



MISSION STATEMENT

ChooseHome follows Riverside's mission to care for others as we would care for those we love - by coordinating a plan of individualized support and services for older adults to age successfully in a place of their choosing.

Note: SCC Stamp included in next page

FILED
Commonwealth of Virginia
State Corporation Commission
Bureau of Insurance
April 30, 2024
Commissioner of Insurance
BY: Sarowar Jahan



2024 Disclosure Statement

Riverside Retirement Services, Inc. D.B.A. ChooseHome. Community-based continuing care provider registration statement and disclosure statement.

The filing of this disclosure statement with the State Corporation Commission does not constitute approval, recommendation, or endorsement of the community-based continuing care program by the State Corporation Commission.

I. The Organization Introduction and Information

A. The Organization and Its Operation

Riverside Retirement Services, Inc. (RRS), located at 1020 Old Denbigh Boulevard, Newport News, Virginia 23602, was incorporated on December 30, 1985, as a not-for-profit, nonstock 501(c)(3) corporation in Virginia. RRS was organized to plan, develop, and provide the following services:

- Wellness,
- Retirement,
- Lifelong health and aging-related supports (post-acute care), and,
- Community-based and planned residential housing for older adults, including Continuing Care Retirement Communities.

In late 2012, RRS started planning and developing the ChooseHome program to address individuals' growing desire to safely remain in their homes as they age. ChooseHome was licensed as a Community-Based Continuing Care At Home provider by the Commonwealth of Virginia in 2013.

ChooseHome provides care management and nonmedical, long-term care services to qualified program members with the goal of helping them live independently in their homes as long as they remain safe, and their needs can be met in the home. ChooseHome "services" are provided to program members as needed, and on a case-by-case basis.



I. The Organization Introduction and Information

B. Not-for-Profit Status

RRS is classified by the Internal Revenue Service as a 501(c)(3) corporation. RRS's not-for-profit classification exempts the organization from corporate income taxes and allows ChooseHome to receive charitable contributions that may be tax deductible by the donor. Under IRS regulations, no earnings of the corporation may be used for the benefit of nor distribution to corporate directors, officers, or other individuals. All excess funds remain with ChooseHome for use in its programs and services and for ongoing financial stability.

C. Affiliations

Riverside Healthcare Association, Inc. (RHA) is an organization of owned or contractually managed health care providers, including acute care, physician services, home health care, long-term care, retirement communities, and associated support services.

RHA operates under the trade name of Riverside Health System (RHS), which comprises four major divisions:


- Acute Hospital Division,
- Other Acute Healthcare Division,
- Lifelong Health and Aging-Related Services Division (post-acute care), and,
- Healthcare Support Division.

Riverside Retirement Services (RRS) is a subsidiary of RHS. RRS was incorporated on December 30, 1985, as a not-for-profit, nonstock 501(c)(3) corporation in Virginia. RRS was organized to plan, develop, and provide services for Wellness, Retirement, Lifelong health and aging-related supports (post-acute care), and Community-based and planned residential housing for older adults, including Continuing Care Retirement Communities.

The specific affiliation between RHS and RRS is limited to the following:

- RHS provides planning, consulting, and operational services to RRS at cost.

Costs are for various directly contracted services, supplies, and contract management services incurred in conducting business for RRS. Specifically, these costs cover a wide range of services and goods such as food, insurance, accounting, and various labor costs. There are inherent economies of scale available to RRS by acquiring these services via RHS.

- RRS utilizes and refers patients and program members to RHS resources, including comprehensive health care services such as acute, long-term, mental health, ambulatory, rehabilitative, preventative, end-of-life, and home care. Inherent economies of scale are realized by doing so.
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I. The Organization Introduction and Information

- The business affairs of RRS are managed by a voluntary Board of Directors appointed by RHS.

Other than the affiliation arrangement, neither RHS nor the officers or board members of the corporation has a 10 percent or greater direct or indirect interest in any professional firm, service, association, foundation, trust, partnership, corporation, or any other business or legal entity which is presently intended to, will, or may provide goods, leases, or services to RRS of a value of \$500 or more within any year.

RRS and ChooseHome

RRS developed ChooseHome to meet the growing demand for Community-based Continuing Care Programs to help older adults safely Age in Place. ChooseHome is a membership-based program under RRS.

ChooseHome was designed for healthy, active adults aged 55 and better who want to grow older in the way, and the place, they choose. Specifically, ChooseHome coordinates and helps cover the costs of long-term care services that program members need as they age.

In 2013, ChooseHome was licensed as a Community-Based Continuing Care Program by the Commonwealth of Virginia in accordance with Commonwealth law. The license is issued by the Virginia Bureau of Insurance.

ChooseHome is directly under Warwick Forest Retirement Community, a Continuing Care Retirement Community owned and operated by RRS since its opening on February 1, 1988.

RRS is responsible for the financial and contractual obligations of ChooseHome. As such, program members contract directly with RRS. RHS does not have direct or indirect responsibility for the financial or contractual obligations of ChooseHome.

D. Licensure

ChooseHome is licensed to provide Community-based Continuing Care services in Virginia in accordance with Commonwealth law. The license is issued by the Virginia Bureau of Insurance.

E. Credit Rating

In October 2023, S&P Global Ratings assigned Riverside Health System its 'A-' long-term rating with a stable outlook.



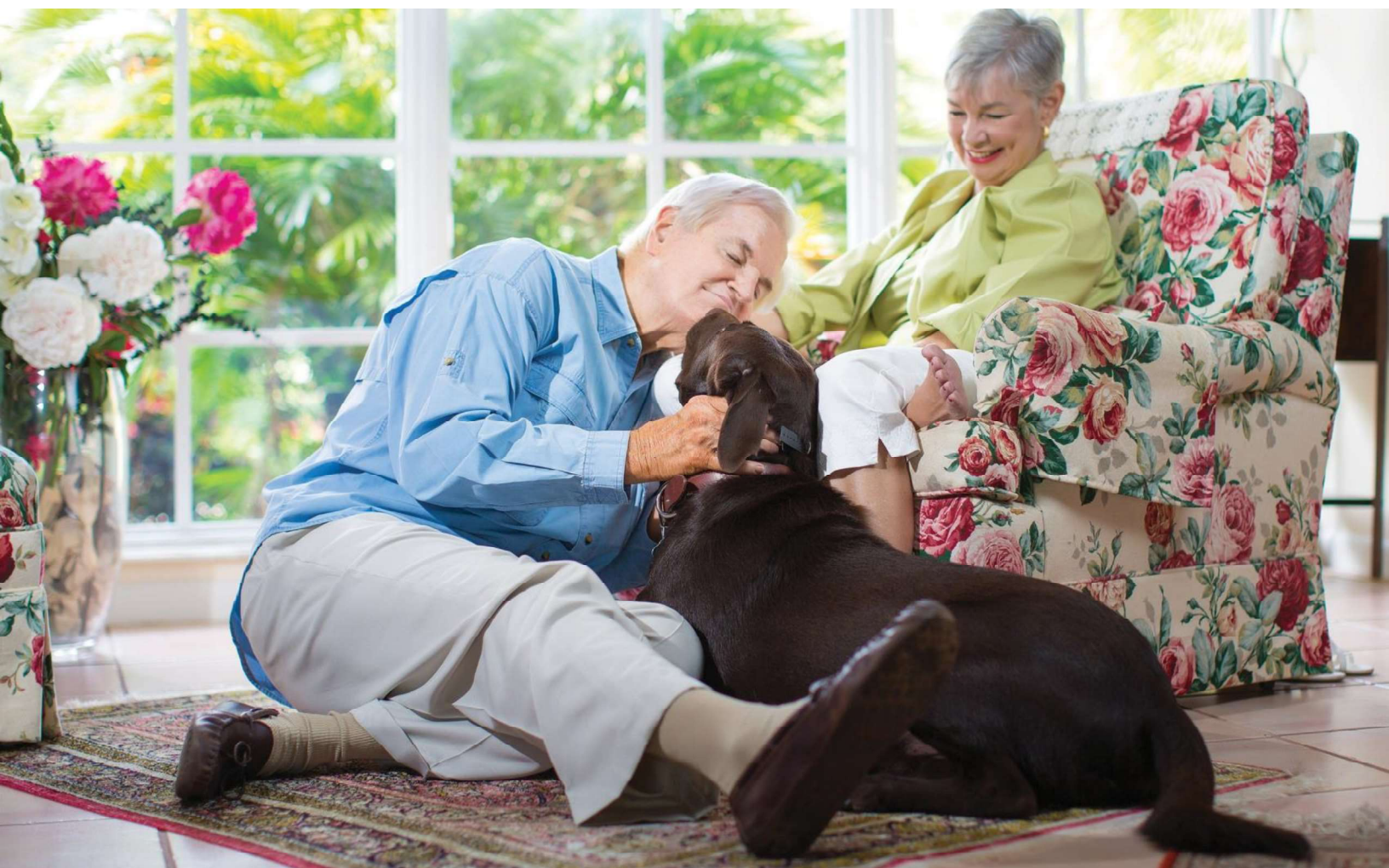
II. Facility Introduction and Information

A. Location

The ChooseHome office is located at 4804 Courthouse Street, Suite 4A, Williamsburg, Virginia 23188. Facilities are leased from RHS.

B. Board of Directors

The business affairs of RRS are managed by a voluntary Board of Directors appointed by RHS. The current members of the Board of Directors, any office they hold within the corporation, and their principle business affiliation are as follows:



II. Facility Introduction and Information

ChooseHome - Riverside Lifelong Health - 2024 Board of Directors

Jared (Jerry) L. Bates

LTG - Army (Retired)
3017 Margaret Jones Lane
Williamsburg, VA 23185

Rick N. Elofson

Certified Public Accountant
(Retired) 21 Paula Maria Drive
Newport News, VA 23606

Barbara S. Haywood - Vice Chair

Registered Nurse, Certified (RN-C)
Office of Charlie Faulk, M.D.
704 Gum Rock
Court Suite 300
Newport News, VA 23606

Joyce Jarrett (Alewynse)

Prof/Admin, Hampton University
(Retired)
129 Chandler Court
Williamsburg, VA 23185

Keith Roots

SR AVP
University Advancement, CNU
2709 N Elizabeth Harbor Drive
Chesapeake, VA 23321

Conway W. Smith - Chair

Attorney (Retired)
810 Riverside Drive
Newport News, VA 23606

Dawn Smith

Dir. Of Culture & Ethics
HII
13 Stratford Road
Newport News, VA 23601

Kirby H. Smith

Marine Surveyor
Tidewater Marine
Surveys
7194 Duval Ave.
Gloucester, VA 23061

Brooke Tiller

Senior Vice President
Wells Fargo Private Bank
600 Thimble Shoals Blvd., Suite 375
Newport News, VA 23606

Joseph Verser

Attorney
Health, Old & Verser, PLC
11832 Rock Landing Dr. #201
Newport News, VA 23606



II. Facility Introduction and Information

NON-VOTING MEMBERS 2024

Edward Heckler

SVP/President
Riverside Lifelong
Health
1020 Old Denbigh Blvd., Suite
1020A
Newport News, VA 23602

**Frankye Myers, MSN, RN, NE-BC
SVP/Chief Nursing Officer**

Riverside Health System
701 Town Center Drive, Suite
1000 Newport News, VA 23606

Jason Villaflor

AVP
Riverside Lifelong Health
1020 Old Denbigh Blvd,
Suite1020A
Newport News, VA 23602

Greg Shivers, MD

Service Line Chief
Riverside Lifelong Health
1020 Old Denbigh Blvd, Suite
1020A
Newport News, VA 23602

Diana Jarrett

Chief Nursing Officer
Riverside Lifelong Health
1020 Old Denbigh Blvd., Suite 1020A
Newport News, VA 23602

Lisa Kirby

Executive Director
Lifelong Health Nursing Facilities
Riverside Lifelong Health
1020 Old Denbigh Blvd., Suite 1020A
Newport News, VA 23602



II. Facility Introduction and Information

Riverside Health System BOARD OF DIRECTORS – 2024

The Honorable Gabriel A. Morgan, Sr. - Chair

Newport News Sheriff
224 26th Street
Newport News, VA 23607

Thomas Byrd - Vice Chair

Anthem (Retired)
2711 Buford Road, #379 North
Chesterfield, VA 23235

Julie Badger

CPA/EX Director
Eastern Shore of Virginia
Community foundation
15132 Blenheim Way
Melfa, VA 23410

Dwayne B. Blake

Retired VP, Investor Relations
Huntington Ingalls Industries, Inc.
8 Harmony Court
Hampton, VA 23666

William L. Brauer

Executive Vice President
Christopher Newport University
1 University Place
Newport News, VA 23606

Jennifer Smith-Brown

Managing Partner
J. Smith Enterprises

Valerie C. Butler

The Christopher Jordan Group
Real Estate Professionals
209 Spring Drive
Smithfield, VA 23430

Heather Engel

Managing Partner
Strategic Cyber Partners
239 Southlake Place
Newport News, VA 23602

George "Royden" Goodson, III

CEO, Warwick Mechanical Group
11048 Warwick Blvd.
Newport News, VA 23607

David F. Jones, MD

Retired Physician
P. O. Box 77
Nassawadox, VA 23413

Harold D. Jones III, MD

Retired Physician
7862 Spring Hill Road
Gloucester, VA 23061

Jason Lineen

Chief Strategy Officer
UVA Health

Brig Gen Daniel J. Sherlock

USAF (Retired)
2693 Jockey's Neck Trail
Williamsburg, VA 23185

Conway W. Smith, III

Attorney (Retired)
810 Riverside Drive
Newport News, VA 23606

Alexis N. Swann

President, Towne Bank Peninsula
1 Old Oyster Point Rd., Suite 300
Newport News, VA 23602



II. Facility Introduction and Information

Jorge Yinat, Ph.D.

Founder, J/W/Y Business Enterprise Trust
3835 Philip Ludwell
Williamsburg, VA 23188

**Michael J. Dacey
President & CEO**

Riverside Health
Center
701 Towne Center
Drive, Suite 100
Newport News, VA
23606

Dana Tomlin

Chief of Staff
Colonial Williamsburg Foundation

William B Downey

Executive Vice Chair
Special Advisor, Riverside Health

Riverside Health System NONVOTING MEMBERS - 2024

W. William Austin, Jr.

Executive Vice President,
Chief Financial Officer
Riverside Health
701 Town Center Drive, Suite 1000
Newport News, VA 23606

Frankye Myers, MSN, RN, NE-BC

SVP/CNO
Riverside Health
701 Towne Center Drive, Suite 100
Newport News, VA 23606

Michael J. Dacey, MD

President,
Chief Operations Officer
Riverside Health System
701 Town Center Dr., Suite 1000
Newport News, VA 23606

Jason O. Houser, Esq.

General Counsel
Riverside Health System
701 Town Center Drive, Suite 1000
Newport News, VA 23606



II. Facility Introduction and Information



Teresa (Terry) Sweaney, BA, CSA, CGCM, CMC

Executive Director ChooseHome

Terry joined Riverside more than seven years ago after serving as the Executive Director of a non-profit whose mission was to provide adult day programs for the community. She previously served ChooseHome members as a care coordinator and member sales advisor. Terry also served older adults in the community as a principal in a physical therapy practice, geriatric care manager, and educator and brings over 32 years of knowledge and experience to ChooseHome. Earning her

Bachelor of Business Administration from Strayer University, Washington, D.C., and received a graduate certificate in Geriatric Care Management from the University of Florida.

As a dementia consultant serving families and persons living with dementia, Terry helped launch the Benjamin Rose Institute in Aging Dementia Care Consultation with Riverside Dementia Wellness Initiatives through The Center for Excellence in Aging now known as the Martha W. Goodson Center.

She is a Certified Senior Advisor from the Society of Certified Senior Advisors, Certified Geriatric Care Manager from the International Commission of Health Care Certifications, and Care Manager Certified from the National Academy of Certified Care Managers. Terry serves the community as Chair of the Advisory Council for the Peninsula Agency on Aging. She is the board of directors for the Hospice House of Williamsburg and An Occasion for the Arts. Terry lives in Williamsburg with her spouse; she enjoys golf, gardening, and spending time with her four grandchildren.



