Training Proposal for:

North American Health Care, Inc.

Agreement Number: ET17-0125

Panel Meeting of: June 24, 2016

ETP Regional Office: North Hollywood

Analyst: M. Paccerelli

PROJECT PROFILE

<table>
<thead>
<tr>
<th>Contract Attributes:</th>
<th>Retraineet</th>
<th>Priority Rate</th>
<th>SET</th>
<th>Medical Skills Training</th>
<th>HUA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Industry Sector(s):</td>
<td>Healthcare</td>
<td>Services</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Priority Industry:</td>
<td>☒ Yes</td>
<td>☐ No</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Counties Served:</td>
<td>Los Angeles, Sacramento, Solano, San Joaquin</td>
<td>Repeat Contractor:</td>
<td>☐ Yes</td>
<td>☒ No</td>
<td></td>
</tr>
<tr>
<td>Union(s):</td>
<td>☐ Yes</td>
<td>☒ No</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Number of Employees in:</td>
<td>CA: 4,500</td>
<td>U.S.: 4,500</td>
<td>Worldwide: 5,147</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Turnover Rate:</td>
<td>8%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Managers/Supervisors:</td>
<td>(% of total trainees)</td>
<td>N/A</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

FUNDING DETAIL

Program Costs: $741,132

(Substantial Contribution): $0

(High Earner Reduction): $0

Total ETP Funding: $741,132

In-Kind Contribution: 100% of Total ETP Funding Required: $840,000
TRAINING PLAN TABLE

<table>
<thead>
<tr>
<th>Job No.</th>
<th>Job Description</th>
<th>Type of Training</th>
<th>Estimated No. of Trainees</th>
<th>Range of Hours</th>
<th>Average Cost per Trainee</th>
<th>Post-Retention Wage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Retrainee Medical Skills Training Priority Rate SET</td>
<td>MST Didactic &amp; Clinical Preceptor, Computer Skills, Cont. Imp.</td>
<td>544</td>
<td>8-200</td>
<td>0</td>
<td>$954</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Weighted Avg: 53</td>
<td></td>
<td>$21.28</td>
</tr>
<tr>
<td>2</td>
<td>Retrainee Medical Skills Training Priority Rate SET HUA</td>
<td>MST Didactic &amp; Clinical Preceptor, Computer Skills, Cont. Imp.</td>
<td>363</td>
<td>8-200</td>
<td>0</td>
<td>$612</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Weighted Avg: 34</td>
<td></td>
<td>*$11.70</td>
</tr>
</tbody>
</table>

* It will be made a condition of contract that the trainees in this Job Number will never be paid less than the State or local minimum wage rate as in effect at the end of retention (Final Payment) regardless of the wage expressed in this table. The highest minimum wage rate will prevail.

Minimum Wage by County: $21.28 per hour for SET Frontline Workers in Job Number 1 statewide; $12.36 per hour for Los Angeles County and $11.70 for San Joaquin County in Job Number 2.

Health Benefits: ☑ Yes ☐ No  This is employer share of cost for healthcare premiums – medical, dental, vision.

Used to meet the Post-Retention Wage?: ☑ Yes ☐ No ☐ Maybe

Up to $2.54 per hour may be used to meet the Post-Retention Wage for Job Number 1.

Up to $2.36 per hour may be used to meet the Post-Retention Wage for Job Number 2.

Wage Range by Occupation

<table>
<thead>
<tr>
<th>Occupation Titles</th>
<th>Wage Range</th>
<th>Estimated # of Trainees</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Job Number 1</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Registered Nurse</td>
<td></td>
<td>198</td>
</tr>
<tr>
<td>Licensed Vocational Nurse</td>
<td></td>
<td>326</td>
</tr>
<tr>
<td>Minimum Data Set (MDS) /Medical Records (MR)</td>
<td></td>
<td>20</td>
</tr>
<tr>
<td>Coordinator</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Job Number 2</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Certified Nurse Assistant</td>
<td></td>
<td>363</td>
</tr>
</tbody>
</table>

INTRODUCTION

Founded in 1976, North American Health Care, Inc. (NAHCI) (www.nahci.com) owns and manages skilled nursing communities and a rehabilitation company for senior care. NAHCI offers skilled nursing, memory care, hospice care, and respite care services; adult day programs; and rehabilitation services such as physical, occupational, and speech therapies.
Headquartered in Dana Point, the Company has 31 facilities located throughout California serving the residents of Los Angeles, Riverside, Sonoma, San Joaquin, Sacramento, Yolo, San Mateo, Alameda, Orange, Nevada, Solana and Ventura Counties.

This is NAHCI’s first ETP Agreement. In this proposal, NAHCI plans to train employees statewide at various locations:

- Alamitos-Belmont Rehabilitation Hospital in Long Beach
- Ramona Nursing & Rehabilitation Center in El Monte
- Garden View Post-Acute Rehab in Baldwin Park
- Broadway by the Sea in Long Beach
- Edgewater Skilled Nursing Center in Long Beach,
- Rosewood Post-Acute Rehabilitation in Carmichael
- Fairfield Post-Acute Rehabilitation in Fairfield
- Fairmont Rehabilitation Hospital in Lodi
- Lincoln Square Post-Acute Care in Stockton

All these NAHCI facilities are eligible for priority-industry funding as a Healthcare facility under Special Employment Training (SET) for frontline workers.

