ICHOR Health and Wellness Center, a California Corporation, was formed and established to meet the growing demand for independent, assisted, and dependent housing

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Executive Summary

The ICHOR Health and Wellness Center is a California Corporation that will provide proposed value propositions for each target market segment, key customers, or both. Founded by Robert Taylor Martin, Jr., it is envisioned that ICHOR HAWC will act as a conduit between the community and health services providers and, in turn, enhance the ICHOR Health & Wellness brand. As the demand for long-term care (LTC) has increased owing to the recognition of unmet needs of at least 70% of the elderly, which are not fulfilled by hospital settings, addressing these unmet needs of a projected one million seniors is becoming one of the urgent public health priorities the United States. We aim to nurture our clients' environmentally friendly lifestyle choices and families. Our services will ensure the emotionally and physically demanding tasks of providing care, comfort, and hope with limited exhaustion of our environments' diminishing natural resources. Clients will reside in an eco-friendly, green-certified living environment. We will assume accountability for environmental**,** social, and economic impacts. To that end, we adopt a triple bottom line methodology. ICHOR Health and Wellness Centers executive and planning committee will also ensure that the nursing facility complies with the development of policies and procedures addressing the nonemployment or retention of excluded individuals or entities and the enforcement of appropriate disciplinary action against employees or contractors who have violated corporate or compliance policies and procedures, applicable statutes, regulations, or Federal, State, or private payor health care program requirements. Appraised at $12,214,129, a bank loan of 75% minimum LTV with a 30-year 5.25% fixed interest rate, and an owner investment of $1,500,00, the purpose of this business plan is to raise $9,160,597 for the development of an assisted living facility. While showcasing the expected gross margins generated from monthly fees and rendered services over

the next three years and the demand for quality assisted living facilities remains strong in any economic climate, the business can always remain profitable and cash flow positive.

Company Overview

According to the Administration for Community Living (2020), at least 70 percent of the population over 65 will require long-term care, and 20 percent will need care longer than five years. Although acute care might increase or decrease between 9 and 15 percent, it will increase 50 percent by 2040 if current utilization rates remain steady (California Health Care Almanac, 2015). Projecting that slightly more than one million seniors will require some assistance with self-care (Public Policy Institute of California, n.d.), at this rate, demand could exceed the supply of skilled nursing facility beds by 2020 and residential care community beds shortly after 2030.

ICHOR Health and Wellness Center ICHOR (HAWC) is a state-of-the-art, 24-hour, 100-bed combination of independent, assisted, and dependent housing options that serves the Bay Area of San Francisco. Located in San Lorenzo, CA, ICHOR HAWC will strive to differentiate itself from existing assisted living models to humanize the healthcare experience for patients and their families, especially in the clinical areas central to patients' daily care recovery. Instead of large institutional-feeling designs that are both cold and sterile (Chambers & Guerin, 1993), the facilities will emphasize natural (homelike) environments that not only marries innovative design features, attractive room elements, and optimum furniture and material selections for patients, families, and staff but in a way that could be psychologically supportive (Kopec, 2018) and in turn, improve a person's overall well-being. Unlike nursing homes that measure the assistance required to perform activities of daily living (Lussier-Desrochers et al., 2014), residents will have access to services without that care becoming the focal point of their existence. Like many family members, residents could enjoy home-cooked meals and each other's company in a small,

relaxed, intentionally designed community. The facility will host weekly community events, including farmers' markets, craft fairs, etc., to ensure a solid connection between local merchants and the local residential population. It is envisioned that ICHOR HAWC will act as a conduit to connect to the community and themselves and, in turn, enhance the ICHOR Health & Wellness brand.

The ICHOR Health & Wellness concept will offer unbundled services to increase revenues and drive profitability. This will be a crucial point of differentiation from other assisted living facilities, which either do not provide unbundled service options or have not taken full advantage of what services could be offered. With the ICHOR HAWC, residents will no longer need to leave the premises whenever they wish to enjoy a gourmet coffee, a glass of wine at the bar, a new seasonal shirt, or the latest movie releases in a theatre setting. To shape a renewal process based on the express articulated needs of the community is the idea for residents seeking a village-like experience; comfort, authenticity, and security without leaving the premises for added leisure services. ICHOR HAWC will offer:

- rehabilitative therapy to improve strength, endurance, balance, flexibility, posture, mental acuity, coordination, and function
- wellness treatments such as aromatherapy, reflexology, Ayurveda, meditation, hammams and mud, acupuncture, CBD oils, cryotherapy, and Reiki (energy healing from Japanese health traditions
- alternative food/dining options such as organic, vegetarian, plant-based, and pet friendly