Ed Heckler, PT, MSHA

SVP/President & President Lifelong Health
Riverside Health

Ed joined the Riverside team in 1997. Throughout his many positions, he has remained dedicated to high quality, patient-centered care, interdisciplinary collaboration, and the operational success of the organization. His over 26 years of experience across the health care spectrum, from physical therapist to manager to multi-department director, gives him a unique and valuable perspective.

Ed currently serves as Senior Vice President for Riverside Health system, leading the Lifelong Health Division, and Support Services throughout the health system. The Lifelong Health Division includes all Riverside Senior Living Communities, Riverside at Home Agencies, Riverside Wellness & Fitness Centers, Riverside Therapy Group and Outpatient Therapy Centers. Ed is passionate in his role working with Riverside team in providing services that offer choice, independence, and autonomy for older adults in a place they call home.

Prior to his current role as Senior Vice President, Ed served as Administrator of Riverside Administrator of Riverside Rehabilitation Institute, a 50-bed acute rehabilitation hospital, creating significant financial and patient satisfaction improvements. He holds a Bachelor of Science in Physical Therapy from the University of Buffalo and a Master of Science in Health Care Administration from Virginia Commonwealth University.



II. Facility Introduction and Information



Michael J. Dacey, M.D.
President and Chief Executive Officer
Riverside Health System

Dr. Mike Dacey joined Riverside Health System in January 2018 as Executive Vice President and Chief Clinical Operations Officer, he became President and Chief Operating Officer in 2019. He assumed the role of Chief Executive Officer on January 1, 2023. He previously served as president and chief operating officer for Kent Hospital and served the Care New England Health System (CNE) from 2000 through 2017.

During the three years prior to joining Riverside, Dr. Dacey oversaw Kent Hospital, a community teaching hospital with 2,200 employees and a medical staff of over 700 physicians. He was also appointed president of Memorial Hospital of Rhode Island, a Brown University School of Medicine teaching hospital during 2015.

In an earlier role, Dr. Dacey served as chief clinical integration officer for Care New England and oversaw the Care New England Physician Organization. He was also involved in a number of other areas with Care New England including work with their medical group, value-based care and quality and safety.

Dr. Dacey earned his medical degree at George Washington University School of Medicine and Health Sciences, finished his internal medicine residency at Walter Reed Army Medical Center, completed a multidisciplinary critical care medicine fellowship at the University of Pittsburgh Medical Center and earned a Master of Science in health care management from Harvard School of Public Health.

Dr. Dacey is highly respected for his clinical work as a hospitalist and intensivist as well as for bringing expertise and a patient-focused approach to his leadership roles.



II. Facility Introduction and Information

C. Full Disclosure Practice

ChooseHome discloses all policies related to the program in the member's contract, the member handbook, and via regular correspondence. In addition, copies of the annual disclosure statements are archived in the ChooseHome office for members' review.

No member of the Board of Directors, staff member, or consultant has a financial interest in RRS. RRS does not hire nor pay board members on a contractual or other basis. RRS has not received, nor does it intend to receive, goods, leases, or services of an aggregate value of \$500 or more from any professional service firm, association, trust, partnership, or corporation in which a member of the board has a 10 percent or greater interest. There exists a board policy that governs the evaluation and disclosure of potential conflicts of interest.

Members are free to have business relationships with board members or with organizations they own, control, are employed by, or are otherwise affiliated. ChooseHome neither endorses nor encourages members to do business with board members or related organizations. ChooseHome is not involved in establishing continuing business relationships between ChooseHome members and board members.

Each board member is asked to annually disclose whether or not he/she has a business relationship with members.



Appendices

Appendix A.....Community-Based Continuing Care

Appendix BLong-term Agreement

Appendix C..... Standard Agreement

Appendix D Fee Schedules

Appendix E Certified Financial Statements





APPENDIX A

ChooseHome Community-Based Continuing Care

Riverside Retirement Services, Inc. D.B.A. ChooseHome. Community-based continuing care provider registration statement and disclosure statement.

Appendix A

Commonwealth of Virginia Corporation Commission Bureau of Insurance Community-Based Continuing Care Registration Statement

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- V. Affiliation with Religious, Charitable or Other Nonprofit Organization; Tax Status of Provider
- VI. Services Provided Under Community-Based Continuing Care Contracts
- VII. Fees Required of Participants
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- X. Pro Forma Income Statement
- XI. Enrollment of Participants
- XII. Access to Services by Nonparticipants
- XIII. Procedure for Participant to File a Complaint or Concern

I. Community-Based Continuing Care Provider

Give the name and business address of the provider and a statement of whether the provider is a partnership, foundation, association, corporation, or other type of business or legal entity. Such statement shall also set forth the jurisdiction in which the provider is organized, if applicable.

Provide full information regarding ownership of the CCRC facility and how long it has operated the facility.

Provide a complete listing of all CCRC facilities owned or operated, or both, by the provider and, for each, total liquid assets on the balance sheet and current occupancy percentages in independent living units.

If the provider is composed of multiple legal entities, give the required information for all such entities, and provide a specific description of their relationship to each other.

Response:

Riverside Healthcare Association, Inc. (RHA) is an organization of owned or contractually managed health care providers, including acute care, physician services, home health care, long-term care, retirement communities, and associated support services.

RHA operates under the trade name of Riverside Health System (RHS) located at Fountain Plaza One, 701 Town Center Drive, Suite 1000, Newport News, Virginia 23606. RHS comprises four major divisions:

- Acute Hospital Division,
- Other Acute Healthcare Division,
- Lifelong Health and Aging-Related Services Division (post-acute care), and,
- Healthcare Support Division.

Riverside Retirement Services, Inc. (RRS), located at 1020 Old Denbigh Boulevard, Newport News, Virginia 23602, is a subsidiary of RHS.

RRS was incorporated on December 30, 1985, as a not-for-profit, nonstock 501(c)(3) corporation in Virginia. RRS was organized to plan, develop, and provide a multitude of health care services, including retirement and aging-related services that encompass community-based services and planned residential housing for the elderly, utilizing some of the existing resources of RHS.

RRS developed ChooseHome to meet the growing demand for Community-based Continuing Care Programs to help older adults safely Age in Place.



In 2013, ChooseHome was licensed as a Community-Based Continuing Care Program by the Commonwealth of Virginia in accordance with Commonwealth law. The license is issued by the Virginia Bureau of Insurance.

ChooseHome is directly under Warwick Forest Retirement Community, a Continuing Care Retirement Community owned and operated by RRS since its opening on February 1, 1988. Warwick Forest is located at 1004 Old Denbigh Boulevard, Newport News, Virginia 23602. Warwick Forest has net assets of \$16,968,920 on its 2021 balance sheet. The current occupancy percentage of independent living units is 92 percent.

RRS is responsible for the financial and contractual obligations of ChooseHome. As such, program members contract directly with RRS. RHS does not have direct or indirect responsibility for the financial or contractual obligations of ChooseHome.



II. Officers, Directors, Trustees, Managing and General Partners and Certain Persons Who Hold Equity or Beneficial Interests

Give the names and business addresses of the officers, directors, trustees, managing or general partners, and any person having a 10 percent or greater equity or beneficial interest in the provider, and a description of such person's interest in or occupation with the provider. In the case of a nonstock corporation also provide the information for members of the nonstock corporation.

Response: The business affairs of RRS are managed by a voluntary board of directors appointed by RHS. The current members of the board of directors, any office they hold within the corporation, and their principal business affiliation are listed in the Introduction.

III. Beneficial Interests

"Beneficial interest" means any current interest in a provider that is directly related to the financial performance of that provider. Beneficial interest includes:

1. All forms of direct or indirect ownership of a provider, including ownership through another legal entity.

Response: None

2. Ownership or control of any voting class of securities issued by the provider; and

Response: None

3. Any contract, including a lease or management contract, with a provider where the amount of consideration under the contract is tied to the financial performance of the provider.

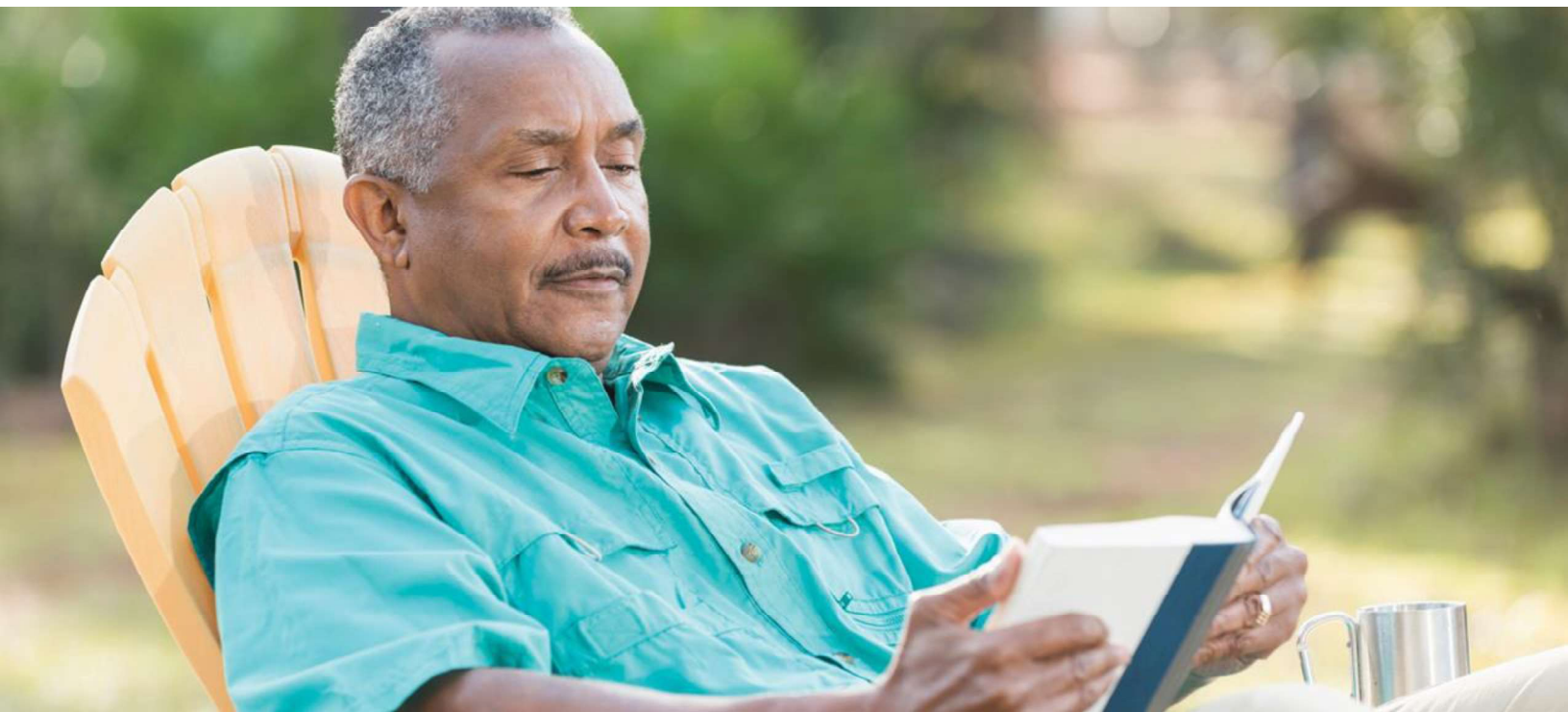
Response: None



IV. Business Experience of; Acquisition of Goods and Services from; and Criminal, Civil and Regulatory Proceedings Against the Provider, its Officers, Directors, Trustees, Managing and General Partners; Certain Persons Who Hold Equity or Interests; and the Management

For (i) the provider, (ii) any person named in the previous section or (iii) the proposed management, if the facility will be managed on a day-to-day basis by a person other than an individual directly employed by the provider:

- a.** Give a description of any specific business experience in the operation or management of community- based continuing care or long-term care programs.



Response:

Riverside Healthcare Association, Inc. (RHA) is an organization of owned or contractually managed health care providers, including acute care, physician services, home health care, long-term care, retirement communities, and associated support services. These facilities include, but are not limited to, more than 350 retirement housing units, 470 long-term care beds, and 814 acute care beds. RHA is organized as a private, not-for-profit corporation. The responsibility and authority for the management is vested in a voluntary board of directors.

RHA operates under the trade name of Riverside Health System (RHS), located at Fountain Plaza One, 701 Town Center Drive, Suite 1000, Newport News, Virginia 23606. The purpose of RHS is to provide a comprehensive range of health care, wellness, housing, and associated support services to all persons who can benefit from them, and to organize these services in an economical manner in accordance with standards of excellence.

RRS, as part of RHS, draws on the expertise of those experienced in the development and operation of retirement communities and other services for older adults. Key professionals within RRS and RHS have vast expertise in planning, development, and management of large-scale health care and retirement community projects. RRS draws on such experience within RHS for overall development and operational expertise. RHS willingly accepts responsibility to provide this comprehensive health care in the form of programs of acute, long-term, mental health, ambulatory, rehabilitative, preventative, end-of-life, and home care. These services and programs are conducted without regard to race, color, religion, sex, gender identity, or national origin.

At Home Partners, LLC (AHP) is a joint venture company of Riverside Retirement Services (RRS) and Williamsburg Landing. AHP was created to oversee and manage the ChooseHome program. Riverside holds 80 percent ownership and Williamsburg Landing holds 20 percent ownership of AHP. AHP is responsible for growing the membership base to achieve specific marketing goals, while also appropriately managing the expenses of the program. AHP also provides management-level staff to ChooseHome, including the Executive Director, and draws on the experience of RRS and Williamsburg Landing to provide program oversight.

b. Give the name and address of any professional service, firm, association, foundation, trust, partnership or corporation or any other business or legal entity in which such person has, or which has in such person, a 10 percent or greater direct or indirect interest and which it is presently intended will or may provide goods, leases or services to the provider of a value of \$500 or more, within any year, including:

1. A description of the goods, leases or services and the probable or anticipated cost thereof to the provider;
2. The process by which the contract was awarded;
3. Any additional offers that were received; and
4. Any additional information requested by the Commission detailing how and why a contract was awarded.

Response: RRS is a not-for-profit, nonstock corporation, and is a subsidiary of RHS, a not-for-profit, nonstock corporation.

RHS provides planning, consulting, and operational services to RRS at cost.



Because of the affiliation between RRS and RHS, there was no formal process used, or a formal contract signed, in the provision of planning, consulting, and operational services by RHS. No additional offers for such services were either solicited or received. Costs for such services by RHS are charged on an actual cost basis. Charges for 2022 were \$1,743,232. Charges include various directly contracted services, supplies, contract management services, and related costs incurred in conducting business for RRS. Because of the inherent economies of scale available at RHS, substantial savings inure the benefit to RRS over the cost of such services and products had they not been acquired through RHS. These costs also cover a wide range of services and goods such as food, insurance, accounting, and various labor costs.

Other than the affiliation arrangement, neither the provider nor the officers or board members of the corporation have a 10 percent or greater direct or indirect interest in any professional firm, service, association, foundation, trust, partnership, corporation, or any other business or legal entity which is presently intended to will, or may provide goods, leases, or services to RRS of a value of \$500 or more within any year.

