member.

2.3 Capital Accounts.

2.3.1 A Capital Account shall be maintained for each Member. Each Member's Capital Account shall be credited with (a) such Member's capital contributions, (b) such Member's share of Profits and any items in the nature of income or gain that are specifically allocated to such Member, and (c) the amount of any Company liabilities assumed by such Member, and shall be debited with (i) such Member's share of Losses and any items in the nature of losses or expenses that are specifically allocated to such Member, (ii) the amount of money and the Carrying Value of any property distributed to such Member (net of liabilities that such Member assumes or takes subject to) pursuant to any provision of this Agreement, and (iii) the amount of any liabilities of such Member assumed by the Company; provided, however, that each such Member's Capital Account shall be adjusted by such Member's share of income, gain, deduction or loss described in Regulations Section 1.704-1(b)(2)(iv)(g). In determining the amount of any liability for purposes of this Section 2.3, there shall be considered Code Section 752(c) and any other applicable provisions of the Code and Regulations. Each Member's Capital Account shall include that of any predecessor of such Member in accordance with Regulations Section 1.704-1(b)(2)(iv)(1).

2.3.2 The Designated Member is authorized to modify the way the Members' Capital Accounts are maintained to comply with Regulations Section 1.704-1(b) if such modification does not have, and is thereafter not likely to have, a material effect on the amounts distributable to any Member under this Agreement.

2.4 Adjustments to Company Assets. In case of a distribution of property made in the manner provided in Code Section 734, or in the case of a transfer of any Interest in the Company permitted by this Agreement made in the manner provided in Code Section 743, the Designated Member, on behalf of the Company, may file an election under Code Section 754 in accordance with the procedures set forth in the applicable Regulations and shall file such an election in a timely manner at the request of any Member affected by the distribution or transfer. The Company shall make such basis adjustments, if any, as may be required under Code Section 734 and Code Section 743 in the absence of a Code Section 754 election.

2.5 Interest. No Member shall be entitled to receive interest on its capital contributions or its Capital Account balance.

ARTICLE3

DISTRIBUTIONS

3.1 Distributions. Subject to Section 3.2, distributions of cash or other assets of the Company shall be made only in the amounts and at the times determined by the Designated Member from time to time. Such distributions, if and when made, shall be made to the Members pro rata in accordance with their ownership of Membership Units; provided, however, that no distributions shall be made with respect to a Member holding Class B Units unless and until all other Members (including Members with lower Participation Thresholds) have received distributions in an amount equal to the Participation Threshold with respect to such Class B Units.

3.2 Tax Distributions. To the extent permitted by law and to the extent the Company has available cash, the Designated Member shall cause to be distributed to each Member before April 15 of each fiscal year, cash equal to the Tax Distribution Amount for the immediately preceding fiscal year. It is understood and agreed that any distributions to a Member under this Section 3.2 will reduce, dollar-for-dollar, distributions that would otherwise have been made to the Member under Section 3.1 or Section 7.2.2.

3.3 Required Withholding. The Company is authorized to withhold from distributions to a Member, or with respect to allocations to a Member, and to pay over to a federal, state, local or foreign government, any amounts required to be withheld or paid pursuant to the Code, or any provision of any other federal, state, local or foreign law. All amounts withheld or paid pursuant to this Section 3.3 shall be treated as amounts distributed to the relevant Member or Members for all purposes of this Agreement.

ARTICLE4

ALLOCATIONS

4.1 Allocations of Profits and Losses. Except as otherwise provided in Section 4.2, Profits and Losses for each fiscal year or other period shall be allocated to each Member in such a manner that, as of the end of such fiscal year or other period, the sum of (i) the Capital Account of the Member, (ii) that Member's share of "partnership minimum gain" (as defined and determined in accordance with Regulations Sections 1.704-2(b)(2) and 1.704-2(d)), if any, and (iii) that Member's share of "partner nonrecourse debt minimum gain" (as defined and determined in accordance with Regulations Sections 1.704-2(I)(2) and 1.704-2(I)(3)), if any, shall be equal to the respective net amounts that would be distributed to that Member if the Company sold all its properties for cash equal to their Carrying Values, satisfied all its liabilities and distributed the remaining proceeds in accordance with Section 7.2.2.

4.2 Regulatory Allocations.

4.2.1 Notwithstanding anything to the contrary contained herein, the Agreement shall be deemed to contain (a) a "minimum gain chargeback" provision, within the meaning of Regulations Section 1.704-2(t); and (b) a "partner minimum gain chargeback" provision within the meaning of Regulations Section 1.704-2(I)(4), and there shall be allocations consistent with such provisions.

4.2.2 If any Member unexpectedly receives an adjustment, allocation or distribution of the type contemplated by Regulations Sections 1.704-1(b)(2)(ii)(d)(4), (5) or (6), items of income and gain shall be allocated to all such Members (to the extent of and in proportion to the amounts of their respective Adjusted Capital Account Deficits) in an amount and manner sufficient to eliminate the Adjusted Capital Account Deficit of such Member as quickly as possible. It is intended that this Section 4.2.2 qualify and be construed as a "qualified income offset" within the meaning of Regulations Section 1.704-1(b)(2)(ii)(d).

4.2.3 Notwithstanding any other provisions of the Agreement, no loss or deduction shall be allocated to any Member to the extent that such allocation would cause or increase an Adjusted Capital Account Deficit of such Member. Any such loss or deduction shall be reallocated away from such Member and to the other Members in accordance with this Agreement, but only to the extent that such reallocation would not cause or increase an Adjusted Capital Account Deficit with respect to such other Members. To the extent that allocations of loss or deduction have been made pursuant to this Section 4.2.3, future allocations of income and gain, notwithstanding anything to the contrary in this Agreement, shall be made first to restore such allocations of loss or deduction.

4.2.4 Notwithstanding anything contained herein to the contrary, nonrecourse deductions, within the meaning of Regulations Section 1.704-2(b)(1), shall be allocated to the Members in proportion to ownership of Class A Units, and any item of Company loss or deduction that is attributable to a "partner non-recourse debt" (within the meaning of Regulations Section 1.704-2) shall be allocated to the Members that bear the economic risk of loss for such debt (within the meaning of Regulations Section 1.752-2).

4.3 Tax Allocations.

4.3.1 Except as provided in Section 4.3(b), items of Company income, gain, loss, deduction and credit shall be allocated, for federal, state and local income tax purposes, among the Members in accordance with the allocation of such income, gain, losses, deductions, and credits among the Members under Section 4.1 and Section 4.2.

4.3.2 Items of taxable income, gain, loss and deduction with respect to Company property that has a Carrying Value different from its adjusted basis for federal income tax purposes will be shared among the Members to take account of such difference in accordance with the principles of Code Section 704(c) and the Regulations thereunder. The Designated Member may select any reasonable method or methods for making such allocations including, without limitation, any method described in Regulations Sections 1.704-3(b), (c), or (d). In the event the Carrying Value of any Company property is adjusted pursuant to the definition of Carrying Value, subsequent allocations of income, gain, loss, and deduction with respect to such property shall take account of any variation between such property's adjusted basis for federal income tax purposes and such Carrying Value in the same manner as under Code Section 704(c) and the Regulations thereunder.

4.4 Other Tax Matters.

4.4.1 If during any taxable year of the Company there is a change in any Member's Interest in the Company, allocations of income or loss for such taxable year shall consider the varying Interests of the Members in the Company in a manner selected by the Designated Member which is consistent with the requirements of Code Section 706 and the Regulations thereunder.

4.4.2 Items of income, gain, loss, deduction, credit and tax preference for state and local income tax purposes shall be allocated to and among the Members in a manner consistent with the allocation for federal income tax purposes in accordance with the foregoing provisions of this Article 4.

4.4.3 For purposes of Regulations Section 1.752-3(a)(3), the Members agree that "excess nonrecourse liabilities" (as defined in Regulations Section 1.752-3(a)(3)) of the Company shall be allocated to the Member pro rata in accordance with their ownership of Membership Units.

ARTICLES

MANAGEMENT AND RELATED MATTERS

5.1 Management of the Company. The business and affairs of the Company shall be managed by or under the direction of the Designated Member. Subject to Section 5.2, the Designated Member shall have the sole and absolute discretion and authority to do all acts, enter into all agreements, and engage in all transactions necessary, advisable or as a convenience to or for the furtherance of the operation and management of the Company. The Designated Member shall only be replaced by a Person designated by the Designated Member, who shall not be required to be a Member.

5.2 Fundamental Decisions. Notwithstanding the foregoing, without Supermajority Approval, the Company shall not, and the Designated Member shall not cause the Company to do any of the following:

5.2.1 alter or change the rights, powers, preferences, or privileges of the Membership Interests;

5.2.2 amend or waive any provisions of this Agreement or any of the Company's organizational and governance documents, in each case, which have a material, adverse, and disproportionate impact on a Member; and or

5.2.3 enter into any agreement or arrangement to do any of the foregoing.