Such services will promote enriched, independent rehabilitative living while at the same time further improving revenues. Customer retention and company revenues will improve because unbundled services will generate new service fees and provide additional customer

choice. Future growth of the facility will come from Hyperbaric Oxygen Therapy (HBO or HBOT), a Medicare/Insurance therapy, and critical considerations in achieving widespread implementation of telemedicine service, including data security, confidentiality, and protection, coverage, and reimbursement, accelerating the development and deployment of open, disaggregated, and standards-based technology solutions that deliver the high-quality connectivity, and the eligibility of practitioners providing telehealth modalities.

Business Description

According to data by the Centers for Disease and Prevention (CDC), in 2016, about 65,600 paid and regulated long-term care facilities in the U.S. served nearly 9 million patients. Nursing homes provide adult day care service centers, home health agencies, hospices, assisted living facilities, and other residential care centers. In general (Knecht, 2020), long-term care facilities provide living accommodation for people who require on-site delivery of 24 hours, 7 days a week supervised care, including professional health services, personal care, and services such as meals, laundry, and housekeeping.

The Improving Medicare Post-Acute Care Transformation (IMPACT) Act, enacted on October 6, 2014 (Tyler et al., 2020), directs the Secretary of Health and Human Services to specify quality measures on which Post-Acute Care (PAC) providers are required under the applicable reporting provisions to submit standardized patient assessment data in several domains, including the incidence of significant falls, skin integrity, and function. The IMPACT Act requires the implementation of quality measures to address these measure domains in home health agencies (HHAs), skilled nursing facilities (SNFs), long-term care hospitals (LTCHs), and inpatient rehabilitation facilities (IRFs) (Avers et al., 2020, p. 690) in addition to, the extent possible, formatted sequence data through the use of a PAC of the adequacy of instruments for

measuring both status and change (Baker et al., 2017). Across the country, different jurisdictions offer various services and cost coverage; consequently, there is little consistency in what facilities are called. Table 1 compares and contrasts the critical facility types to understand better where each fits in the industry and which markets they target.

Table 1: Long-term Care Facilities

FACILITY TYPE	DESCRIPTION	DEGREE OF PROFESSIONAL CARE
Skilled Nursing Facility	Skilled nursing facilities continuously provide room and board, round-the-clock nursing care, and related services. A registered professional nurse must be on duty or on call at all times (U.S. Department of Health & Human Services, National Institute on Aging, 2017).	(a) Means that level of care provided by a skilled nursing facility meets the standards for participation as a provider under the Medi-Cal program (California Department of Aging, 2015). (b) Level of care needed by Medi-Cal beneficiaries who do not require the full range of health care services provided in a hospital as hospital acute care or hospital extended care, but who require the continuous availability of skilled nursing care provided by licensed registered or vocational nurses, or the equivalent (California Department of Aging, 2015). (c) Provided in participating skilled nursing facilities is the composite of necessary observation, assessment, judgment, supervision, documentation, and patient teaching and includes specific tasks and procedures (California Department of Aging, 2015). (d) Procedures provided as a part of skilled nursing care are those procedures that must be furnished under the direction of a registered nurse in response to the attending physician's orders. They are either performed or supervised by a licensed registered nurse, a licensed vocational nurse, or in the case of institutions for mentally retarded or distinct parts of institutions that are certified as skilled nursing facilities and providing care for developmentally disabled patients, by a licensed psychiatric technician (California Department of Aging, 2015).

