St. John’s Board Meeting

November 18, 2015
Agenda

- Finance
- Individual Board meetings to approve budget
- Reconvene Senior Services Board
- Executive Committee Report
- CEO Report
- Marketing Committee
- Strategic Planning Committee
- Elder Life Committee
- Human Capital Committee
- Foundation
- Auxiliary
- Executive Session
Financial – Where we are in the 2016 Operating Plan Process

- The 2016 operating plan was reviewed with the finance committee in detail on November 9th.
- The 2016 operating plan as presented was provided to the entire Board on November 10, 2015.
- Today we seek individual Board approval by entity and the overall approval of St. John’s Senior Services.
The operating plan process validated and is aligned to St. John’s strategic plan

<table>
<thead>
<tr>
<th>Strategic Objective</th>
<th>Alignment to 2016 Plan</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less reliance on government revenue</td>
<td>Improved private pay through small home investment, tiered pricing, and obtainable occupancy levels across entities</td>
</tr>
<tr>
<td>Commitment to small homes</td>
<td>Continuation of the cultural shift and associated staff training expanding the success of Penfield, Daisy and Rose neighborhoods</td>
</tr>
<tr>
<td>Employer of choice</td>
<td>Annual salary increase coupled with a 401k matching program</td>
</tr>
<tr>
<td>Responsive to market changing conditions</td>
<td>Investment in SHAGRA collaboration leading the development of a potential IPA with shared expense efficiencies allowing reinvestment in care</td>
</tr>
</tbody>
</table>
2016 Operating Plan by Entity: Each entity stands on it’s own

<table>
<thead>
<tr>
<th></th>
<th>Home</th>
<th>Penfield</th>
<th>Meadows</th>
<th>Brickstone</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td>$46,533</td>
<td>$2,645</td>
<td>$9,223</td>
<td>$5,103</td>
<td>$63,504</td>
</tr>
<tr>
<td><strong>Employee Related</strong></td>
<td>$32,953</td>
<td>$1,531</td>
<td>$4,200</td>
<td>$1,238</td>
<td>$39,922</td>
</tr>
<tr>
<td><strong>Supplies &amp; Materials</strong></td>
<td>$3,553</td>
<td>$151</td>
<td>$693</td>
<td>$70</td>
<td>$4,467</td>
</tr>
<tr>
<td><strong>Purchased Contracts</strong></td>
<td>$1,429</td>
<td>$110</td>
<td>$607</td>
<td>$300</td>
<td>$2,446</td>
</tr>
<tr>
<td><strong>Bad Debt</strong></td>
<td>$-</td>
<td>$35</td>
<td>$10</td>
<td>$-</td>
<td>$45</td>
</tr>
<tr>
<td><strong>Other</strong></td>
<td>$2,645</td>
<td>$146</td>
<td>$910</td>
<td>$359</td>
<td>$4,060</td>
</tr>
<tr>
<td><strong>Total Operating Expense</strong></td>
<td>$40,580</td>
<td>$1,973</td>
<td>$6,420</td>
<td>$1,967</td>
<td>$50,940</td>
</tr>
<tr>
<td><strong>EBITDA</strong></td>
<td>$5,953</td>
<td>$672</td>
<td>$2,803</td>
<td>$3,136</td>
<td>$12,564</td>
</tr>
<tr>
<td><strong>Taxes &amp; Assessments</strong></td>
<td>$2,579</td>
<td>$164</td>
<td>$170</td>
<td>$304</td>
<td>$3,217</td>
</tr>
<tr>
<td><strong>Interest</strong></td>
<td>$1,408</td>
<td>$204</td>
<td>$1,232</td>
<td>$1,201</td>
<td>$4,045</td>
</tr>
<tr>
<td><strong>Depreciation</strong></td>
<td>$1,625</td>
<td>$207</td>
<td>$1,163</td>
<td>$1,087</td>
<td>$4,082</td>
</tr>
<tr>
<td><strong>Operating Income/(Loss)</strong></td>
<td>$341</td>
<td>$97</td>
<td>$238</td>
<td>$544</td>
<td>$1,220</td>
</tr>
</tbody>
</table>
Financial success in 2016 is dependent upon …

• Capital investment aligned to small homes and common area refurbishment support by The Foundation
• Significantly decreased employee turnover and overtime
• Continued financial stability of Penfield, Meadows, and Brickstone coupled with a reversal of the private pay trend at The Home
Close Senior Services Board

Convene Meadows, Penfield, Home & Brickstone Board Meetings
Executive Committee
Report

Bill Wallace
Chair

St. John's
Embrace Living
CEO Report

Charlie Runyon
SJ Marketing Department Planning Process

SHORT-TERM/LONG-TERM IMPLICATIONS
Marketing is all about RELATIONSHIPS:

Seeking, Forging, Nurturing

“Marketing is the act of developing an engaging relationship with every single human being that shows an interest in you.”