5.3 Officers. The Designated Member shall have the authority to appoint and delegate its authority hereunder to such officers of the Company ("Officers") as the Designated Member deems desirable to carry out the Business. Such Officers may include, without limitation, a President, Chief Executive Officer, Vice President, Treasurer, and Secretary. Such Officers shall be responsible for the day-to-day administration of the Business, subject to the direction and control of the Designated Member and shall have the responsibility and authority to implement the policies and decisions of the Designated Member. Any two or more offices may be held by the same person. The Officers shall serve at the pleasure of the Designated Member, and the Designated Member may remove any person as an Officer and/or appoint additional persons as Officers, as the Designated Member deems necessary or desirable. Any Officer may resign at any time by giving written notice of such resignation to the Designated Member. Unless otherwise specified in such written notice, such resignation shall take effect upon receipt thereof by the Designated Member and the acceptance of such resignation shall not be necessary to make it effective. Any person or entity dealing with the Company may conclusively presume that an Officer specified in such a written delegation of authority who executed a contract, certificate, agreement, instrument or other document on behalf of the Company has the full power and authority to do so and each such document shall, for all purposes, be duly authorized, executed and delivered by the Company upon execution and delivery by such Officer.

5.4 Indemnification Rights.

5.4.1 Generally. The Company will indemnify and hold harmless the Designated Member, each of the Members, and each of the Officers of the Company (each, an "Indemnified Person") to the fullest extent permitted under the LLC Act, as may be amended or replaced (but then only to the extent that such amendment or replacement permits the Company to provide indemnification rights that are broader than those provided by the Company immediately before

such amendment or replacement) against all expenses, liabilities, and losses (including attorneys' fees, judgments, fines, excise taxes, and penalties) reasonably incurred by such Indemnified Person by reason of any act or omission performed or omitted by such Indemnified Person in good faith on behalf of the Company and in a manner reasonably believed to be within the scope of the authority conferred on such Indemnified Person by this Agreement; provided, however, that the Company will not be obligated to indemnify any Indemnified Person for (a) losses incurred by the Company or any other individual or entity or (b) any expenses, liabilities or losses (including attorneys' fees, judgments, fines, excise taxes and penalties) attributable to (i) the reckless disregard, willful misconduct, or knowing violation of law by such Indemnified Person or any of its Affiliates, (ii) the breach by such Indemnified Person or any of its Affiliates of any governing document of the Company after giving effect to any cure period set forth therein, (iii) any legal action by or on behalf of the Indemnified Person or any of the Indemnified Person's Affiliates challenging the validity or enforceability of this Agreement or any other written contract, agreement or understanding between the Indemnified Person and the Company or between the Company and any of its Affiliates, (iv) the Indemnified Person's commission of any felony or any crime involving moral turpitude, (v) the Indemnified Person's fraud, misappropriation, or embezzlement with respect to the Company or its Affiliates, or (vi) any expenses, liabilities, or losses arising from or related to (A) malpractice claims against such Indemnified Person or (B) the loss of or failure by such Indemnified Person to maintain any professional license, permit, certification, or privilege maintained or required to be maintained by such Indemnified Person.

5.4.2 Limitations. The obligations of the Company under this Section 5.4 are subject to the following limitations:

(a) The amount of an Indemnified Person's expenses, liabilities, and losses indemnifiable hereunder will be offset by the amount of (a) any insurance proceeds recovered from insurers, and (ii) any indemnity, contribution, or other similar payments received by such Indemnified Person from third parties with respect to such expenses, liabilities, and losses.

(b) If the Indemnified Person receives mitigating insurance proceeds, recoveries from third parties for any expenses, liabilities, or losses that are indemnifiable or recoverable hereunder after an indemnification payment is made in respect of such expenses, liabilities or losses, then the Indemnified Person will promptly pay to the Company the amount of such insurance proceeds and third party recoveries when and to the extent actually received. In no event will an Indemnified Person be obligated to remit to the Company any offsetting payment under this Section 5.4.2(b) more than the amount previously paid by the Company to such Indemnified Person in respect of the underlying expenses, liabilities or losses indemnifiable or recoverable hereunder.

(c) The Company and the Indemnified Persons will take (and cause their applicable Affiliates to take) all commercially reasonable steps to timely pursue any available recovery from insurers or from third parties pursuant to any contractual rights to indemnification, reimbursement, offset, or recovery against such third parties in respect of any expenses, liabilities, and losses that are indemnifiable under this Section 5.4.

(d) An Indemnified Person will not be entitled to recover or make a claim for any amounts in respect of special or punitive damages, other than such damages as the indemnitee may be required to pay to third parties because of the facts and circumstances underlying such indemnification claim.

(e) Nothing in this Agreement may be construed to require or permit indemnification of an Indemnified Person to the extent not permitted under applicable law.

5.4.3 Company Obligation Only. Any contrary provision in this Agreement notwithstanding, indemnification by the Company pursuant to this Section 5.4 will be provided from, and only to the extent of, the Company's assets, and no Member will have personal liability on account thereof or be required to make additional capital contributions to help satisfy the Company's indemnification

obligations under this Section 5.4, unless such Member otherwise agrees in writing or is found in a final, non-appealable judgment by a court of competent jurisdiction to have personal liability with respect thereto.

5.4.4 Indemnification Agreements. Notwithstanding anything in this Section

5.4 to the contrary, (a) the Company shall be authorized to enter into indemnification agreements with Indemnified Persons, (b) in the event of a conflict between the terms of such indemnification agreements and this Section 5.4, the terms of such indemnification agreement shall govern, (c) the rights of the Indemnified Person shall not be exclusive of any other rights which such Indemnified Person may have or hereafter acquire under any statute, agreement, or otherwise, including, but not limited to, the rights granted pursuant to such indemnification agreements, and (d) the remedies provided herein are cumulative and not exclusive of any other remedies provided herein or by law.

5.5 Waiver of Liability. Except as otherwise provided herein or in any agreement entered into by such Person and the Company or any of its subsidiaries and to the maximum extent permitted by the LLC Act, neither the Designated Member (present or former) nor any present or former officer or any such officer's Affiliates or Representatives shall be liable to the Company or to any Member for any act or omission performed or omitted by such Person in its capacity as an officer; provided, that except as otherwise provided herein, such limitation of liability shall not apply to the extent the act or omission was attributable to such Person's gross negligence, willful misconduct, or fraud, in each case as determined by a final judgment, order, or decree of an arbitrator or a court of competent jurisdiction (which is not appealable or with respect to which the time for appeal therefrom has expired and no appeal has been perfected). Each Member and officer shall be entitled to rely upon the advice of legal counsel, independent public accountants, and other experts, including financial advisors, and any act of or failure to act by such officer in good faith reliance on such advice shall in no event subject such officer or any of such officer's Affiliates or Representatives to liability to the Company or any Member.

5.6 Limitation of Duties: Conflict of Interest. To the maximum extent permitted by applicable law, the Company and each Member hereby waives any claim or cause of action against each Member (other than claims or causes of action against any Member in its capacity as an officer, employee, or service-provider of the Company or any of its subsidiaries) and their respective Affiliates and Representatives for any breach of any fiduciary duty to the Company or its Members or any of the Company's subsidiaries by any such Person, including as may result from any conflict of interest, including a conflict of interest between the Company or its Members or any of the Company's subsidiaries and such Person or otherwise, any breach of loyalty or any breach of the duty of care. Each Member acknowledges and agrees that in the event of any such conflict of interest, each such Person (in the absence of bad faith) may act in the best interests of such Person or its Affiliates, employees, agents, and representatives. No Member (other than any Member serving in its capacity as an officer, employee, or service-provider of the Company or any of its subsidiaries) shall be obligated to give any consideration to any interest of or factors affecting the Company or any of its subsidiaries or the Members, or to recommend or take any action in its capacity as a Member that prefers the interests of the Company or any of its subsidiaries or the Members over the interests of such Person or its Affiliates or Representatives, and each of the Company and each Member hereby waives the fiduciary duty, if any, of such Person to the Company and/or its Members, including in the event of any such conflict of interest or otherwise. The provisions of this Agreement, to the extent that they restrict the duties (including fiduciary duties) and liabilities of an Indemnified Person otherwise existing at law or in equity, are agreed by the Company, each Member to replace such other duties and liabilities of such Indemnified Person. Except as expressly set forth herein or in another agreement between such Indemnified Person and the Company or any of its subsidiaries, to the fullest extent permitted by applicable law, no Indemnified Person will have any fiduciary duties to the Company or any Member, and will otherwise not have any obligations other than such obligations as specifically provided by this Agreement or any such other agreement.