Home Health Care	Home health care assists with medications, wound care, and intravenous therapy and helps with basic needs such as bathing, dressing, and mobility delivered at a person's home (Stacy & Lough, 2018).	They may be elderly, disabled, sick, or convalescing but do not need institutional care (Klopf, 2021).
Assisted Living Facilities	Residential care facilities, also known as assisted living facilities or board and care facilities (Singh & Shi, 2012), provide residents with room and board, assistance with personal care, and necessary supervision.	Harahan et al. (2006) typically offer all the supportive services of congregate care and independent living, but also, at a minimum (Li, 2020), the five hospitality services: meals, housekeeping, laundry, social and recreational opportunities, and a 24-hour emergency response system.
Medicaid Home and Community-Based Services (HCBS) (Centers for Medicare & Medicaid Services, n.d.)	Designed to help seniors and persons with disabilities and chronic illnesses live independently outside institutions by assisting daily needs (Watts et al., 2020), HCBS can include case management, homemaker services, home health aide services, personal care, adult day health care, habilitation, and respite care	Within broad Federal guidelines (Beauregard & Miller, 2020), States can develop home and community-based services waivers (HCBS Waivers) to meet the needs of people who prefer long-term care services and supports in their home or community an institutional setting.
Hospice Care	Medicare offers hospice care when a doctor certifies that someone is not expected to live longer than six months (Fine, 2018). Focusing on treating symptoms, not curing an illness, the whole family is considered the unit of care, and care extends through the family's mourning period (Axelsson et al., 2019).	Medicare has defined four levels of care to be sure everyone's needs are met (Salmond & Echevarria, 2017): - Routine care provides pain relief and other treatments and therapies where you live. - Continuous home care provides more intensive nursing care in your home in times of crisis. - Inpatient care allows you to go to a hospital or other inpatient facility if you need round-the-clock care to treat severe symptoms. - Respite care allows you to be treated in an inpatient facility for a few days to give your caregivers a chance to rest.

Although they are most prevalent in independent and assisted living facilities, private pay beds are now found in nursing homes (National Institute on Aging, n.d.). The private pay segment generally evolved because health authorities could not fund and accommodate the growing demand for long-term care space, especially for individuals deemed functionally

healthy but who wished to move into long-term care for added security and support with activities of daily living. The result was the expansion of the independent and assisted living segments, primarily catering to healthier retirees willing to pay for better accommodations and services but may have been ineligible for government subsidies due to good health. That noted, there are some government-subsidized independent living and assisted living beds. There likely will be more in the future as this long-term care model is more efficient. Still, some nursing homes have private pay beds, primarily occupied by retirees who require less income assistance from the government but still require the level of care provided by a nursing home. Eligibility for admission into a nursing home and the stay's cost is based on a needs assessment. So, while all three facility types can receive government funding for beds (Trinkoff et al., 2020), most of the budget goes towards nursing homes, which serves as a guideline for state regulations in addressing the balance between safety and autonomy in healthcare instead of independent or assisted living services (Barber et al., 2019).

Market Analysis

Length of Stay

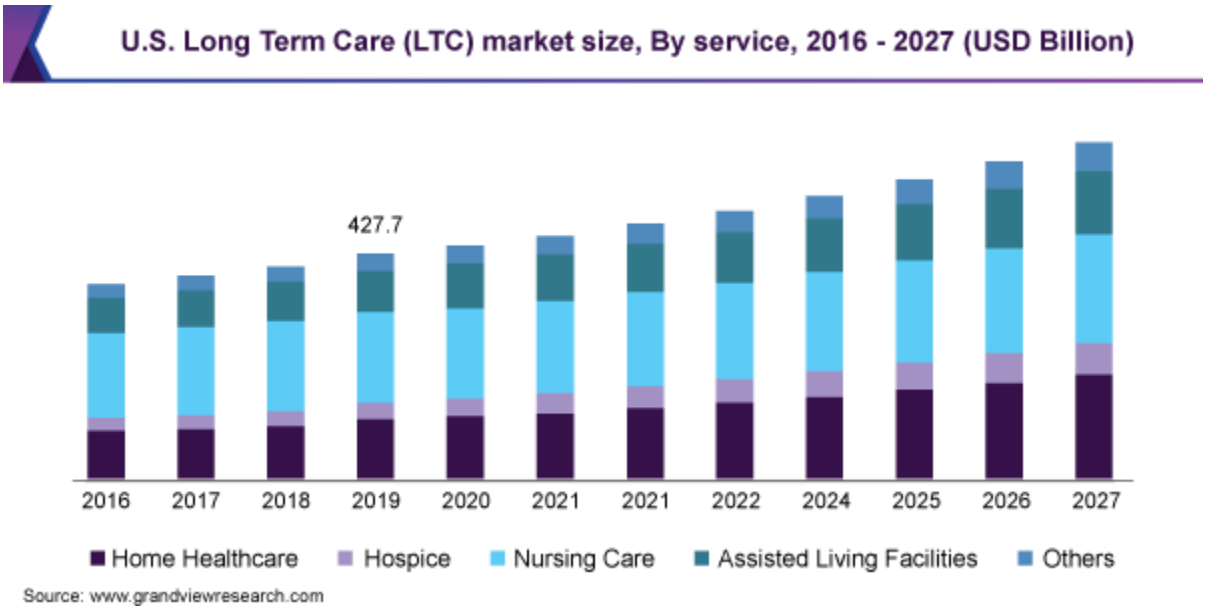
This facility is designed as a long-term care facility. According to the California Association of Health Facilities (2021), the average length of stay in today's nursing facility is less than three months for 88 percent of the resident population, with fewer than seven percent of all residents remaining in the facility for one year or more. Fifty-eight percent of long-term care residents are women. Approximately 79 percent of long-term care residents in California are age 65 or older. On average, nursing facility residents require some level of assistance with three or more daily living activities, which include bathing, dressing, transferring, toileting and eating. Assisted living residents need help with, on average, 1.6 activities of daily living. California has