--Paul Flanigan – Consultant, Experiate.net

“Marketing is the process of building relationships with prospects and customers so that you can profitably develop and promote products and services.”

--Chris Garrett – Chrisg.com

“Marketing is the conversation between a company or brand and a consumer that ultimately leads to brand recall, preference, or a transaction. In today’s socially networked world, that conversation is being ‘disintermediated’ by word of mouth referrals. Traditional marketers will have to work harder to get ahead of and to influence this trend.”

--Josh Glantz – Vice President and General Manager, Publishers Clearing House
St. John’s Relationship-Building Continuum

Strategic Focus By Department

- Elder/Resident/Family Member: Target Community → Marketing → Leads → Sales Admissions → Resident/Elder Operations
- Employee: Target Community → Marketing → Applicants → Work/Life → Employee Operations
- Donor: Target Community → Marketing → Prospects → Foundation → Donors
- Partners: Target Community → Marketing → Referrals → Advancement → Partners Various

External → Internal
SJ Marketing Plan: Annual Planning Process

Objectives
- Services Lead Generation: Long-term Care (Private Pay focus); Senior Housing, Re-Hab, Day Services
- Internal Branding (Staff, Family Members, Current Consumers, Volunteers, Board)
- Community Relations (Partnerships, Stakeholder Relationship Building)
- Brand Building: Provider, Philanthropy, Employer of Choice

Strategies
- PESO Model (Paid, Earned, Shared, Owned): Dominate Share of Voice
- Events
- Sponsorships/Strategic Partnerships
- Thought Leadership/Influence Building
- Publications/Communications

Process Planning Tools
- SJ Annual Marketing Plan
- Annual Paid Media Plan
- Monthly Social Media Calendars
- Quarterly Metrics Dashboard (Google Analytics, Social Platforms Insights, Sales Tracking)
- Project-Based Marketing Communications Plans
The Goal: Establish Industry Leadership through Brand Authority; Dominate Share of Voice
# Long-Term Care

## MARKETING-SALES FUNNEL

<table>
<thead>
<tr>
<th>Awareness / Lead Generation</th>
<th>Objectives</th>
<th>Tactics</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Grow &quot;internal&quot; awareness</td>
<td>• Communications</td>
<td></td>
</tr>
<tr>
<td>• Increase internal referrals (lower care levels)</td>
<td>• Publications</td>
<td></td>
</tr>
<tr>
<td>• Increase LTC leads</td>
<td>• Paid Media</td>
<td></td>
</tr>
<tr>
<td>• Increase digital click-through rates</td>
<td>• PR</td>
<td></td>
</tr>
<tr>
<td>• Increase vanity URL response</td>
<td>• Digital</td>
<td></td>
</tr>
<tr>
<td>• Grow e-mail list</td>
<td>• Digital Marketing</td>
<td></td>
</tr>
<tr>
<td>• Increase PR wins</td>
<td>• Direct Marketing</td>
<td></td>
</tr>
<tr>
<td>• Grow # of tours</td>
<td>• Advertising</td>
<td></td>
</tr>
<tr>
<td>• Increase tour to purchase conversion rate</td>
<td>• E-mail Marketing</td>
<td></td>
</tr>
<tr>
<td>• Increase # private payers</td>
<td>• PR</td>
<td></td>
</tr>
</tbody>
</table>

## Tell My Friends/Family (Brand Loyalty)

Red = Marketing
Blue = Sales/Admissions
Senior Housing

**MARKETING-SALES FUNNEL**

- **Awareness / Lead Generation**
  - Grow “internal” awareness
  - Increase “brand” experiences
  - Increase Senior Housing leads
  - Increase digital click-through rates
  - Increase vanity URL response
  - Grow e-mail list
  - Increase PR wins
  - Grow # of tours
  - Increase tour to purchase conversion rate
  - Reduce touches to conversion rate

- **Interest (Search)**
  - Events Promotion
  - Publications
  - Paid Media
  - PR
  - Digital
  - Sponsorships

- **Demo (Trial)**
  - Digital Marketing
  - Direct Marketing
  - Advertising
  - E-mail Marketing
  - PR
  - Events Experiences

- **Opps/Compare**
  - Collateral/Premiums
  - Video
  - Pricing/Incentives
  - Sales Training
  - Testimonials
  - Sampling

