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IHM's FINAL REPORT

I. Introduction

This Final Report is submitted by David Hoffman & Associates, PC, as Independent Healthcare Monitor ("IHM"), under the Assurance of Discontinuance, Exec. Law § 63(15), executed by the parties on November 14, 2024 ("AOD"). The AOD covers Centers for Care LLC ("Centers") and Beth Abraham Center, Buffalo Center, Holliswood Center, and Martine Center (the "Subject Nursing Homes")[1].

II. Background

On July 21, 2023, the IHM was appointed by Court Order (Index No. 451549/2023) to monitor the Subject Nursing Homes as a result of the New York Office of Attorney General's ("OAG") commencement of an Executive Law § 63(12) special proceeding by filing an order to show cause seeking preliminary injunctive relief. An Independent Financial Monitor was ("IFM") was appointed as well. As noted in the AOD, given the fact that the IHM was monitoring the Subject Nursing Homes for over 14 months, the IHM's Initial Term of Engagement ("Initial Term") was established as July 21, 2023 until July 31, 2026 (AOD ¶ 20).

On November 14, 2024, the AOD formalized the pre-existing monitorship and, in part, created a Resident Care Fund (RCF) that would be used "exclusively for the benefit of the residents of the Subject Nursing Homes to fund all IHM recommended improvements in care." AOD ¶ 55. The RCF was funded by the Principal Respondents using private funds; use of Medicaid or Medicare payments made to the Subject Nursing Homes or Medicaid or Medicare payments made to any other nursing home individually or partly owned by any of Respondents was prohibited. (AOD ¶ 66). In summary, the creation and funding of the RCF in the amount of Thirty Five Million Dollars has led to significant quality of life and quality of care improvements in the lives of the Subject Nursing Homes' residents.

III. Methodology of Monitoring

From Day 1 of the IHM's Term, the IHM worked collaboratively with Centers' ownership, senior leadership, facility leadership, staff, and counsel to achieve significant systemic changes to the operations and culture at the Subject Nursing Homes. Notably, each Subject Nursing Home is different in size, location, and overall approach to care delivery and resident satisfaction and safety.

[1] The number of certified beds for the Subject Nursing Homes is as follows: Beth Abraham Center-448 beds; Holliswood Center-314 beds; Martine Center-200 beds; Buffalo Center-200 beds.

The IHM's monitoring activities included:

- Onsite visits to all four facilities
- Weekly Zoom meetings with corporate/regional clinical leadership
- Resident Council meeting attendance
- Attendance at QAPI meetings
- Creation of and participation in Falls and Behavioral Committee meetings
- Convening of monthly meetings with each facility's NHA
- Monthly meetings with the Facility Compliance Officer and Chief Compliance Officer
- Ongoing coordination with the Independent Financial Monitor (IFM) on RCF spending

The weekly meetings with corporate and regional clinical leadership included resident specific and overall trends/patterns discussions based on the IHM's document review. This review focused on: (a) wound care tracking, (b) weight-monitoring data, (c) incident reports and interventions implemented post-event, (d) QAPI minutes/data, (e) Behavioral & Fall Committee minutes, (f) Resident Council meetings and minutes, (g) hiring/termination records, (h) hospice/comfort care information, (i) re-hospitalization data, (j) death records, (k) activities calendars, and (l) specific resident medical record reviews which were prompted by these records as well as reportable events and discussions with regional staff.

IV. Staffing —The Most Significant Metric

CMS has identified "considerable evidence of the relationship between nursing home staff and quality of care, stating "Nursing home staffing has a significant impact on the quality of care that residents receive.[2] In 2022, the National Academies of Sciences, Engineering and Medicine published a landmark report on nursing homes titled , *The National Imperative to Improve Nursing Home Quality: Honoring Our Commitment to Residents, Families, and Staff.* The report notes:

> Decades of evidence support the association between inadequate nurse staffing and poor quality of care in nursing homes, particularly in the case of RNs (citations omitted).
>
> [F]ully understanding the relationship between nurse staffing and quality of care requires more than an examination of the numbers of staff or hours per resident day. Rather, the connection between staffing and quality likely also depends on the skills of the staff, the complexity of resident care needs, and the organizational context of care delivery (e.g., allocation of work assignments, supervision, teamwork, use of care-related technologies, physical layout of the nursing home) (citations omitted).[3]

[2] David R. Hoffman, Ilene Warner-Maron, "The Intersection of Regulation, Quality Care Delivery, and Ethics and Compliance: Look Carefully Before Crossing!,"18 St. Louis U.J. Health L. & Pol'y 193, 202 (2025)

[3] National Academies of Sciences, Engineering, and Medicine 2022. *The National Imperative to Improve Nursing Home Quality: Honoring Our Commitment to Residents, Families, and Staff*. Washington, DC: The National Academies Press. https://doi.org/10.17226/26526, pp. 240, 241.

In order to provide for the basic needs of the residents identified as Activities of Daily Living (ADLs), which include bed mobility, transfers in and out of bed, ambulation, toileting, eating, personal hygiene and dressing, sufficient staff must be present, educated and supervised. The negative outcomes identified by insufficient staff may be identified as excessive falls, the development of facility-acquired pressure injuries unrelated to end-of-life processes, elopements, medication errors/adverse events, increased rates of re-hospitalizations and emergency room visits and weight loss/malnutrition.

The AOD correctly focused on the issue of staffing at the Subject Nursing Homes. New York state law and the AOD require the "HPRD Minimum" be the greater of 3.5 hours of care/resident/day or level needed to meet the residents' assessed needs. At the beginning of the monitoring project, the IHM analyzed the staffing levels at the nursing facilities, in collaboration with corporate leadership. The IHM reviewed the Facility Assessments[4] for the nursing facilities, resident acuity and care needs, and engaged in candid discussions with facility leadership and staff regarding the actual staffing and appropriate staffing levels.

The IHM's view on staffing is that numbers alone do not tell the complete story. There is a need to ensure that competent staff are performing their roles while utilizing a team approach that ensures mutual respect. Daily acuity assessments (via morning meetings) is critical to confirming staffing that actually meets resident needs in a compliant manner.

Shortly after the monitoring engagement began, the IHM recommended that one of the nursing facilities, Martine Center, pause resident admissions in order to stabilize staffing and improve care delivery processes. This recommendation was discussed with Centers leadership and was immediately accepted and instituted. Later in the engagement, the IHM advised Buffalo Center to pause admissions on weekends for similar reasons. Again, the IHM's recommendation was accepted and instituted immediately. Both facilities have since been effective in ensuring appropriate staffing levels in order to meet the needs of their residents. The voluntary pausing of new resident admissions has to be an available remedy in order to ensure that current resident needs are met on a consistent basis.

The IHM made numerous recommendations for staffing improvements (nursing, therapeutic activities, corporate compliance, education) over the course of the three-year engagement including, but not limited to, the following:

1. Increased pay rates across all disciplines at all Subject Nursing Homes. Wage strategies included rates raised above competitive local rates; $10,000 RN retention bonus; weekend line-staff bonus program; avoided a union strike at Buffalo via a substantive line-staff wage increase.
2. Reporting and analysis of nursing staff turnover rates at QAPI meetings as staff turnover has been identified as a quality indicator. The causes of turnover and the

[4] The performance of meaningful and compliant Facility Assessments is important when evaluating appropriate staffing levels. The relevant nursing home regulation, 42 CFR Section 483.71(a), and accompanying guidance to surveyors, provides important information that must be incorporated into an effective facility/self-assessment process. The IHM requested that the Subject Nursing Homes perform formal Facility Assessments on, at least, a quarterly basis while recognizing that ongoing internal self-assessment is an integral part of the monthly QAPI process.

interventions to reduce turnover will continue to be a significant focus for all of the nursing facilities.

3. Creation of Recruitment and Retention Committees to address the causes of turnover. It was identified that staffing and turnover were directly linked to the lack of public transportation on Sundays. The IHM instituted a program funded by the RCF using ride shares in order to transport staff to and from the facility once the shift was completed.

4. Stressing the need for education and competence for nursing managers and supervisors in order to fulfill their supervisory roles. The IHM requested that no nurse be put into a position of supervision without first having gone through nursing management training. The IHM provided several Power Points in this area to supplement those developed by the Centers corporate staff. The need to provide this education as well as use of a mentor program for new staff is vital and must continue after the AOD has been completed.

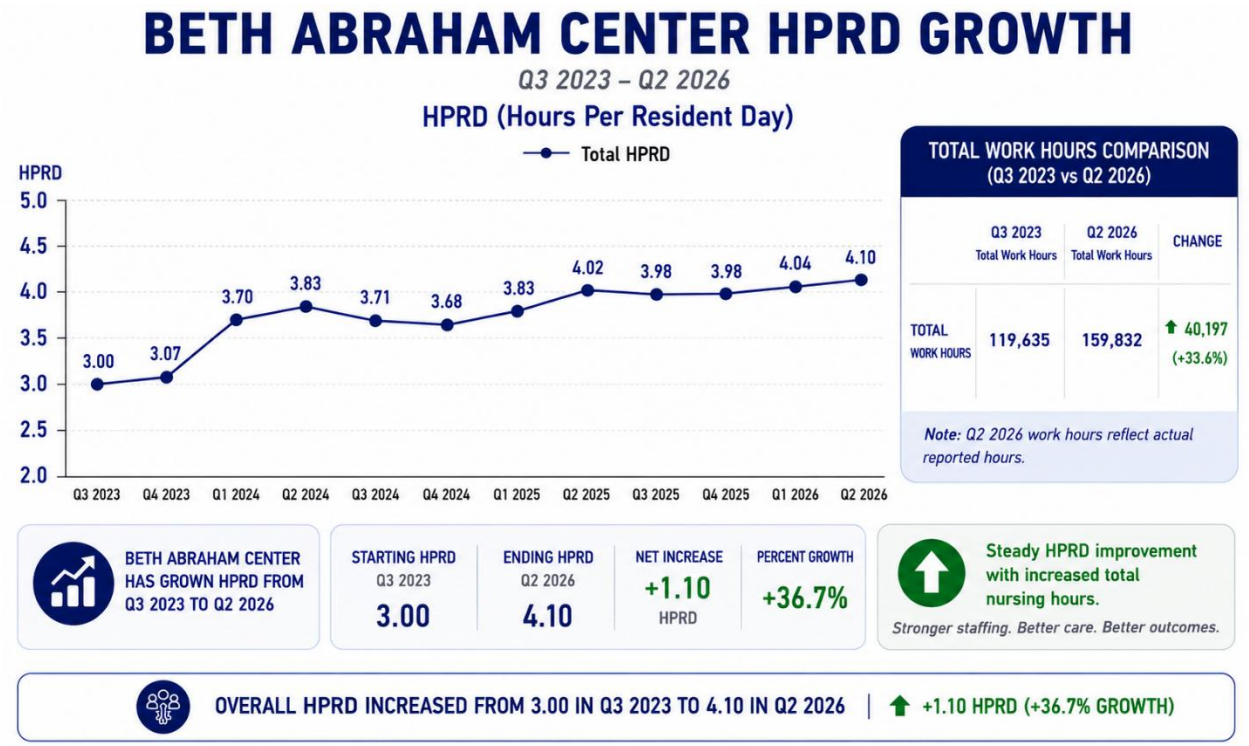
5. Several LPNs have successfully graduated from RN programs; however many have not taken their RN boards. The IHM has identified a nurse at Beth Abraham Center who is willing and able to mentor these nurses through the process as she has also made the transition from LPN to RN. This program needs to be developed.

6. The IHM has encouraged the Subject Nursing Homes' leadership to form Journal Clubs for their nursing staff as a means of sharing new resource materials and encouraging the discussion of new ideas with the staff. This program must be implemented by the nursing facilities.

7. The IHM focused on enhancing activities which led to the hiring of a very effective Corporate Therapeutic Recreation Director.

The staffing data provided below reflects the timeframe starting shortly after the OAG's filing of an Order to Show Cause seeking Preliminary Injunctive Relief, which occurred on June 28, 2023. The data below provides irrefutable evidence of the link between increased staffing and increased quality care delivery as supported by positive resident outcomes, care delivery systems improvements, and the employment of nursing staff, across all disciplines, who were educated in such a manner as to make them more effective.

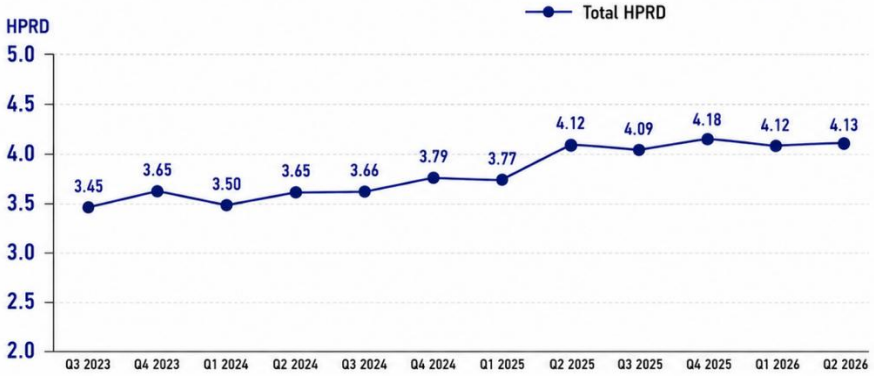
HPRD Data By Facility



BUFFALO CENTER HPRD GROWTH

Q3 2023 – Q2 2026

HPRD (Hours Per Resident Day)



TOTAL WORK HOURS COMPARISON (Q3 2023 vs Q2 2026)

	Q3 2023 Total Work Hours	Q2 2026 Total Work Hours	CHANGE
TOTAL WORK HOURS	58,550	69,445	⬆ 10,895 (+18.6%)

Note: *Q2 2026 work hours reflect actual reported hours.*

BUFFALO CENTER HAS GROWN HPRD FROM Q3 2023 TO Q2 2026

STARTING HPRD Q3 2023	ENDING HPRD Q2 2026	NET INCREASE	PERCENT GROWTH
3.45	4.13	+0.68 HPRD	+19.7%

Steady HPRD improvement with increased total nursing hours.

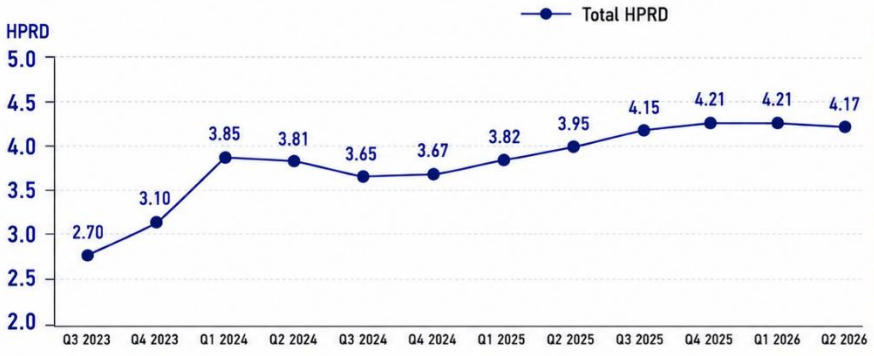
Stronger staffing. Better care. Better outcomes.