nearly six million people over the age of 65. This number is expected to increase to 9 million by 2030.

Demand

The U.S. long-term care market was valued at around USD 430 billion in 2019 and is expected to register a compound annual growth rate of 6.8% over the forecast period (Grand View Research, 2021). Demand for long-term care (LTC) has increased owing to the recognition of the unmet needs of the elderly, which are not fulfilled by hospital settings. According to estimates by the U.S. Department of Health and Human Services (HHS), around 70% of the U.S. population will require long-term care services in their lives for an average of about three years, thus propelling the demand for long-term care services in the region (ACL, n.d.).

Image 1: Grand View Research. (2021, January).



The U.S. is likely to witness considerable growth in its senior population aged 65 years and above. Along with general age-related disabilities, the elderly also suffer from chronic

diseases such as heart problems, Alzheimer's, dementia, and mental stress. Treatment for certain chronic diseases like hypertension and depression is costly (Spitzer & Allen, 2015). Hospitalization also proves expensive and entails unnecessary resources, which patients in critical conditions can utilize. The prevalence of chronic diseases among the general population has also increased in recent years in the U.S. and has become a significant cause of disability requiring medical care. This will also benefit market growth.

Suppliers

Adequate staffing is often a significant problem. With the average facility carrying roughly one staff member per two beds, a facility can ill afford to have a high turnover rate, but that is precisely how the industry is characterized. Typically, the highest turnover is for the lowest wage, lowest skilled workers, so they are replaceable. However, it impacts the administrator and caregiver level as new people are constantly recruited and trained. The limited supply of land and the associated cost also represents a critical supply pressure, especially for the East Bay shoreline with several cities exceeding 100,000 residents, including Oakland, Hayward, Fremont, Richmond, and Berkeley, the inland valleys on the eastern side of the Berkeley Hills to include the fringe of Contra Costa County and the Tri-Valley area. Overall employment of nursing assistants and orderlies is projected to grow 8 percent from 2020 to 2030, about as fast as the average for all occupations. As workers transfer to different domains or exit the labor force, the Bureau of Labor Statistics (n.d.) projects that 192,800 openings for nursing assistants and orderlies are projected annually over the decade.

Table 3: U.S. Bureau of Labor Statistics (2021, September 8).

Quick Facts: Nursing Assistants and Orderlies	
2020 Median Pay	$30,830 per year $14.82 per hour
Typical Entry-Level Education	-
Work Experience in a Related Occupation	None
On-the-job Training	-
Number of Jobs, 2020	1,440,700
Job Outlook, 2020-30	8% (as fast as average)
Employment Change, 2020-30	118,500

Barriers to Entry

High start-up costs characterize entry into this industry as construction of new facilities or remodeling existing ones is expensive. For-profit ventures must rely heavily on equity or bank financing to support expansion and, to a lesser extent, donations to supplement generated earnings. As reported by news outlets MarketWatch (2021) and WBOC-TV (2021), key players operating in the market include Brookdale Senior Living, Inc., Atria Senior Living Group, Sunrise Carlisle, LP, Senior Care Centers of America, Genesis Healthcare Corp, Kindred Healthcare, Inc., Home Instead Senior Care, Inc., Amedisys, Inc., Capital Senior Living Corporation, LHC Group, Almost Family, Inc., and Diversicare Healthcare Services, Inc. Kindred Healthcare, Inc., Amedisys, Inc., LHC Group, and Almost Family, Inc., according to (Grand View Research, 2021), hold a significant market share for long-term care in U.S. Mergers and acquisitions, joint ventures, and partnerships are the key strategies undertaken the players in the industry.

With a massive reduction in the regulations on American businesses and decreased regulatory spending in 2018, Venta, Inc., a real estate investment trust, announced in June of 2019 the acquisition of USD 1.8 billion portfolios of around 31 independent living communities

by investment through an equity partnership of 85% and 15% with Le Groupe Maurice (Prophecy Market Insights, 2021).