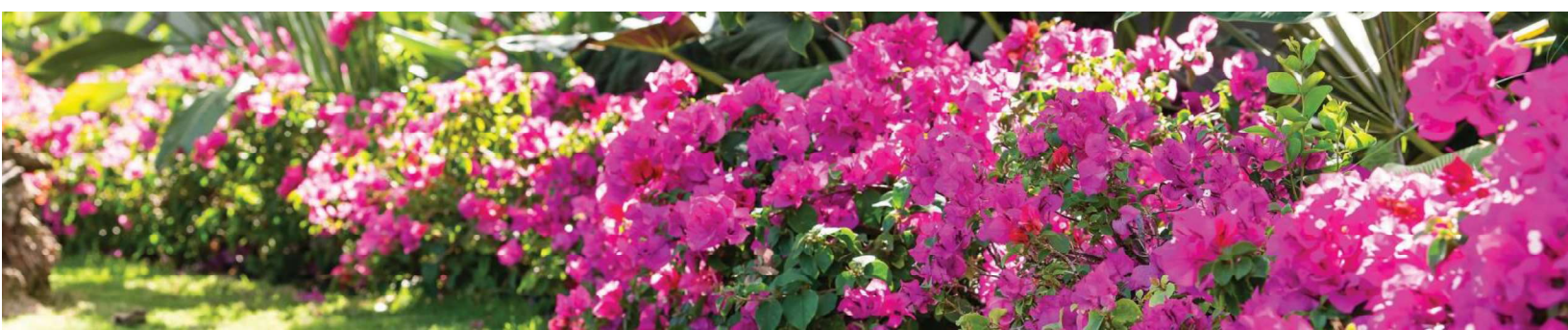
C. Give a description of any matter in which such person:

1. Has been convicted of a felony or pleaded nolo contendere to a criminal charge, or been held liable or enjoined in a civil action by final judgment, if the crime or civil action involved fraud, embezzlement, fraudulent conversion, or misappropriation of property or moral turpitude; or

2. Is subject to an injunctive or restrictive order of a court of record, or within the past five years had any state or federal license or permit suspended or revoked as a result of an action brought by a governmental agency or department, arising out of or relating to business activity or health care, including without limitation, action affecting a license to operate a home care company, foster care facility, nursing home, retirement home, home for the aged, or facility registered under this article or similar laws in another state; or

3. Is currently the subject of any state or federal prosecution, or administrative investigation involving allegations of fraud, embezzlement, fraudulent conversion, or misappropriation of property?

Response: It has been certified that none of the above items are or have been applicable to the provider or any person or member noted in the "Officers, Directors..." section of this document.



V. Affiliation with Religious, Charitable or Other Nonprofit Organizations; Tax Status of Provider

Give a statement as to:

a. Whether the provider is or ever has been affiliated with a religious, charitable, or other nonprofit organization, the nature of any such affiliation, and the extent to which the affiliate organization is or will be responsible for the financial and contractual obligations of the provider.

Response: RRS was incorporated on December 30, 1985, as a nonprofit, nonstock corporation and is a subsidiary of RHS. The specific affiliation between the two corporations is limited to the following:

- RHS provides planning, consulting, and operational services to RRS at cost.

Costs are for various directly contracted services, supplies, and contract management services incurred in conducting business for RRS. Specifically, these costs cover a wide range of services and goods such as food, insurance, accounting, and various labor costs. There are inherent economies of scale available to RRS by acquiring these services via RHS.

- RRS utilizes and refers patients and program members to RHS resources, including comprehensive health care services such as acute, long-term, mental health, ambulatory, rehabilitative, preventative, end-of-life, and home care. Inherent economies of scale are realized by doing so.
- The business affairs of RRS are managed by a voluntary Board of Directors appointed by RHS.

Other than the affiliation arrangement, neither RHS nor the officers or board members of the corporation has a 10 percent or greater direct or indirect interest in any professional firm, service, association, foundation, trust, partnership, corporation, or any other business or legal entity which is presently intended to will or may provide goods, leases, or services to RRS of a value of \$500 or more within any year.

- There exists no direct or indirect responsibility of RHS for the financial or contractual obligations of RRS.

b. Any provision of the federal Internal Revenue Code under which the provider is exempt from the payment of income tax.

Response: RRS has applied for and received exemption from federal income taxation under Section 501(c)(3) of the Internal Revenue Code.



VI. Services Provided Under Community-Based Continuing Care Contracts

Describe the services provided or proposed to be provided under community-based continuing care contracts, including the extent to which medical care is furnished or is available pursuant to any arrangement. The disclosure statement shall clearly state which services are included in basic community-based continuing care contracts and which services are made available by the provider at extra charge.

The disclosure statement shall also clearly state which services are offered by the provider and which services are offered through contractual arrangements. The name and address of the party providing such services shall be disclosed. A definition of the services shall also be provided.

Response: RRS offers the following community-based continuing care contracts (agreements):

a. Long-term Agreement: The Long-term Agreement for Services covers a full range of services for 1,825 cumulative days of benefit. The entrance fee and monthly fee provide a substantial subsidy for long-term care, acting as financial protection against possible future long-term care services.

b. Standard Agreement: The Standard Agreement covers a full range of services for 1,095 cumulative days of benefit. The entrance fee and monthly fee provide a substantial subsidy for long-term care, acting as financial protection against possible future long-term care services.

RRS offers four service plans under both the Long-term Agreement and Standard Agreement: Comprehensive, Premier, Choice, and Select. For more information on the service plans, please refer to the Long-term Agreement (Appendix B) and the Standard Agreement (Appendix C). The specific locations of information in the agreements are as follows:


a. Article II: ChooseHome Plans and Services

b. Addendum C: Description of Plans

Regardless of the service plan selected, both the Long-term Agreement and Standard Agreement shall offer the following services:

a. Personal Services Coordination: A personal services coordinator will be assigned to each member to provide regular assessment of his/her physical and cognitive abilities, recommend services to meet presented needs, and coordinate those services provided by the program.

b. Annual Wellness Assessment: An annual wellness assessment will be conducted by the personal services coordinator to determine changes in physical or cognitive abilities and to make appropriate adjustments to the level of care or number of services provided by the program.



c. Annual Home Safety Assessment: An annual home safety assessment will be conducted by the personal services coordinator to determine if modifications need to be made in order for the member to continue to safely reside in his/her home.

d. Emergency Medical Alert System: An emergency medical alert system may be recommended by the personal services coordinator and will include a communicator base and pendent which will provide the member with access to immediate assistance when activated. RRS uses a medical alert system provided by:

American Medical Alert a ConnectAmerica Company
30-30 47th Ave., Suite 620, Long Island, NY 11101

Medication Dispensing Unit: A medication dispensing unit may be recommended by the personal services coordinator. The units issue medication reminders and dispense individual doses of medication when activated. RRS will use a medication dispensing unit provided by:

American Medical Alert a ConnectAmerica Company
30-30 47th Ave., Suite 620, Long Island, NY 11101

Transportation to Essential Services: The program will coordinate and/or provide transportation to essential services when the personal services coordinator deems a member no longer safe to drive. Essential services are defined as: medical appointments, pharmacy visits, grocery shopping, and banking.

Companion/Homemaker Services: A companion/homemaker service may be recommended by the personal services coordinator to provide support with instrumental activities of daily living, including light housekeeping, cooking, medication reminders, and laundry.

Companions/homemakers are provided by the following organizations and agencies:

Riverside Home Care
856 J. Clyde Morris Blvd., Suite C
Newport News, VA 23601

Care Advantage
10041 Midlothian Turnpike
Richmond, VA 23235

Comfort Keepers
205 Bulifants Blvd., Suite B
Williamsburg, VA 23188

Home Care Associates
6812 W. Teagle Lane
Gloucester, VA 23061

Agape Home Care, LLC
299 McLaws Circle
Williamsburg, VA 23185

Visiting Angels
704 Thimble Shoals Blvd., #600-B
Newport News, VA 23606

Americare Plus
938 S. Church Street
Smithfield, VA 23430

Bay Aging
5306 Old Virginia Street
Urbanna, VA 23175

Bayada
263 McLaws Circle, Suite 103
Williamsburg, VA 23185

Senior Runs
111815 Fountain Way, Ste 300
Newport News, VA 23606

Home Health Aide: A home health aide may be recommended by the personal services coordinator to provide companion/homemaker services, as well as support of personal activities of daily living, including bathing, dressing, mobility support, and incontinence care. Home health aides are provided by:

Riverside Home Care
856 J. Clyde Morris Blvd., Suite C
Newport News, VA 23601

Bayada
263 McLaws Circle, Suite 103
Williamsburg, VA 23185

Comfort Keepers
205 Bulifants Blvd., Suite B
Williamsburg, VA 23188

Caregivers In-Home Care
243 McLaws Circle, #102
Williamsburg, VA 23185

Agape Home Care, LLC
299 McLaws Circle
Williamsburg, VA 23185

Home Care Associates
6812 W. Teagle Lane
Gloucester, VA 23061

Americare Plus
938 S. Church Street
Smithfield, VA 23430

Visiting Angels
704 Thimble Shoals Blvd., #600-B
Newport News, VA 23606

Bay Aging
5306 Old Virginia Street
Urbanna, VA 23175

i. Adult Day Services: Adult day services may be recommended by the personal services coordinator to provide a safe, supervised environment for adults to socialize, enjoy entertainment, and relax during the day. Adult day services are provided by:

Riverside Adult Day Services
1010 Old Denbigh Blvd
Newport News, VA 23602

Williamsburg Landing Memory
Support / Adult Day Services
5000 Woodhaven Way
Williamsburg, VA 23185

j. Assisted Living Facilities: If a member is not able to remain at home (over a short- or long-term period), the personal services coordinator may recommend placement in an assisted living facility. The personal services

coordinator will work with the facility to identify necessary services and coordinate the transition of the member from the home into the facility. Assisted living facility care is provided by the following:

The Berkeley at Patriots Colony
6000 Patriots Colony Drive
Williamsburg, VA 23188

Assisted Living at Sanders
7385 Walker Ave
Gloucester, VA 23061

Assisted Living at Warwick Forest
1004 Old Denbigh Blvd
Newport News, VA 23602

Williamsburg Landing
5700 Williamsburg Landing Drive
Williamsburg, VA 23185



k. Nursing Facilities: If a member is no longer able to remain safely at home, the personal services coordinator may recommend placement in a nursing facility. The personal services coordinator will work with the nursing facility to identify necessary services and coordinate the transition of the member from the home to the facility. Nursing care is provided by the following:

The Gardens at Warwick Forest
1004 Old Denbigh Blvd.
Newport News, VA 23602

Convalescent Center at Patriots Colony
6000 Patriots Colony Drive
Williamsburg, VA 23188

Sanders Health Care Center
7385 Walker Ave.
Gloucester, VA 23061

Health Rehabilitation Center Nursing Care
5700 Williamsburg Landing Drive
Williamsburg, VA 23185



VII. Fees Required of Participants

Give a description of all fees required of participants, including any entrance fee and periodic charges. The description shall include (i) a description of all proposed uses of any funds or property required to be transferred to the provider or any other person prior to the participant's enrollment in the program and of any entrance fee; (ii) a description of provisions for the escrowing and return of any such funds, assets, or entrance fee, the manner and any conditions of return, and to whom earnings on escrowed funds are payable as discussed in § 38.2-4922 of the Code of Virginia; and (iii) a description of the manner by which the provider may adjust periodic charges or other recurring fees and any limitations on such adjustments. If the program is already in operation, or if the provider operates one or more similar programs within the Commonwealth, there shall be included tables showing the frequency and average dollar amount of each increase in periodic rates at each program for the previous five years or such shorter period that the program has been operated by the provider.

Response:

The program requires the payment of a one-time entrance fee and monthly service fees for all participants. The entrance fee and monthly service fee provides a substantial subsidy for long-term care, acting as financial protection against possible future long-term care services. Please refer to the Long-term Agreement (Appendix II), and the Standard Agreement (Appendix III). Specific information regarding 'Fees' is located in Articles VI and VII of both agreements.

The 2023 fee schedule is shown in Appendix D.

Reservation Deposit. The program may require program applicants to make a deposit at the time a Reservation Agreement is executed. Applicable deposits include: \$1,000 Individual Deposit and \$1,500 Couple's Deposit.

Upon enrollment, the deposited amount will be credited toward the entrance fee amount due at signing. Should the prospective member elect not to pursue membership, or if he/she is deemed ineligible for membership, the deposit will be fully refunded to the applicant within 30 days of receipt of the written refund request by ChooseHome.



1. Fee Adjustments. The intent of RRS, a not-for-profit provider, is to adjust periodic charges (monthly fees) only to a level that does not exceed the adjustments incurred by the company in the operation of the program. However, here is no contractual limitation on the size or frequency of fee adjustments. Periodic fee adjustments will be applied to all members enrolled in the same plan during the same calendar year, and in the same percentage. RRS will provide written notice to members at least thirty 30 days prior to any adjustment.

Monthly Fee Adjustment History

Year	Rate Increase	Average Dollar Amount of Each Increase
2018	2%	\$10.00
2019	3%	\$12.00
2020	2%	\$10.00
2021	3%	\$12.00
2022	2%	\$10.00
2023	3%	\$14.00

VIII. Reserve Funding

Describe any provisions that have been made or will be made to provide reserve funding or security to enable the provider to fully perform its obligations under community-based continuing care contracts, including the establishment of escrow accounts, trusts or reserve funds, together with the manner in which such funds will be invested and the names and experience of persons who will make the investment decisions. The disclosure statement shall clearly state whether or not reserve funds are maintained. This description shall include a specific explanation of how the value of any such reserve funding was established and, if available, it shall include the opinion of a qualified actuary.

Response: RRS's refund policy requires significant funding be set aside to provide for refunds, as outlined in the Long-term Agreement and the Standard Agreement. Because of the strength of our balance sheet and strong actuarial projections, additional reserves will not be established.



IX. Certified Financial Statements

Give certified financial statements of the provider, including (i) a balance sheet as of the end of the two most recent fiscal years and (ii) income statements of the provider for the two most recent fiscal years. Such statements shall conform to generally accepted accounting principles and shall be certified by an independent, certified public accountant. The opinion of the independent, certified public accountant shall be included in this section.

Response: Please refer to Appendix E (Certified Financial Statements).



X. Pro Forma Income Statement

Give a pro forma income statement for the current fiscal year for the community-based continuing care program and for the provider. This statement shall conform to generally accepted accounting principles and shall include a specific description of the major assumptions used in developing the pro formastatement.

Response: The following anticipates income and expenses for the fiscal year beginning January 1, 2024 and ending December 31, 2024.

ChooseHome

Pro Forma Income Statement - Jan. 1 to Dec. 31, 2024

REVENUE

Monthly Fees	\$1,371,175
Other Income	\$ 859,878

Total Revenue	\$2,231,053
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EXPENSES

Salary and Benefits	\$116,596
Service and Other	\$2,000,998
Supplies	\$39,587
Depreciation	\$3,184

Total Expenses	\$2,160,365
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Operating Gain	\$70,688
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Non-Operating	\$16,275
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NET (LOSS)/GAIN	\$86,963
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Revenue is expected to grow by approximately one to two members per month, creating increases in monthly fee revenue and amortization of entrance fees. Revenue also includes copayments for services delivered (moved from Monthly Fees in prior years to Other Income this year).

Salaries and benefits will decrease slightly from the previous year due to business managers shared cost. Utilization continues to increase. As such, this year includes an increased budget for utilization. Services and other expenses also include a decrease in consultant fees and marketing-related costs.



ChooseHome Pro Forma Income Statement Comparison

Revenue	Budget 2023	Actual 2023	Variance	% of Variance
Monthly Fees	\$1,115,063	\$1,121,595	6,532	1%
Other Revenue	\$715,057	\$794,613	79,556	11%
Total Revenue	\$1,830,120	\$1,916,208	86,088	5%

Expenses	Budget 2023	Actual 2023	Variance	% of Variance
Salary and Benefits	\$131,191	\$75,646	\$55,545	42%
Service and Other	\$1,599,626	\$1,910,224	(310,598)	-19%
Supplies	\$10,860	\$8,180	2,680	25%
Depreciation	\$3,268	\$3,216	52	2%
Total Expenses	\$1,744,945	\$1,997,266	(252,321)	-14%
Non-Operating	\$29,899	15,970	(13,929)	-47%
Net (Loss)/Gain	\$115,075	(65,087)	(180,162)	-157%

Material differences between 2023 Pro Forma Income Statement and the actual results of operation as reported in the 2023 Certified Financial Statements

ChooseHome Pro Forma Income Statement Comparison

ChooseHome is a growing program, and made budget projections for 2023. Revenue variances were a result of the unanticipated attrition, balanced with growth in members.