OVERALL HPRD INCREASED FROM 3.45 IN Q3 2023 TO 4.13 IN Q2 2026 | ⬆ +0.68 HPRD (+19.7% GROWTH)

HOLLISWOOD CENTER HPRD GROWTH

Q3 2023 – Q2 2026

HPRD (Hours Per Resident Day)



TOTAL WORK HOURS COMPARISON (Q3 2023 vs Q2 2026)

	Q3 2023 Total Work Hours	Q2 2026 Total Work Hours	CHANGE
TOTAL WORK HOURS	74,629	115,836	⬆ 41,207 (+55.2%)

Note: *Q2 2026 work hours reflect actual reported hours.*

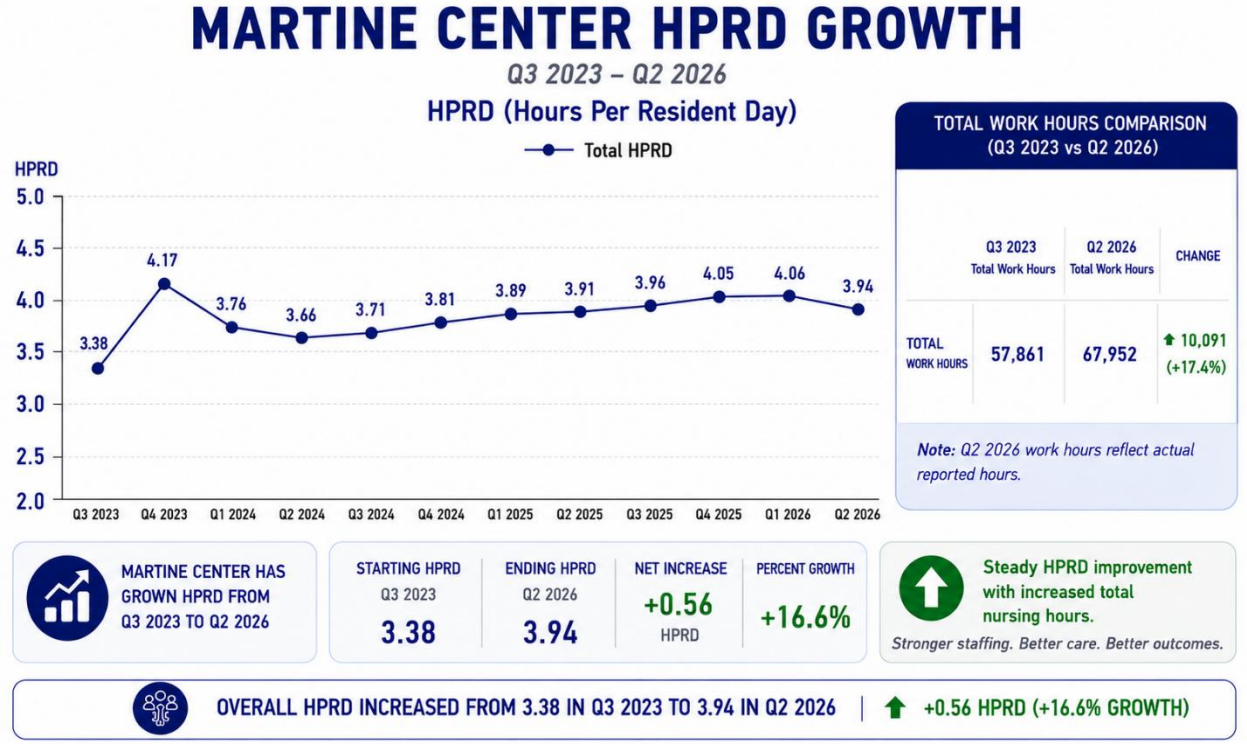
HOLLISWOOD CENTER HAS GROWN HPRD FROM Q3 2023 TO Q2 2026

STARTING HPRD Q3 2023	ENDING HPRD Q2 2026	NET INCREASE	PERCENT GROWTH
2.70	4.17	+1.47 HPRD	+54.4%

Steady HPRD improvement with increased total nursing hours.

Stronger staffing. Better care. Better outcomes.

OVERALL HPRD INCREASED FROM 2.70 IN Q3 2023 TO 4.17 IN Q2 2026 | ⬆ +1.47 HPRD (+54.4% GROWTH)



It should be noted that Martine Center paused admissions for a period of time during Q4 2023 without reducing overall nurse staffing.

Registered Nursing Data

As noted in the National Academies Report,

> RNs are accountable for a wide range of resident care needs, including assessment, diagnosis, outcomes identification, planning, implementation, and evaluation (citation omitted). Furthermore, an RN is prepared to provide ongoing assessment of the residents' clinical condition and to use critical thinking approaches to prevent or mitigate negative outcomes such as infections, exacerbation of chronic conditions, adverse medication events, pressure injuries, falls that can lead to hospitalizations, emergency admissions, and even death (citations omitted).[5]

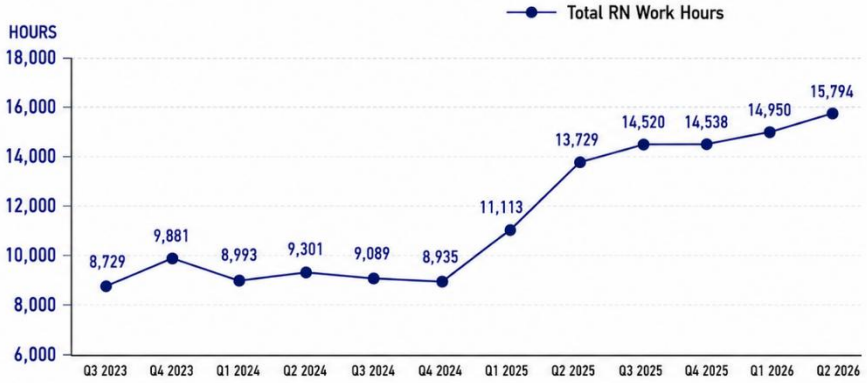
The AOD mandated increased recruitment and employment of Registered Nurses at the four nursing facilities. As noted below, from Q3 2023 through Q2 2026, all four nursing facilities demonstrated substantial growth in RN hours, reflecting a strategic investment in clinical resources. Total RN hours increased by almost 24,000 hours, a 97% increase, with each facility showing consistent upward trends.

[5] *The National Imperative to Improve Nursing Home Quality: Honoring Our Commitment to Residents, Families, and Staff*, supra., page 239.

BETH ABRAHAM CENTER OVERALL RN WORK HOURS

Q3 2023 – Q2 2026

OVERALL RN WORK HOURS



TOTAL RN WORK HOURS COMPARISON (Q3 2023 vs Q2 2026)

	Q3 2023 Total RN Work Hours	Q2 2026 Total RN Work Hours	CHANGE
TOTAL RN WORK HOURS	8,729	15,794	⬆ 7,065 (+81.0%)

Note: *Q2 2026 work hours reflect actual reported hours.*

BETH ABRAHAM CENTER OVERALL RN WORK HOURS HAVE GROWN FROM Q3 2023 TO Q2 2026

STARTING RN HOURS Q3 2023	ENDING RN HOURS Q2 2026	NET INCREASE	PERCENT GROWTH
8,729	15,794	+7,065 HOURS	+81.0%

Strong growth in RN work hours reflects our commitment to increased staffing and quality resident care.

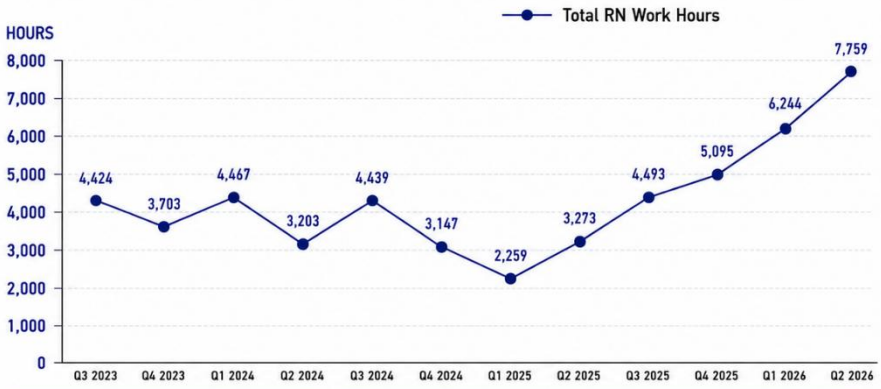
Stronger staffing. Better care. Better outcomes.

OVERALL RN WORK HOURS INCREASED FROM 8,729 IN Q3 2023 TO 15,794 IN Q2 2026 | ⬆ +7,065 HOURS (+81.0% GROWTH)

BUFFALO CENTER OVERALL RN WORK HOURS

Q3 2023 – Q2 2026

OVERALL RN WORK HOURS



TOTAL RN WORK HOURS COMPARISON (Q3 2023 vs Q2 2026)

	Q3 2023 Total RN Work Hours	Q2 2026 Total RN Work Hours	CHANGE
TOTAL RN WORK HOURS	4,424	7,759	⬆ 3,335 (+75.4%)

Note: *Q2 2026 work hours reflect actual reported hours.*

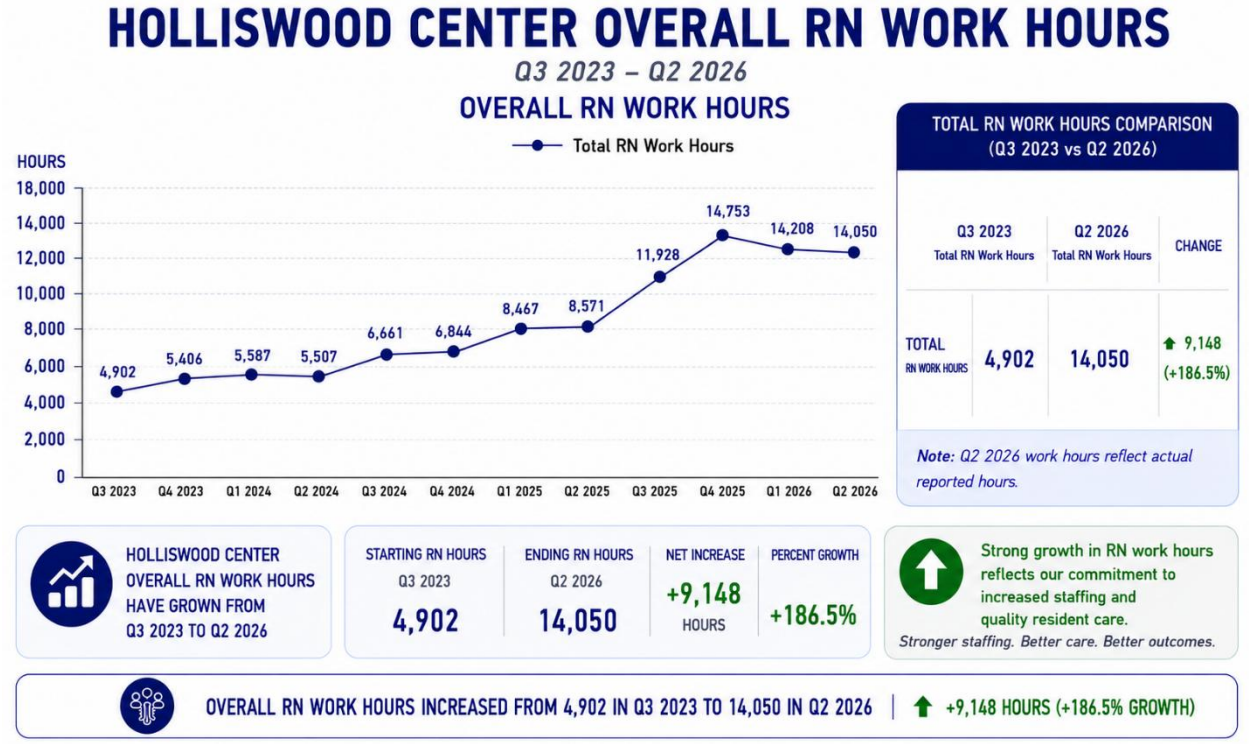
BUFFALO CENTER OVERALL RN WORK HOURS HAVE GROWN FROM Q3 2023 TO Q2 2026

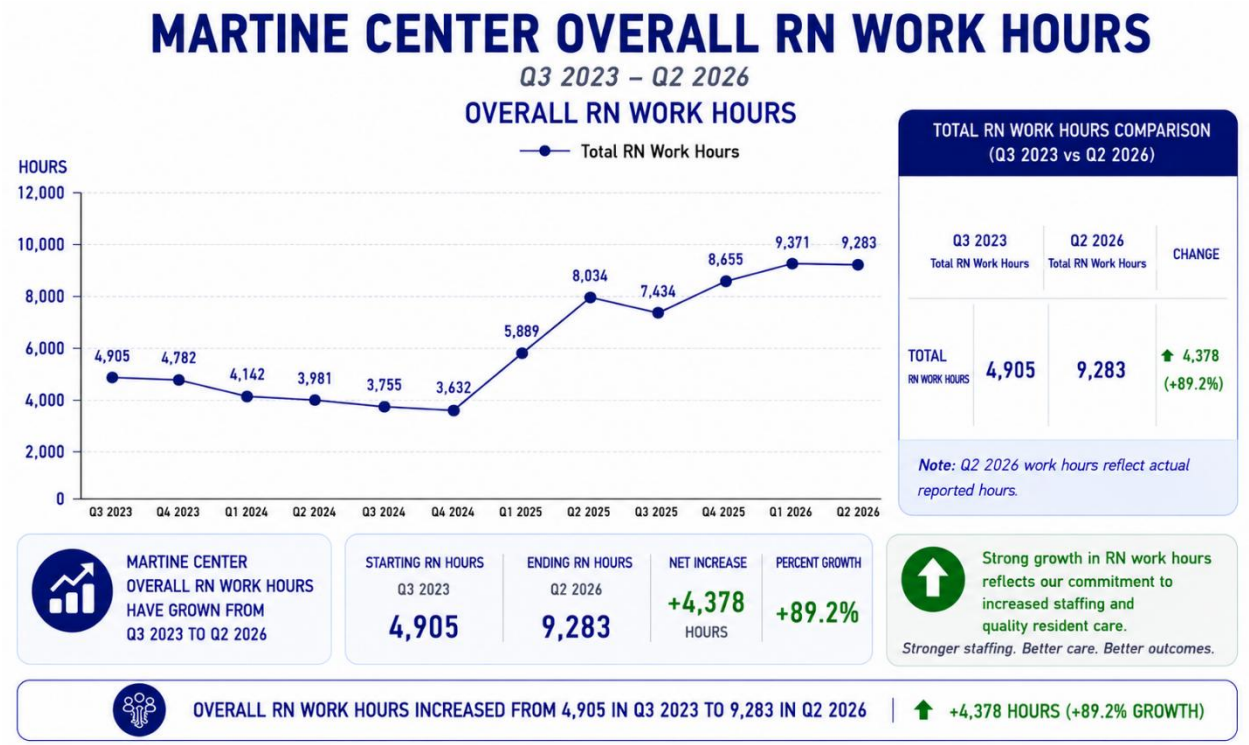
STARTING RN HOURS Q3 2023	ENDING RN HOURS Q2 2026	NET INCREASE	PERCENT GROWTH
4,424	7,759	+3,335 HOURS	+75.4%

Strong growth in RN work hours reflects our commitment to increased staffing and quality resident care.

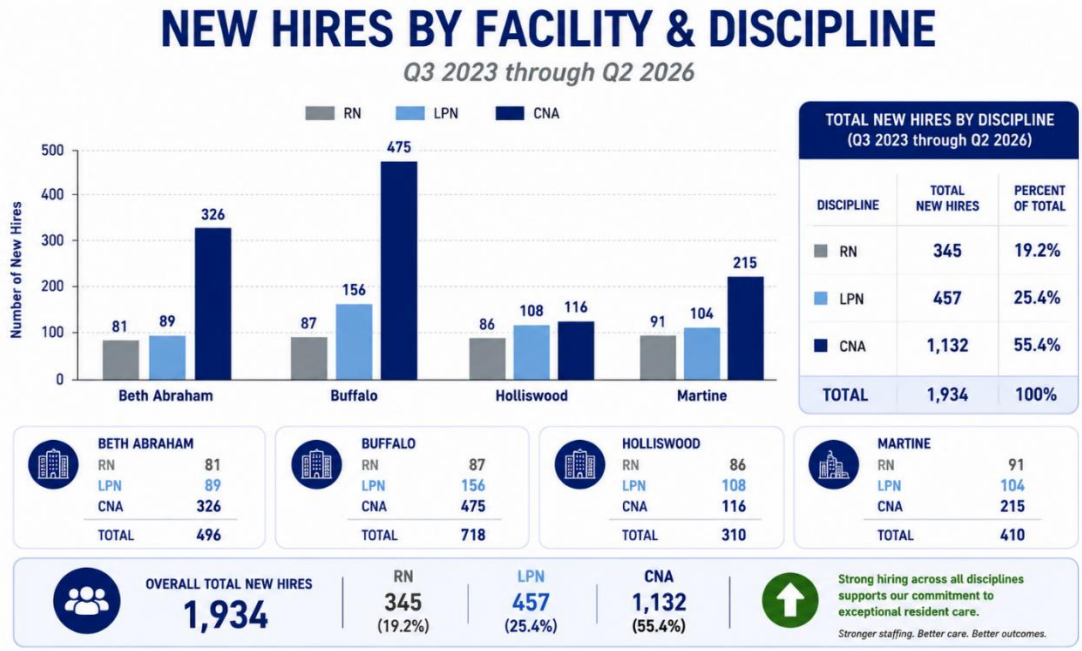
Stronger staffing. Better care. Better outcomes.