Demand is growing in most markets and exceeds supply. As the industry is simply the more efficient and cost-effective provider of these services (Laurell & Arellano, 2020; Latessa & Lovins, 2019), the need to balance budgets in the increasing demand for long-term care and rising health care costs has forced governments to shift public funding away from hospitals and towards the private retirement living sector to provide long-term care (Mason et al., 2020).

Competitors by Bed Count

Assisted living facilities (ALFs) are distinguished from other long-term care facility types by medical support and intervention level. ALFs provide full-time housing and daily support for senior residents, not requiring supervision from nurses or other medical personnel. The industry is characterized by slow, steady growth. However, many of the new entrants to this industry are real estate developers who look at the pace of development of the long-term care business and the potential capital gains to be realized on the real estate investment itself. As earlier noted, this is a highly fragmented industry.

SWOT Analysis

SWOT Analysis	
Strengths • 100-bed combination of independent, assisted, and dependent housing options • Emphasize psychology for design (natural environments, social settings, and built-up environments) (Kopec, 2018) • Village-like experience: comfort, authenticity, and security without leaving the premises for added leisure services (Lussier-Desochers et al., 2014) • Offer specialized care for those with memory loss, dementia, and Alzheimer's	**Weaknesses** • Access to capital can constrain growth • A lack of trained workers can limit prospects • Difficulties in meeting the required nurse/patient ratio and minimum hours per resident can lead to gaps in care (Harrington et al., 2020)
Opportunities • Demand is growing faster than supply (Public Policy Institute of California, n.d.) • A well-targeted marketing campaign in areas where seniors have disposable income and can afford the services can increase awareness of what you offer and its applicability to their situation • Conduit to community enhances brand	**Threats** • Increased regulation can raise the cost associated with expansion (Chies, 2020). • The desire to ramp up can lead to inadequate training and unprepared staff • Cost-cutting can lead to lawsuits, subpar resident care, and harsh working conditions • Journalism about the unethical treatment of seniors can make potential customers warier of your operations Bureau of Consumer Financial Protection, 2014) • An economic downturn can eliminate a large portion of the market, leaving seniors and families to reevaluate the feasibility of lower-cost solutions

Start-Up Costs

START-UP COSTS – ICHOR HEALTH & WELLNESS CENTER			
COST ITEMS	**1st Year BUDGET**	**DETAIL**	
FINANCING			
Owner Investment	$1,500,000		
External Investment	$2,750,000		
Land Acquisition	$1,500,000		
Construction Mortgage	$5,425,000		
PRE-OPERATING MARKETING			
Customer Acquisition/Customer Lifetime Value	$125,000	Website, flyer printing, networking events, advertising media (direct mail, newspaper, radio, television, trade shows, and billboards)	
Furniture and Décor	$650,000	Tables, chairs, flat-screen tv, clock, calendar, mirror, photo frames, bedding, rugs, and flowers (Vandenboss, 2020)	
OFFICE MEDICAL SUPPLIES AND EQUIPMENT			
Safety Supplies	$175,000	Walkers, wheelchairs, crutches, braces, bed alarms, shower seats, and nurse call buttons	
First-Aid Items	$375,000	Eyewash solution, scissors, tweezers, adhesive tape, elastic wrap bandages, nonstick sterile bandages, gauze, splints, cotton balls, petroleum jelly, antibiotic ointment, antiseptic solutions, hot and cold packs, etc.	
Patient Medial Supplies	$35,000	Catheters, urinary bags, bedpans, urinals	
Lifts	$50,000	Support structures, stretches, and bed lifts	
Assessment Tools	$15,000	Stethoscope, otoscope, pulse oximeter, thermometer, blood pressure cuff, and scale	
Infection Prevention	$250,000	Disinfection wipes, surgical masks, face shields, aprons, goggles, hand sanitizer, and hand soap	
Vehicles	$150,780	2021 Chevrolet Express Passenger Van (General Motors, n.d.)	4 Chevrolet Express Passenger Vans @ $37,6395
ADMINISTRATIVE			
License & Registration	$500	Business license - City of Alameda (Treasurer-Tax Collector's Office, 2012).	
Permits	$1,175	Fire permit (City of Alameda - Permit Center, 2021)	
Insurance	$30,400	General liability, theft, workers' compensation, and property-casualty	
Legal and Consulting	$15,300	Obtaining licenses and permits (health department license and business license) and permits (fire department permit, air and water pollution control permit, and sign permits)	
Accounting Services	$1,650	CRM software, payroll software, and P.O.S machines (Freedman, 2021)	$150 per month
EHR	$33,000	Servers, computers, printers, scanners, upgrades, system maintenance and installation consulting, workflow redesign (Green, 2021)	
Utilities	$6,500	Gas, sewer, water, and electric	
Training		DSS-required 80-hour Certification Course; at least 21 years of age; 50+ bed facility, you'll need to have a minimum of 2 years of college under your belt and have at least 3 years of experience working in an RCFE or equivalent (Assisted Living Education, 2020)	
SALARY OF EMPLOYEES/LABOR EXPENSE			
Administrator	$150,009	California's average Nursing Home Administrator salary is $134,354 as of October 29, 2021, but the range typically falls between $119,491 and $149,536 (Salary.com, n.d.)	1 administrator ($72.12 per hr @ 40 hrs per wk)
Accountants	$120,604	The average salary for an accountant is $56,226 per year in California (Indeed, n.d.)	2 accountants ($29 per hr @ 40 hrs per wk)
Cooks	$316,160	The average Senior Living Cook salary in California is $35,900 as of October 29, 2021, but the range typically falls between $33,300 and $41,400 (Salary.com, n.d.)	8 cooks ($19 per hr @ 40 hrs per wk)