5.7 Investment Opportunities and Conflicts of Interest. Each Other Member shall, and shall cause each of its Affiliates to, bring all investment or business opportunities to the Company of which any of the foregoing become aware and which they believe are, or may be,

within the scope and investment objectives related to the Business, the Company, or any of its subsidiaries, which would or may be beneficial to the Business, the Company, or any of its subsidiaries, or are otherwise competitive with the Business, the Company, or any of its subsidiaries. The Other Members expressly acknowledge and agree that, subject to the terms of any other agreement to which they may be bound, (a) the Designated Member and its Affiliates are permitted to have, and may presently or in the future have, investments or other business relationships with entities engaged in the Business other than through the Company or any of its subsidiaries (an "Other Business"), (b) the Designated Member and its Affiliates have and may develop a strategic relationship with businesses that are and may be competitive or complementary with the Company and its subsidiaries, (c) the Designated Member and its Affiliates shall not be prohibited by virtue of their investments in the Company and its subsidiaries or its role as the Designated Member from pursuing and engaging in any such activities, (d) the Designated Member and its Affiliates shall not be obligated to inform or present the Company or any of its subsidiaries or any Other Member of any such opportunity, relationship, or investment, (e) the Other Members shall not acquire or be entitled to any interest or participation in any Other Business as a result of the participation therein of the Designated Member or any of its Affiliates, and (f) the involvement of the Designated Member and its Affiliates in any Other Business shall not constitute a conflict of interest by the Designated Member or its Affiliates with respect to the Company or the Other Members or any of the Company's subsidiaries.

ARTICLE 6

TRANSFERS OF MEMBERSHIP INTEREST AND WITHDRAWAL

6.1 Transfers. Other than pursuant to Sections 6.3 and 6.4, no Member may Transfer any Membership Units, or any right or interest therein (including a direct or indirect Transfer of any equity interests of such Member), whether voluntarily or involuntarily, by operation of law, court order, foreclosure, marital property division or otherwise, without first obtaining the prior written consent of the Designated Member (which consent is at the Designated Member's sole discretion), and then only in accordance with all applicable laws, including any federal and state securities laws, and this Agreement; provided, however, that no Member shall Transfer all or any portion of such Membership Units held by such Member (including a Transfer of any equity interests of such Member) at any time if such Transfer would violate applicable laws, including any federal or state securities laws, or this Agreement. Any such purported Transfer in violation of any provision of this Agreement and all actions by the purported transferor and transferee in connection therewith shall be of no force or effect and the Company shall not be required to recognize such purported Transfer for any purpose, including for purposes of distributions and voting rights (if any). If any Transfer of Membership Units (including a direct or indirect Transfer or any equity interests of such Member) is made or attempted contrary to the provisions of this Agreement or if any Membership Units are not offered as required by this Agreement, the Designated Member shall have the right to purchase such Membership Units from the owner thereof or the Member's transferee pursuant to Section 6.2. In addition to any other legal or equitable remedies the Company and the non-breaching Members may have, the Company and the non-breaching Members may enforce this right by actions for specific performance, to the extent permitted by law. The Company may also refuse to recognize any purported transferee (including in connection with a Transfer of any equity interests of such Member) and may continue to treat the transferring Member as a Member for all purposes, including for purposes of distributions and voting rights (if any), until all applicable provisions of this Agreement have been complied with. In the event that any Membership Units to be purchased by the Designated Member are not already in the Designated Member's possession and the transferring Member fails to deliver such Membership Units to the Designated Member, the Designated

Member may elect to (a) establish a segregated account in the amount of the purchase price, such account to be turned over to the selling Member upon delivery of such Membership Units, and (b) immediately take such action as is appropriate to Transfer record title of such Membership Units to the Designated Member and to treat the selling Member and such Membership Units in all respects as if delivery of such Membership Units had been made as required by this Agreement. Each Member hereby irrevocably grants the Company a power of attorney which shall be coupled with an interest for the sole purpose of effectuating the provisions of the preceding sentence. The remedies provided herein are cumulative and not exclusive of any other remedies provided herein or by law. Notwithstanding anything to the contrary contained herein, other than in connection with a Company Sale or as set forth in Section 6.4, (a) any Transfer by any Member (including a Transfer of any equity interests of such Member) shall comply with Section 6.3 and, (ii) without the consent of the Designated Member, no Member may Transfer any Membership Units to any direct competitor of the Company (or any of its subsidiaries) or to any Affiliate of any direct competitor of the Company (or any of its subsidiaries).

6.2 Call Right.

6.2.1 In the event that (a) an Other Member quits or resigns from any of his or her positions with the Company, (b) an Other Member dies, (c) an Other Member files for bankruptcy or makes an assignment for the benefit of creditors, (d) an Other Member files for divorce or his or her Spouse files for divorce, (e) the Company or any of its subsidiaries or Affiliates terminates an Other Member's (a) engagement, (ii) employment, (iii) services, or (iv) business relationship(s), in each case of subsections (a) - (iv) above, for any reason, (t) an Other Member fails to comply with any laws (other than healthcare laws), rules, and regulations relating to the Business and such failure is not cured (to the extent it is curable) within twenty (20) days following written notice from the Company, (g) an Other Member is indicted for, convicted of, or pleads guilty or no contest to, any (a) felony or (ii) misdemeanor or greater offense involving fraud, forgery, theft, larceny, perjury, embezzlement, robbery, burglary, extortion, or blackmail, or aiding and abetting or being an accessory to, any of the foregoing, (h) an Other Member (y) is excluded, debarred, or suspended from participation in Medicare, any Medicaid program, or other federal health care program as a result of or due to such Other Member's actions or inactions, or (z) fails to comply with any applicable healthcare laws, (a) an Other Member seeks the liquidation or dissolution of the Company, (j) an Other Member violates, or threatens to violate, a covenant set forth in this Agreement or distributes or Transfers, or attempts to distribute or Transfer, any Membership Units in violation of this Agreement, or (k) an Other Member otherwise engages in any behavior that the Designated Member determines in its sole and absolute discretion is detrimental to the Business (each, a "Call Termination Event" and the Other Member triggering such Call Termination Event, the "Breaching Member"), the Designated Member, the Company, or a combination of both (such Person(s), the "Call Purchasers") may, at its respective election and from time to time and at multiple occasions, require the Breaching Member to sell to the Call Purchaser all or any portion of the vested Membership Units of the Breaching Member (the "Subject Units") for the Call Purchase Price. If the Call Purchaser desires to exercise its rights to purchase the Subject Units pursuant to this Section 6.2, the Call Purchaser shall deliver to the Breaching Member, within one hundred eighty (180) days after obtaining knowledge of any Call Termination Event, a written notice (the "Repurchase Notice") specifying the Subject Units and percentage interest to be repurchased by the Call Purchaser (the "Repurchased Interests") and the Call Purchase Price to be paid in exchange for the Repurchased Interests.

6.2.2 The closing of any sale of the Repurchased Interests shall take place no later than twenty (20) Business Days following the date of the Repurchase Notice or at a time and place mutually agreed to by the Breaching Member and the Call Purchaser. The Breaching Member shall deliver the document or documents necessary to affect a transfer of the Repurchased Interests. At the closing of any sale of the Repurchased Interests, the Breaching Member shall deliver to the Call Purchaser a certificate or certificates (if such certificate(s) were issued) representing the Repurchased Interests to be sold,

accompanied by evidence of transfer and all necessary transfer taxes paid and stamps affixed, if necessary, against receipt of the Call Purchase Price.

6.2.3 For purposes of this Agreement, except as otherwise determined by the

Designated Member, the "Call Purchase Price" shall mean (a) with respect to an event described in clauses (a), (b), (c), (d), or (e), the fair market value (as determined by the Designated Member in good faith considering any applicable factors or discounts) of the Subject Units of the Breaching Member, and (b) with respect to an event described in clause (f), (g), (h), (i), or (j) of Section 6.2.1, one dollar (\$1.00) in the aggregate for all the Subject Units of the Breaching Member.

6.3 Right of First Refusal on Voluntary Transfers.

6.3.1 Subject to Section 6.1, if at any time any Other Member (each, a "Selling Member") intends to Transfer any Membership Units (other than any Transfer pursuant to Section 6.2 or Section 6.4), such Selling Member shall, prior to any such Transfer, give written notice (the "Selling Member's Notice") of such intention to the Designated Member. The Selling Member's Notice shall include the name of the proposed transferee, the proposed purchase price per Membership Unit, the terms of payment of such purchase price, and all other material matters, terms, and conditions relating to such sale and, to the extent available, shall be accompanied by a copy of a binding written agreement of the proposed transferee to purchase such Membership Units from the Selling Member. The Selling Member's Notice shall constitute a binding offer by the Selling Member to sell to the Designated Member such number of Membership Units then owned by the Selling Member as are proposed to be sold in the Selling Member's Notice (the "Offered Membership Units") at the monetary price per Membership Unit designated in the Selling Member's Notice (the "ROFR Price"), payable as provided in Section

6.3.2. Not later than thirty (30) days after receipt of the Selling Member's Notice, the Designated Member shall deliver written notice (the "Designated Member Notice") to the Selling Member stating whether and to what extent the Designated Member has accepted the offer stated in the Selling Member's Notice. If the Designated Member accepts the offer in the Selling Member's Notice, in whole or in part, the Designated Member Notice shall fix a time, location, and date for the closing of such purchase, which date shall be not less than ten (10) nor more than sixty (60) days after delivery of the Designated Member Notice.