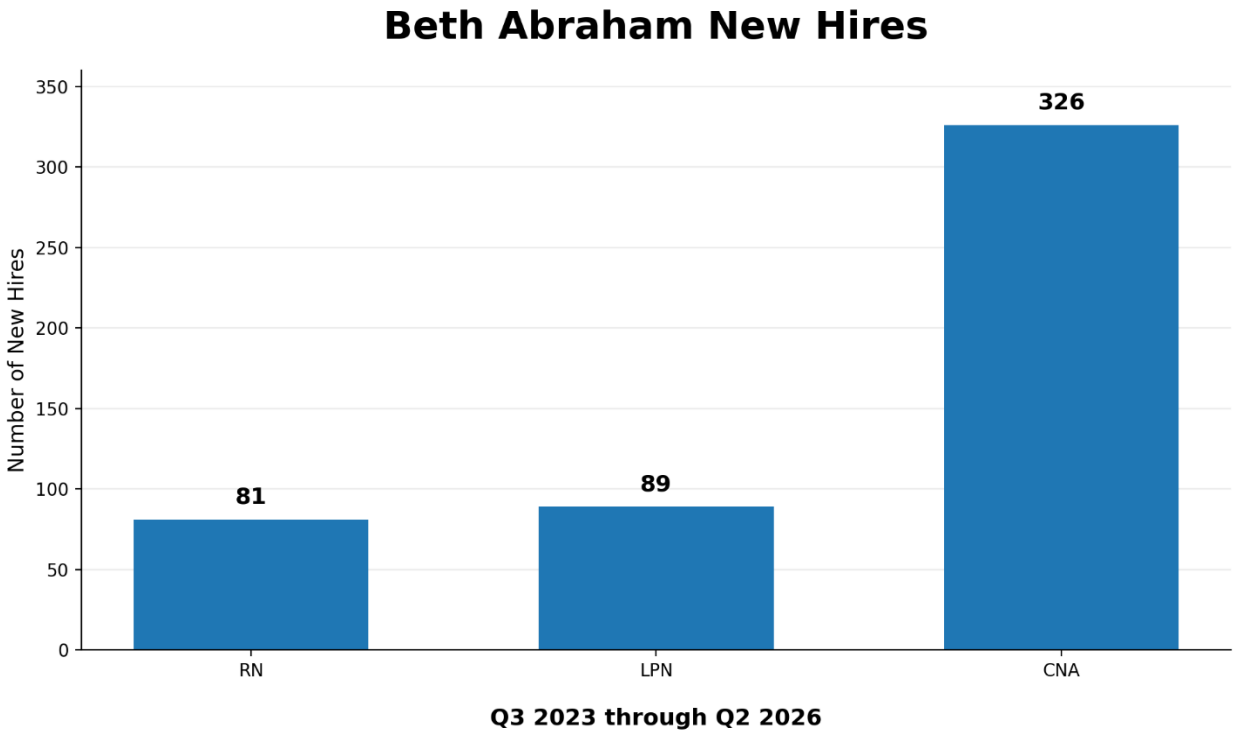
OVERALL RN WORK HOURS INCREASED FROM 4,424 IN Q3 2023 TO 7,759 IN Q2 2026 | ⬆ +3,335 HOURS (+75.4% GROWTH)

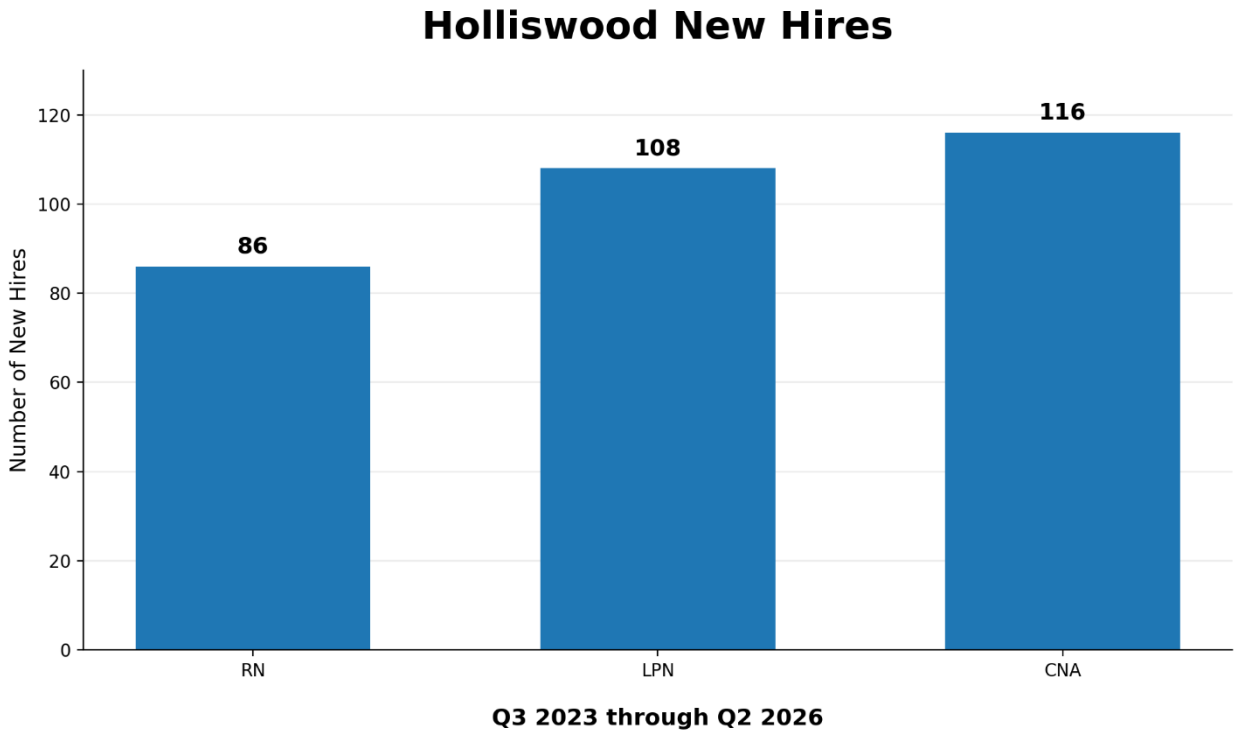


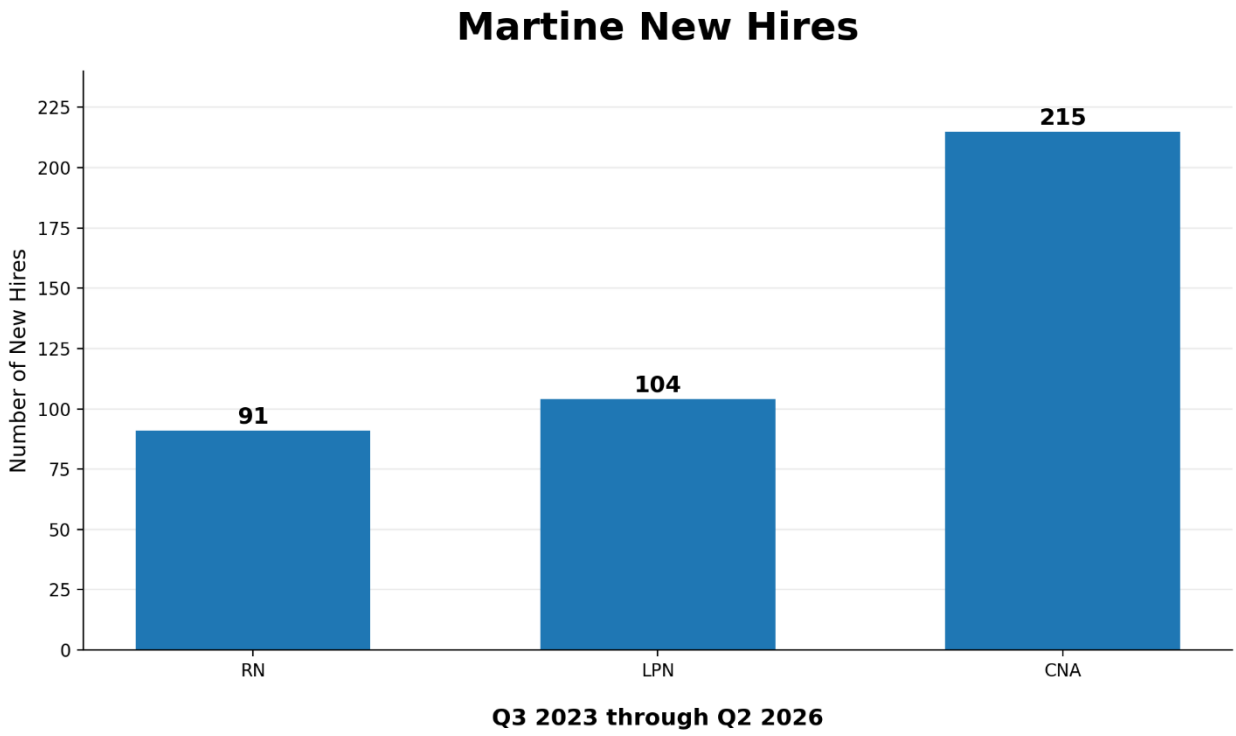


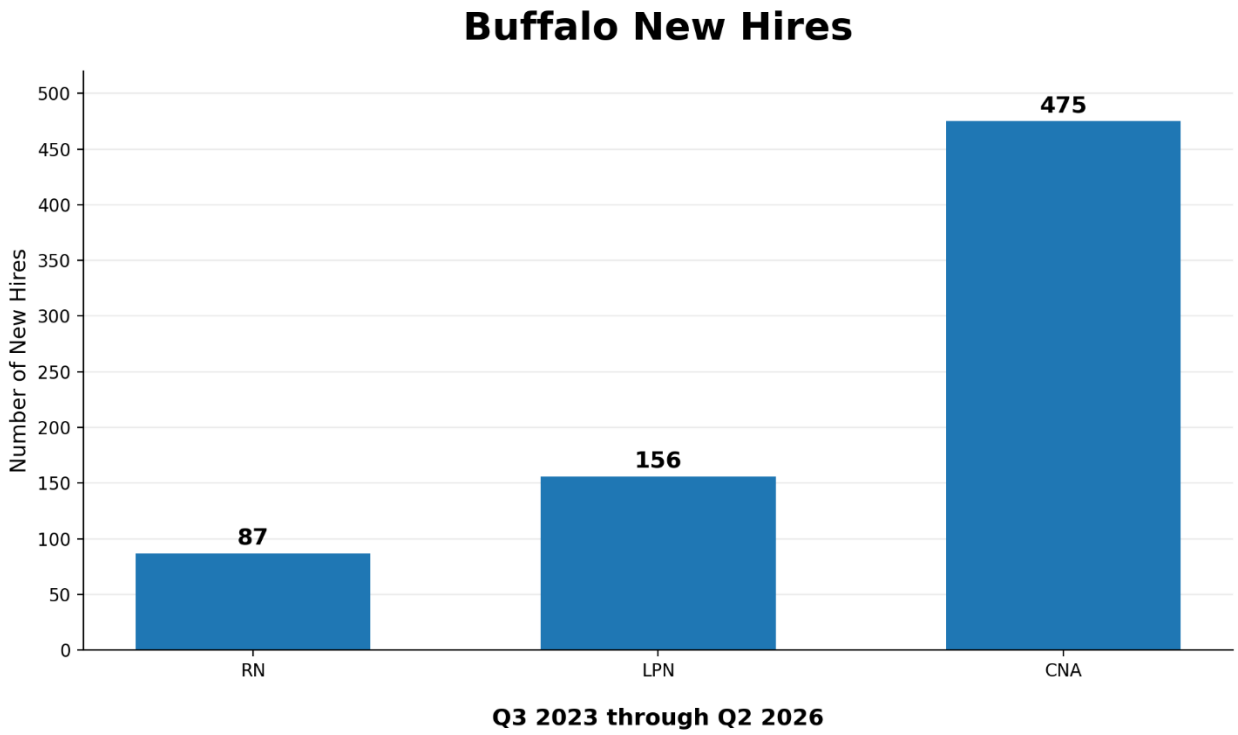
<u>New Hire and Retention Data</u>:


NEW HIRES BY FACILITY & DISCIPLINE
Q3 2023 through Q2 2026
RN
LPN
CNA
Number of New Hires
500
400
300
200
100
0
81
89
326
87
156
475
86
108
116
91
104
215
Beth Abraham
Buffalo
Holliswood
Martine
TOTAL NEW HIRES BY DISCIPLINE
(Q3 2023 through Q2 2026)
DISCIPLINE
TOTAL NEW HIRES
PERCENT OF TOTAL
RN
345
19.2%
LPN
457
25.4%
CNA
1,132
55.4%
TOTAL
1,934
100%
BETH ABRAHAM
RN 81
LPN 89
CNA 326
TOTAL 496
BUFFALO
RN 87
LPN 156
CNA 475
TOTAL 718
HOLLISWOOD
RN 86
LPN 108
CNA 116
TOTAL 310
MARTINE
RN 91
LPN 104
CNA 215
TOTAL 410
OVERALL TOTAL NEW HIRES
1,934
RN
345
(19.2%)
LPN
457
(25.4%)
CNA
1,132
(55.4%)
Strong hiring across all disciplines supports our commitment to exceptional resident care.
Stronger staffing. Better care. Better outcomes.


Beth Abraham New Hires
Number of New Hires
350
300
250
200
150
100
50
0
81
89
326
RN
LPN
CNA
Q3 2023 through Q2 2026

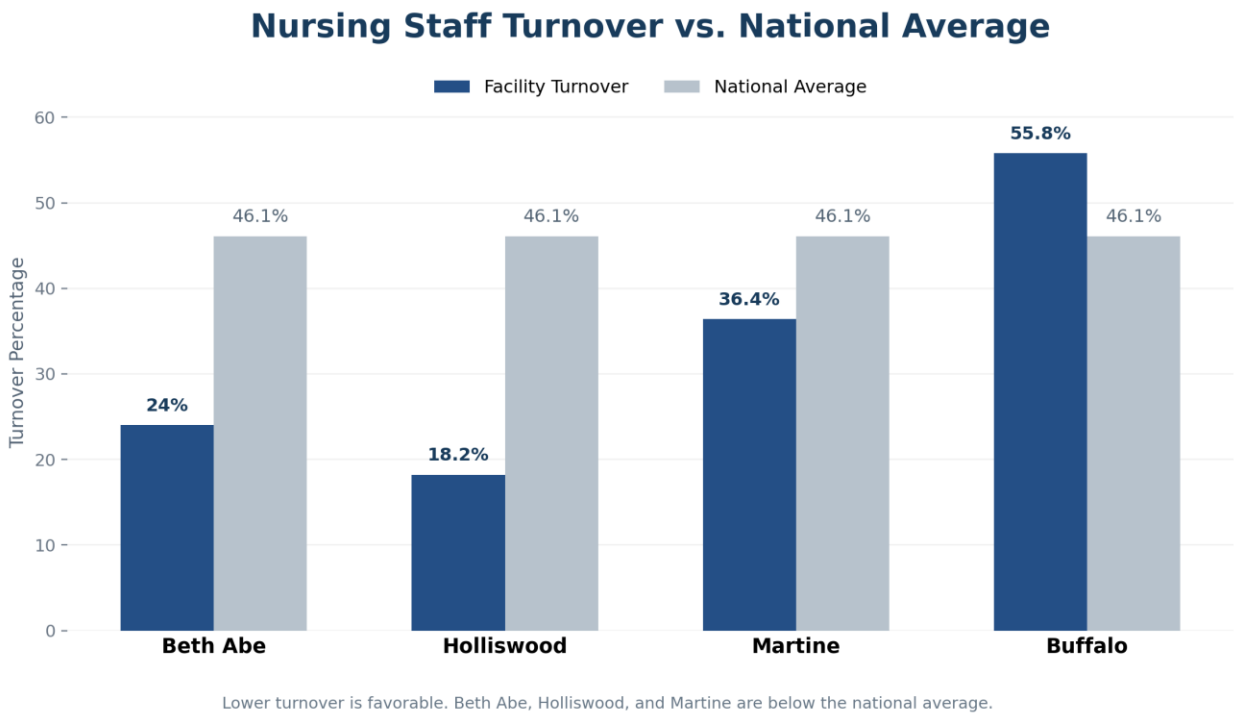

Holliswood New Hires
Number of New Hires
0
20
40
60
80
100
120
86
108
116
RN
LPN
CNA
Q3 2023 through Q2 2026


Martine New Hires
Number of New Hires
0
25
50
75
100
125
150
175
200
225
91
104
215
RN
LPN
CNA
Q3 2023 through Q2 2026



The data above evidences significant hiring activity at all four nursing homes for all nursing disciplines. There were 1934 new hires made from Q3 through Q2 2026 including 345 RNs, 457 LPNs and 1,132 CNAs. Over 55% of the new hires were CNAs which reflects the importance of constantly recruiting CNAs in order to sustain staffing levels.