ChooseHomes total revenue was 5% above budget. Member benefit usage was higher than anticipated and budgeted for the year. Although there was slow growth in the first and second quarters, Choose Home gained 16 new members. Overall, ChooseHome had a net operating loss of \$81,058 on a budgeted gain of \$85,175. But, a \$15,970 non-operating gain reduced that loss to \$65,088

ChooseHome closed 2023 with a census of 213 members.

Average Monthly Members	Budget	Actual	Percentage
ChooseHome	180	177	98%
Legacy LifeCare	22	26	115%

Narrative on financial condition:

ChooseHome started operations in July 2015. ChooseHome does not anticipate any negative financial outcomes that would interfere with its ability to meet its contractual obligations to members now or in the coming years.

Its accompanying balance sheet, cash flow, and income statements in the enclosed audit are indicative of the fiscal strength of the total organization.

Riverside Retirement Services (RRS) does not anticipate any negative financial outcomes that would interfere with its ability to meet ChooseHome's contractual obligations to members now or in the coming years.



XI. Enrollment of Participants

Give a description of the provider's criteria for enrollment of participants.

Response: Applicants shall be deemed eligible for admission into the program as a community-based continuing care member if they meet the following guidelines:

1. Age. An applicant must be at least 55 years of age at the date of enrollment to be eligible for membership.
1. Location. An applicant must reside within the program's service area, which includes the geographic boundaries of Gloucester County, Mathews County, James City County, York County, City of Hampton, City of Newport News, Town of Smithfield, City of Suffolk, City of Poquoson, the City of Williamsburg, New Kent County, and the Town of Lanexa in the Commonwealth of Virginia.
2. Physical/Medical Eligibility. An applicant must be in good health and capable of living independently into the foreseeable future as certified by RRS. Applicants must be able to carry out activities of daily living and be able to function at a high level both physically and mentally.
3. Financial Eligibility. Applicants must demonstrate proof of having sufficient assets and income, based on average life expectancies, to adequately cover the member's applicable entrance and monthly fee.
4. Confidentiality. All information and discussions related to the applicant's application for admission into the program shall be held in strictest confidence.
5. Nondiscrimination. In the approval process of applications for membership in the program, there shall be no discrimination against any applicant for the reason of race, color, sex, sexual orientation, religion, or national origin.
6. Documentation. An applicant may be required to submit the following documents in order to be eligible for membership:
 - a. Signed Agreement for Services, correctly completed
 - b. Confidential Application, correctly completed
 - c. Confidential Financial Statement, correctly completed
 - d. Confidential Personal Health History, correctly completed
 - e. Confidential Personal Assessment, correctly completed
 - f. Proof of Health Insurance Coverage (Medicare Parts A & B, and a Medicare Supplement Plan or equivalent hospital and medical insurance coverage)
7. Payment of Entrance Fee. An applicant must submit or arrange for payment of the balance of the entrance fee prior to being admitted into the program.

XII. Access to Services by Nonparticipants

Give a description of the provider's policies regarding community-based services to nonparticipants.

Response: RRS provides services through its community-based continuing care programming for the sole benefit of the program members. However, on a temporary basis, the program will offer nonmembers with access to community events and programs. Any nonmember accessing ChooseHome-offered community events and programs must be a guest of a member, RRS management, or the board of directors.

RRS shall have total authority and control over access to its community events and programs by nonmembers and may decide when such services have or are being used to excess.

Information regarding charges for community events and programs accessible to nonmembers shall be readily available.

XIII. Procedure for Participant to File a Complaint or Disclose Concern

Give a description of the procedure by which a participant may file a complaint or disclose any concern. Include the provider's process for resolving complaints and concerns.

Response: RRS believes it can provide a valuable service only if open communication occurs between members and management. For routine problem-solving, to file a complaint, or to disclose a concern, the following procedure should be used:

- a. The member should contact his/her personal services coordinator and document the complaint or concern in writing.
- b. If the member's complaint or concern is not adequately resolved, he/she should submit the concern in writing to ChooseHome's executive director.
- c. The executive director may gather additional information from the member or program staff and deliver a final resolution to the member within ten (10) business days.

If a member is concerned with the amount of service authorized by the program, a formal procedure for requesting a service review is outlined in the Long-term Agreement (Appendix II) and the Standard Agreement (Appendix III) under "Review of Program Service Decisions" (Article II, Section C).

A power of attorney may initiate the procedure to file a complaint, disclose a concern, or request a service review on the member's behalf if it is determined that the member lacks the capacity to do so themselves.



APPENDIX B

Long-term Agreement

Riverside Retirement Services, Inc. D.B.A. ChooseHome. Community-based continuing care provider registration statement and disclosure statement.



LONG-TERM AGREEMENT

ChooseHome Riverside

4804 Courthouse Street, 4A
Williamsburg, VA 23188
757-585-2654

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ChooseHome
Community-Based Continuing Care Agreement (Long-Term)

This Community-Based Continuing Care Agreement (“Long-Term”) (the “Agreement”) is made by and between Riverside Retirement Services, Inc. (“ChooseHome”) and the individual named in and signing this Agreement (“Member”, “You” or “Your”). ChooseHome and Member may be referred to herein individually as a “Party” or together as the “Parties.”

ARTICLE I
Your Selected Plan

- A. **Plan.** You have selected the Long-Term service plan as indicated on the Signature Page (“Plan” or “ChooseHome Plan”), subject to the terms and conditions of this Agreement. The Description of Plans is described in Addendum C.

- B. **Commencement of Services.** You shall become a member of the ChooseHome Program and ChooseHome shall begin to provide the Services included in Your Plan after: (i) Payment of the Entrance Fee in full, or payment of the first installment of the Entrance Fee, as identified in Addendum A; (ii) payment of at least one (1) month of Your Plan’s Monthly Service Fee; and (iii) upon execution of this Agreement by the Parties. The Entrance Fee and Monthly Service Fee amounts are determined based on the Plan that You have selected. All fees are subject to the terms set forth in this Agreement.

ARTICLE II
ChooseHome Plans and Services

- A. **Description of ChooseHome Plans and Services.**
 - 1. **Purpose.** ChooseHome is a Community-Based Continuing Care provider that is registered with the Virginia Bureau of Insurance and that provides non-medical services in a manner that increases the opportunity for You, as a Member of the ChooseHome Program, to live independently in Your home of choice as long as You remain safe and Your needs can be served in the home. ChooseHome provides care management and long-term care support services. ChooseHome Services will be provided as needed, on a case-by-case basis, as described in Article II, Section B. Services provided pursuant to Your ChooseHome Plan are intended to be in response to changes in Your health and/or functional abilities. As such, You are not entitled to the coverage of costs of Services provided by Your Plan until evidence of changes in Your health and/or functional abilities occur to indicate Your need for Services.

2. **Maximum Daily Coverage.** The percentage of the costs that ChooseHome covers for each Unit of Service, as well as the Maximum Daily Benefit, are determined by the Plan You have selected in Article I of this Agreement. The Unit of Service and Maximum Daily Benefit for Your Plan are outlined in Addendum C. The Maximum Daily Benefit is the maximum benefit amount that You are eligible to receive from the Plan during one calendar day. Your Plan's Maximum Daily Benefit will increase on January 1st of each subsequent year following the effective date of this agreement, at a compounded inflation rate of three percent (3%) per year. Additional services not covered by Your Plan may be purchased by You or Your family (see Article II, Section B.13). These services will be coordinated by Your Personal Services Coordinator (see Article II, Section B.1) and billed to You by ChooseHome.

3. **Term/Benefit Days.** This Agreement shall become effective on the Effective Date set forth on the Signature Page of this Agreement. The coverage of Service costs shall terminate after You have received Services hereunder at Level II or above (as defined in Addendum C) for 1,825 days (each a "Benefit Day"), unless sooner terminated in accordance with the terms of this Agreement. After you have utilized all 1,825 benefit days due to the use of Level II Services or above, and this Agreement is terminated as a result, you may elect to continue care management services on a month-to-month basis by paying the monthly fee then applicable for such services.
 - a. Benefit Days may be accounted for in half days and full days of usage. A half day of usage is defined as using any program Service during a day for which the cumulative cost equals half of the Maximum Daily Benefit or less. A full day of usage is defined as using any program Service during a day for which the cumulative cost equals more than half of the Maximum Daily Benefit.

 - b. The 1,825 Benefit Days of Service do not have to be used consecutively. For example, if You receive Services for two weeks, and then no longer require Services for three years thereafter, you will have used 14 Benefit Days of Services and will still be entitled to use another 1,811 Benefit Days of Services before coverage of the costs of Services terminates, unless sooner terminated in accordance with the terms of this Agreement.

4. **Service Area.** The ChooseHome Service Area includes the geographic boundaries of Gloucester County, Mathews County, James City County,

York County, City of Hampton, City of Newport News, Town of Smithfield, City of Suffolk, City of Poquoson, the City of Williamsburg, New Kent County, and the Town of Lanexa in the Commonwealth of Virginia. Any Service provided beyond 50 miles round trip (distance measured from Your home to the location of the Service provider) will require a per mile charge at ChooseHome's current standard rate, for which You will be billed in Your monthly invoice.

5. **Portability of ChooseHome Plans and Benefits Outside of Service Area.** If a Member resides temporarily or moves permanently outside of the ChooseHome Service Area (as defined in Article II, Section A.4), ChooseHome will provide coverage of benefits as set forth in Article III. A temporary relocation is defined as any trip, stay, vacation, or visit to a rented or owned property located outside of the Service Area for less than one calendar year.

6. **Riverside Lifelong Health and Aging Related Services.** All Services provided by ChooseHome are provided by or through Riverside Lifelong Health and Aging Related Services or an approved affiliate. If You or a third party arranges for or purchases any service without the prior written approval of either Your Personal Services Coordinator or the ChooseHome Review Committee, ChooseHome may not reimburse You for those services. Notwithstanding the foregoing, ChooseHome retains the right to provide Services through alternate service providers, including service providers not affiliated with Riverside, as permitted by applicable law or regulations.

7. **Non-Duplication of Services.** ChooseHome provides a supplemental benefit, and therefore will only pay for Services (including any deductibles, co-insurance, or co-payment amounts) to the extent such costs are not paid by, or covered under, any of the following:
 - a. Medicare;

 - b. any other governmental program (except Medicaid);

 - c. any commercial managed care organization;

 - d. any workers' compensation law, employer's liability or occupational disease law, or any motor vehicle no-fault insurance or self-insurance;

ChooseHome
Community-Based Continuing Care Agreement (Long-Term)

- e. any long-term care insurance policy or similar form of insurance policy, if the Member has filed for benefit coverage with his/her long-term care insurance provider.

B. **ChooseHome Services**. Your ChooseHome Plan includes the use of a number of Services, as defined below (“Services”). The Services to be provided, the percentage of coverage, and the criteria used to distinguish eligibility for Services provided by ChooseHome are set forth in Addendum C.

1. **Personal Services Coordinator**. Upon acceptance into the ChooseHome Program, execution of this Agreement, and payment of entry fees and at least one month of Your Plan’s monthly service fee, You will be assigned a Personal Services Coordinator who will serve as Your primary contact in accessing the Services. The Personal Services Coordinator will work with You to identify changes in Your health status and/or functional abilities and will recommend services to support Your changing needs.
2. **Annual Wellness Assessment and Plan**. As a member in the ChooseHome Program, You are required to complete an annual wellness assessment and create a care plan with Your Personal Services Coordinator.
3. **Home Safety Assessment and Plan**. Your Personal Services Coordinator will work with You to assess Your home’s suitability to support Your changing needs, and will make recommendations to support Your safety as appropriate.
4. **Emergency Medical Alert System**. Your Personal Services Coordinator may recommend that Your home be equipped with an emergency medical alert system which, when activated, will summon assistance in the case of a medical emergency.
5. **Medication Dispensing Unit**. Your Personal Services Coordinator will work with You to determine if, and when, a medication dispensing unit becomes necessary as part of Your care plan. These interactive units issue medication reminders and then dispense individual doses of medication when activated.
6. **Transportation to Essential Services**. Transportation to “essential services” will be provided, subject to availability, when it is determined by Your Personal Services Coordinator, in consultation with You, that You are

no longer able to drive, or only able to drive in certain conditions. “Essential services” are defined as: Medical appointments, pharmacy visits, grocery shopping, and banking. In addition, transportation to “non-essential” services will be coordinated for You; however, coverage of the cost of such transportation will be the responsibility of You or Your family. (See Article II, Section B.12.)

7. **Companion/Homemaker Services**. Your Personal Services Coordinator will work with You to determine if companion/homemaker services may be required. This Service is designed to provide support of instrumental activities of daily living such as, but not limited to, light housekeeping, cooking, medication reminders, and laundry.
8. **Home Health Aide**. A home health aide may be provided when deemed necessary by ChooseHome. Aides are able to provide companion/homemaker services, as well as support of personal activities of daily living such as, but not limited to, bathing, dressing, mobility, and incontinence care.
9. **Adult Day Services**. Your Personal Services Coordinator may recommend attendance in an adult day service program as part of Your care plan. Adult day services provide a safe, supervised environment for adults to socialize, enjoy entertainment, and relax during the day. This program seeks to foster independence and socialization for adults of all ages in need of supportive services.
10. **Assisted Living and Memory Care Facilities**. Placement in an assisted living or memory care facility may be recommended by Your Personal Services Coordinator and/or deemed necessary by ChooseHome if You are no longer able to safely remain living in Your home. Should this need arise, You will receive priority direct admittance to an affiliated assisted living or memory care facility, subject to availability, as defined in Article XII, Section H.
11. **Nursing Facility**. If ChooseHome determines that You are no longer able to safely remain in Your home, a transition to a nursing facility may be recommended. Should this need arise, You will receive priority direct admittance to an affiliated nursing facility, subject to availability as defined in Article XII, Section H.
12. **Services Available for an Additional Charge**. ChooseHome may make additional services available to You for an additional charge. Charges for

additional services requested will be reflected in Your monthly invoice. Examples of services that may be available for an additional charge include, but are not limited to:

- a. Transportation to non-essential services such as hair and/or nail salons and restaurants, subject to availability;
- b. Social and Educational Events; and
- c. Program Services in excess of what is covered by Your Plan.

13. **Services Not Covered by Your Plan**. ChooseHome will not be responsible for the costs of medical services, medicine, or equipment incurred by You, except as set forth herein. ChooseHome does not provide dental care services, vision care services, mental health services, substance abuse services, pharmaceutical services, medication packing services, hospital services, sub-acute nursing care, physician services, emergency medical services, or any other services which must be provided by entities or professionals licensed to provide such services.

14. **Service Levels**. ChooseHome Services, as described above, are provided in accordance with Your health and functional status, and will be modified as changes to Your health occur, in accordance with the Levels of Care provided by Your Plan.

- a. Your functional abilities are measured in two categories: Instrumental Activities of Daily Living (“IADLs”) and Personal Activities of Daily Living (“ADLs”). IADLs include homemaking, meal assistance, medication reminders, and transportation. ADLs include bathing, dressing, ambulation, feeding, and continence care.
- b. Your Personal Services Coordinator will assess Your Level of Care accordingly:

Level I: No Impairments in IADLs, ADLs, or cognition.

Level II: Impairments in two or more IADLs and/or mild cognitive impairment.

Level III: Impairments in two or more ADLs, but not meeting nursing home criteria, and/or moderate cognitive impairment.

Level IV: Impairments in two or more ADLs, meeting nursing home criteria, and/or severe cognitive impairment.

- c. The Services available with each Level of Care upon the Effective Date of this Agreement are outlined in Addendum C. Should ChooseHome determine that it needs to update and/or change the Services available with each Level of Care, ChooseHome shall provide You with a thirty- (30) day written notice prior to any such update or change.

15. **Assessment of Your Health Status.** You agree that if You experience a significant decline in health status, ChooseHome may require You to obtain a medical examination, at Your expense, to determine if additional Services are required. You agree to provide ChooseHome with a copy of all of the treating physician's evaluations and recommendations within sixty (60) days after the date of the medical examination.