6.3.2 The closing of any sale of Offered Membership Units shall take place no later than twenty (20) Business Days following the date of the Designated Member Notice or at a time and place mutually agreed to by the Selling Member and the Designated Member. The Selling Member shall deliver the document(s) necessary to affect a transfer of the Offered Membership Units. At the closing of any sale of Offered Membership Units, the Selling Member shall deliver to the Designated Member a certificate or certificates (if such certificate(s) were issued) representing the Offered Membership Units to be sold, accompanied by evidence of transfer and all necessary transfer taxes paid and stamps affixed, if necessary, against receipt of the ROFR Price.

6.4 Transfers to Permitted Transferees. The restrictions on Transfer contained in Sections 6.1 and 6.3 hereof shall not apply to Transfers by (a) gift by a Member to a trust for the benefit of such Member or any Immediate Family member of such Member, which trust is revocable solely by such Member, (b) a Member to his or her guardian or conservator, (c) a Member, in connection with estate planning purposes during his or her lifetime or in the event of his or her death, to his or her executor(s) or administrator(s) or to trustee(s) or Immediate Family under his will, or otherwise by will or the laws of descent and distribution, or (d) a Member to any Affiliate (the transferee of any such transfer, a "Permitted Transferee"), provided, however, that in any such event the Membership Units so transferred in the hands of any Permitted Transferee shall remain subject to this Agreement and each such Permitted Transferee that is not already a Member hereunder shall so acknowledge in

writing, by executing a joinder to this Agreement. Schedule A attached hereto shall be amended to reflect the addition of any such additional party to this Agreement pursuant to Section 1.3. No transfer of Membership Units to a Permitted Transferee shall be effective if the purpose of such transfer shall have been to circumvent the provisions of this Agreement. As used herein, the term "Immediate Family" shall mean a Spouse, parent, child, grandchild, brother, or sister of a Member.

6.5 Drag-Along Rights.

6.5.1 If a Company Sale has been approved by the Designated Member (each such Company Sale, an "Approved Sale"), each Other Member shall be obligated, as applicable, to (a) vote all of such Member's Membership Units (whose ownership of any Membership Units entitles such Member to voting rights) in favor of, and not object to, the Approved Sale, (b) Transfer all of the Membership Units which such Member then holds, of record or beneficially, in connection with such Approved Sale, (c) cooperate with the Designated Member and the purchaser in any such Approved Sale, (d) waive (to the extent permitted under applicable law) any dissenters' rights, appraisal rights or similar rights to which such Member may be entitled under applicable law, and (e) execute and deliver all agreements, documents, and instruments (including purchase agreements) reasonably necessary to effectuate such Approved Sale, so long as the indemnification provisions therein do not allocate liability to such Member that is disproportionate to the liability allocated to the other Members as determined based on the percentage of total proceeds paid to the Members in connection with such Approved Sale in accordance with Section 3.1.

6.5.2 Subject to Section 6.5.3, if the Approved Sale is structured (a) as a sale of equity securities, each Member will agree to sell up to all such Member's Membership Units (on a pro rata basis, based on the number of Membership Units which are transferred by the Designated Member) on the same terms as the Designated Member and the Other Members participating in such Approved Sale, or (b) as a sale of assets, each Member will vote in favor of any subsequent liquidation or other distribution of the proceeds therefrom, as approved by the Designated Member, so long as such subsequent liquidation or other distribution of the proceeds is in accordance with this Agreement (including Section 3.1).

6.5.3 If the Approved Sale is structured as a (a) sale of assets, upon the consummation of the Approved Sale, each Member will receive the same portion of the aggregate consideration available to be distributed to the Members (in their capacity as such) that such Members (in their capacity as Members) would have received if such aggregate consideration had been distributed by the Company in complete liquidation pursuant to the rights and preferences set forth in this Agreement as in effect immediately before such Approved Sale or (ii) sale of equity securities, then each Member will be entitled to Distributions on a pro rata basis. If any Member is given an option as to the form and amount of consideration to be received, each Member participating in such Approved Sale shall be given the same option.

6.5.4 Subject to the provisions of this Section 6.5.4, each Member participating in such Approved Sale will be obligated to join all other Members on a pro rata basis (determined in accordance with the portion of the aggregate proceeds received by all Members in connection with such Approved Sale and in accordance with Section 3.1) in any purchase price adjustments, indemnification, escrow arrangement, or similar financial or economic obligations that the sellers of Membership Units are required to provide in connection with such Approved Sale. Each Member agrees to appoint the Designated Member (or any of its designees) as the "Sellers' Representative" (or similar term) in connection with an Approved Sale on standard and customary terms and conditions; provided, that if a Member (whose ownership of any Membership Units entitles such Member to voting rights) fails or refuses to vote or sell such Member's Membership Units as required by, or votes such Member's Membership Units in contravention of this Section 6.5.4, or refuses to execute documents as required hereby, such Member hereby grants to the Designated Member an irrevocable proxy and

such Member hereby appoints the Designated Member or designee as such Member's attorney in fact, to sell its Membership Units or execute such documents in accordance with the terms of this Section 6.5.4.

6.5.5 Subject to the provisions of this Section 6.5.5, each Member will bear such Member's pro rata share (determined in accordance with the portion of the aggregate proceeds received by all Members in connection with such Approved Sale and in accordance with Section 3.1) of the costs of any sale of such Membership Units pursuant to an Approved Sale to the extent such costs are incurred for the benefit of all Members and are not otherwise paid by the Company or the acquiring party; provided, that the liability of each such Member with respect to such costs shall be limited to the amount of aggregate consideration actually received by such Member in connection with such Approved Sale. Costs incurred by each Member on such Member's own behalf will not be considered costs of the Approved Sale; it being understood that the fees and disbursements of one (1) legal counsel chosen by the Designated Member for the Company will be deemed to be for the benefit of all Members participating in such Approved Sale.

6.5.6 Subject to the provisions of this Section 6.5.6, at the closing of such Approved Sale, each Member shall deliver, against receipt of the consideration specified in the offer, the certificate(s) representing the Membership Units, if any, which such Member holds of record or beneficially, with all endorsements necessary for Transfer. If the Membership Units are certificated and any Member fails to deliver any certificate(s) representing such Member's Membership Units, or fails to deliver in lieu thereof, a customary affidavit (with customary indemnification provisions) attesting to the loss or destruction of such certificate(s), such Member (a) will not be entitled to the consideration that such Member would otherwise receive in the Approved Sale until such Member cures such failure; provided, however, that, after curing such failure, such Member will be so entitled to such consideration without interest subject to all of the same terms, (b) will be deemed, for all purposes, from and after the time at which such certificate(s) were due for presentment, no longer to be a Member of the Company and will have no voting rights, (c) will not be entitled to any distributions declared after the Approved Sale with respect to the Membership Units held by such Member, (d) will have no other rights or privileges granted to Members under this or any future agreement, and (e) in the event of liquidation of the Company, until such Member cures such failure, such Member will have no right to receive any of the consideration that such Member would have received if such Member had complied with this Section 6.5.6. Any payments due to such Member pursuant to this Section 6.5 shall be net of any reasonable costs and expenses incurred by the Company in connection with such Member's failure to deliver any certificate(s), if any, or a customary affidavit attesting to the loss or destruction of such certificate(s) pursuant to this Section 6.5.6.

6.5.7 For purposes of this Section 6.5, "the same terms" shall be deemed to mean (a) the making of all representations, warranties, and covenants, (b) the granting of all indemnifications on a pro rata basis and such indemnification shall be limited to such Member's applicable share (determined based on the respective proceeds payable to each Member in connection with such Approved Sale in accordance with the provisions of this Agreement) of a negotiated aggregate indemnification amount that applies equally to all Members but that in no event exceeds the amount of consideration allocated (and not necessarily paid) to such Member in connection with such Approved Sale, except with respect to claims related to fraud by such Member, unpaid taxes, or breach of a covenant by such Member, in each case, the liability for which need not be limited as to such Member, (c) the liability for indemnification, if any, of such Member in the Approved Sale and for the inaccuracy of any representations and warranties made by the Company or all Members or any Member in connection with such Approved Sale, is several and not joint with any other Person (except to the extent that funds may be paid out of an escrow established to cover breach of representations, warranties, and covenants of the Company as well as breach by any Member of any of identical representations, warranties, and covenants provided by all Members), (d) each Member shall not be liable for the inaccuracy of any representation or warranty made by any other Person in connection with the Approved Sale, other

than the Company (except to the extent that funds may be paid out of an escrow established to cover breach of representations, warranties, and covenants of the Company as well as breach by any Member of any of identical representations, warranties, and covenants provided by all Members), (e) the same type and form of consideration, (f) the same price per Membership Unit or share being paid for each class or series of Membership Units being sold or transferred, unless otherwise agreed by the parties thereto, and (g) similar agreements and arrangements (other than agreements not to compete or solicit employees or customers of the Company in connection with such Approved Sale, including Members who are executives or employees of the Company or its Subsidiaries being required to execute such non-compete and/or non-solicit restrictions), in each case reasonably agreed to in good faith by the Designated Member and not inconsistent with the other provisions of this Section 6.5, including participating on a pro rata basis in any escrow or holdback arrangements; provided, that nothing in this Section 6.5 shall in any way restrict a Member from making additional representations, warranties, and covenants, granting additional indemnifications, or accepting a lower per Membership Unit purchase price than provided to other Members of the same class of Membership Units so long as any such agreements do not negatively impact any such other Members.