Retention Data –Q2 2026 (CMS Data)
https://www.medicare.gov/carecompare/?redirect=true&providerType=NursingHome)



Note the retention data is for all nursing disciplines

The data evidences a significant improvement in nursing retention in three out of four facilities. Buffalo is the only facility that lags behind in retention; however the facility was able to hire at an increased rate (see new hire chart), in part due to increased wages and retention improvements to ensure optimal staffing levels.

As noted, there were a number of staff retention challenges at Buffalo Center. To address these concerns, the IHM worked with the facility's Employee Retention Committee to implement a number of employee improvements. Evening staff now receive free sandwiches, all staff are able to take advantage of subsidized meals for just one dollar, and all weekend staff are offered free transportation to and from Buffalo Center using rideshare services.

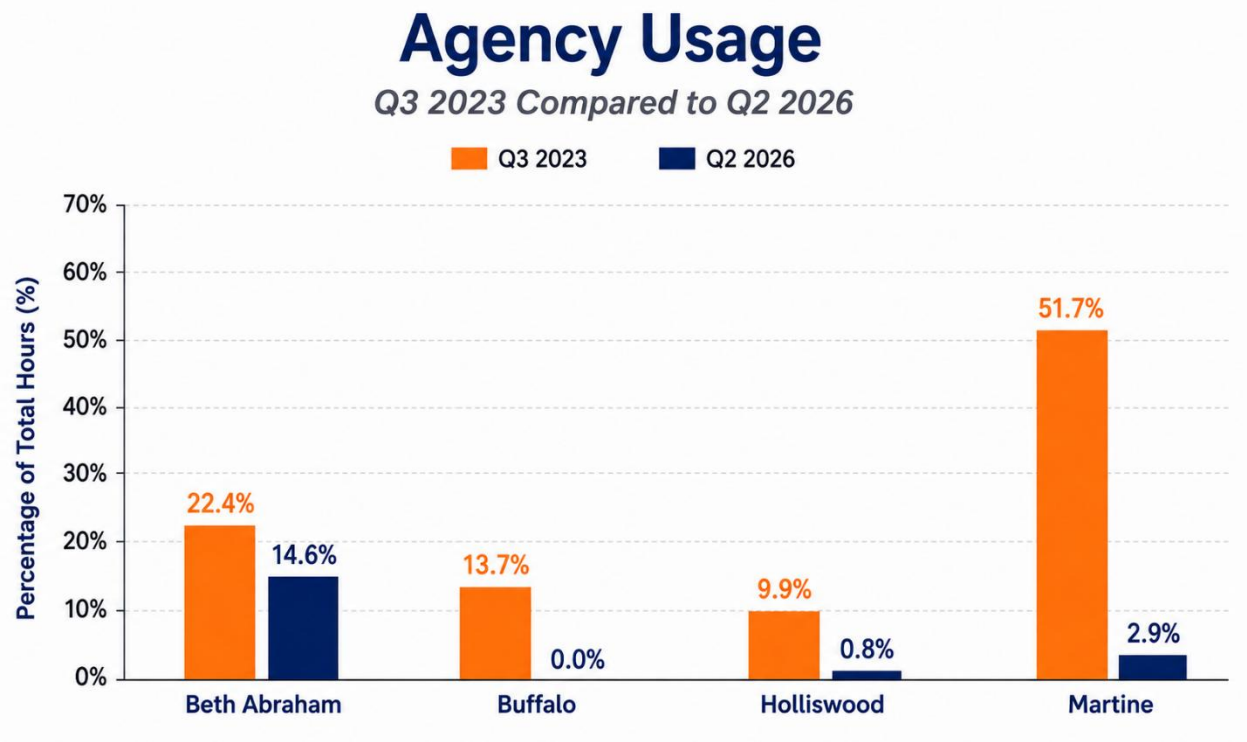
For many months, the IHM and the OAG discussed various strategies related to Buffalo Center's staffing, with particular focus on weekend staffing. There were many theories as to why weekends were so difficult to get staff to show up for work at levels above the state minimum HPRD. The IHM worked with Centers leadership to increase rates so that RN, LPN and CNA wages were above competitive rates for the area. Other strategies ranged from a significant $10,000 RN retention bonus to a weekend line staff bonus program. All of these strategies improved the staffing numbers but not to a consistent, compliant level. The Recruitment and Retention Committee identified the issue of public transportation as an issue and the IHM authorized payment through a corporate account for shared rides for staff on weekends. This intervention coupled with a pause on admissions on weekends has led to sustained staffing compliance.

Lastly, the IHM worked with Centers leadership to avoid a union strike at Buffalo Center, ensuring a substantive wage raise for all line staff at the facility. Ultimately, these efforts helped achieve compliant staffing numbers for the entire week and reduced staff turnover. Although the

turnover rate is still higher than the national average, it is well below the nearly 100% rate that Buffalo Center had in 2023.

Agency Reduction:

The IHM and facility leadership invested a significant amount of effort to decrease agency usage. This reduction was accomplished without the usual decline in HPRD metrics that are typically present when agency staff is reduced.



Beth Abraham Center's agency staffing usage is linked primarily to Licensed Practical Nurses (LPNs). The agency LPNs are long-time employees of Beth Abraham Center as opposed to agency staff who just appear at the nursing home to complete a shift without fully understanding the facility's policies and procedures and resident population.

It is worth noting that Martine Center reduced its agency usage from nearly 52% in Q3 2023 to just 2.9% currently, while Buffalo Center has been completely agency free since Q4 2024. Holliswood Center is nearly agency free with just 0.8% agency usage.

In conclusion, it is important to note that the path to these staffing results was different at each facility, reflecting facility-specific problem-solving developed jointly between the IHM and each facility's own leadership, rather than a uniform staffing mandate applied identically across the portfolio. At Buffalo Center, after much trial and error, the IHM and facility leadership identified that Sunday understaffing stemmed substantially from a lack of available public transportation; the resulting solution – a dedicated ride-share account for staff – was specific to Buffalo's circumstances. At Martine Center, a difficult staffing leadership transition led to lessons about hiring practices for senior clinical positions that informed subsequent decisions

there specifically. Staff retention tools such as weekend shift differentials, RN retention bonuses, and no-call-out incentive programs were introduced and calibrated separately, facility by facility, based on what each building's own workforce data showed was needed.

The IHM has consistently maintained that staffing numbers alone do not tell the complete story, and that evaluation of resident acuity – assessed daily through facility morning meetings – remains critically important to ensuring that staffing levels actually meet residents' needs.

V. Restorative Nursing and Dining

Shortly after the AOD was signed, the IHM met with Centers leadership to discuss priorities for improvement. Restarting an effective restorative nursing program was identified as one of the priorities. The Restorative Nursing Program, discontinued during the COVID-19 pandemic due to staffing constraints, was reinstated at all four nursing facilities early in the IHM's engagement and the IHM advocated for and participated in its expansion. With the various payers for rehabilitation therapy implementing dramatic cuts to approved lengths of service, the need for an effective Restorative Nursing Program is compelling. The Program itself assists residents with ambulation, range of motion and the restoration of eating skills. The use of Restorative Nursing also potentially impacts the significant quality measures involving weight loss, range of motion, the prevention of functional loss, falls and pressure injury development.

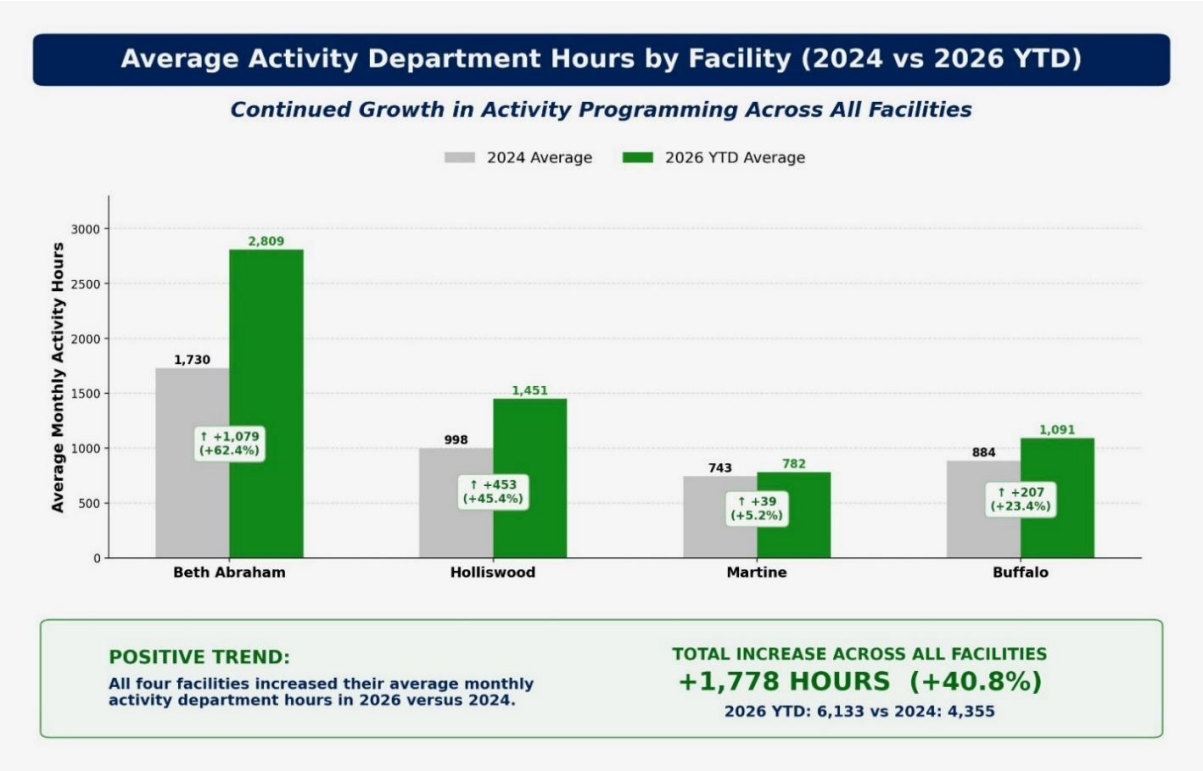
The program has grown substantially in enrollment at each facility in 2025 and 2026. Beth Abraham Center currently has 81 residents participating in the restorative nursing program while Buffalo Center has 35 residents, Martine Center has 61 residents and Holliswood has 54 residents. All four nursing facilities continue to work towards adding residents to the program to enhance and maintain their levels of functioning.

VI. Therapeutic Recreation

Therapeutic recreation programming has similarly developed along facility-specific lines under new regional leadership: a transition to the Montessori Movement model for memory care at Beth Abraham Center; expanded memory-care programming and a redesigned activities calendar at Martine Center; a fall-prevention rounding tool and expanded live-music and arts programming at Buffalo Center; and community-based programming, including Alcoholics Anonymous meetings, established at Holliswood Center and Buffalo Center. Resident satisfaction survey results, gathered through the Ambassador Program, have remained consistently strong across the IHM's Initial Term. Of note, Buffalo Center is using its van seven (7) days a week to transport residents out on field trips. The other nursing facilities are using the van several days a week. It is hoped that all of the nursing facilities will use their vans every day for activities purposes.

Of course, recreation and activity staff are essential to success in improving resident experience and quality of life at the nursing facilities. The IHM made the staffing mandate applicable to recreation and activities and served as part of the overall improvements made at the nursing facilities. As the data shows, the four facility's monthly activities "staff worked hours" increased substantially from 2024: +62.4% at Beth Abraham, +45.4% at Holliswood, +23.4% at Buffalo

and +5.2% at Martine though its monthly hours for June 2026 were 826, a 6% increase over its year to date rate. The hiring of creative and enthusiastic recreation and activity staff has had a significant positive impact on the residents quality of life.



VII. Falls and Resident Safety

In July 2023, the IHM identified fall prevention and meaningful post-fall interventions as a top priority for performance improvement. Falls are a significant cause of injury, disability, and death in older adults, especially those who are frail.[6] The IHM has also identified that a subset of short-term rehabilitation residents experience falls and require specialized interventions to address these separate causes. Since most the facilities utilize an outside physiatrist, the IHM recommended that these individuals take an active role in the discussion of falls for this subsegment of residents.

The Centers facilities have a high proportion of residents with serious mental health diagnoses. The majority of these residents are treated with antipsychotic, anti-anxiolytic agents and antidepressants which have the potential to increase the risk of falls. (The utilization of these medications is discussed in Section IX).

The IHM spent a considerable amount of time, on a weekly basis, reviewing and discussing resident falls at the Subject Nursing Homes with Centers senior leadership. The IHM maintains that an effective internal incident reporting system coupled with a thorough investigation process is critically important to addressing falls and fall reduction strategies. The investigations must

[6] **Falls and Fall Prevention in Post-Acute and Long-Term Care Setting Clinical Practice Guideline**, Falls and Fall Prevention Writing Group, JAMDA 2025, https://doi.org/10.1016/j/jamda.2025.106033.

identify the mechanisms of falls and why residents are falling which in turn provide an important foundation for fall risk assessments, care planning, and meaningful post-fall interventions. The IHM worked collaboratively with Centers personnel to improve the assessment and care planning process along with investigative processes (initial incident reporting, investigative techniques to include witness interviews and statements, and evidence preservation). Root cause analyses also played a significant role in addressing fall risk and reduction strategies.

The IHM also introduced the concept of "Comfortable People Don't Fall" to the facilities as a means of understanding the basic needs of residents in the development of strategies to minimize the risk of falls. Several in-services were provided; however this is an ongoing need as staff turnover requires this subject be revisited. The C.N.A. should be encouraged to identify areas in which a resident may experience discomfort (toileting, thirst, hunger, boredom, fear, anxiety, pain, constipation) and respond accordingly.

The IHM notes that Centers personnel has significantly modified its approach to falls by instituting Falls Committees that are more structured and analytical, enhanced QAPI review, deeper analysis of residents who have repeat falls, and more individualized interventions for resident at high risk for falls. Moreover, the deployment of resident Ambassadors to assist residents upon admission to the facility in order to familiarize the resident with the room set-up and configuration preferences is an important to step. The IHM maintains that residents are at high risk for falling within the first seven (7) days of admission or re-admission to the nursing home and fall prevention steps (e.g., enhanced surveillance) must occur during that time period.

The following data support the successful efforts taken to reduce falls, especially falls with injury or major injury, at the Subject Nursing Homes recognizing that each facility started from a different baseline:

A. Beth Abraham Center

Beth Abraham is a very large facility with a challenging resident population yet it has demonstrated meaningful progress in fall prevention since July 2023, with the most significant improvements becoming evident in 2025.

In 2025, Beth Abraham reduced total falls from 488 in 2024 to 408, representing 80 fewer falls and an approximately 16% reduction in just one year. The facility's average monthly falls also improved from 40.7 in 2024 to 34.0 in 2025. By the end of Q3 2025, Beth Abraham had already recorded 74 fewer falls year-to-date than during the same period in 2024.