**PROJECT DETAILS**

The proposed training is in response to multiple changes that have impacted NAHCI’s business beginning with the Affordable Care Act signed into law by President Obama in 2010 and with more industry changes continuing through 2016. New quality standards, decreasing reimbursement for services provided, targeted reduction in hospital readmissions, increased patient population due to more insured patients, as well as a significant trend towards sicker patients being released from partner acute care hospitals much sooner than in the past have all contributed to an extremely challenging business environment for NAHCI. Early in 2016, The Centers for Medicare and Medicaid Services (CMS) unveiled major changes to the Nursing Home Compare (NHC) (a system that allows consumers to compare information about nursing homes) and its Five-Star rating system with new quality measures that must be integrated under the new system. The NHC contains quality of care and staffing information for all Medicare and Medicaid-participating nursing homes.

In addition, NAHCI is involved in the process of implementing an electronic health records system which provides an integrated clinical and financial Electronic Medical Record (EMR) and Customer Relation Management systems across the Post-Acute Care continuum. With training, NAHCI’s facilities can expect significant improvements in staff capability which will be reflected in patient care quality, productivity, and cost savings. The system is a substantial investment for affiliated facilities ($50,000 per facility), and training is not included in the cost. NAHCI seeks ETP assistance to meet these challenges.

**Training Plan**

NAHCI’s training plan was developed in order to compliment the goals of the organization, (maintain 5-Star Quality ratings), enhance job security of employees through increased skills and knowledge, enable new employees to manage the care of patients, introduce new technology (EMR System), enable employees to have the most up-to-date skills required for a rapidly changing and highly regulated environment, and to increase or maintain patient satisfaction ratings through regularly scheduled training sessions.
ETP funding will help move the Company’s facilities toward better healthcare delivery, meeting expectations for enhanced clinical quality and new metrics of quality measurement.

**Computer Skills** (5%) – Training will be offered to all occupations in the use of Electronic Medical Records software to accurately enter and retrieve patient information. MDS/MR Coordinators will also receive training in the new data set requirements for CMS’s new Five-Star rating system.

**Continuous Improvement** (15%) – Training will be offered to all occupations in order to foster improvement in multiple skills such as team building, culturally appropriate care, medical records, documentation, customer service, standard operating procedures, communication skills, interdisciplinary team skills, and quality improvement.

**Medical Skills** (80%) – Training will be offered to all nursing staff in order to better understand advanced clinical process. Training will ensure competency and maximize patient satisfaction and safety. Training will include patient assessment skills, knowledge of ventilator and tracheotomy care, wound care, patient fall prevention, infection control, cardiac care, atrial fibrillation, prevention of ventilator acquired pneumonia, congestive heart failure, infection control, pain management, intravenous therapy, diabetes management, dialysis care, medication management and administration, behavior management, psychotropic medication management, mental health program, and dementia/Alzheimer's patient care skills.

The Panel has established a higher reimbursement rate of $22 per hour for nurse training, recognizing the higher cost of delivery for the Clinical Preceptor model. The standard class/lab rate, $18 per hour for priority industries will apply to Computer Skills and Continuous Improvement training.

### Special Employment Training

Under Special Employment Training (SET), employers are not required to demonstrate out-of-state competition. Trainees must be earning at least the statewide average hourly wage at the end of the retention period.

- **Wage Modification**
  
  Trainees in Job Number 1 are employed in a Priority Industry and qualify for a wage modification up to 25% below the Statewide Average Hourly Wage. The wage modification of $21.28 is requested for trainees in Job Number 1.

### High Unemployment Area

All trainees in Job Number 2 work in Los Angeles County (Baldwin Park and El Monte) and San Joaquin County (Lodi and Stockton), High Unemployment Areas (HUA) with unemployment exceeding the state average by 25%. These trainees qualify for the Standard Wage rather than the SET Statewide Average Hourly Wage. Additionally, the Standard Wage may be modified by up to 25% if the post-retention wage reflects an increase from wages earned at the start-of-training. NAHCI is asking for a wage modification down to the HUA Minimum Wage of $12.36 per hour for Los Angeles County and $11.70 per hour for San Joaquin County.

### Commitment to Training

NAHCI’s current training budget is approximately $1M for all California facilities. Current training programs include new hire orientation, sexual harassment prevention, safety training, annual computer skills training, skills updates and in-service training.
ETP funds will not displace the existing financial commitment to training. Safety training is, and will continue to be, provided in accordance with all pertinent requirements under state and federal law.

- Training Infrastructure

NAHCI’s Executive Assistant will coordinate training centrally with the help of the subcontractor, National Training System Inc., while Directors of Staff Development at each facility will oversee the internal project administration and training at their corresponding facility.

Assessments were conducted at individual facilities and tallied four months ahead of the application. The resulting Curriculum addressed concerns from the assessments: common needs at facilities and needs with uncommonly large amounts of tallies. A training plan was then created, with the majority of training to be conducted internally by certified instructors, including Registered and Licensed Nurses. Some training will be delivered by vendors to train staff in the navigation of the Electronic Medical Records System.