6.5.8 For the avoidance of doubt, all proceeds received by the Members in an Approved Sale shall be distributed to the Members in accordance with Section 3.1.

6.6 Resignation of a Member. A Member may withdraw from the Company in accordance with the LLC Act.

6.7 Consent of Spouse. If a Member is married or party to a civil union or domestic partnership as of the date of this Agreement, the Member's Spouse shall execute a Consent of Spouse, effective as of the date hereof. Such Consent of Spouse shall not be deemed to confer or convey to the Spouse any rights in the Membership Units that do not otherwise exist by operation of law or the agreement of the Parties. If a Member marries, remarries, or enters into a new civil union or domestic partnership, in each case, subsequent to the date hereof, the Member shall, not later than sixty (60) days thereafter, obtain his or her new Spouse's acknowledgement of and consent to the existence and binding effect of all restrictions contained in this Agreement by such Spouse's executing and delivering a Consent of Spouse.

ARTICLE 7

DISSOLUTION AND WINDING UP OF THE COMPANY

7.1 Events of Dissolution. The Company shall be dissolved, and its affairs shall be wound up upon the first to occur of the following: (a) the determination of the Designated Member, or (b) the entry of a decree of judicial dissolution under the LLC Act.

7.2 Procedure on Dissolution.

7.2.1 Upon the dissolution and termination of the Company, a liquidating trustee (the "Liquidating Trustee"), which shall be selected by the Designated Member and may be a Member, shall wind up the Company's affairs and shall liquidate all the assets of Company in an orderly and expeditious manner. If the Company is dissolved while its business is in progress, the winding up of the affairs of the Company may include completion of performance under any contracts in existence on the date of dissolution. The Liquidating Trustee shall make an accounting to the Members of the financial results of operations of the Company from the date of the last previous accounting to the date of dissolution.

7.2.2 The proceeds of the liquidation shall be distributed by the Liquidating Trustee in the following manner:

(a) first, to the creditors of the Company (including payments of the expenses of liquidation and the debts and obligations of the Company, excluding debts owing to any Member);

(b) second, to the establishment of any reserve which the Liquidating Trustee shall deem reasonably necessary for contingent or unforeseen liabilities as required by the LLC Act and other applicable law; and

(c) third, to repayment of outstanding debts owing to any Member

(d) thereafter, to the Members in accordance with Section 3.1.

7.2.3 Deficit Balance in Capital Account. Notwithstanding anything to the contrary in this Agreement, upon a liquidation within the meaning of Regulations Section I. 704-1 (b)(2), if any Member has a deficit in its Capital Account (after giving effect to all contributions, distributions, allocations and other Capital Account adjustments for all taxable years, including the year during which such liquidation occurs), such Member shall have no obligation to make any Capital Contribution for the purposes of eliminating or diminishing such negative Capital Account balance and such negative Capital Account balance shall not be considered a debt owed by such Member to the Company or to any other person for any purpose whatsoever.

ARTICLES

BOOKS AND RECORDS, ACCOUNTING AND TAX MATTERS

8.1 Books and Records. True and correct books of account with respect to the operations of the Company shall be kept at such place as shall be designed by the Designated Member.

8.2 Banking. All funds of the Company shall be deposited in its name in such account or accounts as shall be designated by the Designated Member. The funds in such accounts shall be used solely for the Business. Withdrawals from, or checks drawn upon, such accounts shall require the signature of a Member or the President or such other Officers as may be designated by the Designated Member.

8.3 Fiscal Year. The fiscal year of the Company shall be the period beginning on January 1 and ending on December 31 of each year.

8.4 Tax Matters Partner: Tax Elections. The Tax Matters Partner of the Company, within the meaning of Code Section 6231 (a)(7), shall be the Designated Member. The Designated Member is authorized to make any tax election relating to the Company

8.5 Revised Partnership Audit Provisions. For Company tax years beginning after December 31, 2017, the Designated Member is authorized to make any election, designation of partnership representative or other decision on behalf of the Company or the Members that is provided or

contemplated by Code Sections 6221 through 6241, as amended by Section 110 I of P.L. 114-74 (The Bipartisan Budget Act of 2015) or any amendment of these Code Sections, or Regulations, notices or other guidance issued thereunder (the "Revised Partnership Audit Provisions"), including an election the effect of which will be a legal imposition on one or more current or former Members (or assignees of Membership Units) to reflect Internal Revenue Service adjustments to income, gain, loss, deduction or credit in certain federal income tax returns of the Members (or assignees of Membership Units) and to pay associated federal income taxes, interest and penalties. The Members agree to provide that information as the Designated Member may request in connection with the Revised Partnership Audit Provisions. In the event the Company pays any amount of federal income taxes, interest or penalties pursuant to the provisions of the Revised Partnership Audit Provisions, the payment shall be treated as an expense of the Company or as a distribution to one or more of the Members (or assignees of Membership Units), as the Designated Member shall determine is appropriate and consistent with this Agreement.

8.6 Tax Information. The Designated Member shall cause to be prepared and distributed to all the Members all appropriate information relating to the Company that is necessary for the preparation of the Members' federal income tax returns.

ARTICLE 9

REPRESENTATIONS AND WARRANTIES BY THE MEMBERS

Each Member hereby represents and warrants to the other Members and the Company as follows:

9.1 Investment Intent. Such Member acquired or is acumen such Member's Membership Units with the intent of holding the same for investment for such Member's own account and without the intent or a view of participating directly or indirectly in any distribution of such Membership Interests within the meaning of the Securities Act of 1933 (as amended, or any successor federal law then in force, together with all rules and regulations promulgated thereunder, the "Securities Act") or any applicable state securities laws.

9.2 Securities Regulation.

9.2.1 Such Member acknowledges and agrees that such Member's Membership Units were or are being issued and sold in reliance on the exemption from registration under the Securities Act and exemptions contained in applicable state securities laws, and that such Member's Membership Units cannot and will not be sold or transferred except in a transaction that is exempt under the Securities Act and applicable state securities laws or pursuant to an effective registration statement under the Securities Act and applicable state securities laws.

9.2.2 Such Member (a) is knowledgeable and experienced in financial and business matters, (b) is capable of evaluating the merits and risks of an investment in the Units, (c) is able to bear the economic risk of loss of such Member's investment in such Member's Membership Units, and (d) is an "accredited investor" as defined in Regulation D promulgated by the SEC under the Securities Act.

9.2.3 Such Member understands that except as provided in this Agreement such Member has no contractual right for the registration under the Securities Act of such Member's Membership Units for public sale and that, unless such Member's Membership Units is registered or an exemption from registration is available, such Member's Membership Units may be required to be held indefinitely.

9.2.4 Such Member has discussed with, and relied upon the advice of, such Member's counsel about the meaning and legal consequences of such Member's representations and warranties in this Agreement and the considerations involved in making an investment in the Company, and such Member understands that the Company is relying on the information set forth in this Agreement.

9.3 Organization and Binding Agreement. Such Member (a) if an entity, is duly formed, validly existing and in good standing under the laws of its jurisdiction of organization, and (b) has all legal capacity or requisite power and authority to enter into, deliver, and perform this Agreement. This Agreement has been duly authorized by all necessary action and does not contravene, in any material respect, any provision of the Member's certificate of formation, partnership agreement, operating agreement or similar organizational or governance documents or any law, regulation, rule, decree, order, judgment or material contractual restriction binding on such Member or any of its assets. All material consents, approvals, authorizations, permits of, filings with and notifications to, any Person necessary for the due execution, delivery and performance of this Agreement by such Member have been obtained or made and all conditions thereof have been duly complied with, and no other action by, and no notice to or filing with, any Person is required in connection with the execution, delivery or performance of this Agreement by such Member. This Agreement constitutes a legal, valid and binding obligation of such Member enforceable against such Member in accordance with its terms, subject to (a) the effects of bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium or other similar laws affecting creditors' rights generally, and (ii) general equitable principles (whether considered in a proceeding in equity or at law).

9.4 Tax Position. Unless otherwise required by applicable law, no Member will take a position on such Member's federal income tax return, in any claim for refund or in any administrative or legal proceedings that is inconsistent with this Agreement or with any information return filed by the Company. If any Member believes that such a position is required by applicable law, such Member must immediately notify the Company and the other Members in writing, citing such applicable law or any interpretation thereof.