The facility's annual fall rate also improved from 3.05 in 2024 to 2.58 in 2025, its best annual performance during the period shown. While the current 2026 rate is approximately 3.06, the monthly data demonstrates continued periods of strong performance, including rates as low as approximately 2.0–2.3 during several recent months.

Overall, Beth Abraham's performance reflects a significant reduction in the overall volume of falls and a demonstrated ability to achieve sustained periods of lower fall rates. The 80-fall reduction from 2024 to 2025 is a particularly meaningful accomplishment and provides a strong foundation for continued improvement throughout 2026. The facility remains focused on

building upon these gains through continued oversight, trend analysis, and individualized fall-prevention interventions.

B. Holliswood Center

Holliswood Center has demonstrated the strongest sustained improvement since the monitoring project began. The facility's annual fall rate was approximately 4.1 in 2023. That rate decreased to 3.5 in 2024, then to 2.9 in 2025, and has continued downward to approximately 2.5 in 2026.

This reduction represents an improvement of approximately 39% from 2023 to 2026. The improvement is also reflected in total falls, which decreased from 386 in 2024 to 324 in 2025. During 2025, Holliswood also demonstrated consecutive quarterly improvement from 86 falls in Q1 to 74 in Q2 and 72 in Q3, with no falls resulting in major injury during Q3.

Holliswood's results demonstrate what has been the overall goal of the initiative since July 2023: sustained improvement over multiple years rather than a short-term reduction in a single quarter.

C. Martine Center

Martine Center has also maintained significant improvement compared with where the facility was previously and at the beginning of the monitoring engagement. The facility's annual fall rate was approximately 6.31 in 2022 and improved dramatically to 3.28 in 2023. Since then, Martine has maintained a rate well below its earlier baseline, with rates of approximately 3.90 in 2024, 3.73 in 2025, and 4.00 in 2026.

While the 2026 rate has increased slightly compared with 2025, the facility remains approximately 37% below its 2022 rate. Martine also reduced total falls from 276 in 2024 to 259 in 2025 and had 28 fewer falls year-to-date through Q3 2025 compared with the same period in 2024, with no major-injury falls during Q3.

D. Buffalo Center

Buffalo's progress is best viewed as a turnaround story. Despite strong staffing increases in 2023 and 2024, including RNs, the facility's annual fall rate in November 2024 remained high at 8.7 falls per 1,000 days at approximately 50 falls for that month. In response, the IHM increased efforts at Buffalo Center by working with the leadership on root cause analyses during the weekly falls committee and working directly with line staff rolling out “Comfortable People Don’t Fall” on the units. New ideas were encouraged and marked improvement followed. Some of the ideas included adding early morning CNAs dedicated to morning ADL care, specifically addressing early morning risers, purchasing recliners for residents that frequently nap during the day to keep them out in the public area where they can be monitored, and increasing weekend activities staff so residents on the long term and dementia units are gainfully engaged. All of these efforts worked, and by May 2026, the falls per 1,000 days was down to 5.4 at 31 total falls for the month.

The results of these efforts became visible at the end of 2025 and have continued into 2026. Buffalo reduced falls from 188 in Q3 2025 to 149 in Q4 2025, a reduction of 39 falls for quarter. The current 2026 annualized fall rate has further improved to approximately 6.7 per 1,000 days at approximately 35 falls with May 2026 dropping all the way to 5.4 falls (31 falls).

Overall Progress: July 2023 to 2026

The strongest measure of the work completed since July 2023 is where the facilities stand today:

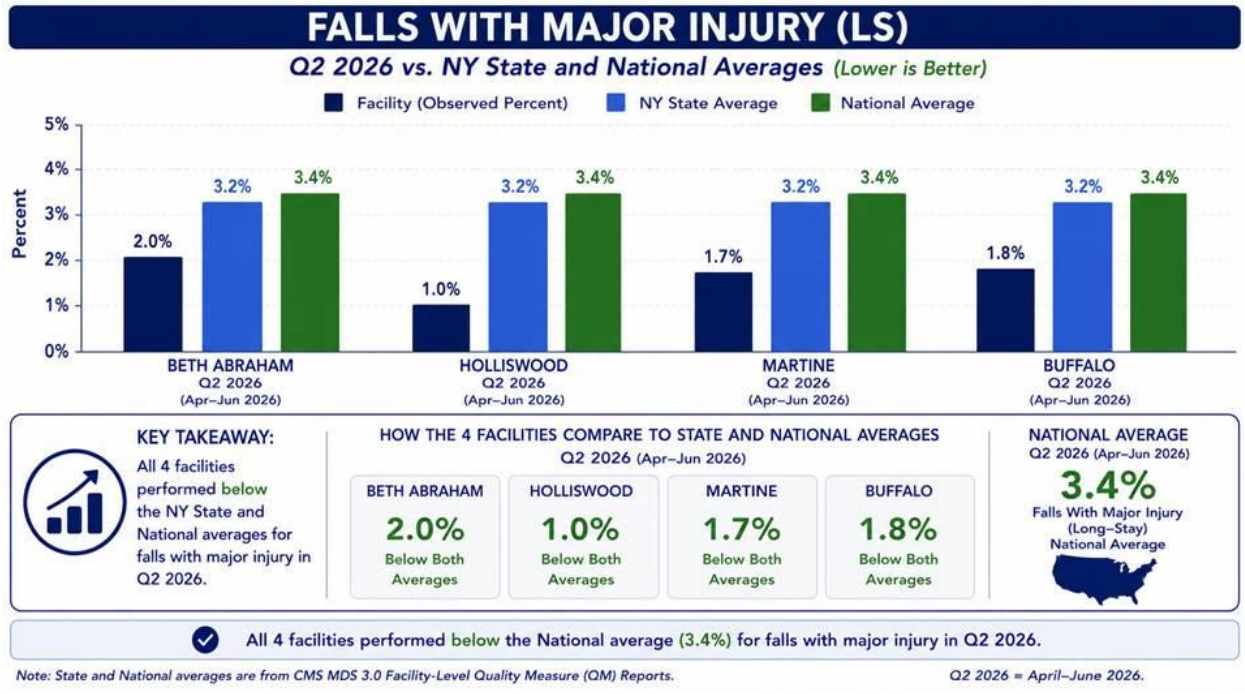
-Holliswood: approximately 4.1% in 2023 → 2.5% in 2026, a reduction of approximately 39%.

-Buffalo: Buffalo: after peaking early on has improved to approximately 6.7 in 2026, a reduction of nearly 30% from its peak.

-Martine: continues to maintain a fall rate substantially below its earlier historical level, with a 2026 rate approximately 37% below 2022.

-Beth Abraham: achieved a major reduction in total falls during 2025, with 80 fewer falls than in 2024, while its 2026 rate remains close to its 2023 baseline.

All of the nursing facilities are below state and national averages for falls with major injury:



Based on current data, the benefit of the infrastructure and accountability that has been built since July 2023 has been effective. Fall prevention is no longer approached solely as a review of individual incidents. The facilities have developed a more comprehensive process that includes stronger committee oversight, QAPI monitoring, trend analysis, repeat-faller review, leadership involvement, individualized interventions, environmental review, root cause analyses, and targeted rounding of high-risk residents.

The results are especially encouraging because improvement is now visible across all four facilities. Holliswood has achieved sustained multi-year reductions; Beth Abraham has significantly reduced its overall fall volume; Martine has maintained substantial improvement from its earlier historical levels; and Buffalo has reversed the significant increase seen in 2025 and entered 2026 on a clear downward trajectory.

Taken together, the 2026 results demonstrate that the fall-prevention work initiated and strengthened since July 2023 is producing measurable results. The four nursing facilities are in a stronger position today, with better systems, greater accountability, and a more proactive approach to identifying and reducing fall risk.

Fall prevention is an ongoing clinical and operational priority. The residents served by these facilities frequently have complex medical conditions, cognitive impairment, mobility limitations, and other factors that place them at an inherently increased risk for falls. Resident acuity and the composition of the resident population also change over time. Accordingly, meaningful evaluation of a fall-prevention program cannot be based solely on an expectation that the number of falls will decrease continuously every quarter or every year.

Rather, an effective fall prevention program requires the ability to identify trends, thoroughly evaluate individual incidents, recognize repeat patterns, implement appropriate resident-specific interventions, monitor the effectiveness of those interventions, and respond promptly when performance indicates a need for additional action. The facilities' experience demonstrates this ongoing process. Where sustained improvement has been achieved, the focus remains on maintaining those gains. Where an increase or adverse trend has been identified, additional oversight and interventions have been implemented to address the concern.

The IHM recently initiated an approach to fall prevention at all of the Subject Nursing Homes. The IHM has spoken or emailed with the physiatrists (medical doctors who specialize in assisting patients regain function) at the nursing facilities to discuss strategies to reduce falls by residents receiving rehabilitation therapy. Residents attempt to show that they are getting better by walking unassisted which, at times, places them at high risk for falls. A proposed intervention is to have the resident's physiatrist explain the risks associated with prematurely walking or exercising prior to approval by the rehab team. This discussion will occur at the time of initial assessment and as the resident improves to the point where the risk for noncompliance is significant.

Additionally, the IHM has recommended that the physiatrist explain the psychological aspects of rehabilitation from a physiatry perspective to residents, their families and facility staff. A better explanation and understanding by residents and their families of the rehabilitation therapy plan from a physician's perspective is important.

Finally, all of the monitored nursing facilities are implementing the involvement of their physiatrists in their fall prevention initiatives including Falls Committee meetings.

The progress achieved to date reflects a more structured and accountable approach to fall prevention across the four facilities. At the same time, the facilities recognize that this work is never complete. Fall prevention must remain an ongoing priority, with continued monitoring, leadership oversight, interdisciplinary review, and adjustment of interventions as resident needs and facility trends evolve.

The objective of fall prevention and assessment is not to suggest that every fall can be eliminated or that improvement will always occur in a perfectly linear manner. Rather, the objective is to maintain effective systems that identify risk from the time of admission, respond appropriately to changes in performance, and continuously work to reduce both the frequency and potential

severity of resident falls. The accomplishments at each of the four facilities demonstrate meaningful progress toward that objective, while the ongoing monitoring and oversight reflect the continued commitment necessary to sustain and build upon those improvements.

The interventions that produced these results – weekly Fall Committee meetings, review of incident reports that include evaluation of the subsequent investigation and root cause analyses, monthly QAPI review of falls data, reinstatement of the Restorative Nursing Program, daily morning-meeting review of falls from the prior day, and a sustained focus on resident comfort as a contributing factor in falls – were developed collaboratively between the IHM and each facility's own clinical staff. The "comfort" concept the IHM introduced early in the engagement, for example, was adopted and adapted differently from building to building, consistent with each facility's own resident population and physical environment, rather than imposed as a fixed checklist.

VIII. Wound Care

Another area of particularized focus by the IHM related to wound care, specifically "avoidable" pressure injuries.[7] The IHM's monitoring activities focused on wound care, treatments and delayed healing. Unavoidable pressure injuries may be associated with terminal conditions as well as uncorrectable malnutrition.

In order to evaluate wound care delivery on a weekly basis, the IHM utilized the weekly Wound Tracker in order to identify the following:

a. patterns of in-house acquired (IHA) pressure injuries;

b. wounds in which no appreciable progress had been made for 3-4 weeks which should prompt a re-assessment regarding treatments, nutrition, support surfaces and wound cultures in order to determine if the lack of progress can be further addressed.

Next, the IHM recommended the use of EZ Graphs when a newly admitted resident enters the building with an area of skin impairment. The EZ Graph allows the staff to capture the dimensions of the wound(s) and its characteristics at the time of admission. The designated wound nurse would follow on the next day with a full assessment as well as staging and ensuring the treatments are appropriate

Additionally, the IHM introduced an alternative to the Braden Scale to capture the known risk factors more fully for the development of pressure injuries.

Consistent with the IHM's focus on education of staff as a means to ensure sustained compliance, the IHM provided several Power Points on the subject of pressure injuries including one that specifically focused on infection control during wound treatments. The IHM continues

[7] "Avoidable" is defined as a "resident developed a pressure injury and that the facility did not do one or more of the following: evaluate the resident's clinical condition and risk factors; define and implement interventions that are consistent with resident needs, goals, and professional standards of practice; monitor and evaluate the impact of the interventions; or revise the interventions as appropriate." CTRS. FOR MEDICARE & MEDICAID SERVS., STATE OPERATIONS MANUAL app., Section 483.25(b)(1).

to recommend that the designated infection preventionist perform assessments of every nurse's ability to competently perform wound care. This includes:

a. Cleaning of the bedside table and/or providing a physical barrier between supplies and the surface of the table

b. Cleaning and storing bandage scissors in a Ziplock bag before and after use

c. Maintain soiled and clean fields

d. Changing gloves between removal of old dressing and the application of new dressings

e. Dressing the smallest wounds first before proceeding to larger wounds to minimize contamination

The IHM viewed improving wound care at the four facilities as an important aspect of their mandate to increase the level of resident care. In the current healthcare continuum, a significant number of residents are admitted to a nursing home with one or more pressure injuries already. Add to this the fact that many residents have a number of comorbidities that put them at risk for developing pressure injuries and you have an environment in which good wound care can make a significant improvement in a resident's life.

The IHM took a multi-pronged approach to improving wound care; better wound management to ensure wounds are healing at a faster pace and a strong system to monitor at risk residents to avoid new in-house developed wounds.

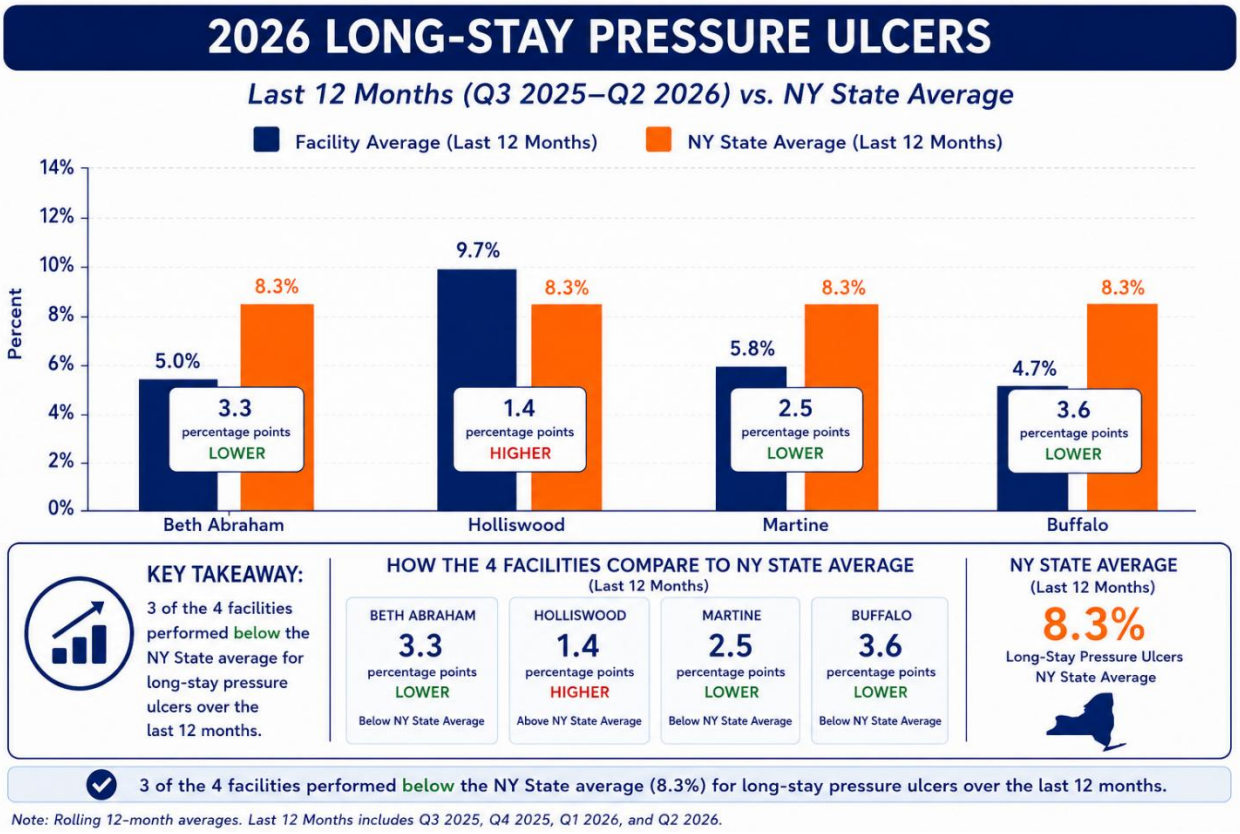
Wound management - The IHM worked with the nursing facilities and Centers clinical leadership to develop a better wound tracking system. Using the wound tracker, the IHM reviewed each wound every week for the duration of the AOD and communicated with Centers clinical leadership on a weekly call. Ideas regarding potential treatment were discussed, non-effective measures were identified and discontinued, and most importantly an overall culture of accountability was established. When a delay in wound healing was identified, a request for follow up was made and a timely response by the wound care team was provided.