Physicians	$780,000	Determining the physician-to-patient ratio in post-acute/long-term care, on average, physicians see 20 patients per day	5 physicians ($60 per hr @ 50 hrs per wk) (Comparably, n.d.)
Nurses (Director of Nursing/Registered Nurses)	$280,800	For 100+ beds: 1 DON RN (may not be charge nurse) and 1 RN 24 hours/day	1 DON ($82 per hr @ 40 hrs per wk) 3 RNs ($45 per hr @ 40 hrs per wk) (Harrington & Department of Social and Behavioral Sciences | University of California San Francisco, 2008)
Nurses (Licensed Practical/Licensed Vocational Nurse)	$748,800	Regulations in process: Day: 1LN:20 patients 1 CNA:9 patients Evening: 1 LN:25 1 CNA:10 Night: 1 LN:30 1 CNA:15	The 100-bed facility requires 12 LPN/LVNs @ a minimum ($30 per hr @ 40 hrs per wk) (Harrington & Department of Social and Behavioral Sciences | University of California San Francisco, 2008)
Certified Nursing Assistants	$1,397,760	Regulations in process: Day: 1LN:20 patients 1 CNA:9 patients Evening: 1 LN:25 1 CNA:10 Night: 1 LN:30 1 CNA:15	The 100-bed facility requires 28 CNAs @ a minimum ($24 per hr @ 40 hrs per wk) (Harrington & Department of Social and Behavioral Sciences | University of California San Francisco, 2008)
Recreational/Maintenance Workers	$176,800	The current minimum wage is $14 per hour in California for all employers with 26 or more employees. For employers who have less than 26 employees, the state minimum wage is $13 per hour (CDF Labor Law LLP, 2021)	5 Recreational/Maintenance Workers ($17 per hr @ 40 hrs per wk)
Housekeeping	$106,080	The current minimum wage is $14 per hour in California for all employers with 26 or more employees. For employers who have less than 26 employees, the state minimum wage is $13 per hour (CDF Labor Law LLP, 2021)	3 ($17 per hr @ 40 hrs per wk)
Drivers	$106,080	The current minimum wage is $14 per hour in California for all employers with 26 or more employees. For employers who have less than 26 employees, the state minimum wage is $13 per hour (CDF Labor Law LLP, 2021)	3 ($17 per hr @ 40 hrs per wk)
Physical & Occupational Therapists	$305,760	Medicare allows up to 25% of a patient's treatment during their stay in an SNF (U.S. Department of Health and Human Services, Centers for Medicare & Medicaid Services, 2019).	3 therapists $49 per hr @ 40 hrs per wk)
Security Guards	$78,499	The average salary for a security guard is $17.87 per hour in Oakland, CA (Indeed.com, n.d.)	2 security guards @ $18.87 per hr
Certification and Training	$4,740	All staff must be CPR/AED-BLS certified	60 employees @ $79
ESTIMATED START-UP BUDGET	$9,160,597	ICHOR Health & Wellness is appraised @ $12,214,129.33. The bank will loan 75% minimum LTV	

Assumption

The Company's revenues are not sensitive to adverse changes in the economy. The demand for quality assisted living facilities remains strong in any economic climate. We are entering another phase of the pandemic at the time of this writing. Despite the unknowns of the Covid-19 Omicron Variant (Callaway, 2021), families will still require ongoing care. The high gross margins generated from monthly fees and services will ensure that the business remains profitable and cash-flow positive.