9.5 Information. Such Member (or his, her or its advisors and counsel, if any) has received all documents, books and records pertaining to an investment in the Company requested by such Member (or his, her or its advisors and counsel, if any). Such Member (or his, her or its advisors and counsel, if any) has had a reasonable opportunity to ask questions of and receive answers concerning the Company, and all such questions have been answered to such Member's (or his, her, or its advisors' and counsel's, if any) satisfaction, and acknowledges that other Members may have received additional and/or different disclosure materials relating to the Company and there is no guarantee that each Member has received the same information.

ARTICLE 10

COVENANTS BY THE OTHER MEMBERS Each Other Member hereby agrees as follows:

10.1 Licenses and Permits. Such Other Member will cooperate in providing such information, in signing such documents and in taking any other action as may reasonably be requested by the Company in connection with obtaining any foreign, federal, state or local license or permit needed to operate its business or the business of any entity in which the Company invests.

10.2 Confidentiality. Such Other Member will not, directly or indirectly, disclose to any Person or use at any time (and shall cause all of such Other Member's Affiliates and Representatives not to use or disclose), any Confidential Information (whether or not such information is or was developed by such Other Member), except to the extent that such disclosure or use is directly related to and required by the performance of such Other Member's duties to the Company or as required by law or as otherwise provided hereunder. Such Other Member further agrees to take commercially reasonable steps to safeguard such Confidential Information and to protect it against disclosure, misuse, espionage, loss, and theft. In the event such Other Member is required by law to disclose any

Confidential Information, such Other Member shall promptly notify the Company in writing, which notification shall include the nature of the legal requirement and the extent of the required disclosure and shall cooperate with the Company's reasonable requests to preserve the confidentiality of such Confidential Information consistent with applicable law. Notwithstanding the foregoing, Confidential Information does not include such information which: (a) at the time of disclosure is publicly available or thereafter becomes publicly available, in each case, through no act or omission of such Other Member; or (b) is disclosed by such Other Member (subject to compliance with the applicable provisions of this Section 10.2) under compulsion of applicable law.

10.3 Non-Competition.

10.3.1 Such Other Member is familiar with the trade secrets related to the Company, and with other Confidential Information concerning the Business, including all (a) inventions, technology and research and development related to the Business, (b) payors, patients, referral sources, marketing representatives, service providers, landlords, vendors, and suppliers as well as any lists of the foregoing related to the Business, (c) products (including products under development) and services related to the Business and related costs and pricing structures and techniques, (d) accounting and business methods and practices related to the Business, and (e) similar and related confidential information and trade secrets related to the Business. Such Other Member acknowledges and agrees that the Company would be irreparably damaged if such Other Member were to directly or indirectly provide services to any Person competing with the Business or engaging in a similar business and that such direct or indirect competition by such Other Member would result in a significant loss of goodwill by the Company.

10.3.2 Such Other Member hereby agrees that during the Restricted Period, such Other Member shall not acquire or hold any economic, financial, or other interest (including equity or debt securities) in, act as an equity holder or Representative of, render any services to, or otherwise operate or hold an interest (whether an equity interest or otherwise) in any Person (other than any member of the Company) having any location in the Restricted Territory, which entity, enterprise, or other Person primarily engages in, or engages in the management or operation of any Person that primarily engages in, any business that competes with the Business; provided, however, nothing contained herein shall be construed to prohibit such Other Member from purchasing up to an aggregate of two percent (2%) of any class of the outstanding voting securities of any other Person (but only if such investment is held on a purely passive basis and does not violate any restrictive covenant hereunder). Notwithstanding anything herein to the contrary, this Agreement shall not restrict such Other Member from conducting the practice of medicine and/or interfere with the physician-patient relationship.

10.4 Non-Solicitation. During the Restricted Period, such Other Member shall not (on such Other Member's behalf or on behalf of each of such Other Member's Affiliates), directly or indirectly, either individually or acting in concert with another Person or Persons:

10.4.1 request, induce or attempt to influence any payor, referral source, marketing representative, service provider, landlord, contractor, supplier, or vendor of the Business to curtail, cancel, or refrain from maintaining or increasing the amount or type of business such payor, referral source, marketing representative, service provider, landlord, contractor, supplier, or vendor is currently transacting, or may be transacting during the Restricted Period, with the Business or modify its pricing or other terms of sale with the Business;

10.4.2 solicit for employment, engagement, or retention or hire, employ, engage, or retain any Person who is an employee or an independent contractor of the Business during the Restricted Period;

10.4.3 influence or attempt to influence any Person who is an employee or independent contractor of the Business during the Restricted Period to terminate his, her, or its employment or engagement with the Company or the Business; or

10.4.4 submit, solicit, encourage, or discuss any proposal, plan, or offer to acquire an interest in the Company's planned or contemplated potential acquisition or investment candidates.

10.5 Other Member Non-Disparagement. Such Other Member (on such Other Member's behalf or on behalf of each of such Other Member's Affiliates) shall not, directly or indirectly, either individually or acting in concert with another Person or Persons, make any negative, derogatory, or disparaging statements or communications regarding any the Company or its business, Affiliates, subsidiaries, or Representatives, except in connection with an action to enforce such Other Member's rights under this Agreement or any legal proceeding involving the Company or any Member. Such Other Member acknowledges and agrees that in the event of a breach of this Section 10.5, the Company would suffer irreparable harm, no adequate remedy at law would exist for the Company, and damages would be difficult to determine. Consequently, in addition to other rights and remedies available to the Company, the Company may apply to any court of law or equity of competent jurisdiction for specific performance or injunctive or other relief in order to enforce or prevent any violations of the provisions of this Section 10.5, in each case, without the requirement of posting a bond (or similar security) or proving actual damages.

10.6 Term and Severability of Covenants. If such Other Member breaches any covenant set forth in this Agreement, the term of such covenant shall be extended by the period of the duration of such breach, except that any such extension of the term will be limited solely to the country, province, state, city, or other political subdivision of the Restricted Territory in which the breach has occurred. The covenants contained in this Agreement shall be construed as a series of separate covenants, one for each country, province, state, city, or other political subdivision of the Restricted Territory. Except for geographic coverage, each such separate covenant shall be deemed identical in terms to the covenants contained in this Agreement. If, in any judicial proceeding, a court refuses to enforce any of such separate covenants (or any part thereof), the Parties agree that such unenforceable covenant (or such part) shall be eliminated from this Agreement to the extent necessary to permit the remaining separate covenants (or portions thereof) to be enforced. If the provisions of Section 10.3 or Section 10.4 are deemed to exceed the time, geographic or scope limitations permitted by applicable law, the Parties agree that such provisions shall be reformed to the maximum time, geographic or scope limitations permitted by applicable law.

ARTICLE 11

MISCELLANEOUS

11.1 No Third-Party Beneficiaries. This Agreement is for the sole benefit of the Members and their respective successors and assigns, and nothing herein expressed or implied shall give or be construed to give any other person or entity any legal or equitable rights hereunder.

11.2 Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the Members and their respective successors and assigns.

11.3 Severability. If any provision of this Agreement shall be determined to be unlawful or unenforceable to any extent, such provision shall be deemed to be severed from this Agreement and every other provision of this Agreement shall remain in full force and effect.

11.4 Entire Agreement. This Agreement constitutes the entire agreement of the parties hereto with respect to the subject matter hereof and supersedes all prior agreements and understanding with respect thereto.

11.5 Gender. Any pronouns used herein shall include the corresponding masculine, feminine or neuter forms.

11.6 Headings. The section headings contained herein are for reference purposes only and shall not affect in any way the meaning of this Agreement.

11.7 Amendments. This Agreement may be modified or amended only with the prior written consent of the Designated Member and in accordance with Section 5.2 (if applicable). All amendments to this Agreement will be sent to each Member promptly after the effectiveness thereof.

11.8 Governing Law. This Agreement shall be governed by, and construed in accordance with, the laws of the State of Delaware, without giving effect to the principles of conflict of laws thereof. All rights and remedies arising under this Agreement or otherwise with respect to the Members and the Company shall be governed by said laws.

11.9 Survival. All covenants and agreements contained in this Agreement shall remain in full force and effect until the earlier of the date on which such covenant or agreement, as the case may be, has been performed in full or waived in writing by the Person with the authority to waive such covenant or agreement or the date on which the applicable statute of limitations has expired.

11.10 Countermarks. This Agreement may be executed in multiple counterparts (including by means of facsimile or electronically transmitted portable document format (PDF) signature pages), any one of which need not contain the signatures of more than one Party, but all such counterparts taken together shall constitute one and the same instrument and shall have the same force and effect as an original fully

DRAFT VERSION MAY 30th, 2019 of this Agreement.

11.11 Construction. References in this Agreement to any gender include references to all genders, and references to the singular include references to the plural and vice versa. The words "include," "includes" and "including" when used in this Agreement shall be deemed to be followed by the phrase "without limitation" or "but not limited to". Unless the context otherwise requires, references in this Agreement to Articles, Sections, Schedules, Exhibits, and attachments shall be deemed references to Articles, Sections, Schedules, Exhibits, and attachments to this Agreement. Unless the context otherwise requires, the words "hereof," "hereby" and "herein" and words of similar meaning when used in this Agreement refer to this Agreement in its entirety and not to any Article, Section or provision of this Agreement.