- **Won (Purchase)**

**Objectives**

**Tactics**

Tell My Friends/Family (Brand Loyalty → Repeat Consumption Across Spectrum)
Long-Term Care 2015-16 Focus: Small Homes

Objectives

• Service Referrals (private pay focus)
• External Education/Awareness (Seniors, Adult Children, Referral Sources, Influencers, Community Partners)
• Internal Education/Awareness (Staff, Family Members, Current Consumers, Volunteers, Board)

Strategies

• PESO Model (Paid, Earned, Shared, Owned)
• Sales
• Events
• Sponsorships/Strategic Partnerships
• Thought Leadership/Influence-Building
• Publications/Communications

Tactics

• “Road Show” Presentations (Urgent Care Operations, Geriatric Practices, General Medicine Practices)
• Marketing Communications: Sales Collateral; Newsletter stories; SJ Holiday Card (Small Homes theme)
• Paid Advertising Inserts in RBJ and D&C
• Direct Marketing
• Digital Marketing: Website landing page w/vanity URL; Google AdWords; Facebook promoted posts, Blog posts
• Open House Event(s)
• Video
• E-marketing
Senior Housing 2015-16 *Focus*: Events

*Objectives*

- Services Referrals
- Brand Experiences (New and Existing Prospects)
- “SJ as Senior Services Preferred Provider” Education/Awareness
- Community Relations

*Strategies*

- PESO Model (Paid, Earned, Shared, Owned)
- Events
- Sales
- Sponsorships/Strategic Partnerships
- Thought Leadership/Influence Building

*Tactics*

- Direct Marketing
- Digital Marketing: Website landing page w/vanity URL; Google AdWords; Facebook promoted posts, Blog posts
- E-marketing
- Cross-Promotion with Community Partners
- Newsletters
- Internal Communications
Long-Range Planning Considerations

Opportunities
• Data Management/Tracking throughout the Marketing-Sales Funnel
• Reporting Quality Outcomes for Market Differentiation
• Furthering Competitive Product Excellence for Marketing Leadership
• Increasing Thought Leadership Positioning of Executive Team

Tools/Solutions
• Efficient CRM Tools (Digital Platform-Based Automated Lead Generation Process)
• Data-Informed Sales Process (Cost per Lead, Touches per Conversion)
• Strategic Focus on Quality Outcomes (Measurement/Tracking)
• Stakeholder Education re: SJ Brand Positioning Statement
Strategic Planning

Bob Boehner
Chair
Strategic Planning

150 Highland Redevelopment
- Small Homes
- Community Center
Strategies

• Leverage the experience and outcomes of the Penfield Green House homes to create small homes at St. John’s Home
• Attract and retain high performing staff, manage workforce performance, and grow leaders throughout our organization
• Renovate and rejuvenate our facilities to support our mission and win market share
• Add memory care assisted living to our spectrum of care
• Reduce the organization’s dependence on government funding
• Invest in information technology and accounting systems in anticipation of integrated care coordination, bundled payments and cost sharing
• Lead the SHAGR initiative to shape the local healthcare market, maintain our competitive position and evaluate business partnerships
• Elevate the level of care for skilled services in the Hawthorne neighborhood
Next Steps

• First small home grand opening: November 2015

• 150 Highland Redevelopment Business Plan--develop multi-year schedule and cost profile for:
  • Construction of small homes
  • Renovation/repurposing common areas

• Brickstone Board to approve Excess Cash Philosophy

• Develop financial feasibility plan for Henrietta using comparable construction costs from PrideMark & operating costs from Hawthorne & Penfield; complete SNALR market assessment study

• Develop Brickstone retail business plan, cost estimates and schedule
**STRATEGIC PLAN**  
*November 2015 update*

### 2015
- Begin universal worker transition at 150 Highland
- Construct 2 small homes in Reservoir building; 2 in South building
- Complete and evaluate business plan for memory care assisted living on Henrietta property
- Evaluate Rehab programmatic solutions
- Information technology assessment
- Medicaid Redesign Behavioral Pilot
- Brickstone retail options

### 2016
- Continue universal worker transition
- Realign rehab program in a new location (in a small home model)
- Complete business plan for 150 Highland, including Community Center
- Continue small home construction at 150 Highland
- Upgrade technology infrastructure
- Continue memory care AL business plan; evaluate lease option with PrideMark

### 2017
- Special needs (memory care) assisted living
- Outpatient therapy at Meadows
- Align physician services

### Future
- Geriatric Urgent Care
- Geriatric Emergency Department
- Community based wellness program
- Consulting services

- Provide peace of mind services and integrated care for elders
- Provide high quality, value priced senior housing
- Provide consistent, high quality skilled services care in a small home, at a low cost
PHASE 1c

[Diagram showing various areas and renovation types with different colors.]