Operation/Implementation Plan

The Office of Inspector General (OIG) of the Department of Health and Human Services (DHHS) promotes voluntarily implemented compliance programs for the health care industry. Although this section provides its views on the fundamental elements of nursing facility compliance programs and the principles that each nursing facility should consider when using risk assessment to pinpoint and reduce your company's areas of legal exposure and applying gap analysis to detect and eliminate flaws in compliance, it is not in and of itself a compliance program (Office of Inspector General, U.S. Department of Health and Human Services, 2000). Instead, it is a benchmark of ethical principles, the rule of law, the importance of provider and community engagement, and steps to permit the equitable and fair delivery of medical services to those who need them under resource-constrained conditions.

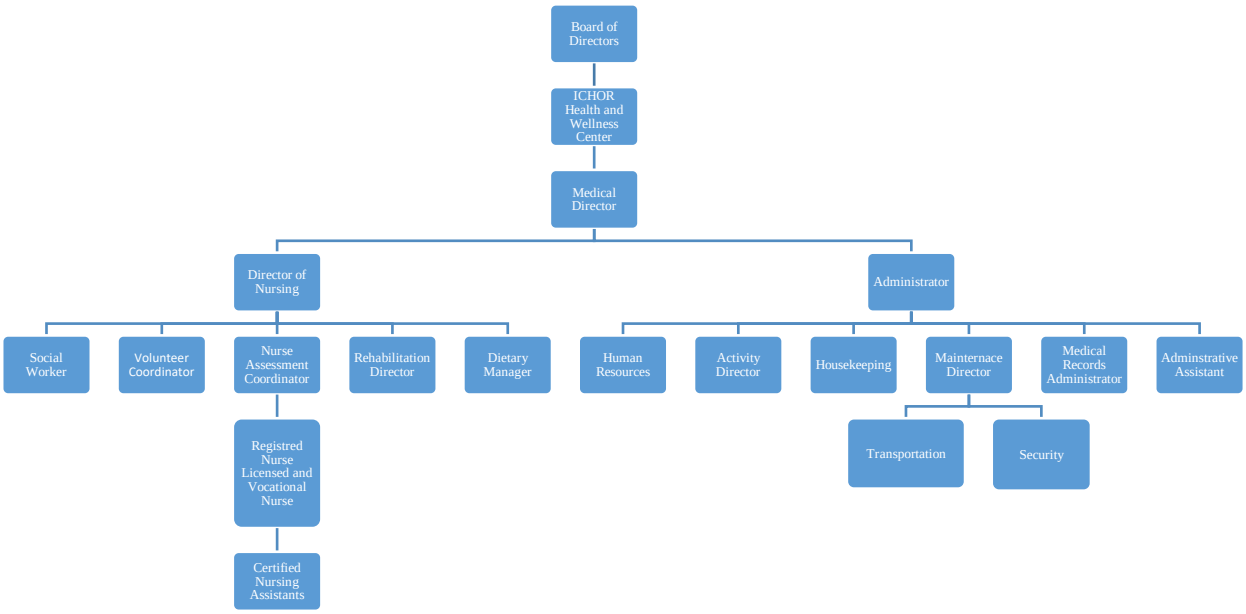
In addition to both planning and responses to identified requirements of the federalism in healthcare that nursing facilities should consider (Sklar & Zuraw, 2019), we relied on the experience gained from fraud investigations of nursing home operators conducted by OIG's Office of Investigations, the Department of Justice, and the Medicaid Fraud Control Units. By fulfilling our legal obligations, we benefit from:

- the formulation of adequate internal controls to ensure compliance with health care statutes, regulations, rules, and other program directives
- a concrete demonstration to employees and the community at large of the nursing facility's commitment to responsible corporate conduct
- an increased likelihood of detecting and preventing unethical practices
- the ability to quickly react to employees' operational roadblocks within the enterprise and the use of data resources to address those issues

- corresponding values to encourage employees to report risks and spur preventative or corrective action and
- through early detection and reporting, minimizing loss to the Government from false claims, and thereby prioritizing fines over sanctions, reducing the nursing facility's exposure to criminal and civil liability, and controlling the public image

Given the diversity within the long-term care industry, the OIG acknowledges that there is no single best nursing facility compliance program and is sensitive to the complexities among large national chains, regional multi-facility operators, and small independent homes. However, the OIG believes that every effective compliance program must begin with a formal commitment by the nursing facility's governing body to address the program's successful implementation.