- C. **Review of Program Service Decisions.** If You (or Your power of attorney, should You lack capacity to make informed decisions) have concerns about the Services provided hereunder, and you feel such concerns are not adequately addressed by your Personal Services Coordinator, you may bring such concerns to ChooseHome's Program Review Committee.

1. **Program Review Committee.** The Program Review Committee is composed of three to five members of the ChooseHome staff. The Program Review Committee can review Your concerns about your assigned Level of Care, Services approved, or any other concern arising hereunder. Your Plan will be individualized to support Your needs, as identified by the Program Review Committee, subject to the terms of this Agreement. If the Program Review Committee determines that it is not safe for You to continue living at home, then the Program Review Committee shall recommend appropriate facility placement. In the event You decline such facility placement, You may select to have additional care in the home at Your expense, and/or a member of Your family or another appropriate person of Your choosing may provide the care and supervision required to keep You safe in Your home, at such person's expense.

2. **Requesting a Review of Services.**

- a. If You have concerns and would like to initiate a review of Your Services (“Request for Review of Services”) with the Program Review Committee, You may do so by:
 - i. Submitting a written Request for Review to Your Personal Services Coordinator.
 - ii. Submitting additional information in writing to Your Personal Services Coordinator as required.
- b. Your Personal Services Coordinator will present the Request for Review to the Program Review Committee. The Program Review Committee will review requests, along with documentation of Your functional, medical, and social needs. The Program Review Committee may, but is not required to, request additional assessments and documentation during the review process.
- c. A decision on a Request for Review will be communicated to You in writing within ten (10) business days of the Program Review Committee’s meeting.

3. **Appealing a Program Review Committee Decision.** Upon receipt of the Program Review Committee’s decision, if You disagree with the decision and/or believe that the Request for Review requires additional consideration, an appeal may be made to ChooseHome’s Executive Director.

- a. Requests for an appeal must be made in writing with all supporting documentation attached and delivered to the following address (or such other address as You may be directed in writing by ChooseHome):

ChooseHome, 4804 Courthouse Street, \$A
Williamsburg, VA 23188
Attn: Executive Director

- b. An appeal of the Program Review Committee's decision will require You to participate in a comprehensive geriatric assessment with the Riverside Center for Excellence in Aging and Lifelong Health. The geriatric assessment team will then provide a report to You and the ChooseHome Executive Director, along with the team's recommendations of Services for You. The ChooseHome Executive Director will use these recommendations as the basis for his/her decision regarding the provision of Services for You. All decisions regarding the Request for Review made by ChooseHome's Executive Director will be final.
4. **Accessing Additional Service after a Request for Review.** A denial of Services in the Request for Review process does not mean that You are unable to access the desired Services, only that the costs of those Services will not be covered under Your Plan. Your Personal Services Coordinator will arrange for additional services after receiving Your request in writing. Any requested services will be directly billed to You.

ARTICLE III

Portability of Your Plan/Benefits Outside of Service Area

Portability is defined as the usage of benefit days and Services when a Member is either temporarily or permanently located outside of the Service Area, as defined in Article II, Sections A.4 and A.5.

- A. You will become eligible for Portability Benefits if You have lived within the Service Area for at least one (1) calendar year from the Effective Date of this Agreement, and as long as Your account is not delinquent. You are required to notify ChooseHome in writing at least thirty (30) days prior to Your relocation, whether it is temporary or permanent. Section B below sets forth the requirements for use of ChooseHome outside of the Service Area. As set forth in Section B below, prior written approval by ChooseHome is required before ChooseHome shall reimburse You for any Services you desire to utilize.
- B. **Portability and Coordination of Services Outside of the Service Area.**
 1. When You relocate, either temporarily or permanently, out of ChooseHome's Service Area, this Agreement will remain in effect, and the cost of the Services provided under Your Plan will remain covered, as defined in this Agreement. See Article II, Section B for the full list of Services.

2. You are required to contact Your Personal Services Coordinator and follow the standard process for receiving a preapproval and authorization for Services being utilized in Your current location.
 - a. Once Services have been approved and authorized, Your Personal Services Coordinator can advise You regarding Services located in Your area, or assist You with contacting a local coordinating service provider (such as a Geriatric Coordinator) at the Member's cost.
 - b. Your Personal Services Coordinator will help with identifying and scheduling the required out-of-service provider/vendor. However, contracting with the out-of-service provider/vendor shall be the responsibility of You, the Member. ChooseHome will not contract on behalf of the Member who is located outside of the Service Area.

C. **Benefit Reimbursement.**

1. You, the Member, will be responsible for paying the service provider/vendor directly, and then submitting a request for reimbursement to ChooseHome within forty-five (45) days from the invoiced billing date. All services shall be subject to the approval process, and any denials will follow the Review of Service policy outlined in Article II, Section C.
 - a. Requests can be faxed, emailed, or mailed to the ChooseHome office or to Your Personal Services Coordinator.
 - b. All reimbursement requests must be received by ChooseHome within forty five (45) days from the invoice date that is being submitted for reimbursement. Any requests received after forty five (45) days from the invoice date will be denied for reimbursement.
 - c. ChooseHome will only reimburse services provided by licensed, bonded, and insured service providers and vendors.
2. ChooseHome will reimburse the costs of Services up to the Maximum Daily Benefit of Your Plan. In order for ChooseHome to cover costs of Services, Services must first be authorized by Your ChooseHome Personal Services Coordinator prior to Your utilization of those Services. ChooseHome will only reimburse services provided by licensed, bonded, and insured service providers and vendors.

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- a. ChooseHome has contracted rates with local providers within Virginia and will reimburse costs of Services up to those contracted rates.
 1. If Services were received outside of the Service Area at a higher rate than the contracted rates within the Service Area, then the Member shall be responsible for any overages.
 2. If Services were received outside of the Service Area at a lower rate than the contracted rate, then ChooseHome will reimburse up to the invoiced rate.
 - b. It is the responsibility of the Member to contact his/her Personal Services Coordinator prior to scheduling Services to verify the current contracted rate in ChooseHome's Service Area.
3. Once a request for reimbursement has been received, ChooseHome has forty five (45) days to process the request and submit payment to the Member.

ARTICLE IV

Specialty Provider Network

- A. ChooseHome may maintain a Specialty Provider Network, a list of providers/companies that supply goods and/or services in ChooseHome's Service Area that are not covered by Your Plan or provided by ChooseHome. These goods and/or services may include, but are not limited to, education, entertainment, financial advisors, fitness centers, home and yard maintenance, home repair, legal assistance, and moving or relocation assistance.
- B. In order to be listed in the Specialty Provider Network, a provider will be required to meet specific criteria. Notwithstanding anything to the contrary, a provider's inclusion in the Specialty Provider Network is for informational purposes only and should not be construed as an endorsement by ChooseHome.
- C. You understand and agree that ChooseHome does not provide any services except as stated in this Agreement. ChooseHome does not endorse or guarantee the cost or quality of services and/or goods not directly provided by ChooseHome under this Agreement, including any services and/or goods provided by persons or companies listed in the Specialty Provider Network.

ARTICLE V

Qualification for Membership

A. **Member Eligibility.** You must meet certain qualifications to be eligible for the ChooseHome Program. In executing this Agreement, You agree that You meet each of the following qualifications:

1. 55 years of age or older;
2. Resident of the defined Service Area, as set forth in Article II, Section A.4., which may be amended from time to time;
3. In good health and capable of living independently into the foreseeable future, as determined by ChooseHome, in its sole discretion, at time of execution of this Agreement;
4. Have no diagnosis of dementia or Alzheimer's disease or indication of progressive cognitive impairment as identified by generally accepted testing methods;
5. Upon request, able to demonstrate proof of having sufficient assets and income, based on average life expectancies, to adequately cover Your applicable Entrance Fee and Monthly Service Fee; and
6. Have procured and maintain Medicare Parts A & B and a Medicare Supplement Plan or equivalent hospital and medical insurance coverage.

B. **Member Certification/Final Determination of Membership.**

1. You certify that You meet each of the qualifications set forth in Article V, Section A of this Agreement and that all information, documents, or statements made or provided to substantiate such qualifications are true and complete as of the Effective Date of this Agreement.
2. You agree that ChooseHome has full and final authority to determine whether an individual is to be accepted into the ChooseHome Program, and that such determination may include, but is not limited to, consideration of the application forms, health conditions, physical examinations, cognitive examination, and financial conditions described in Article V, Section A. ChooseHome reserves the right to require an additional physical

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examination at Your expense, at any time prior to ChooseHome's execution of this Agreement. The examination must be provided by a licensed physician, mutually agreed upon by the Member and ChooseHome, with results fully disclosed to ChooseHome. ChooseHome also reserves the right to require additional testing prior to execution of this Agreement, paid for at the discretion of ChooseHome.

- C. **Requirements Prior to Membership.** The following must be provided to ChooseHome prior to execution of this Agreement:
1. Proof of the required Health Insurance, as defined in Article IX, Section A.
 2. All required personal, confidential, financial, and medical information.
 3. Copy of a completed Durable Power of Attorney as defined in Article IX, Section C.
 4. Payment, or arrangement for payment, of the balance of Your Plan's Entrance Fee and applicable Monthly Service Fee.
 5. This Agreement must be fully executed.
- D. **Confidential Information.** ChooseHome shall keep confidential Your medical, financial, and personal information ("Confidential Information"), unless You authorize ChooseHome to disclose such information. By signing this Agreement, You authorize ChooseHome to disclose and/or share Your Confidential Information (i) if ChooseHome has obtained Your prior written consent; (ii) if disclosure is permitted or required by law; (iii) as needed to provide Services to You hereunder; and/or (iv) with ChooseHome's affiliates or subsidiaries that provide Services pursuant to this Agreement.
- E. **Representation by Member.** All application forms, health histories, reference reports, and other documents containing facts furnished by You are a material part of this Agreement, and ChooseHome may terminate this Agreement at any time after becoming aware of any misrepresentation or omission by You.
- F. **Statement of Non-Discrimination.** ChooseHome does not discriminate on the basis of gender, race, color, sex, sexual orientation, religion, or national origin in its provision of Services hereunder or the execution of this Agreement.

ARTICLE VI Fees

A. Entrance Fee.

1. **Amount.** In consideration of Your membership in the ChooseHome Program and selection of the Plan, You agree to pay ChooseHome an Entrance Fee in the amount set forth in Addendum A (the “Entrance Fee”).
2. **Installment Options.** You have the option to pay the Entrance Fee in a single lump sum or in two or more installments, as described in Addendum A. You may be required to pay a deposit toward the Entrance Fee, which shall be credited toward Your total Entrance Fee due. The balance due at the execution of this Agreement (if any) shall be set forth in Addendum A.
3. **Couple’s Discount.** Should two individuals living in the same household desire to join ChooseHome at the same time, and each individual meets the membership requirements, ChooseHome will provide a discount on each Member’s Entrance Fee, subject to the terms and conditions set forth in Addendum B.

B. Monthly Service Fee.

1. **Monthly Service Fee Amount.** The initial Monthly Service Fee amount You agree to pay is set forth in Addendum A. The Monthly Service Fee must be paid each month to ChooseHome for the entire Term of this Agreement, and may be increased each year on January 1st as set forth in Article VI, Section B.5.
2. **Due Date/Fees.** Payment of the Monthly Service Fee and any other fees shall be due on or before the 10th day of each month, without further notice or demand. You agree that You will not reduce such payment for any reason, including offset or other deductions, without ChooseHome’s written agreement.
3. **Discount for Monthly Fees Paid in Advance.** You may pay the Monthly Service Fees in advance by making a single payment, equal to the aggregate amount of the following twelve (12) Monthly Service Fees (the “Advance Payment”), less the amount of the discount. Should You elect to pay your Monthly Services Fees in advance, You are entitled to a 5% discount off the total Monthly Service Fees due for the year.

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4. **Late Payment Penalty.** In addition to any other remedies ChooseHome may have, if You fail to pay Your invoice on or before the date on which it becomes due, You agree to pay interest at the rate of eighteen percent (18%) per annum (the “Interest Rate”), or the highest amount permitted by applicable law if less than the Interest Rate, on any past due amount from the due date until paid (the “Late Payment Penalty”). Whether paying by check or direct debit, You agree to pay the Late Payment Penalty if Your bank account balance is insufficient to cover any amount due on the date on which it becomes due, plus any insufficient funds fee charged to ChooseHome by the financial institution. In the event You fail to pay any amount due hereunder within thirty (30) days of it becoming due, including any late charges, ChooseHome may terminate this Agreement in accordance with Article XI.

 5. **Adjustments.** ChooseHome reserves the right to adjust all Fees, including the Monthly Service Fee, consistent with the cost of operating and maintaining ChooseHome, as well as future service obligations of ChooseHome. Any Monthly Service Fee increase shall be applied to all Members enrolled in the same plan during the same calendar year, and in the same percentage, and not on an individual basis. ChooseHome shall provide written notice to You of any increase in fees thirty (30) days prior to the date such increase becomes effective.
- C. **Payment Methods.** You agree to pay all Fees using one of the methods below:
1. **Check.** Payment may be made in the form of a personal or certified check made payable to ChooseHome.

 2. **Direct Deposit.** You may arrange for fees to be directly deposited to ChooseHome using the form provided by ChooseHome.
- D. **Additional Charges.** ChooseHome reserves the right to bill You for services rendered, including costs of services not covered by Your Plan.

ARTICLE VII

Right to Rescind / Entrance Fee Refund

- A. **Right to Rescind.** You have the right to rescind this Agreement, without penalty or forfeiture, within seven (7) days after the Effective Date. You are not required to initiate Your ChooseHome Plan before the expiration of this seven-day period.
- B. **Request for Refund.** In the event this Agreement terminates and You are eligible for an Entrance Fee Refund, ChooseHome will determine the amount of Your Entrance Fee that is eligible for a refund. You are not required to submit any additional request for an Entrance Fee Refund.
- C. **Determination of Entrance Fee Refund Amount.**
1. **Upon Termination of Agreement.** If the Agreement terminates pursuant to Article XI, Sections A through F, the refundable portion of Your Entrance Fee (“Entrance Fee Refund”) will be determined as follows:
 - a. **Between 1 day and 90 days after the Effective Date.** If Membership is terminated during the first ninety (90) days following the Effective Date, You will be entitled to a full refund of the Entrance Fee, without interest, less the cost of any services used.
 - b. **Between 91 days and 5 years after the Effective Date.** If Membership is terminated ninety-one (91) days after the Effective Date, fifteen percent (15%) of the Entrance Fee shall have become non-refundable, leaving the “Refund Balance” equal to eighty-five percent (85%). For fifty-seven (57) months thereafter, the Refund Balance will be reduced at a rate of 1.5% per month, beginning in the fourth month on the same day of the month as the Effective Date. The Refund Balance shall be refunded, without interest, less the cost of any services used.
 - c. **5 years after the Effective Date and Thereafter.** Five (5) years after the Effective Date and thereafter, You are no longer entitled to receive a refund of any portion of the Entrance Fee.
 2. **Upon Moving to a CCRC.** You may elect to move to an Eligible CCRC as defined in Addendum D, and complete the form attached hereto as Addendum D. In the event You elect to become a permanent resident of an Eligible CCRC, enter into an Eligible CCRC Contract, and terminate Your

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Membership with ChooseHome by providing at least thirty (30) days prior written notice, in accordance with Article XI, Section F of this Agreement, Your Entrance Fee will be refunded as follows:

- a. Fifty percent (50%) of the Plan's Entrance Fee, without interest, less the cost of any Services received by You, shall be paid directly by ChooseHome to the CCRC in which You will reside, to be applied toward the entrance fees charged to You by the CCRC.
 - b. **Notwithstanding the foregoing**, this Section VII.C.2 shall **not** apply and Section VII.C.1 of this Agreement shall apply in the event that You would receive a higher refund amount pursuant to Section VII.C.1 of this Agreement. This Section VII.C.2. shall not apply in the event You have exhausted the amount of the refund through Services provided pursuant to this Agreement and covered under Your Plan.
 - c. For purposes of this Agreement, an "Eligible CCRC Contract" shall include a Type A or Type B Contract, and not a Type C Contract, as defined below:
 - i. Type A (extensive or Life Care) contracts include housing, residential services and amenities, and unlimited use of healthcare services at little or no increase in the monthly fee, and typically feature the highest entrance fees.
 - ii. Type B (modified) contracts typically offer lower entrance and monthly fees. Type B contracts limit the amount of health care services that may be accessed without an increase in the monthly fee.
 - iii. Type C (fee-for-service) contracts include similar housing, residential services, and amenities as found with Type A and B contracts; however, these contracts require residents to pay market rates for any health-related services under an as-needed arrangement. Type C contracts offer lower entrance and monthly fees; however, the risk of long-term-care expenses remains with the resident.
3. **Entrance Fee Refund Conditions**. Payment of the Refund Entrance Fee is conditioned on the following terms:

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- a. The Entrance Fee Refund will be calculated from the Termination Date as defined in Article VII, Section C.
 - b. Any Entrance Fee Refund shall not include interest that has accrued from the date Your Entrance Fee was paid.
 - c. If You receive Services (in-home or facility-based care) pursuant to this Agreement, the difference between the actual charges incurred hereunder and the Monthly Service Fee shall be deducted from the Entrance Fee Refund amount.
 - d. You understand and agree that any claim against ChooseHome for a refund, or any claim against the assets of ChooseHome, is unsecured.
4. **Payment of Refund.** Any refunds due hereunder will be made within thirty (30) business days following the Termination Date, as defined in Article XI, Section G.