11.12 Injunctive Relief. The Parties agree that any Party may petition a court of competent jurisdiction for a temporary restraining order, preliminary injunction, or other interim or conservatory relief, as necessary to enforce the provisions of Article IO of this Agreement. The Parties understand and agree that any breach or threatened breach of this Agreement may cause irreparable injury and that money damages will not provide an adequate remedy therefor, and that any relief to which the non-breaching Party may be entitled may be rendered ineffectual without injunctive relief. If either Party seeks injunctive relief, the prevailing Party shall be entitled to recover reasonable costs and attorneys' fees.

11.13 Forum and Venue. Subject to Section 11.12, each Party irrevocably (a) consents to the exclusive jurisdiction and venue of any court located within the State of Delaware in connection with any dispute or the matters contemplated herein, (b) agrees that process may be served upon them in any manner authorized by the laws of the State of Delaware for such persons, and (c) waives and covenants not to assert or plead any objection that he or she might otherwise have to such jurisdiction, venue and such process. Subject to Section 11.12, each Party irrevocably agrees not to commence any legal proceedings related hereto except in such courts.

11.14 WAIVER OF JURY TRIAL. BECAUSE DISPUTES ARISING IN CONNECTION WITH COMPLEX TRANSACTIONS ARE MOST QUICKLY AND ECONOMICALLY RESOLVED BY AN EXPERIENCED AND EXPERT PERSON AND THE PARTIES WISH APPLICABLE STATE AND FEDERAL LAWS TO APPLY (RATHER THAN ARBITRATION RULES), THE PARTIES DESIRE THAT THEIR DISPUTES BE RESOLVED BY A JUDGE APPLYING SUCH APPLICABLE LAWS. THEREFORE, TO ACHIEVE THE BEST COMBINATION OF THE BENEFITS OF THE JUDICIAL SYSTEM AND OF ARBITRATION, EACH PARTY TO THIS AGREEMENT HEREBY IRREVOCABLY WAIVES ALL RIGHTS TO TRIAL BY JURY IN ANY ACTION, SUIT, OR PROCEEDING BROUGHT TO RESOLVE ANY DISPUTE BETWEEN OR AMONG ANY OF THE PARTIES, WHETHER ARISING IN CONTRACT, TORT, OR OTHERWISE, ARISING OUT OF, CONNECTED WITH, RELATED OR INCIDENTAL TO THIS AGREEMENT AND/OR THE TRANSACTIONS CONTEMPLATED HEREBY. THIS PROVISION IS A MATERIAL INDUCEMENT FOR THE PARTIES TO ENTER INTO THIS AGREEMENT.

[Signatures Following Page]

IN WITNESS WHEREOF, the undersigned, intending to be legally bound, have duly executed this Agreement effective as of the Effective Date.

COMPANY:

HLH - SEATTLE HOLDINGS, LLC

By:
Title: Chief Executive Officer

MEMBERS:

HLH Seattle Holdings, LLC
By: CHSO Partners II, LLC, its Manager
Name: Barry Up
Title: Managing Principal

VISTARIVER HEALTHCARE SOLUTIONS, INC By:
By:
Name:
Title:

SCHEDULE A

MEMBERSHIP UNITS
As of MAY 30th, 2019

Name	Capital Contribution	Class A Units	Class B Units
HLH Seattle Holdings, LLC	\$1,000.00	700	
Vista River Healthcare Solution, INC	\$0.00	300	
Total	\$1,000.00	1,000	

EXHIBIT A

CONSENT OF SPOUSE

I, _____ Spouse of _____, acknowledge that I have read the Limited Liability Company Agreement, dated as of MAY 30th, 2019 of HLH - SEATTLE HOLDINGS, LLC, a Delaware limited liability company (the "Company"), to which this Consent of Spouse (this "Consent") is attached as Exhibit A (as amended, modified and restated from time to time, the "Agreement"), and that I know the contents of the Agreement. I am aware that the Agreement contains provisions regarding the voting and transfer of Membership Units (as defined in the Agreement) of the Company that my Spouse may own, including any interest I might have therein.

I hereby agree that my interest, if any, in any shares of Membership Units of the Company subject to the Agreement shall be irrevocably bound by the Agreement and further understand and agree that any community property interest I may have in such Membership Units of the Company shall be similarly bound by the Agreement.

I am aware that the legal, financial and related matters contained in the Agreement are complex and that I am free to seek independent professional guidance or counsel (at my sole cost and expense) with respect to this Consent. I have either sought such guidance or counsel or determined after reviewing the Agreement carefully that I will waive such right.

Date:

Printed:

Appendix AB: Aide Training Calendar



Aide In-Service Calendar – Home Health, 2019

JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE
Tuberculosis Overview	Medical Device Reporting	Bloodborne Pathogens and Standard Precautions <i>Patient Rights (by State)</i>	Corporate Compliance and Ethics <i>Abuse Prevention/Reporting</i>	Workplace Emergencies and Natural Disasters: An Overview <i>Safe Oxygen Use</i>	Chemical Labeling and Safety Data Sheets (OSHA – Right to Know)
JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER
Health Insurance Portability & Accountability Act (HIPAA) and Client Rights	Infection Control and Prevention <i>Body Mechanics</i>	Fires Safety <i>Workplace Safety the Basics</i>	Ethics and Personal Rights	CPR Refresher <i>Effective Communication</i>	Dementia Care: Helping Families and Friends

This is the Healthy Living Network’s Yearly Plan serving as the framework to meet the minimum required 12 hours in-service training offered to the C.N.A., Home Health Aide or Certified Home Health Aide.

Additional classes, courses may be offered. All classes listed in black font above are 1 hour classes.

The subjects/topics may be covered in variable schedules/sequence based on mandatory all staff, or all clinician and Quality Assurance Meetings, or in the field with the Qualified RN.

Training blocks (example: Blocks of time 2 hours, 4 hours, etc.) may also be scheduled with the Home Health Aide or CNA to allow for schedule flexibility with the training conducted by a Qualified RN in a classroom setting or on the field.

In Red Italics - are additional Mandatory Training lessons that the Aide, C.N.A, C.H.H.A. must complete as required by the agency’s regulatory or accrediting body, which do not count toward the 12 hours In-service Training Credits

Appendix AC: CON Application Check

TO VERIFY AUTHENTICITY, SEE REVERSE SIDE FOR DESCRIPTIONS OF THE U.S. SECURITY FEATURES

Trinity MSO
2365 Iron Point Rd Ste 270
FOLSOM, CA 95630
9162605308

Silicon Valley Bank
3003 Tasman Drive
Santa Clara, CA 95054

627
Date: 06/06/2019

Pay To
The Order of **Washington Department of Health Certificate of Need Program**

Twenty Four Thousand Six Hundred Sixty Six Dollars

\$**24,666.00**

Washington Department of Health Certificate of Need Program
1499 SE Tech Center Pl
suite 400
Vancouver, WA 98683



⑈000627⑈ ⑆121140399⑆ 3302437734⑈

Trinity MSO
V-006675—Washington Department of Health Ce
Print As: Washington Department of Health Certificate of Need

1499 SE Tech Center Pl
suite 400
Vancouver, WA 98683

627
Silicon Valley Bank
Trinity MSO at SVB 7734
Date: 06/06/2019

Date	SB #	Reference Number	Department ID	Location	Amount Entered	Amount Paid
05/31/2019	53119	WA DOH App...able, LLC				
6734—Ops - License & OI	WA DOH App Fee for His...at Home - Seattle, LL			E-29	\$24,666.00	\$24,666.00
Total Amount:					\$24,666.00	\$24,666.00

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Trinity MSO
V-006675—Washington Department of Health Ce
Print As: Washington Department of Health Certificate of Need

1499 SE Tech Center Pl
suite 400
Vancouver, WA 98683

627
Silicon Valley Bank
Trinity MSO at SVB 7734
Date: 06/06/2019

Date	SB #	Reference Number	Department ID	Location	Amount Entered	Amount Paid
05/31/2019	53119	WA DOH App...able, LLC				
6734—Ops - License & OI	WA DOH App Fee for His...at Home - Seattle, LL			E-79	\$24,666.00	\$24,666.00
Total Amount:					\$24,666.00	\$24,666.00

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Appendix AD: Financials

SOURCES & USES	
<i>SOURCES OF FUNDS</i>	
Owner Investment	\$90,000
Total Sources	\$90,000
<i>USES OF FUNDS</i>	
<u>Start-up Expenses</u>	
CON Application Fee	\$24,666
Start Up Phase Operation Expenses (inc. wages)	\$2,500
Total Start-up Expenses	\$27,166
<u>Start-up Assets</u>	
Working Capital	\$53,006
Furniture	\$6,500
Computers	\$2,000
Printer	\$500
Telephone	\$828
Total Start-up Assets	\$62,834
Total Uses	\$90,000