Although NAHCI is a first-time ETP contractor, employee training is embedded in the Company's culture. Management believes there is a direct correlation between staff training and quality of care. Training is a significant component of operations, with plans to conduct and document many more training hours than represented in the application.

**RECOMMENDATION**

Staff recommends approval of this proposal.

**DEVELOPMENT SERVICES**

NAHCI retained National Training System Inc. (NTS) in Ladera Ranch to assist with development of this proposal for a flat fee of $36,939.

**ADMINISTRATIVE SERVICES**

NAHCI also retained NTS to perform administrative services in connection with this proposal for a fee not to exceed 12% of payment earned.

**TRAINING VENDORS**

To Be Determined
Exhibit B: Menu Curriculum

Class/Lab Hours

8-200  Trainees may receive any of the following:

MS DIDACTIC

- Restorative Nursing Program
- Annual Skills Update
- Infection Control
- Basic Life Support
- Body Mechanics
- Patient Transfer Techniques
- Equipment Skills (including, but not limited to pumps, vital monitoring devices, support systems, therapeutic modalities)
- Advanced Cardiac Life Support
- Change of Condition Management
- Interdisciplinary Team Process
- Pain Management (Acute and Chronic)
- Intravenous Therapy
- Enteral Feeding Tube Management
- Respiratory Care
- Wound Management
- Diabetic Management
- Urinary Management (foley catheter, input/output)
- Resident and Family Education
- Medication Administration Management
- Restraint and Restraint Reduction
- Behavior Management
- Psychotropic Medication Management
- Patient Assessment & Care
- Physical, Occupational, Speech Therapy
- End of Life Care
- Patient Fall Prevention
- Dementia/Alzheimer’s
- Neurovascular System
- Residents with Special Needs
- Gastrointestinal System
- Laboratory
  - Electrolyte Imbalance
  - Arterial Blood Gas Interpretation
- Cardiac Conditions
- Neurological Conditions
- Resident Emergency Response
- Skeletal/Orthopedic Conditions
- Incontinence Management (colostomy care, urinary catheter care)
- Pro Act Training - Professional Assault Crisis Training and Certification (Pro Act)
MST CLINICAL PRECEPTOR

- Inpatient & Outpatient Care Unit
  - Medication Management
  - Infection Control
  - Patient Safety
  - Clinical Skills Review
  - Patient Assessment and Care
  - Intravenous Therapy
  - Enteral Management
    - Bolus
    - Intermittent
    - Continuous
  - Feeding Tube
    - Insertion
    - Site Care
    - Removal
  - Dementia Care
  - Assessing of Tube-Fed Individuals with Diabetes Mellitus
  - Preventing and Identifying Complications Related to Tube Feedings
  - Respiratory Care
  - Wound Management
  - Dementia/Alzheimer’s
  - Managing Patients with Neurovascular Conditions
  - Rehabilitation Services
    - Physical Therapy
    - Occupational Therapy
    - Speech Therapy
  - Residents with Special Needs
  - Gastrointestinal Conditions
  - Cardiac Conditions
  - Skeletal/Orthopedic Conditions
  - Incontinence Management (colostomy care)
  - Assisting and Performing Self Care Skills with Patients; Facilitating Functional Gains of Each Patient
  - Functional Mobility and Ambulation
  - Bowel and Bladder Training of Patients
  - Identification of Skin Impairments and Prevention
  - Identification of Patient Change in Condition
  - Monitoring of Cardiovascular Changes such as Vital Signs, Endurance, Level of Consciousness
  - Breathing Patterns and Respiratory Function
  - Pain Management
  - Positioning of Patients for Correct Body Alignment
  - Monitor Blood Pressure of Patients
  - Operate Safety Devices with Patient
  - Activities of Daily Living
  - Conduct Range of Motion Exercises with Patient
  - Patient Care of Foot and Hand
  - Infection Control
  - Charting
  - Colostomy Care
- Hazardous Waste Handling
- Isolation Techniques
- Safe Patient Handling
- Use of the Call Light System
- Safe Linen Handling
- Equipment/Modalities
- Therapeutic Safety
- Proper Use of Exercise Equipment
- Therapeutic Activities
- Therapeutic Exercises
- Assistive Devices
- Procedures for Temperature check for Hydrocollator/Paraffin

**COMPUTER SKILLS**
- Electronic Medical Records Application Skills
- Patient Services Billing Software
- Electronic Tablet for Bedside Charting

**CONTINUOUS IMPROVEMENT**
- Administration
- Medical Records
- Customer Service
- Communication Skills
- Problem Analysis and Problem Solving
- Clinical Services System Management
- Interdepartmental Collaboration
- Interdisciplinary Team
- Incident/Accident Management
- Resident Centered Care
- Mobility Skills
- Documentation
- Continuous Quality Improvement Workshop
- Culturally Appropriate Care
- Team Building

Note: Reimbursement for retraining is capped at 200 total training hours per trainee, regardless of the method of delivery.