ARTICLE VIII
Changing Your Plan

- A. As a ChooseHome member, You may change Your Plan at any time by (1) providing written notice of termination of this Agreement under Article XI, Section F, and (2) entering into a new agreement with ChooseHome. You may be entitled to an Entrance Fee Refund based on the calculation set forth in Article VII, Section C. Any outstanding balance owed for services used must be paid prior to Your transition to the new plan. When entering into a new agreement, You may be subject to a health assessment to determine Your eligibility for the new plan.

ARTICLE IX
Member Rights and Responsibilities

A. **Health Insurance.**

1. You are responsible for maintaining Medicare Part A and B and/or other health insurance. You shall provide evidence of insurance to ChooseHome,

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and will assume all responsibility to bill the insurance company.

2. If you choose not to maintain health insurance, ChooseHome will not cover Services, or the portion of those Services, that would generally be covered by Medicare Part A and B and/or other health insurance.
3. If You are eligible for or entitled to medical care or payment by insurance or government agencies, You shall apply for such care or payment.
4. You shall authorize, as necessary, any provider of hospitalization, medical, or other health services to receive reimbursement under the above Medicare, TRICARE, and Supplemental insurance programs.

B. **Health Status Change.** It is Your responsibility to promptly inform Your Personal Services Coordinator of any changes in Your health status, including, but not limited to elective surgery, acute events, new diagnoses, or changes in Activities of Daily Living function, so that ChooseHome may make the appropriate Services available to You. It is only through active and ongoing communication that ChooseHome can help You receive appropriate services necessary to help You remain at home.

C. **Power Of Attorney.**

1. You agree to execute and maintain in effect a Durable Power of Attorney, valid under Virginia law. This Durable Power of Attorney shall designate as Your attorney-in-fact, Your spouse, a bank, lawyer, relative, or other responsible person or persons of Your choice, to act for You in managing Your financial affairs and filing for Your insurance or other benefits, as fully and completely as You would if acting personally. The Durable Power of Attorney should be in a form that survives Your incapacity or disability, and otherwise be satisfactory to ChooseHome.
2. You will deliver a fully executed copy of this Durable Power of Attorney to ChooseHome prior to the Effective Date. Any existing advance directives, such as a "living will," should be filed with ChooseHome upon the Effective Date. In the event You change or create a new advance directive, such as a living will, after the Effective Date, You will promptly provide a copy to ChooseHome.
3. **Disclosure Statement.** You hereby acknowledge receipt of ChooseHome's disclosure statement from ChooseHome, current as of the Effective Date of this Agreement, that describes ChooseHome's structure, affiliations, financial

information, governance, management, fees, and other information that may be required under Virginia law (“Disclosure Statement”). You have the right under Virginia law to request an updated copy of the Disclosure Statement annually.

ARTICLE X

ChooseHome Rights and Responsibilities

- A. **Management**. ChooseHome is responsible for the overall management and operation of Your Plan. ChooseHome has the right to hire professional management services to meet this responsibility.
- B. **Authority for Admissions, Dismissal, and Fees**. ChooseHome retains all authority regarding admission to, dismissal from, and adjustments of Fees for Your ChooseHome Plan.
- C. **Emergencies**. ChooseHome does not provide emergency care. As such, Members must call 9-1-1 in the event of an emergency. However, if a ChooseHome Program Service is scheduled for You, and You are unreachable and unresponsive to repeated attempts to contact You, then ChooseHome may, at its discretion, contact emergency personnel to enter the home. You agree that if and when such actions are taken, ChooseHome is acting “in good faith” and You will hold ChooseHome harmless, and will indemnify ChooseHome and its employees and staff for any loss that may arise.
- D. **Confidentiality**. You agree that ChooseHome may request and receive medical and financial information from You that ChooseHome deems necessary or useful (in its sole discretion) to carry out its responsibilities hereunder, and You agree to provide such information in a manner that is accurate and prompt. ChooseHome has the responsibility to keep all of the personal, medical, and financial information that You provide to ChooseHome confidential, subject to Your approval and/or Article V, Section D.

ARTICLE XI Termination of Services

ChooseHome is intended to work in partnership with You, as a Member, to provide ongoing services that will enable You to remain in Your home as long as it is safe to do so, and Your needs can be met in the home. However, this Article XI outlines the physical, mental health, and financial conditions upon which ChooseHome may require You to relinquish membership in the program. Should You be required to relinquish Your membership, ChooseHome shall give reasonable notice of Your termination date. Furthermore, You will be given the opportunity to cure within a reasonable period whatever conducts warrant the termination of this Agreement. The refund provisions of this Agreement will apply, less any outstanding debts to ChooseHome.

- A. **Termination for Cause.** ChooseHome may terminate this Agreement for good cause. ChooseHome shall provide You with written notice of breach that shall set forth the good cause reason for termination. You will have a reasonable period to cure the breach, not to exceed thirty (30) calendar days (“Cure Period”). In the event that You fail to cure the breach within the Cure Period, ChooseHome may terminate this Agreement upon written notice at the end of the Cure Period. Each of the following shall serve as good cause to terminate this Agreement:
1. **Termination for Behavioral Issues.** You display any of the following behavioral issues:
 - a. You are a danger to Yourself or others.
 - b. You repeatedly behave in a manner that interferes with other individuals’ quiet enjoyment of a facility or service.
 - c. You persist in Your refusal to comply with the reasonable written rules and regulations of ChooseHome or Your ChooseHome Plan.
 2. **Termination for Failure to Pay Fees.** You fail to pay any Fees referred to in Article VI of this Agreement when due, including any late charges.
 3. **Termination of Services Due to Material Misrepresentation.** You intentionally or recklessly made a material misrepresentation in Your application to ChooseHome, or any related materials, regarding information which, if accurately provided, would have resulted in either Your failure to qualify for participation or a material increase in the cost of care and Services provided to You hereunder.

4. **Termination for Material Breach of Contract.** You breach any material terms and conditions of this Agreement.
- B. **Insolvency of Member.** If You notify us that You have become insolvent, or if ChooseHome determines that You are otherwise unable to pay any fees and/or charges due to ChooseHome, then ChooseHome shall attempt to assist You in identifying alternative means to secure payment of the Monthly Service Fee and other charges. If You become insolvent or otherwise unable to pay any amounts owed hereunder to ChooseHome, then ChooseHome, in its sole discretion, can choose alternative means to obtain payment. These alternative means may include, but are not limited to, charging the Monthly Service Fees against the Entrance Fee Refund Balance; accruing unpaid charges if You agree to pay such charges when funds become available; or pursuing any other legal remedies. If no alternative payment sources are found to be acceptable to ChooseHome, ChooseHome may rescind Your membership and terminate this Agreement in accordance with Article XI, Section A.2 of this Agreement.
- C. **Relocation of Member.** Should You temporarily or permanently relocate to a residence outside of the Continental United States, then ChooseHome may terminate this Agreement, effective as of the day You relocate.
- D. **Discontinuation of Program.** In the sole discretion of ChooseHome, the ChooseHome Program may be discontinued upon no less than ninety (90) days prior written notice to You. Should this occur, You shall be eligible for a full refund of the Entrance Fee, less the cost of any Services provided in excess of Your Monthly Service Fee. Such discontinuation will result in the termination of this Agreement, and ChooseHome will no longer be responsible for providing any Services or fulfilling any duties hereunder after the termination date.
- E. **Death of Member.** In the event of the Member's death, the following terms shall apply:
1. If the Member dies before initiating the Plan, or is precluded through illness, injury, or incapacity from becoming a Member under the terms of this Agreement, the contract is automatically rescinded and You or Your legal representative shall receive a full refund of all money paid by You to ChooseHome, less those costs specifically incurred by ChooseHome, at Your request and set forth in writing in a separate addendum to the Agreement.
 2. Following initiation of the Plan, this Agreement is automatically terminated as of the date of the Member's death. The Member's estate shall receive a refund, if any, as set forth in Article VII, Section C.

- F. **Voluntary Termination by Member.** You may voluntarily terminate this Agreement by giving thirty (30) days written notice of Your intent to terminate in accordance with the notice requirements described in this Article XI, Section G.
- G. **Termination Date.** Unless otherwise indicated in the termination notice provided, the Termination Date shall be the first (1st) day of the month following completion of the thirty- (30) day notice period.
- H. **Effect of Termination.** Beginning on the date of termination, ChooseHome shall have no further obligations to You under this Agreement.

ARTICLE XII

Miscellaneous

- A. **Advice and Consultation.** You acknowledge and agree that You have had ample time to review this Agreement and to seek advice and consultation from Your attorneys, accountants, or other advisors before signing.
- B. **Assignment of the Agreement by ChooseHome.** ChooseHome reserves the right to assign this Agreement, and/or its rights and responsibilities hereunder, to a third party upon written notice to You. In the case of assignment, this Agreement shall serve to the benefit of and bind such assignee. As this Agreement is specifically designed for Your needs and abilities, You agree not to assign Your rights or obligations under this Agreement. Any assignment You make in breach of such agreement shall be void. Nothing in this Agreement, expressed or implied, is intended to confer upon any other person any rights or remedies of any nature.
- C. **Complete Agreement.** This Agreement shall be the complete agreement between the Member and ChooseHome with respect to the subject matter hereof, and may not be modified except in writing and signed by both Parties. You agree that You have read and fully understand the Agreement. You further agree that no representations, promises, inducements, or agreements concerning ChooseHome and Your ChooseHome Plan have been made to You other than those contained in the Agreement.
- D. **Governing Law.** The laws of the Commonwealth of Virginia shall govern this Agreement. The Parties consent to personal jurisdiction in the Commonwealth of Virginia and agree that the sole venue for any mediation, arbitration proceeding, or court proceeding shall be Newport News, Virginia.

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- E. **Indemnification**. You shall indemnify, hold harmless, and defend ChooseHome and its directors, employees, and agents for any claims, damages, or injuries caused in whole or in part by any act or omission on Your part or on the part of Your family, agent, employee, independent contractor, and/or other invitee.
- F. **Member's Personal Property and Home**. Except for the gross negligence or willful misconduct of ChooseHome or its employees, ChooseHome shall not be responsible for damages or loss to Your personal property or home due to theft, fire, water, vandalism, or any other cause. If You suspect that damage or loss to Your property was caused by a ChooseHome employee or a ChooseHome service provider delivering Services to You under the Program, please notify ChooseHome. ChooseHome will undertake an investigation and communicate with the employees or services providers involved in an effort to resolve the matter on Your behalf.
- G. **Notices**. Any and all notices or other communications required or permitted by the Agreement or by law to be served or given to any Party by another Party of this Agreement shall be in writing and shall be deemed duly served when delivered in person, mailed by certified or registered mail (postage prepaid), or sent by reputable overnight courier service (charges prepaid), addressed as follows:

If to ChooseHome: ChooseHome
4804 Courthouse Street, 4A
Williamsburg, Virginia 23188

If to the Member: See Member's Notice Contact set forth below.

- H. **Availability in Assisted Living, Memory Care, and Nursing Care Facilities**. In the event that You move to an assisted living, memory care, or nursing care facility, You shall be able to choose an assisted living, memory care, or nursing care facility from among those affiliated with ChooseHome, as space permits. In the event that space is not available at Your chosen facility, You will be placed on its waiting list and ChooseHome will coordinate similar accommodations and services for You to temporarily reside in another facility located within the Service Area. Costs of similar accommodations and services at the non-affiliated facility will be paid for by ChooseHome to the extent such costs would be covered at an affiliated facility. If You choose to use additional services that have not been approved by ChooseHome in writing, the costs will be billed to You and You will be responsible for payment of such costs.

- I. **Registering a Concern.** If You (or if You lack capacity to make Your own informed decisions, the person/entity designated by Your Power of Attorney) have a complaint or concern related to ChooseHome or Your ChooseHome Plan, please contact your Personal Services Coordinator. If Your concern is not satisfactorily addressed by Your Personal Services Coordinator, You may submit Your concern in writing to the Executive Director for further assistance. The Executive Director will provide final resolution to You within approximately ten (10) business days of receiving Your request in writing. If You have concerns about the Level of Services You are receiving, please submit a Request for Review, as outlined in Article II, Section C.

- J. **Section Headings.** The section headings are for reference only and shall not limit or control the meaning of any provision of this Agreement.

- K. **Severability.** If any provision of this Agreement should be or become invalid, such invalidity shall not in any way affect any of the other provisions of this Agreement, which shall continue to remain in full force and effect.

- L. **Waiver.** No delay or omission on the part of the Member or ChooseHome in exercising any right hereunder shall operate as a waiver of such right or any other rights under this Agreement.

[Signatures appear on the following page.]

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IN WITNESS WHEREOF, the Parties hereto have executed this Agreement to be effective on the Effective Date indicated below.

Effective Date: _____, 20_____

MEMBER

Riverside Retirement Services, Inc.

Member Signature

Authorized Signature

Print Name

Print Name

Title

Member's Plan: _____

Member's Notice Contact:

Name: _____

Address: _____

Addendum A Fees and Payment Options

By signing below, you (Member) agree to the terms of this **Addendum A**.

Member Name (Print): _____

Effective Date of Agreement: _____

A. **Deposit (as applicable)**: The Parties acknowledge that Member has has not paid a Deposit toward Member's Entrance Fee. The balance due is \$_____.

B. **Initial Monthly Service Fee (before any applicable discounts)**: \$_____ per month (subject to change as set forth in Article VI, Section B.5 of the Agreement).

C. **Payment Options: Lump Sum/Installments**. You may pay the Entrance Fee via one of the options listed below. Please circle Your preferred payment option below.

Option 1: The Member shall pay the Entrance Fee in one (1) single payment.

Option 2: The Member shall pay the Entrance Fee in two (2) installments. The first installment represents one-half of the Entrance Fee and is due on or before the date that this Agreement is executed. The second installment is due on or before six (6) months from the Effective Date. The second installment will include an additional five percent (5%) of the balance of the Entrance Fee as a convenience fee, which will be added to the outstanding balance.

<u>Option 2:</u>	Entrance Fee	\$ _____
	Due at Signing	Due at Sixth Month
Two Annual Installments	\$	\$
5% Convenience Fee	\$ 0.00	\$
Outstanding Balance	\$	\$
Total \$		

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Option 3: The Member shall pay the Entrance Fee in three (3) installments. The first installment represents one-third of the Entrance Fee and is due on or before the date that this Agreement is executed. The second installment is due the sixth month from the Effective Date. The third installment is due on, or before, twelfth month from the Effective Date. The second and third installments will include an additional five percent (5%) of the balance of the Entrance Fee as a convenience fee, which will be added to the outstanding balance.