As noted in other sections, the IHM did not take a one size fits all approach. Rather the IHM tailored specific solutions to each facility. As an example, after working with the Buffalo Center team, it was identified that the facility would benefit from a dedicated wound team. The IHM recommended the facility hire wound nurses that focused solely on wound treatment. Buffalo Center leadership followed the directive and hired dedicated wound nurses and within a few months began seeing increased instance of healed wounds.

Avoiding New Wounds – The IHM worked with Centers leadership to enhance their risk scoring methodology to better capture a resident's true risk for pressure injuries. The Braden Scale is not the most effective tool for pressure injury risk identification. Additionally, by working with the facilities on establishing protocols for these correctly identified high-risk residents, instances of new in-house developed wounds dropped to near zero by the end of 2025.

The IHM was also instrumental in decreasing the use of Dakin's solution and introducing Vashe as a wound cleanser in keeping with the recommendations of the National Pressure Injury Advisory Panel (NPIAP). As a result, the Subject Nursing Homes have seen an improvement in the healing of many wounds that had been delayed due to the prolonged use of this dilute bleach treatment.

Finally, during the course of the monitoring term, staff at Beth Abraham, Holliswood and Martine Centers became Vohra wound certified and acknowledged as Certified Centers of Excellence for Wound Management. Additionally, Centers' Regional Clinical Director became Wound Care Certified (WCC) by the National Alliance of Wound Care as having advanced knowledge in skin and wounds issues.



The Regional Clinical Nurse noted that wound data reflects that in recent months, residents with more clinically complex wounds were admitted to Holliswood Center. For short stay residents, wounds that do not heal within 100 days negatively affect the Quality Measures. As the Holliswood staff have developed specialized expertise in wound care, area hospitals increased their referrals for individuals with existing wounds. These residents tend to have complex medical issues including multiple organ failure, impaired nutrition and frailty which negatively impact the resolution of wounds.

IX. Behavioral Health

Since the COVID-19 pandemic emerged in 2020, Skilled Nursing Facilities (SNFs) across the country have witnessed a decrease in the number of more typical, elderly individuals being referred for admission. As a result, an increase in younger people with serious mental health issues and/or substance use disorder (SUD) has occurred in order to maintain census. The IHM identified that staff were ill-equipped to manage these residents as they lacked the education and skills to understand behavior, identify triggers, de-escalate negative behaviors or communicate meaningful interventions with the staff.

As a first step, the IHM recommended that a pilot program addressing resident behaviors be started at Holliswood Center given its resident population. The first step implemented was to identify staff who expressed a particular interest in behavioral health and substance use disorder. Once identified, education was provided by the Regional Clinical Nurse who utilized IHM recommended materials from the Centers for Excellence in Behavioral Health in Nursing Facilities. The Center was a "3-year initiative developed by the Substance Abuse and Mental Health Services Administration (SAMSHA) and the Centers for Medicare and Medicaid Services….The COE-NF provided mental health and substance abuse training, customized technical assistance, and resources to CMS certified nursing facilities that care for residents with a variety of behavioral health conditions." Centers enrolled in this program in 2023 but, unfortunately, this tremendous resource lost its funding and ended in September 2025. **It is recommended that Centers download <u>all</u> of the materials contained on the COE-F website before the end of September 2026, when the materials will no longer be available.** This approach to addressing behavioral and substance use disorder was effective and is being replicated at the Subject Nursing Homes.

In addition, the IHM has used the following interventions to address these important issues at all of the Subject Nursing Homes:

a. Institute Behavioral Health interdisciplinary meetings with all levels of nursing staff, behavioral support personnel, social workers, therapeutic activities staff and administration.

b. Encourage corporate staff to recruit psychiatric technicians to assist the staff with the management of residents demonstrating the most problematic behaviors including resident-to-resident altercations. Of note, two psychiatric technicians were recently hired at Buffalo Center. **The IHM continues to make this recommendation to actively recruit at least two (2) psychiatric technicians for each nursing facility.**

c. A Behavioral Specialist is in place in each building to assist the staff in addressing problematic behaviors. Behavioral approaches rather than the reliance on psychotropic medications continues to be the focus of the care of the residents.

d. Due to the lack of appropriate space for therapeutic activities in the ZP units at the Beth Abraham Center, the corporate staff established a completely renovated area on an unused floor on 3ZP which allows residents on the upper floors to be brought for sensory stimulation and meaningful activities away from the congestion of the dining rooms. This room is truly unique and Centers is to be commended for partnering with the IHM in the creation of this important resource for residents with dementia.

e. Two sensory rooms were created at Holliswood Center to assist residents with dementia who are experiencing anxiety, stress , agitation and wandering. These rooms provide soft lighting, calming scenes, quiet music, sensory stimulation in a quiet space and aromatherapy. A similar dementia/behavioral room was created at Martine Center as well.

f. The IHM introduced Centers staff to Linda Teri, PhD, a leading expert in dementia treatment and the creator of the Pleasant Events Schedule, a method of identifying the past interests of the residents for the development of a more meaningful activities program. Dr. Teri has been a resource to the Subject Nursing Homes, including the development of programs for 3ZP. Dr. Teri provided in-service education for the staff on the subject of dementia and appropriate interventions to meet the needs of the residents.

g. The IHM encouraged the staff through the use of the Resident Quick Care Guide to identify the triggers of an individual's behavior as well as the approaches to be avoided. These forms are maintained in a binder for the staff at the nurse's station as a resource.

The behavioral health initiatives taken to date by Centers are to be commended. These initiatives must not only continue, but they also need to evaluated, monitored and refined through the nursing facilities' QAPI Programs.

X. Nutrition

Another area of focus that has clinical and quality of life implications is nutrition and the mealtime experience. The IHM acknowledged that the lunchtime meal is the most important event that occurs in the daily lives of the residents of a SNF. Finding ways to enhance the meal experience through the following interventions have been implemented through the IHM but require ongoing implementation and monitoring:

a. The use of soft music at mealtime to enhance the atmosphere in the dining room;

b. Having a small area where residents who are disruptive during mealtime eat in order to decrease distractions for the residents;

c. Having staff discuss what the meal will be before it arrives on the unit in order to begin salivations, the first stage of digestion as the residents cannot smell the food cooking in the kitchen

d. The food service directors provided a list of equipment that was needed in order to provide appropriate meals on scale. The equipment was purchased through the RCF. The Centers Corporate staff will need to maintain and replace the equipment as an ongoing process.

e. The IHM instituted a corporate dietitian who was tasked with identifying equipment needs as well as revising the menus in accordance with the food council recommendations as seasonal food availability.

f. The IHM introduced the use of the Mid Upper Arm Circumference measurement (MUAC) as a means of quantifying weight in residents who refuse to allow themselves to be weighed. This approach provides the staff with the ability to use arm circumference as a proxy

for weight, thus identifying weight loss, a quality of care indicator, even if the resident declines to be weighed.

Enhanced dining initiatives, including menu diversification and increased use of fresh and scratch-made items, have been implemented at all four facilities, guided by resident feedback gathered through each facility's Food Committee.

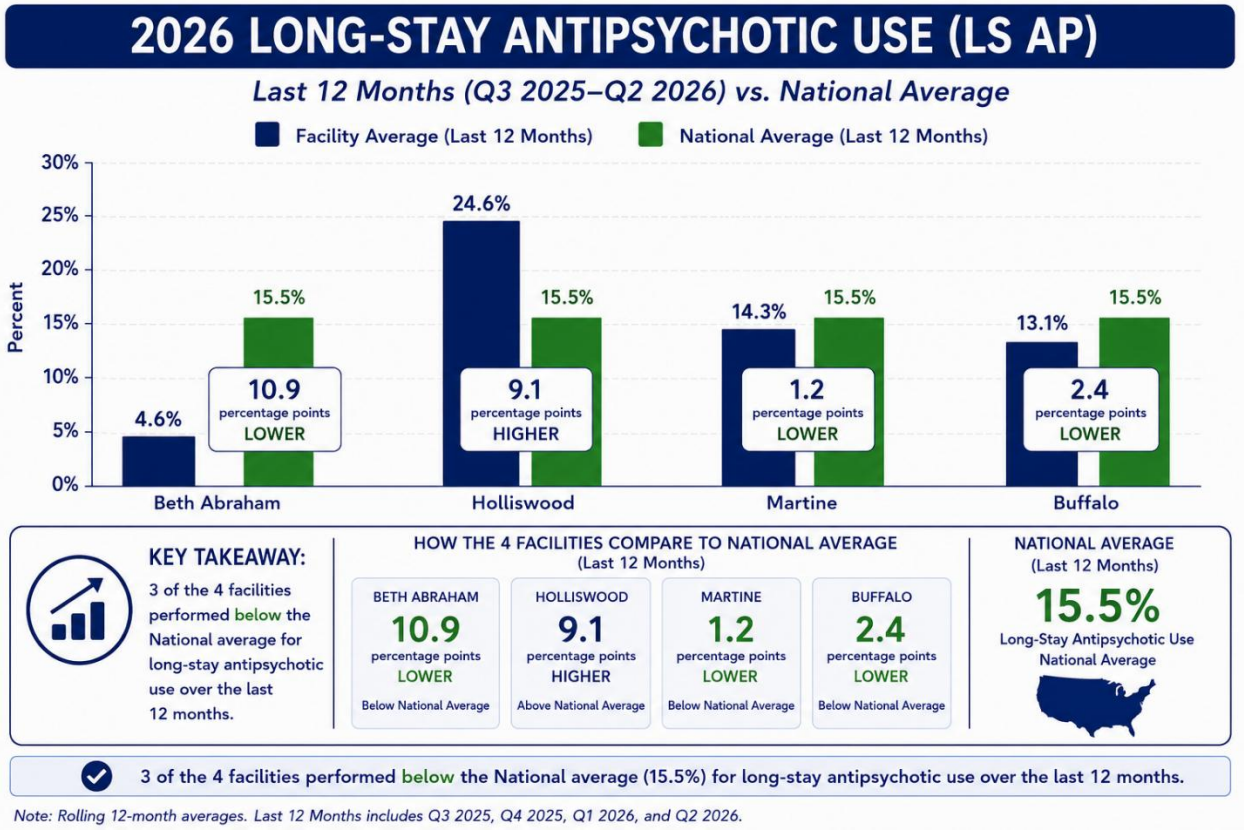
These interventions have been effective in making mealtime a much better experience than when the monitoring engagement began. As an essential component of the monitoring process, the IHM always met with residents during site visits, Resident Council meetings and off-site phone calls. Inevitably, the discussion revolved around meals and activities. The actions taken to date by Centers in these areas have led to a dramatic increase in resident satisfaction and significant quality improvements.

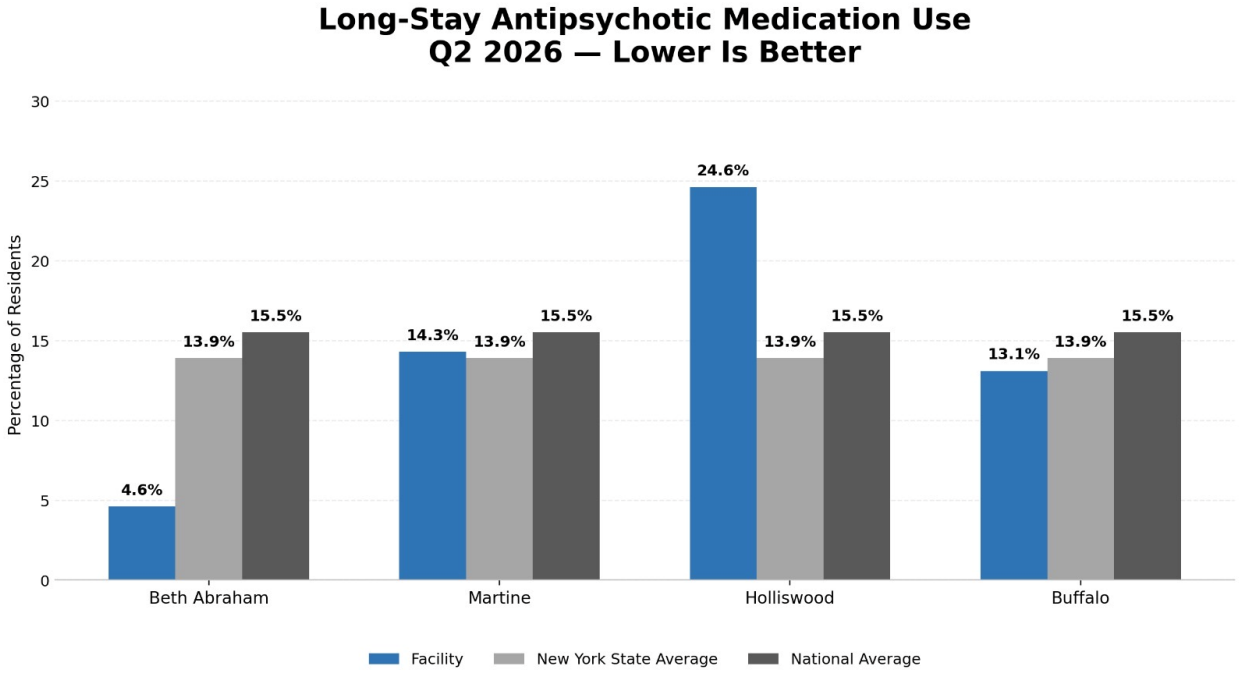
XI. Medications

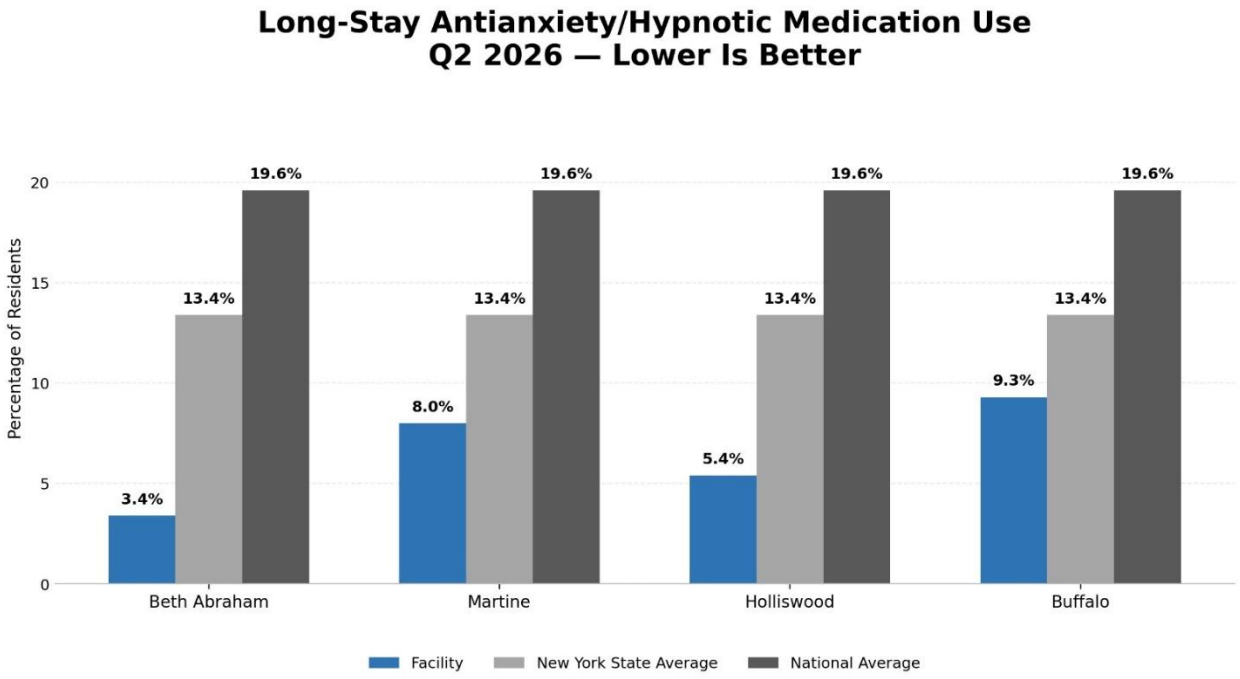
The resident population at the Subject Nursing Homes consists of a significant number of residents with serious mental illness and/or substance use disorder. A review of residents with psychiatric diagnoses found:

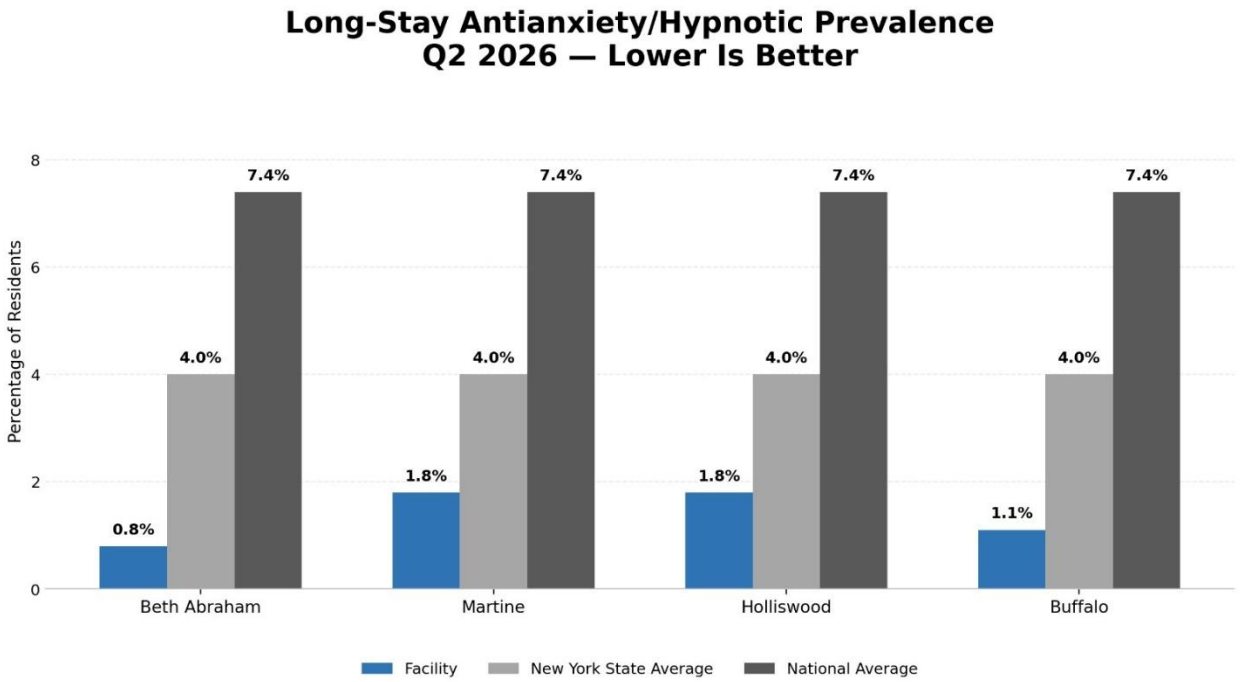
- Beth Abraham-- 212 residents out of a possible 448 have a psychiatric diagnosis
- Holliswood Center--230 residents out of a possible 314 have a psychiatric diagnosis
- Martine Center—90 residents out of a possible 200 have a psychiatric diagnosis
- Buffalo Center—104 residents out of a possible 200 have a psychiatric diagnosis

Yet, the data below show that three out of the four homes had antipsychotic medication usage below state and national averages. Holliswood is working diligently on gradual dose reductions in combination with its behavioral management program (see consulting pharmacist comments).


2026 LONG-STAY ANTIPSYCHOTIC USE (LS AP)
Last 12 Months (Q3 2025–Q2 2026) vs. National Average
Facility Average (Last 12 Months)
National Average (Last 12 Months)
Percent
30%
25%
20%
15%
10%
5%
0%
4.6%
15.5%
10.9 percentage points LOWER
24.6%
15.5%
9.1 percentage points HIGHER
14.3%
15.5%
1.2 percentage points LOWER
13.1%
15.5%
2.4 percentage points LOWER
Beth Abraham
Holliswood
Martine
Buffalo
KEY TAKEAWAY:
3 of the 4 facilities performed below the National average for long-stay antipsychotic use over the last 12 months.
HOW THE 4 FACILITIES COMPARE TO NATIONAL AVERAGE (Last 12 Months)
BETH ABRAHAM
10.9
percentage points
LOWER
Below National Average
HOLLISWOOD
9.1
percentage points
HIGHER
Above National Average
MARTINE
1.2
percentage points
LOWER
Below National Average
BUFFALO
2.4
percentage points
LOWER
Below National Average
NATIONAL AVERAGE (Last 12 Months)
15.5%
Long-Stay Antipsychotic Use National Average
3 of the 4 facilities performed below the National average (15.5%) for long-stay antipsychotic use over the last 12 months.
Note: Rolling 12-month averages. Last 12 Months includes Q3 2025, Q4 2025, Q1 2026, and Q2 2026.


Long-Stay Antipsychotic Medication Use
Q2 2026 — Lower Is Better
Percentage of Residents
30
25
20
15
10
5
0
4.6%
13.9%
15.5%
14.3%
13.9%
15.5%
24.6%
13.9%
15.5%
13.1%
13.9%
15.5%
Beth Abraham
Martine
Holliswood
Buffalo
Facility
New York State Average
National Average


Long-Stay Antianxiety/Hypnotic Medication Use
Q2 2026 — Lower Is Better
Percentage of Residents
20
15
10
5
0
3.4%
13.4%
19.6%
8.0%
13.4%
19.6%
5.4%
13.4%
19.6%
9.3%
13.4%
19.6%
Beth Abraham
Martine
Holliswood
Buffalo
Facility
New York State Average
National Average



A major driver in addressing the reduction in psychotropic medication can be attributable to the impact of the consulting pharmacist and the nursing facilities' Behavioral Committees. When asked to comment on the impact of his team's interventions, the consulting pharmacist provided the following:

> Beth Abraham: We continue to participate with the facility in quarterly QAPI meetings, presenting our reports and opportunities for improvement. In brief, the facility overall has made significant strides over the past 2 years+, and has maintained these improvements in response to drug regimen reviews, medication storage inspections, and most dramatically, in appropriate utilization of medications.
>
> By way of example, in January, 2024, there were 73 residents on antipsychotics. With our help, the facility initiated a focused review to evaluate opportunities to taper and d/c these medications where clinically appropriate, with the current usage in 2026 reaching at one point an all-time low (to our knowledge) of 48 residents on antipsychotics in April, 2026.
>
> Holliswood and Martine: Our company began providing consultant Pharmacist services to each of these facilities just 14 months ago, in May, 2025. During that time, we immediately implemented systems to insure follow-up on drug regimen review as well as thorough inspections of the medications storage areas to mirror the services provided at Beth Abraham.
>
> The facility Administration at each facility has been quite supportive, and we have routinely attended the facility QAPI meetings as requested, most recently at Holliswood on July 22nd, where we presented data on drug regimen reviews, psychotropic medication utilization, the medication storage area inspections, along with educational tools on evaluating medications that may induce or contribute to weight loss and falls.

> The Medical Director along with the facility administration at each facility have been quite supportive of our efforts, and from the onset have been receptive to our recommendations, assisting us from the start with helping to ensure our recommendations have been acted upon. Immediate (and maintained) improvements in medication room inspections for each facility were noted, and to use another numeric example of improvement, in January, 2026, there were 74 residents receiving antipsychotics at Holliswood. Currently through June, 2026, with the direct assistance of the medical director communicating with us and acting on our reports, this number has been reduced to 62.

The impact of an effective consulting pharmacist team, partnering with a willing and collaborative medical director and facility staff, can yield significant positive results related to reduction of psychotropic medication usage. These interventions, coupled with the advent of the Behavioral Health Committees, has led to meaningful dose reductions and discontinuance of psychotropic medications at the Subject Nursing Homes.

XII. Room Changes/Bed Hold Policy

The focus on resident admissions and behavioral health matters also led to the review of Centers' room change policy. After speaking with social workers and residents at the Subject Nursing Homes, the IHM learned that residents often had their rooms changed with very limited advance notice and without a clear explanation of why the room change was necessary. The reasons for room changes included the need for a room for a new resident admission to the nursing facility. The federal regulations governing room changes only requires notice and the reason for a roommate change be provided to the resident. See 42 CFR §483.10(e)(6). The Guidance to Surveyors notes that, "Moving to a new room or changing roommates is challenging for residents."

The IHM recommended, and Centers agreed, that residents and/or their families or proxies must not only receive a copy of the Centers policy on room changes and timely notice of a proposed room change including the reasons for it, but must consent, in writing, or the room change could not occur. The IHM and Centers leadership worked collaboratively on the creation of a new room change form along with a new process for obtaining resident informed consent prior to a room change occurring.

Next, the issue of a resident losing their room because of a hospitalization was identified. The IHM discovered that long-time residents that were hospitalized, had their belongings quickly packed up and were moved to a different room prior to their return from the hospital. In one instance, a resident was sent to a sister facility before returning to their original facility because there were no beds available. The IHM also learned that residents' belongings were routinely lost during the move.

A bed-hold (bed hold) is when a nursing home resident's bed is held for them while they are temporarily away from the facility due to hospitalization or a therapeutic visit (a leave for a non-medical reason). During a bed hold, one's bed remains vacant during their absence rather than being filled by a new resident…In most states, Medicaid will pay to hold a nursing home resident's bed for a limited time when they are hospitalized and / or go on a therapeutic visit." Nursing Home Bed-Hold Policies for Medicaid Beneficiaries.

In May 2019, the New York State Medicaid Program stopped funding bed holds for Medicaid beneficiaries, except in very limited circumstances. After having seen the enormous emotional and psychological stress and, to some degree, harm experienced by residents and staff, the IHM recommended a bed hold policy that would be monitored by the IFM for compliance. The IHM routinely spoke to Subject Nursing Homes' leadership, social work, and nursing staff about the bed hold policy during its visits and all expressed strong support for this policy since it was so beneficial to the residents' peace of mind. Notably, over 1,000 residents benefited from this policy.

Based on the clear value of having a bed hold policy, the IHM recommends that residents who are admitted as an inpatient to or are in observation status at a hospital, be given a grace period of at least 72 hours from the time of admission or start of observation services at the hospital, where their beds are held. After the 72 hours, the resident and/or their families/proxies should be advised by Centers personnel of a possible room change, the identity of the new roommate, and the application of the informed consent-driven room change policy. If the resident and/or family/proxies do not consent to the proposed room change, an alternative room will be proposed until acceptance is achieved.

Finally, each Subject Nursing Home must create an effective process for the gathering and packing of residents' belongings as part of a room change, or readmission to or discharge from the four nursing facilities. This process requires coordination amongst housekeeping, nursing, social work, and the Ambassador to ensure an effective and compliant process.

XIII. Ambassador/Concierge Program[8]

The IHM has advocated for the continued expansion of the Ambassador/Concierge Program in order for it to successfully serve as an internal ombudsman program. The program facilitates the creation of a meaningful relationship between residents and their families and the Ambassadors from the moment a resident is admitted to a facility until they depart. This program has expanded from just addressing new residents who are expected to be short-term to all residents.

Additionally, as noted above, the Ambassadors play an important role in reducing the risk of falls by assisting residents at the time of admission with acclimating to their new environment. Importantly, the IHM heard from residents that the Ambassadors have provided support and reassurance during times of increased anxiety. Just imagine that you suffer a sudden illness, are hospitalized, and are then transferred from the hospital to a nursing home for rehabilitation therapy. The environment is unfamiliar to you and you require the assistance of others to use the bathroom or even transfer to a chair from your bed. This is a very vulnerable time, to say the least. Therefore, it is critically important that residents have the ability to share their fears and concerns with someone they trust, who can then assist them in ensuring that their needs are met on a consistent basis while residing in the nursing home..

The IHM has observed a close working relationship between the Ambassador, Therapeutic Recreation staff and Social Services personnel at various points during the monitoring period. This relationship is important as it allows for support as part of a continuum of care from the beginning to the end of a resident's stay.

[8] The downstate facilities use the term "Ambassador" while Buffalo Center uses "Concierge." For purposes of this report, the term Ambassador will be used.

XIV. Education

The IHM has advocated for enhanced education and training for all disciplines at the Subject Nursing Homes since the very beginning of the monitoring process. As stated repeatedly, the notion that staffing numbers alone automatically translates into better outcomes is not true. Education that leads to staff competencies is equally important to ensuring good clinical outcomes for residents.

The list of the educational programs provided by Centers personnel since August 2023 is very substantial. The hiring of an Education Director was also very significant. However, what was really significant was how Centers responded to the recommendation that Beth Abraham Center create an education room for its staff.

A large, cluttered storage room at Beth Abraham Center was identified by the IHM and the NHA as a potential site for an education room. After several months of renovations, the new education center at Beth Abraham opened with new state of the art equipment (paid for by the RCF) in place for training purposes. Importantly, the IHM was advised that this education center is being viewed as regional training center open to Centers staff throughout the organization to assist staff in obtaining and maintaining the clinical competencies necessary to deliver quality care to Centers' residents.

XV. Quality Assurance and Performance Improvement (QAPI) Program Enhancements

The IHM stressed the need for Centers to address its fragmented approach to its QAPI program. The IHM developed and presented a program on developing an effective QAPI program and worked with each facility in this regard. The IHM attended QAPI meetings and participated in the various discussions. The IHM was appreciative of the willingness of the Subject Nursing Homes leadership to modify and enhance their approach to developing relevant Performance Improvement Projects (PIPs). Overall, the QAPI Program at the Subject Nursing Homes is much improved and is addressing systems issues in an appropriate fashion.

Specifically, the staff's ability to perform root cause analyses is much improved. The nursing homes were provided with the IHM's root cause analysis form for usage. Additionally, the Regional Clinical leader who also serves as DON for one of the Subject Nursing Homes was just certified in QAPI. The IHM recommends that she be charged with overseeing the QAPI process for the Subject Nursing Homes and depending on availability, an expanded number of Centers facilities.

XVI. Ethics and Compliance Program Development

The IM has been very involved in modifying Centers' existing Compliance Program and changing the culture within the organization to a "culture of compliance." In response, Centers has continued to develop its ethics and compliance infrastructure over the course of the engagement. Early in the monitorship, the IHM worked with Centers to define the role and qualifications of the Facility Compliance Officer position mandated by the AOD– ultimately structured around an Assistant Director of Nursing focused specifically on clinical/regulatory compliance and risk management, rather than a purely administrative or ministerial function. This definitional work was itself a product of dialogue between the IHM and Centers leadership

about what would actually function effectively at the facility level, rather than adoption of an off-the-shelf compliance structure.

Subsequent developments included comprehensive compliance risk assessments, ethics and compliance training rollout across all four facilities, focused incident investigation training, and the engagement of Betsy Wade, an outside compliance expert, to review and recommend enhancements to the program.

At the IHM's request, each facility established monthly compliance meetings involving the IHM, a member of the facility's Governing Body, the Facility Compliance Officer, and the Chief Compliance Officer. These meetings focused on investigative strategies in response to compliance matters and, importantly, building a partnership between compliance and operations.

The IHM recommended a survey be conducted to evaluate, among other items, the staff's awareness of the Compliance Department and how to report compliance issues. Overall, the survey results were positive regarding awareness of the ethics and compliance program.