Management and Employee Structure



The initial ICHOR HAWC executive and planning committee chairpersons are two nurses with hospice experience. The ICHOR HAWC general planning committee also consists of

a Doctor of Osteopathic Medicine specializing in Hyperbaric Medicine, an owner of a medical hospice nursing agency, two licensed social workers in hospice and palliative care, a hospice volunteer coordinator, bereavement coordinators, a mortuary owner, realtors, an architect, a building project manager, a chaplain, a human resources manager, business people with an accounting background, and a software engineer with coding and programming, software debugging and development, and object-oriented design skills. The resume of ICHOR HAWC founding members will be provided upon request. Additional team members with accounting and legal backgrounds are being sought to complete our planning committee. We plan to hire a marketing person to help develop a marketing strategy for ICHOR HAWC. The ICHOR HAWC committee has broken the management areas into six categories; funding, finances, administrative, real estate/construction, marketing, and professional/educational services. Our planning committee has identified a manager for each of these areas. A voluntary board of advisors will be formed to assist the management team in making decisions regarding the operation of ICHOR HAWC. When ICHOR HAWC is ready to begin the actual process, the staffing needs will consist of; one administrator, five physicians, one Director of Nursing, three RNs, twelve LVNs, twenty-eight CNAs, five maintenance workers, and three housekeepers, three transportation drivers, and two security guards.

Minimum Compliance Elements per OIG Compliance Program Guidance for Nursing Facilities (published in March 2000)

(1) The development and distribution of written standards of conduct, as well as written policies, procedures, and protocols that promote the nursing facility's commitment to compliance and address specific areas of potential fraud and abuse, such as claims development and

submission processes, quality of care issues, and financial arrangements with physicians and outside contractors

(2) The designation of a compliance officer and other appropriate bodies charged with the responsibility for developing, operating, and monitoring the compliance program and who reports directly to the owner(s), governing body, and CEO

(3) The development and implementation of regular, practical education and training programs for all affected employees

(4) The creation and maintenance of an effective line of communication between the compliance officer and all employees, including a process, such as a hotline or other reporting system, to receive complaints and the adoption of procedures to protect the anonymity of complainants and to protect whistleblowers from retaliation

(5) The use of audits and or other risk evaluation techniques to monitor compliance, identify problem areas and assist in the reduction of identified problems

(6) The development of policies and procedures addressing the nonemployment or retention of excluded individuals or entities and the enforcement of appropriate disciplinary action against employees or contractors who have violated corporate or compliance policies and procedures, applicable statutes, regulations, or Federal, State, or private payor health care program requirements and

(7) Develop policies and procedures concerning investigating identified systemic problems, including direction regarding the prompt and proper response to detected offenses, such as initiating appropriate corrective action, repayments, and preventive measures.

Conclusion

Nursing care for the elderly is a calling; to do it, you must have passion and compassion. Today, we have an opportunity for positive action to expand and improve healthcare for the elderly. Although nursing facilities governing altruistic body acts need not involve self-sacrifice, and they remain altruistic even when performed from a mixture of motives, some of which are self-interested, the program's successful implementation continues to serve a vital role in the long-term care system. There have been significant strides in developing acceptable and adequate health care for all older Americans. Changes in the global economy that focus on growing intangible assets and by the frenetic pace of technological innovation, new leadership mindsets, processes, and benchmarks for success will be driven by the dynamic environment in which they operate, which seems destined to continue to bring more and more uncertainty to the role they will play in the long-term care system in the future. The 2002 Nursing Home Initiative by CMS, according to Tamara et al. (2020), has helped to continue focusing attention on addressing nursing-home quality and minimum staffing ratios. Whatever the future holds for independent, assisted and dependent housing options, one thing seems inevitable. They will have to evolve to meet the ever-changing needs of the residents and communities they serve and find funding mechanisms to support their services adequately.

For older American’s capacity to contribute to their community, country, and the world, for social and political consciousness, and their ability to continue to learn and grow and develop, to enjoy the new and different, to extend interests, expand horizons, satisfy curiosity, to create for expression in wonder, appreciation, and the value of art, we must make sure that their dignity is maintained.

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