<u>Option 3:</u>	Entrance Fee \$ _____		
	Due at Signing	Due at Sixth Month	Due at 12 th Month
Three Annual Installments	\$	\$	\$
5% Convenience Fee	\$ 0.00	\$	\$
Outstanding Balance	\$	\$	\$
Total \$			

D. **Refund at Termination.** Refunds available to You are described in Article VII, Section C of this Agreement. However, convenience fees paid by You according to the Installment Options described in this Addendum shall not be eligible for refund.

Addendum B Discount for Couples

Discount for Couples: Couples that are legally (i) married, (ii) joined by civil union, or (iii) in a domestic partnership may be eligible for a discount. In addition, individuals living in the same household at the time of joining may be eligible for a discount.

In order to qualify for the discount: (i) the couple must be living in the same household, (ii) both individuals must become Members of ChooseHome at the same time, and (iii) each individual must meet eligibility requirements and be approved for membership in ChooseHome. If all three (3) requirements are met, ChooseHome will discount the initial Entrance Fee for both members. The discount will be calculated based on the Plan and coordinating percentage discount of the lesser of the two Entrance Fees, which varies depending on the Plan selected in Article I. That amount will then be split to evenly discount each Member's Entrance Fee, resulting in a reduced Entrance Fee for each Member.

The discount schedule is as follows: Comprehensive Plan – 30%, Premier Plan – 25%, Choice Plan – 20%, and Select Plan – 15%. Refer to the Plan selected in Article I to determine the applicable discount rate.

Your final Entrance Fee will be calculated as follows:

	Initial Entrance Fee	Couples Discount Percentage	Couples Discount	Final Entrance Fee
Member 1				
Member 2				
Total				

Your signature below constitutes acceptance of the Couple's Discount. In accepting this discount, each Member agrees to provide reasonable support to his/her partner in the event of a decline in his/her partner's health status, until no longer able to serve in a support capacity, as determined by ChooseHome. Reasonable support shall include, but not be limited to, companion/homemaker support, transportation, and meal assistance.

Member Signature

Print Name

Date

Member Signature

Print Name

Date

Addendum C

Description of Plans

Type of Service (unit of service)	Comprehensive	Premier	Choice	Select
<i>Maximum Daily Benefit:</i>	\$291.75	\$238.70	\$180.35	\$116.70
Level I Care: No Impairments in IADLs, ADLs, or Cognition				
Personal Services Coordinator	100%	100%	100%	100%
Initial Health and Wellness Assessment	100%	100%	100%	100%
Annual Wellness Assessment and Plan	100%	100%	100%	100%
Access to Community Events, Programs	100%	100%	100%	100%
Home Safety Assessment and Plan	100%	100%	100%	100%
Emergency Response System	100%	100%	100%	100%
Level II Care: Impairments in two or more IADLs and/or mild cognitive impairment				
Transportation to essential services (trip)	100%	100%	100%	100%
Medication Dispensing Service (month)	100%	100%	100%	100%
Companion/Homemaker (hour)	100%	90%	70%	70%
Level III Care: Impairments in two or more ADLs and/or moderate cognitive impairment				
Home Health Aide (hour)	100%	90%	70%	70%
Meal Assistance (hour)	100%	90%	70%	70%
Adult Day Service (visit)	100%	90%	70%	70%
Assisted Living / Memory Care (month)	100%	75%	50%	0%
Level IV Care: Impairments in two or more ADLs, meeting nursing home criteria, and/or severe cognitive impairment				
Nursing Facility (day)	100%	75%	50%	0%

* Percentages set forth above indicate the percentage of each Unit of Service covered by Your ChooseHome Plan up to the selected Plan's Maximum Daily Benefit.

Addendum D
CCRC Wait List Enrollment

Member Name: _____

Effective Date of Agreement: _____

I understand that ChooseHome provides me with services to allow me to live in my own home. However, I may choose to move to independent living at a continuing care retirement community (“CCRC”) at any time, and the following terms shall apply:

1. **Eligible CCRCs:** An “Eligible CCRC” is a CCRC with which ChooseHome has a Facility Coordination Agreement in place at the time I wish to enroll. For a current list of Eligible CCRCs, I may contact my Personal Service Coordinator.
2. **CCRC Waitlist Sign-up:** I may enroll in the waitlist program at one (1) of the Eligible Riverside CCRCs at no additional cost to me. If I wish to enroll in the waitlist program at more than one Eligible CCRC, or at a CCRC that is not an Eligible CCRC, I understand and agree that I must manage such waitlist program without assistance from ChooseHome and at my own cost.
3. **Notification/Authorization:** By signing below:
 - I am notifying ChooseHome that I am already enrolled in the waitlist program at the Eligible CCRC indicated below
 - I am authorizing ChooseHome to enroll me in the waitlist program at the Eligible CCRC indicated below. I authorize ChooseHome to contact the Eligible CCRC to initiate my enrollment, which may require me to meet with the CCRC to complete the process.

Eligible CCRC: _____

4. **ChooseHome Membership Options:** If I move to Independent Living at an Eligible CCRC under an Eligible CCRC Contract (as defined in Article VII, Section C.2), I will have the following options and will notify ChooseHome of my choice prior to the move:

If purchasing a Type C Contract:

- I choose to retain my membership in ChooseHome and receive all the Services provided for under this Agreement.
- I choose to terminate the Agreement pursuant to Article XI, Section F. I will submit a timely termination notice to ChooseHome.

If purchasing a Type A or Type B Contract:

- I choose to terminate my ChooseHome Agreement pursuant to Article XI, Section F and receive a refund of my entrance fee as outlined in Article VII of the Agreement. I will submit a timely termination notice to ChooseHome. The CCRC may offer me a discount on the entrance fee of contract.
- I choose NOT to terminate my ChooseHome Agreement.

Member Signature

Print Name

Date

Member Signature

Print Name

Date



APPENDIX C

Standard Agreement

Riverside Retirement Services, Inc. D.B.A. ChooseHome. Community-based continuing care provider registration statement and disclosure statement.



STANDARD AGREEMENT

ChooseHome Riverside

4804 Courthouse Street, 4A
Williamsburg, VA 23188
757-585-2654

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ChooseHome
Community-Based Continuing Care Agreement (Standard)

This Community-Based Continuing Care Agreement (“Standard”) (the “Agreement”) is made by and between Riverside Retirement Services, Inc. (“ChooseHome”) and the individual named in and signing this Agreement (“Member”, “You” or “Your”). ChooseHome and Member may be referred to herein individually as a “Party” or together as the “Parties.”

ARTICLE I
Your Selected Plan

- A. **Plan.** You have selected the Standard service plan as indicated on the Signature page (“Plan” or “ChooseHome Plan”), subject to the terms and conditions of this Agreement. The Description of Plans is described in Addendum C.
- B. **Commencement of Services.** You shall become a member of the ChooseHome Program and ChooseHome shall begin to provide the Services included in Your Plan after: (i) Payment of the Entrance Fee in full, or payment of the first installment of the Entrance Fee, as identified in Addendum A; (ii) payment of at least one (1) month of Your Plan’s Monthly Service Fee; and (iii) upon execution of this Agreement by the Parties. The Entrance Fee and Monthly Service Fee amounts are determined based on the Plan that You have selected. All fees are subject to the terms set forth in this Agreement.

ARTICLE II
ChooseHome Plans and Services

- A. **Description of ChooseHome Plans and Services.**
1. **Purpose.** ChooseHome is a Community-Based Continuing Care provider that is registered with the Virginia Bureau of Insurance and that provides non-medical services in a manner that increases the opportunity for You, as a Member of the ChooseHome Program, to live independently in Your home of choice as long as You remain safe and Your needs can be served in the home. ChooseHome provides care management and long-term care support services. ChooseHome Services will be provided as needed, on a case-by-case basis, as described in Article II, Section B. Services provided pursuant to Your ChooseHome Plan are intended to be in response to changes in Your health and/or functional abilities. As such, You are not entitled to the coverage of costs of Services provided by Your Plan until evidence of changes in Your health and/or functional abilities occur to indicate Your need for Services.

2. **Maximum Daily Coverage.** The percentage of the costs that ChooseHome covers for each Unit of Service, as well as the Maximum Daily Benefit, are determined by the Plan You have selected in Article I of this Agreement. The Unit of Service and Maximum Daily Benefit for Your Plan are outlined in Addendum C. The Maximum Daily Benefit is the maximum benefit amount that You are eligible to receive from the Plan during one calendar day. Your Plan's Maximum Daily Benefit will increase on January 1st of each subsequent year following the effective date of this agreement, at a compounded inflation rate of three percent (3%) per year. Additional services not covered by Your Plan may be purchased by You or Your family (see Article II, Section B.13). These services will be coordinated by Your Personal Services Coordinator (see Article II, Section B.1) and billed to You by ChooseHome.

3. **Term/Benefit Days.** This Agreement shall become effective on the Effective Date set forth on the Signature Page of this Agreement. The coverage of Service costs shall terminate after You have received Services hereunder at Level II or above (as defined in Addendum C) for 1,095 days (each a "Benefit Day"), unless sooner terminated in accordance with the terms of this Agreement. After you have utilized all 1,095 benefit days due to the use of Level II Services or above, and this Agreement is terminated as a result, you may elect to continue care management services on a month-to-month basis by paying the monthly fee then applicable for such services.
 - a. Benefit Days may be accounted for in half days and full days of usage. A half day of usage is defined as using any program Service during a day for which the cumulative cost equals half of the Maximum Daily Benefit or less. A full day of usage is defined as using any program Service during a day for which the cumulative cost equals more than half of the Maximum Daily Benefit.

 - b. The 1,095 Benefit Days of Service do not have to be used consecutively. For example, if You receive Services for two weeks, and then no longer require Services for three years thereafter, you will have used 14 Benefit Days of Services and will still be entitled to use another 1,081 Benefit Days of Services before coverage of the costs of Services terminates, unless sooner terminated in accordance with the terms of this Agreement.

4. **Service Area.** The ChooseHome Service Area includes the geographic boundaries of Gloucester County, Mathews County, James City County, York County, City of Hampton, City of Newport News, Town of Smithfield, City of Suffolk, City of Poquoson, the City of Williamsburg, New Kent County, and the Town of Lanexa in the Commonwealth of Virginia. Any Service provided beyond 50 miles round trip (distance measured from Your home to the location of the Service provider) will require a per mile charge at ChooseHome's current standard rate, for which You will be billed in Your monthly invoice.

5. **Portability of ChooseHome Plans and Benefits Outside of Service Area.** If a Member resides temporarily or moves permanently outside of the ChooseHome Service Area (as defined in Article II, Section A.4), ChooseHome will provide coverage of benefits as set forth in Article III. A temporary relocation is defined as any trip, stay, vacation, or visit to a rented or owned property located outside of the Service Area for less than one calendar year.

6. **Riverside Lifelong Health and Aging Related Services.** All Services provided by ChooseHome are provided by or through Riverside Lifelong Health and Aging Related Services or an approved affiliate. If You or a third party arranges for or purchases any services without the prior written approval of either Your Personal Services Coordinator or the ChooseHome Review Committee, ChooseHome may not reimburse You for those services. Notwithstanding the foregoing, ChooseHome retains the right to provide Services through alternate service providers, including service providers not affiliated with Riverside, as permitted by applicable law or regulations.

7. **Non-Duplication of Services.** ChooseHome provides a supplemental benefit, and therefore will only pay for Services (including any deductibles, co-insurance, or co-payment amounts) to the extent such costs are not paid by, or covered under, any of the following:
 - a. Medicare;

 - b. any other governmental program (except Medicaid);

 - c. any commercial managed care organization;

 - d. any workers' compensation law, employer's liability or occupational disease law, or any motor vehicle no-fault insurance of self-insurance;

- e. any long-term care insurance policy or similar form of insurance policy, if the Member has filed for benefit coverage with his/her long-term care insurance provider.

B. **ChooseHome Services**. Your ChooseHome Plan includes the use of a number of Services, as defined below (“Services”). The Services to be provided, the percentage of coverage, and the criteria used to distinguish eligibility for Services provided by ChooseHome are set forth in Addendum C.

1. **Personal Services Coordinator**. Upon acceptance into the ChooseHome Program, execution of this Agreement, and payment of entry fees and at least one month of Your Plan’s monthly service fee, You will be assigned a Personal Services Coordinator who will serve as Your primary contact in accessing the Services. The Personal Services Coordinator will work with You to identify changes in Your health status and/or functional abilities and will recommend services to support Your changing needs.
2. **Annual Wellness Assessment and Plan**. As a Member in the ChooseHome Program, You are required to complete an annual wellness assessment and create a care plan with Your Personal Services Coordinator.
3. **Home Safety Assessment and Plan**. Your Personal Services Coordinator will work with You to assess Your home’s suitability to support Your changing needs, and will make recommendations to support Your safety as appropriate.
4. **Emergency Medical Alert System**. Your Personal Services Coordinator may recommend that Your home be equipped with an emergency medical alert system which, when activated, will summon assistance in the case of a medical emergency.
5. **Medication Dispensing Unit**. Your Personal Services Coordinator will work with You to determine if, and when, a medication dispensing unit becomes necessary as part of Your care plan. These interactive units issue medication reminders and then dispense individual doses of medication when activated.
6. **Transportation to Essential Services**. Transportation to “essential services” will be provided, subject to availability, when it is determined by

Your Personal Services Coordinator, in consultation with You, that You are no longer able to drive, or only able to drive in certain conditions. “Essential services” are defined as: Medical appointments, pharmacy visits, grocery shopping, and banking. In addition, transportation to “non-essential” services will be coordinated for You; however, coverage of the cost of such transportation will be the responsibility of You or Your family. (See Article II, Section B.12.)

7. **Companion/Homemaker Services**. Your Personal Services Coordinator will work with You to determine if companion/homemaker services may be required. This Service is designed to provide support of instrumental activities of daily living such as, but not limited to, light housekeeping, cooking, medication reminders, and laundry.
8. **Home Health Aide**. A home health aide may be provided when deemed necessary by ChooseHome. Aides are able to provide companion/homemaker services, as well as support of personal activities of daily living such as, but not limited to, bathing, dressing, mobility, and incontinence care.
9. **Adult Day Services**. Your Personal Services Coordinator may recommend attendance in an adult day service program as part of Your care plan. Adult day services provide a safe, supervised environment for adults to socialize, enjoy entertainment, and relax during the day. This program seeks to foster independence and socialization for adults of all ages in need of supportive services.
10. **Assisted Living and Memory Care Facilities**. Placement in an assisted living or memory care facility may be recommended by Your Personal Services Coordinator and/or deemed necessary by ChooseHome if You are no longer able to safely remain living in Your home. Should this need arise, You will receive priority direct admittance to an affiliated assisted living or memory care facility, subject to availability, as defined in Article XII, Section H.
11. **Nursing Facility**. If ChooseHome determines that You are no longer able to safely remain in Your home, a transition to a nursing facility may be recommended. Should this need arise, You will receive priority direct admittance to an affiliated nursing facility, subject to availability as defined in Article XII, Section H.

12. **Services Available for an Additional Charge.** ChooseHome may make additional services available to You for an additional charge. Charges for additional services requested will be reflected in Your monthly invoice. Examples of services that may be available for an additional charge include, but are not limited to:
- a. Transportation to non-essential services such as hair and/or nail salons and restaurants, subject to availability;
 - b. Social and Educational Events; and
 - c. Program Services in excess of what is covered by Your Plan.
13. **Services Not Covered by Your Plan.** ChooseHome will not be responsible for the costs of medical services, medicine, or equipment incurred by You, except as set forth herein. ChooseHome does not provide dental care services, vision care services, mental health services, substance abuse services, pharmaceutical services, medication packing services, hospital services, sub-acute nursing care, physician services, emergency medical services, or any other services which must be provided by entities or professionals licensed to provide such services.
14. **Service Levels.** ChooseHome Services, as described above, are provided in accordance with Your health and functional status, and will be modified as changes to Your health occur, in accordance with the Levels of Care provided by Your Plan.
- a. Your functional abilities are measured in two categories: Instrumental Activities of Daily Living (“IADLs”) and Personal Activities of Daily Living (“ADLs”). IADLs include homemaking, meal assistance, medication reminders, and transportation. ADLs include bathing, dressing, ambulation, feeding, and continence care.
 - b. Your Personal Services Coordinator will assess Your Level of Care accordingly:
 - Level I:** No Impairments in IADLs, ADLs, or cognition.
 - Level II:** Impairments in two or more IADLs and/or mild cognitive impairment.