Going forward, Centers will need to ramp up its efforts in making certain that staff feel comfortable reporting to the Compliance Department and that the Compliance Department itself is more fully developed. The good news is that Centers hired, with the assistance of the IHM, a new Ethics and Compliance Officer with many years of compliance experience who is starting on August 10, 2026. The IHM regards this program as a maturing program rather than a finished product, and expects its continued development to remain a focus for corporate leadership for the foreseeable future.

XVII. Chief Medical Officer

The IHM recently recommended that a Chief Medical Officer be hired to oversee the medical care at the Subject Nursing Homes and the entire organization. Federal and New York regulations require each facility to designate a physician as its medical director. The facility medical director is responsible for implementing resident-care policies and coordinating medical care; New York assigns additional credentialing, practitioner-performance, care-planning, and corrective-action responsibilities. The Chief Medical Officer will provide enterprise oversight of facility medical directors but does not displace the statutory and regulatory responsibilities assigned to each facility's designated medical director, administrator, governing body, director of nursing, or other licensed professional.

The Chief Medical Officer will provide, at a minimum, medical director, physician-services and advanced practice provider oversight as follows:

- Establish written enterprise standards defining the responsibilities, required presence, availability, performance expectations, and reporting obligations of facility medical directors.

- Ensure that each facility maintains a qualified designated medical director and reliable physician coverage, including emergency physician availability 24 hours per day.

- Monitor attending physician and advanced practice provider compliance with required visits, care-plan participation, order authentication, documentation, availability, coverage arrangements, and facility policies.

- Conduct periodic performance evaluations of facility medical directors, attending physicians, and advanced practice providers using documented clinical, regulatory, service, and professionalism criteria.

- Take or recommend timely corrective action when practitioner performance does not meet accepted professional standards, facility policy, or regulatory requirements.

The Chief Medical Officer should also be called upon to lead the facilities in developing appropriate approaches to enhance end-of-life care, particularly given the current lack of available hospice services.

XVIII. Hospice Care

The utilization of hospice and comfort measures had been minimal in all of the Subject Nursing Homes until 2025. Martine Center had not been using either services until June 2025. Beth Abraham, the largest of the facilities with 448 beds and Buffalo Center with 200 beds, had the highest utilization of hospice and comfort care in 2025-2026, although only a small percentage of resident receive these services. This is due, in part, to the lack of providers in New York State, the lack of identification of residents who could benefit from specialized end of life care, and the lack of information shared by physicians and physician-extenders regarding the meaning of allowing a natural death and family/resident preferences. Hospice care in SNFs is an important service that should be expanded and utilized, when appropriate.

XIX. The IHM's Approach to Monitoring

Based on the totality of the evidence, the IHM's Court appointment and continued involvement as mandated by the AOD, resulted in significant, sustained, and verifiable improvement in the delivery of care and the residents' quality of life at the Subject Nursing Homes. These results were not achieved through the unilateral imposition of mandates by the IHM but resulted from IHM and Centers Health Care building a working relationship grounded in mutual trust and respect for each side's areas of expertise. The IHM was given unfettered access to staff, residents, documentation of care and any records it deemed necessary to fulfill its functions. During the IHM's multiple meetings with Centers ownership, this position was reinforced and, in the event that the IHM had any issue or concern, it was to be escalated immediately up to the highest levels at Centers.

At the facility level, staff were responsive to the IHM. That is not to say that everyone was equally welcoming, but the vast majority of staff understood the IHM's role and was very responsive and collaborative. Together we engaged in viewing the provision of care from the residents' perspective and evaluated care delivery systems and activities with that in mind. The Centers team shared clinical and operational knowledge of its own facilities and residents, and worked collaboratively with the IHM to develop solutions to issues at the facility level. The IHM studied each facility's actual circumstances, rather than impose remedies based on a uniform, one-size-fits-all policy. Active, hands-on involvement by Centers' management, at

both the corporate and facility level, was a constant and necessary feature of this work. The IHM considers this collaborative model, as much as any individual metric discussed above, to be a significant reason why this monitoring project achieved successful outcomes.

Buffalo Center's experience over the monitoring period offers the clearest illustration of the collaborative model. During the second quarter of 2025, the IHM identified significant concerns regarding care delivery and culture at Buffalo Center including: a problematic state survey; multiple nursing staff resignations; leadership gaps at the facility level; an incident involving a former employee's unauthorized posting of resident photographs on social media and a serious nursing supervision failure in which a designated nursing supervisor failed to administer medications during a shift, potentially affecting 21 residents – a clear violation of the New York Nurse Practice Act that resulted in the employee's termination and referral to the appropriate authorities.

Centers' corporate and facility leadership responded to these findings substantively and without delay. The IHM identified, through multiple onsite in-services, underlying gaps in nursing supervisory training that had contributed to the issues identified, and worked with Centers to address those gaps directly. The IHM also identified, through the in-services, underlying gaps in responsiveness to complaints, and insufficient nursing supervisory training had contributed to the issues identified. The IHM worked with Centers to address those gaps directly. The facility took corrective measures which included increased RN staffing, enhanced clarity on how to report care delivery concerns internally and through the Compliance Department, nursing leadership programming, a change in housekeeping/laundry leadership, targeted infection control education, and increased rounding by facility leadership.

By the fourth quarter of 2025, Buffalo Center showed measurable stabilization, including falls reduction and continued staffing gains discussed above. The swiftness and substance of Centers' response – once the IHM's findings were raised – itself reflects the trust underlying this engagement. The IHM's findings were taken seriously and acted upon, not contested or minimized, and the response was tailored to Buffalo's specific circumstances. Lessons learned from this experience were shared with all of the Subject Nursing Homes which proved to be beneficial to the entire organization.

XX. Regulatory Oversight—Annual Surveys[9]

During the IHM's Initial Term of this monitoring engagement, the New York State Department of Health's frequency of annual (unannounced and comprehensive) surveys were as follows: Buffalo Center-2 annual surveys, Martine Center-2 annual surveys, Beth Abraham-2 annual surveys and Holliswood Center-1 annual survey. Notably, Beth Abraham just received its Statement of Deficiencies from its July 2026 survey which found 1 "A" level deficiency and 6 "D" level deficiencies.[10] Importantly, there was no actual harm to any resident found by the state

[9]State Survey Agencies (SAs) are required to conduct a standard recertification survey of nursing homes at least once every 15 months and conduct other investigations based on complaints of alleged noncompliance with federal requirements (42 CFR 488.308(a) and (f); see generally 42 CFR Part 488, subpart E). These surveys are the primary activity to oversee the health and safety of nursing home residents. Nursing Home Risk-Based Survey National Implementation, www.cms.gov/files/document/qso-26-14-nh-original-release-2026-07-16.pdf.

[10] "A" rated deficiencies are considered the least serious while "D" level deficiencies are those in which no actual harm has been noted. Priya Chidambaram, Alice Burns, and Robin Rudiwitz, "A Closer Look at

survey agency during this survey. The IHM has been advised that Beth Abraham will be eligible for an additional star thereby achieving a 4-star rating under CMS' Five-Star Rating System.

XXI. Use of the Resident Care Fund

Resident Care Fund expenditures throughout the engagement have been developed in consultation with Centers' leadership and facility personnel, and approved by the IHM and IFM in accordance with the AOD. The majority of RCF expenditures have supported an investment in staffing, together with the programmatic investments described above. This process has, in the IHM's assessment, functioned effectively and consistently with the AOD's requirements throughout the monitoring period.

Investments include:

- Increased staffing levels and nursing education;
- Wheelchair-accessible recreational vans;
- A dedicated education director;
- A specialized dietitian;
- An upgraded food transport system;
- Improved linen supply;
- The bed hold policy;
- A nursing scholarship program;
- A substance use disorder specialist;
- STAR-method dementia care training;
- MUAC measurement protocols;
- New beds/mattresses/furniture at all four facilities;
- The enhanced Ambassador Program;
- The stocking of start-of-the-art equipment for the new Education Center;
- The Beth Abraham ZP unit redesign (for residents with dementia and serious mental health needs). The RCF was used to pay for the enhancements to the room to ensure that "state-of-the-art" and even "cutting-edge" activities are being delivered to this resident population;
- Bladder scans; and
- An EKG machine.

Importantly, there was not a single corporate template that was applied to the use of the RCF, with the exception of the new furniture and beds. Instead, the RCF was used to address the needs of residents in each facility.

The AOD noted, on multiple occasions, that "The parties expect that the funds in the Resident Care Fund will be completely expended during the term of this AOD, in accordance with its provisions." AOD, ¶ 60. On August 6, 2026, the IHM was notified by Centers' financial personnel the balance of the RCF was approximately $6.7 million and that the projected balance

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Deficiencies in Nursing Homes," July 16,2026, www.kff.org.(comprehensive discussion of the nursing home survey process).

of the RCF, once all payments were approved and made for the period through July 31, 2026, was less than $1 million.

XXII. Resident Care Fund Future Expenditures

As noted at the beginning of this report, the IHM believes that the RCF has improved the quality of life for the residents living at the Subject Nursing Homes. The IHM hopes that other nursing home settlements with the New York Office of the Attorney General, and elsewhere, will include this type of remedy as it provides such a significant and direct benefit to so many residents in multiple ways.

Next, the IHM's reports during the entirety of the IHM Initial Term are to be reviewed and used by the IFM, coupled with communications with the IHM, as a basis for understanding appropriate RCF expenditures.

Finally, the AOD requires that the IHM's Final Report include recommendations regarding appropriate areas for future expenditure of any Remaining Funds in the Resident Care Fund. Consistent with Paragraph 61 of the AOD, which directs that any Remaining Funds in the Resident Care Fund be used for the benefit of residents in a manner consistent with the IHM's recommendations during the term of the AOD – including, but not limited to, enhanced staffing, enhanced compensation for direct care staff, and quality of care improvements. Therefore, the IHM recommends that any Remaining Funds be directed toward the following areas in the following order of priority:

(1) Continued Support for Direct Care Staffing Above To Comply with New York State Law and the AOD. The Resident Care Fund has, throughout the monitoring period, been used principally to fund staffing in conformance with the requirements that staffing be greater than 3.5 hours of care per resident per day and, more importantly, be at a quantitative level required to provide nursing and related services to attain or maintain the highest practicable physical, mental, and psychosocial well-being of each resident across all four facilities.

The IHM recommends that any Remaining Funds continue to support this purpose: enhanced compensation, retention incentives, and recruitment efforts that have already shown measurable results, including weekend shift differentials, RN retention bonuses, and no-call-out incentive programs. All corporate employees currently funded under the RCF should continue in their roles as well. The IHM recommends that at least **70%** of the balance of the RCF, for expenditures after July 31, 2026, be spent for the staffing initiatives, consistent with the expenditures prior to July 31, 2026.

(2) Compliance Department Initiatives. These initiatives include educational sessions that ensure that informed consent is integrated into everything that is done to or on behalf of a resident. The IHM believes that this approach will ensure that regulatory compliance is achieved at even greater levels than currently exist. For those residents that cannot consent, routine consultation with health care proxies and attorneys in fact under pursuant to compliant Powers of Attorney will assure that residents' rights and wishes are being respected at all times. To this end, the RCF should be used to modify PCC (Centers'

electronic medical record) to integrate and document informed consent into all relevant sections, which then must be completed by staff prior to treatment being rendered, in the absence of an emergency. This process will ensure that the informed consent process is meaningful and compliant with federal regulations and ethical care delivery.

(3) New Hire Compensation. The IHM recommended new additions to the Centers team, i.e., the Chief Medical Officer (when hired) and the new Ethics and Compliance Officer starting on August 10, 2026, both of whom will benefit the residents.

(4) Equipment. Outstanding equipment requests from the nursing facilities that have been discussed and approved by the IHM to include indoor and outdoor furniture, medical equipment, and supplies that benefit the residents.

XXIII. Post-AOD Requirements

The AOD states that the "Principal and Operating Company Respondents, shall at a minimum, maintain specific direct care and supervisory staffing improvements at each Subject Nursing Home for a period of two (2) years. The IHM continues to recommend that supervisory nursing staff do not assume their roles unless and until they have been fully educated on the skill sets identified by the IHM to be effective supervisors/managers. Additionally, the current staffing model should remain in place given its demonstrated effectiveness.

XXIV. The Role of the OAG

From the time of the IHM's appointment by Court Order after the OAG's filing of a Preliminary Injunction in this matter until the completion of the IHM Term, the OAG has played a significant and supportive role in ensuring that the IHM was able to successfully fulfill its mandate. The mechanism for the review of possible disputes between the IHM and the Respondents, both at the post-filing and AOD phase, served as a means to assure that the IHM's position was complied with on a routine basis.

Additionally, the OAG engaged in scheduled meetings (once every 3 weeks and more frequently as needed) with the IHM to discuss resident care and quality of life initiatives. Moreover, complaints sent to the OAG from the Department of Health were forwarded to the IHM for timely investigation.

Importantly, the IHM knew that if there were any matters in dispute with the Respondents, the OAG would respond in a timely manner. In the past, the IHM has served as a Monitor under multiple Quality of Care-Corporate Integrity Agreements but has never received the same level of support from the federal government as was provided in this case.

The IHM commends the OAG for creating a truly meaningful settlement in which real and sustained care improvements and enhanced resident quality of life, funded in large part by the Respondents (instead of just demanding a monetary amount), were implemented. This approach benefited over 1100 residents on a daily basis. The IHM believes that this settlement should serve as a model to all of the Medicaid Fraud Control Units who seek to uphold the mission of protecting frail and vulnerable adults residing in nursing homes.

Finally, the IHM is deeply appreciative to the OAG for its role in this matter and maintains that its involvement played an integral role in the successful outcomes as outlined in this Final Report.

Conclusion

In conclusion, three years ago, the OAG engaged in ground-breaking litigation intended to protect nursing home residents from harm and to stop ongoing illegality. This litigation led to a sixteen (16) month period of IHM oversight monitoring under Court supervision, and the creation of an AOD (lasting twenty (20) months) that demanded meaningful change at four Centers Health nursing homes. Based on our review, the IHM concludes that this mission, while ongoing, has been successful.

The staffing gains achieved over the course of the monitoring period reflect important changes in culture and hiring practices rather than short-term compliance reactions. The increase in nursing supervision and education has clearly elevated the quality of care delivery at the four nursing homes. It is critically important that continued attention to staff retention, not only hiring, is essential to sustain this success. Additionally, the Restorative Nursing Program's growth (to include restorative dining) has been enormously important to resident care delivery and enhanced functioning. The Ethics and Compliance Program's evolution this year has set not only the Subject Nursing Homes but the entire Centers Health organization, on a positive path to linking quality care delivery and quality of life enhancements with compliance.

For three years, the IHM has been engaged with Centers and the Subject Nursing Homes, visiting, observing, asking tough questions, meeting with residents and their families, providing education and teaching, all with an eye towards the creation of systems that lead to consistent quality care delivery and resident quality of life enhancements. Although the industry response to deficient practice has been traditionally focused on auditing and in-servicing the staff to remediate a specific issue, the IHM has implemented more far-reaching and longer-lasting interventions by teaching and performing, amongst other things, root cause analyses of the problematic issues identified.

An important goal of this monitorship was to ensure that ownership, leadership and facility personnel view and understand the world through their residents' eyes and that this view would assist in compliance by providing an accurate, meaningful understanding of the concept of resident-centered care. Moreover, recognition and adherence to the foundational legal concept of informed consent is paramount to respecting and upholding resident rights.

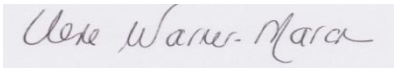
The record compiled, while not completely detailed in this Report, reflects a substantial level of staffing investment, clinical engagement, resident satisfaction and respect for resident rights, culture change, and management responsiveness, which did not happen by accident and is not likely to disappear once external oversight ends. The Subject Nursing Homes are, in the IHM's assessment, well positioned to carry this work forward on their own not because the work is completed, but because the building of systemic change, trust in care delivery oversight and

processes, collaboration and communication amongst all disciplines, and facility-level attention that produced these results, are now ingrained in the corporate and facility leadership of the four nursing homes: Beth Abraham Center for Rehabilitation and Nursing, Holliswood Center for Rehabilitation and Healthcare, Martine Center for Rehabilitation and Nursing, and Buffalo Center for Rehabilitation and Nursing.

If you have any questions, please do not hesitate to contact us.



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