ADMINISTRATIVE/OFFICE PERSONNEL			
	2022	2023	2024
Administrative Staff Count			
Administrator	1.0	1.0	1.0
Director of Patient Care Svcs	1.0	1.0	1.0
Assistant Director of Clinical Svcs	0.0	0.9	1.0
Business Office Manager	0.0	0.8	1.0
Clinical Supervisor	0.6	2.5	3.0
Intake/Scheduling	1.1	2.0	2.0
Administrative Asst/Reception	1.0	1.0	1.0
Non-Clinical Case Manager	0.8	2.3	3.0
Area Director	1.0	1.0	1.0
Total Administrative Staff	6.5	12.4	14.0
Salary Per Position			
Administrator	\$150,000	\$157,500	\$165,375
Director of Patient Care Svcs	\$100,000	\$105,000	\$110,250
Assistant Director of Clinical Svcs	\$70,000	\$73,500	\$77,175
Business Office Manager	\$45,000	\$47,250	\$49,613
Clinical Supervisor	\$75,000	\$78,750	\$82,688
Intake/Scheduling	\$37,440	\$39,312	\$41,278
Administrative Asst/Reception	\$27,500	\$28,875	\$30,319
Non-Clinical Case Manager	\$27,500	\$28,875	\$30,319
Area Director	\$80,000	\$84,000	\$88,200
Payroll Per Position (Count x Salary)			
Administrator	\$150,000	\$157,500	\$165,375
Director of Patient Care Svcs	\$100,000	\$105,000	\$110,250
Assistant Director of Clinical Svcs	\$0	\$67,375	\$77,175
Business Office Manager	\$0	\$35,438	\$49,613
Clinical Supervisor	\$43,750	\$196,875	\$248,063
Intake/Scheduling	\$40,560	\$78,624	\$82,555
Administrative Asst/Reception	\$27,500	\$28,875	\$30,319
Non-Clinical Case Manager	\$22,917	\$64,969	\$90,956
Area Director	\$80,000	\$84,000	\$88,200
Total Administrative/Office Payroll	\$464,727	\$818,655	\$942,505

FIELD STAFF PERSONNEL			
	2022	2023	2024
Field Staff Count			
Registered Nurse-FTE	3.9	11.3	21.7
Physical Therapist-FTE	3.7	10.7	20.6
Occupational Therapist-FTE	1.4	4.0	7.6
Speech Language Pathologist	0.1	0.4	0.7
Medical Social Worker	0.3	0.8	1.4
Home Health Aide	0.7	2.0	3.8
Total Field Staff	10.1	29.1	55.9
Salary Per Position			
Registered Nurse-FTE	\$90,000	\$76,469	\$80,293
Physical Therapist-FTE	\$110,000	\$98,318	\$103,234
Occupational Therapist-FTE	\$110,000	\$87,394	\$91,763
Speech Language Pathologist	\$110,000	\$76,440	\$80,262
Medical Social Worker	\$110,000	\$65,520	\$68,796
Home Health Aide	\$40,000	\$32,760	\$34,398
Payroll Per Position (Count x Salary)			
Registered Nurse-FTE	\$110,000	\$864,955	\$1,741,908
Physical Therapist-FTE	\$110,000	\$1,056,481	\$2,127,616
Occupational Therapist-FTE	\$110,000	\$345,982	\$696,763
Speech Language Pathologist	\$110,000	\$28,821	\$58,041
Medical Social Worker	\$40,000	\$49,407	\$99,499
Home Health Aide	\$52,000	\$65,165	\$131,234
Total Field Staff Payroll	\$532,000	\$2,410,810	\$4,855,061
TOTAL PERSONNEL BREAKDOWN			
	2022	2023	2024
Total Personnel	16.6	41.6	69.9
Total Payroll	\$1,446,114	\$3,800,110	\$6,946,771
Payroll/Revenue	73.03%	66.33%	63.22%

REVENUE FORECAST			
	2022	2023	2024
Revenue			
Medicare Patient Visits	\$1,032,075	\$2,986,137	\$5,727,328
HMO Patient Visits	\$750,600	\$2,171,736	\$4,165,330
Private Pay Patient Visits	\$23,456	\$67,867	\$130,167
Medicaid	\$109,775	\$317,616	\$609,179
Commercial / Health Care Contractor	\$42,221	\$122,160	\$234,300
Other Government / L&I	\$21,955	\$63,523	\$121,836
Total Revenue	\$1,980,083	\$5,729,040	\$10,988,139
Deduction From Revenue			
Charity Care	\$19,801	\$57,290	\$109,881
Direct Cost of Revenue			
Total Field Staff Payroll	\$981,388	\$2,981,455	\$6,004,266
Field Staff Payroll Taxes	\$69,090	\$209,894	\$422,700
Medical Supplies	\$48,789	\$141,163	\$270,746
Subtotal Cost of Revenue	\$1,119,067	\$3,389,803	\$6,807,594
Total Direct Costs	\$1,119,067	\$3,389,803	\$6,807,594
Gross Margin	\$861,016	\$2,339,237	\$4,180,545
Gross Margin/Revenue	43%	41%	38%

PRO FORMA PROFIT & LOSS			
	2022	2023	2024
Total Revenue	\$1,980,083	\$5,729,040	\$10,988,139
Total Direct Cost of Revenue	\$1,119,067	\$3,389,803	\$6,807,594
Gross Margin	\$861,016	\$2,339,237	\$4,180,545
Gross Margin/Revenue	43%	41%	38%
Expenses			
Audit / Accounting Fees	\$5,778	\$5,778	\$5,778
Bus. Dev. - Entertainment	\$1,600	\$1,600	\$1,600
Bus. Dev. - Meals	\$1,800	\$3,300	\$3,300
Consulting Fees (Medical Director)	\$8,000	\$8,000	\$8,000
Education (Meals)	\$331	\$333	\$333
Education (Quarterly Staff Meetings)	\$661	\$667	\$667
Facilities - Insurance (Commercial)	\$800	\$800	\$800
Facilities - Phone (Cell Phones)	\$1,600	\$1,600	\$1,600
Facilities - Phone (LandLine)	\$752	\$752	\$752
Facilities - Rent / Prop. Mgmt. Fee)	\$6,708	\$6,708	\$6,708
Insurance (Worker's Comp)	\$8,103	\$8,103	\$8,103
Trinity MSO (HLH Mgt. Contract)	\$128,705	\$372,388	\$714,229
Legal Fees	\$1,600	\$1,600	\$1,600
Liability Insurance	\$3,200	\$3,200	\$3,200
Office Supplies	\$1,600	\$1,600	\$1,600
Payroll - ADP	\$2,400	\$2,400	\$2,400
Postal / Shipping	\$160	\$160	\$160
PR / Advertising	\$1,600	\$1,600	\$1,600
PR / Advertising (Job Postings)	\$1,600	\$1,600	\$1,600
Repairs & Maintenance	\$666	\$810	\$954
Taxes & Licenses	\$8,000	\$8,000	\$8,000
Vehicle - Mileage	\$6,400	\$6,400	\$6,400
Vehicle - Stipend	\$5,466	\$5,610	\$5,754
Depreciation	\$655	\$655	\$655
Administrative/Office Payroll Taxes	\$32,531	\$57,306	\$65,975
Total Administrative/Office Payroll	\$464,727	\$818,655	\$942,505
Total Op. Expenses	\$566,737	\$947,237	\$1,080,045
Profit Before Int. & Tax	\$294,278	\$1,391,999	\$3,100,500
EBITDA	\$295,030	\$1,392,751	\$3,101,252
Trinity MSO (HLN Mgt Contract)	\$128,705	\$372,388	\$714,229
Taxes Incurred	\$0	\$49,642	\$252,461
Net Profit	\$165,573	\$969,970	\$2,133,810
Net Profit %	8.4%	16.9%	19.4%

BALANCE SHEET			
	2022	2023	2024
Assets			
Current Assets			
Cash	\$367,150	\$870,286	\$2,201,158
Total Current Assets	\$367,150	\$870,286	\$2,201,158
Fixed Assets			
Long-term Assets	\$9,828	\$9,828	\$9,828
Accum. Depreciation	\$655	\$1,310	\$1,966
Total Fixed Assets	\$9,173	\$8,518	\$7,862
Total Assets	\$376,323	\$1,446,369	\$3,712,006
Liabilities and Capital			
Current Liabilities			
Accounts Payable	\$178,903	\$443,456	\$823,938
Subtotal Current Liabilities	\$178,903	\$443,456	\$823,938
Total Liabilities	\$178,903	\$443,456	\$823,938
Paid-in Capital	\$90,000	\$90,000	\$90,000
Retained Earnings	(\$27,166)	\$107,420	\$912,914
Earnings	\$134,586	\$805,493	\$1,885,154
Total Capital	\$197,420	\$1,002,914	\$2,888,068
Total Liabilities and Capital	\$376,323	\$1,446,369	\$3,712,006