- MAJOR RENOVATION ($125/SF)
- MODERATE RENOVATION ($100/SF)
- MINOR RENOVATION ($75/SF)
- NO WORK

MULTI-PURPOSE
- LIBRARY/TECH CENTER
- LOUNGE/MUSIC ROOM
- LOUNGE/RECREATION

LIVING ROOM

RESTAURANT / FOOD SERVICE

WELCOME CENTER/ADMISSIONS

GIFT SHOP
Elder Life Committee Report

Paul Bartlett, VP Operations Senior Housing
Rebecca Priest, Administrator Skilled Services
Occupancy by Neighborhood

MTD November 2015
National Average 89.9 NIC*

- Hawthorne – 92.1 (2 pending)
- Briarwood – 96.2
- Chestnut Court – 97.8
- Cottages – 95.5 (2 pending)
- Bungalows – 100
- Apartments – 97.5 (1 pending)
- Townhouses – 88.8

*National Investment Center for Senior Housing and Care
Meadows Service Options

Bundled/Unbundled update

• *2015 YTD Food revenue $379,980 vs budget $158,733
• *2015 YTD Housekeeping revenue $48,436 vs budget $25,047
• *Occupancy YTD FY ’14 85% vs. FY‘15 96.2%
• *Current Briarwood bundled occupants 35 up from 21 in Q1
• Annual bundled selection notice offered to all BW/CC residents 11/15

*Numbers based on September’15 financials
Meadows Renovations

• Meadows community 5 year renovation plan. Cost estimate for preliminary scope of services and scope of work with SWBR submitted to St. John’s

• Continue to renovate Meadows apartments through attrition
Hawthorne Enhanced License
Next Steps

• Scope of work and design detail under review by SWBR, contractor, Town of Brighton Fire Marshal and M/E engineering.

• Anticipate physical modification work to begin Q1 ’16 with a 4-6 month completion.
Morgan Development meeting with Brickstone residents November 13th to review Mixed Use Development and demolition of the Terrance building site

Vanilla shell/build out of retail spaces and Boat House status – Architect and Pridemark performed preliminary walk through 11/9/15 to create cost estimates and conceptual drawings.
• Deferred pending prioritization of Strategic Planning Initiatives
Risks and Opportunities

Risks

• Aging Meadows community in need of phased renovation
• Morgan Development – construction site influence on existing and prospective residents

Opportunities

• Retail spaces at Brickstone
• Leveraging Morgan development for synergistic amenity use by Meadows-Brickstone residents
• Grow revenue/relationship by offering supportive services to Morgan property and its residents
• Deepen relationships with Aging supportive services i.e. GRAPE, Lifespan, Alzheimer Association
Skilled Services Report

Rebecca Priest
Skilled Services and elder life: Home Survey

<table>
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<tr>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>10</td>
<td>7</td>
<td>7</td>
<td>8 (2)</td>
<td>11 (3)</td>
<td>(2)</td>
<td>(11)</td>
</tr>
<tr>
<td>Total NON Care Area Citations 2013</td>
<td>Total NON Care Area Citations 2014</td>
<td>Total NON Care Area Citations 2015(2014)</td>
<td>Total NON Care Area Citations 2015(2014)</td>
<td>Total NON Care Area Citations 2015(2014)</td>
<td>Total NON Care Area Citations (2014)</td>
<td>Total NON Care Area Citations (2014)</td>
</tr>
<tr>
<td>8</td>
<td>12</td>
<td>11</td>
<td>5 (2)</td>
<td>6 (4)</td>
<td>(12)</td>
<td>(6)</td>
</tr>
</tbody>
</table>

- 0 care planning related citations
- 0 dining related citations
Skilled Services and elder life: Penfield/ daybreak Survey

- **1 Minor care planning related citation**: Vision incorrectly care planned for a man who doesn’t wear glasses but has them

- **3 non-care area citations:**
  - kitchen process cited - not dining experience or service
  - Fire hazard: Birds nest on sprinklers outside
  - MDS coded incorrectly (no impact on care or billing)

Daybreak had a Perfect bi-annual recertification survey!
## Skilled Services Metrics

<table>
<thead>
<tr>
<th>Metric</th>
<th>Impact to organization</th>
<th>Current Status</th>
<th>Pathway to improve</th>
<th>Goal Status 1/15</th>
<th>Goal Status 4/15</th>
<th>Goal Status 6/15</th>
<th>Goal Status 9/15</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Quality pool: Be in 3rd Quintile or Above</td>
<td>No money lost in Quality Pool pay</td>
<td>3rd\textsuperscript{th} Quintile</td>
<td>Survey QM’s Staffing</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>we have successfully impacted QM’s and staffing, survey and continued efforts with QM’s (anti-psychotic use, pain, weight loss, and skin) will be needed to maintain</td>
</tr>
</tbody>
</table>
# Impacting Clinical Quality / 5 Star rating

<table>
<thead>
<tr>
<th>Metric</th>
<th>Impact to organization</th>
<th>Current Status</th>
<th>Pathway to improve</th>
<th>Goal Status 1/15</th>
<th>Goal Status 4/15</th>
<th>Goal Status 6/15</th>
<th>Goal Status 9/15</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Survey: Reduce Citations around care planning by 10%</td>
<td>Quality Pool success CMS rating success</td>
<td>2 star for survey performance</td>
<td>QA software and targeted impacts by neighborhoods Ongoing / Monthly quality Monitoring Care planning efforts</td>
<td></td>
<td></td>
<td></td>
<td>Should move to 3 star when updated...</td>
<td></td>
</tr>
</tbody>
</table>
## Impacting Satisfaction - MIV

<table>
<thead>
<tr>
<th>Metric</th>
<th>Impact to organization</th>
<th>Current Status</th>
<th>Pathway to improve</th>
<th>Goal Status 1/15</th>
<th>Goal Status 4/15</th>
<th>Goal Status 6/15</th>
<th>Goal Status 9/15</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Satisfaction- MIV</td>
<td>Be Best in Class on SHAGRA rankings for Overall recommendation to others and overall satisfaction</td>
<td>Poor</td>
<td>Staffing efforts communication Implement focus group recommendations Medical/nursing survey connection Survey process management</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>On track for a valid survey, morale and staffing continue to make anecdotal improvements in focus groups and pulse taking.</td>
</tr>
</tbody>
</table>

- On the right path.. Steady the course
- Valid process in place
- Staffing improving as are anecdotal connections
Risks and Opportunities

**Risks**
- Payer mix
- Labor
- Execution of small homes
- Community ACO presence and rapidly changing healthcare contracts (MVP/ OPTUM)
- MDS survey (150 and Penfield)

**Opportunities**
- 1-S and premium admissions into small homes
- Leadership development and disciplined execution of HR supported processes
- Medicare optimization (rehab)
- Improving staffing numbers (actual worked) and shifting satisfaction
Human Capital Committee Report

Portia James
VP Work Life
Benefits Overview - 2016

- St. John’s contributed $200k to 16% increase in employee medical/health care costs
- Introduced New High Option Plan (Hybrid: Copay and Deductible)
- Continued to offer Simply Blue HDHP - Health Reimbursement Account contribution of $400
- Dental plan moved to Excellus (lower costs and better plan)
- Flexible Spending Account: St. John’s will contribute $100 with an employee minimum contribution of $300
- Introducing 401K match program: 50% of first 4% up to 2% max
Compensation Analysis

- **Guiding Principles**: Employer of Choice - Competitive along with fair and equitable practices

- **Scope of work**:
  - Validation of current pay structure and pay practices
  - Union Avoidance

- **Outcome**:
  - Pay structures for clinical and non-clinical are competitive within current market
  - 47 employees were “highlighted” as potential pay concerns, after further analysis, 26 employees will receive pay adjustments - $47k
21 week headcount trend: June - Present
Risks and Opportunities

Risks
- Employee Engagement
- Employee Turnover
- Managing Overtime

Opportunities
- Metrics and Reporting
- Development tools and resources for leaders
- Partnership with Operations to continue driving process efficiencies and effectiveness
St. John’s Foundation

Nancy Adams
Chair
Vision for St. John’s Foundation

• St. John’s will lead and inspire a shift in society’s views of elderhood by embracing and celebrating life’s experiences.

Mission for St. John’s Foundation

• St. John’s Foundation develops financial resources to support the St. John’s Community’s vision and its mission to nurture life with vibrant, caring and life-affirming relationships.
The Purpose for St. John’s Foundation

• Promoting philanthropy, volunteerism, public awareness and goodwill.
• Raising and responsibly managing funds
• Prudent distribution of funds

Three Critical Success Factors for next 12-24 Months

• Growing revenue
• Develop process & procedures to meet capital needs
• Engaging stakeholders
Small Homes Capital Funding

The 2016 Foundation budget

• Foundation is seriously considering the capital needs for small homes and is awaiting receipt of the supportive business case.

• The funding for the capital needs will come from a combination of income from investment funds, a generous bequest, and dedicated fundraising efforts from among many stakeholders.
Auxiliary Report

Judy Ludwig
President
Executive Session