Level III: Impairments in two or more ADLs, but not meeting nursing home criteria, and/or moderate cognitive impairment.

Level IV: Impairments in two or more ADLs, meeting nursing home criteria, and/or severe cognitive impairment.

- c. The Services available with each Level of Care upon the Effective Date of this Agreement are outlined in Addendum C. Should ChooseHome determine that it needs to update and/or change the Services available with each Level of Care, ChooseHome shall provide You with a thirty- (30) day written notice prior to any such update or change.

15. **Assessment of Your Health Status.** You agree that if You experience a significant decline in health status, ChooseHome may require You to obtain a medical examination, at Your expense, to determine if additional Services are required. You agree to provide ChooseHome with a copy of all of the treating physician's evaluations and recommendations within sixty (60) days after the date of the medical examination.

- C. **Review of Program Service Decisions.** If You (or Your power of attorney, should You lack capacity to make informed decisions) have concerns about the Services provided hereunder, and you feel such concerns are not adequately addressed by your Personal Services Coordinator, you may bring such concerns to ChooseHome's Program Review Committee.

1. **Program Review Committee.** The Program Review Committee is composed of three to five members of the ChooseHome staff. The Program Review Committee can review Your concerns about your assigned Level of Care, Services approved, or any other concern arising hereunder. Your Plan will be individualized to support Your needs, as identified by the Program Review Committee, subject to the terms of this Agreement. If the Program Review Committee determines that it is not safe for You to continue living at home, then the Program Review Committee shall recommend appropriate facility placement. In the event You decline such facility placement, You may select to have additional care in the home at Your expense, and/or a member of Your family or another appropriate person of Your choosing may provide the care and supervision required to keep You safe in Your home, at such person's expense.

2. **Requesting a Review of Services.**

- a. If You have concerns and would like to initiate a review of Your Services (“Request for Review of Services”) with the Program Review Committee, You may do so by:
 - i. Submitting a written Request for Review to Your Personal Services Coordinator.
 - ii. Submitting additional information in writing to Your Personal Services Coordinator as required.
- b. Your Personal Services Coordinator will present the Request for Review to the Program Review Committee. The Program Review Committee will review requests, along with documentation of Your functional, medical, and social needs. The Program Review Committee may, but is not required to, request additional assessments and documentation during the review process.
- c. A decision on a Request for Review will be communicated to You in writing within ten (10) business days of the Program Review Committee’s meeting.

3. **Appealing a Program Review Committee Decision.** Upon receipt of the Program Review Committee’s decision, if You disagree with the decision and/or believe that the Request for Review requires additional consideration, an appeal may be made to ChooseHome’s Executive Director.

- a. Requests for an appeal must be made in writing with all supporting documentation attached and delivered to the following address (or such other address as You may be directed in writing by ChooseHome):

ChooseHome, 460 McLaws Circle, Ste 110 Williamsburg, VA 23185
Attn: Executive Director

- b. An appeal of the Program Review Committee’s decision will require You to participate in a comprehensive geriatric assessment with the

Riverside Center for Excellence in Aging and Lifelong Health. The geriatric assessment team will then provide a report to You and the ChooseHome Executive Director, along with the team's recommendations of Services for You. The ChooseHome Executive Director will use these recommendations as the basis for his/her decision regarding the provision of Services for You. All decisions regarding the Request for Review made by ChooseHome's Executive Director will be final.

4. **Accessing Additional Service after a Request for Review.** A denial of Services in the Request for Review process does not mean that You are unable to access the desired Services, only that the costs of those Services will not be covered under Your Plan. Your Personal Services Coordinator will arrange for additional services after receiving Your request in writing. Any requested services will be directly billed to You.

ARTICLE III

Portability of Your Plan/Benefits Outside of Service Area

Portability is defined as the usage of benefit days and Services when a Member is either temporarily or permanently located outside of the Service Area, as defined in Article II, Sections A.4 and A.5.

- A. You will become eligible for Portability Benefits if You have lived within the Service Area for at least one (1) calendar year from the Effective Date of this Agreement, and as long as Your account is not delinquent. You are required to notify ChooseHome in writing at least thirty (30) days prior to Your relocation, whether it is temporary or permanent. Section B below sets forth the requirements for use of ChooseHome outside of the Service Area. As set forth in Section B below, prior written approval by ChooseHome is required before ChooseHome shall reimburse You for any Services you desire to utilize.
- B. **Portability and Coordination of Services Outside of the Service Area.**
 1. When You relocate, either temporarily or permanently, out of ChooseHome's Service Area, this Agreement will remain in effect, and the cost of the Services provided under Your Plan will remain covered, as defined in this Agreement. See Article II, Section B for the full list of Services.

2. You are required to contact Your Personal Services Coordinator and follow the standard process for receiving a preapproval and authorization for Services being utilized in Your current location.
 - a. Once Services have been approved and authorized, Your Personal Services Coordinator can advise You regarding Services located in Your area, or assist You with contacting a local coordinating service provider (such as a Geriatric Coordinator) at the Member's cost.
 - b. Your Personal Services Coordinator will help with identifying and scheduling the required out-of-service provider/vendor. However, contracting with the out-of-service provider/vendor shall be the responsibility of You, the Member. ChooseHome will not contract on behalf of the Member who is located outside of the Service Area.

C. **Benefit Reimbursement.**

1. You, the Member, will be responsible for paying the service provider/vendor directly, and then submitting a request for reimbursement to ChooseHome within forty five (45) days from the invoiced billing date. All services shall be subject to the approval process, and any denials will follow the Review of Service policy outlined in Article II, Section C.
 - a. Requests can be faxed, emailed, or mailed to the ChooseHome office or to Your Personal Services Coordinator.
 - b. All reimbursement requests must be received at ChooseHome within forty five (45) days from the invoice date that is being submitted for reimbursement. Any requests received after forty five (45) days from the invoice date will be denied for reimbursement.
 - c. ChooseHome will only reimburse services provided by licensed, bonded, and insured service providers and vendors.
2. ChooseHome will reimburse the costs of Services up to the Maximum Daily Benefit of Your Plan. In order for ChooseHome to cover costs of Services, Services must first be authorized by Your ChooseHome Personal Services Coordinator prior to Your utilization of those Services. ChooseHome will only reimburse services provided by licensed, bonded, and insured service providers and vendors.

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- a. ChooseHome has contracted rates with local providers within Virginia and will reimburse costs of Services up to those contracted rates.
 1. If Services were received outside of the Service Area at a higher rate than the contracted rates within the Service Area, then the Member shall be responsible for any overages.
 2. If Services were received outside of the Service Area at a lower rate than the contracted rate, then ChooseHome will reimburse up to the invoiced rate.
 - b. It is the responsibility of the Member to contact his/her Personal Services Coordinator prior to scheduling Services to verify the current contracted rate in ChooseHome's Service Area.
3. Once a request for reimbursement has been received, ChooseHome has forty five (45) days to process the request and submit payment to the Member.

ARTICLE IV

Specialty Provider Network

- A. ChooseHome may maintain a Specialty Provider Network, a list of providers/companies that supply goods and/or services in ChooseHome's Service Area that are not covered by Your Plan or provided by ChooseHome. These goods and/or services may include, but are not limited to, education, entertainment, financial advisors, fitness centers, home and yard maintenance, home repair, legal assistance, and moving or relocation assistance.
- B. In order to be listed in the Specialty Provider Network, a provider will be required to meet specific criteria. Notwithstanding anything to the contrary, a provider's inclusion in the Specialty Provider Network is for informational purposes only, and should not be construed as an endorsement by ChooseHome.
- C. You understand and agree that ChooseHome does not provide any services except as stated in this Agreement. ChooseHome does not endorse or guarantee the cost or quality of services and/or goods not directly provided by ChooseHome under this Agreement, including any services and/or goods provided by persons or companies listed in the Specialty Provider Network.

ARTICLE V

Qualification for Membership

A. **Member Eligibility.** You must meet certain qualifications to be eligible for the ChooseHome Program. In executing this Agreement, You agree that You meet each of the following qualifications:

1. 55 years of age or older;
2. Resident of the defined Service Area, as set forth in Article II, Section A.4., which may be amended from time to time;
3. In good health and capable of living independently into the foreseeable future, as determined by ChooseHome, in its sole discretion, at time of execution of this Agreement;
4. Have no diagnosis of dementia or Alzheimer's disease or indication of progressive cognitive impairment as identified by generally accepted testing methods;
5. Upon request, able to demonstrate proof of having sufficient assets and income, based on average life expectancies, to adequately cover Your applicable Entrance Fee and Monthly Service Fee; and
6. Have procured and maintain Medicare Parts A & B and a Medicare Supplement Plan or equivalent hospital and medical insurance coverage.

B. **Member Certification/Final Determination of Membership.**

1. You certify that You meet each of the qualifications set forth in Article V, Section A of this Agreement and that all information, documents, or statements made or provided to substantiate such qualifications are true and complete as of the Effective Date of this Agreement.
2. You agree that ChooseHome has full and final authority to determine whether an individual is to be accepted into the ChooseHome Program, and that such determination may include, but is not limited to, consideration of the application forms, health conditions, physical examinations, cognitive examination, and financial conditions described in Article V, Section A. ChooseHome reserves the right to require an additional physical

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Community-Based Continuing Care Agreement (Standard)

examination at Your expense, at any time prior to ChooseHome's execution of this Agreement. The examination must be provided by a licensed physician, mutually agreed upon by the Member and ChooseHome, with results fully disclosed to ChooseHome. ChooseHome also reserves the right to require additional testing prior to execution of this Agreement, paid for at the discretion of ChooseHome.

- C. **Requirements Prior to Membership.** The following must be provided to ChooseHome prior to execution of this Agreement:
1. Proof of the required Health Insurance, as defined in Article IX, Section A.
 2. All required personal, confidential, financial, and medical information.
 3. Copy of a completed Durable Power of Attorney as defined in Article IX, Section C.
 4. Payment, or arrangement for payment, of the balance of Your Plan's Entrance Fee and Monthly Service Fee.
 5. This Agreement must be fully executed.
- D. **Confidential Information.** ChooseHome shall keep confidential Your medical, financial, and personal information ("Confidential Information"), unless You authorize ChooseHome to disclose such information. By signing this Agreement, You authorize ChooseHome to disclose and/or share Your Confidential Information (i) if ChooseHome has obtained Your prior written consent; (ii) if disclosure is permitted or required by law; (iii) as needed to provide Services to You hereunder; and/or (iv) with ChooseHome's affiliates or subsidiaries that provide Services pursuant to this Agreement.
- E. **Representation by Member.** All application forms, health histories, reference reports, and other documents containing facts furnished by You are a material part of this Agreement, and ChooseHome may terminate this Agreement at any time after becoming aware of any misrepresentation or omission by You.
- F. **Statement of Non-Discrimination.** ChooseHome does not discriminate on the basis of gender, race, color, sex, sexual orientation, religion, or national origin in its provision of Services hereunder or the execution of this Agreement.

ARTICLE VI Fees

A. Entrance Fee.

1. **Amount.** In consideration of Your membership in the ChooseHome Program and selection of the Plan, You agree to pay ChooseHome an Entrance Fee in the amount set forth in Addendum A (the “Entrance Fee”).

Installment Options. You have the option to pay the Entrance Fee in a single lump sum or in two or more installments, as described in Addendum A. You may be required to pay a deposit toward the Entrance Fee, which shall be credited toward Your total Entrance Fee due. The balance due at the execution of this Agreement (if any) shall be set forth in Addendum A.

2. **Couple’s Discount.** Should two individuals living in the same household desire to join ChooseHome at the same time, and each individual meets the membership requirements, ChooseHome will provide a discount on each Member’s Entrance Fee, subject to the terms and conditions set forth in Addendum B.

B. Monthly Service Fee.

1. **Monthly Service Fee Amount.** The initial Monthly Service Fee amount You agree to pay is set forth in Addendum A. The Monthly Service Fee must be paid each month to ChooseHome for the entire Term of this Agreement, and may be increased each year on January 1st as set forth in Article VI, Section B.5.
2. **Due Date/Fees.** Payment of the Monthly Service Fee and any other fees shall be due on or before the 10th day of each month, without further notice or demand. You agree that You will not reduce such payment for any reason, including offset or other deductions, without ChooseHome’s written agreement.
3. **Discount for Monthly Fees Paid in Advance.** You may pay the Monthly Service Fees in advance by making a single payment, equal to the aggregate amount of the following twelve (12) Monthly Service Fees (the “Advance Payment”), less the amount of the discount. Should You elect to pay your Monthly Services Fees in advance, You are entitled to a 5% discount off the total Monthly Service Fees due for the year.

4. **Late Payment Penalty.** In addition to any other remedies ChooseHome may have, if You fail to pay Your invoice on or before the date on which it becomes due, You agree to pay interest at the rate of eighteen percent (18%) per annum (the “Interest Rate”), or the highest amount permitted by applicable law if less than the Interest Rate, on any past due amount from the due date until paid (the “Late Payment Penalty”). Whether paying by check or direct debit, You agree to pay the Late Payment Penalty if Your bank account balance is insufficient to cover any amount due on the date on which it becomes due, plus any insufficient funds fee charged to ChooseHome by the financial institution. In the event You fail to pay any amount due hereunder within thirty (30) days of it becoming due, including any late charges, ChooseHome may terminate this Agreement in accordance with Article XI.

 5. **Adjustments.** ChooseHome reserves the right to adjust all Fees, including the Monthly Service Fee, consistent with the cost of operating and maintaining ChooseHome, as well as future service obligations of ChooseHome. Any Monthly Service Fee increase shall be applied to all Members enrolled in the same plan during the same calendar year, and in the same percentage, and not on an individual basis. ChooseHome shall provide written notice to You of any increase in fees thirty (30) days prior to the date such increase becomes effective.
- C. **Payment Methods.** You agree to pay all Fees using one of the methods below:
1. **Check.** Payment may be made in the form of a personal or certified check made payable to ChooseHome.

 2. **Direct Deposit.** You may arrange for fees to be directly deposited to ChooseHome using the form provided by ChooseHome.
- D. **Additional Charges.** ChooseHome reserves the right to bill You for services rendered, including costs of services not covered by Your Plan.

ARTICLE VII

Right to Rescind / Entrance Fee Refund

- A. **Right to Rescind.** You have the right to rescind this Agreement, without penalty or forfeiture, within seven (7) days after the Effective Date. You are not required

to initiate Your ChooseHome Plan before the expiration of this seven-day period.

B. **Request for Refund.** In the event this Agreement terminates and You are eligible for an Entrance Fee Refund, ChooseHome will determine the amount of Your Entrance Fee that is eligible for a refund. You are not required to submit any additional request for an Entrance Fee Refund.

C. **Determination of Entrance Fee Refund Amount.**

1. **Upon Termination of Agreement.** If the Agreement terminates pursuant to Article XI, Sections A through F, the refundable portion of Your Entrance Fee (“Entrance Fee Refund”) will be determined as follows:

a. **Between 1 day and 90 days after the Effective Date.** If Membership is terminated during the first ninety (90) days following the Effective Date, You will be entitled to a full refund of the Entrance Fee, without interest, less the cost of any services used.

b. **Between 91 days and 3 years after the Effective Date.** If Membership is terminated ninety-one (91) days after the Effective Date, fifteen percent (15%) of the Entrance Fee shall have become non-refundable, leaving the “Refund Balance” equal to eighty-five percent (85%). For thirty-three (33) months thereafter, the Refund Balance will be reduced at a rate of 2.6% per month, beginning in the fourth month on the same day of the month as the Effective Date. The Refund Balance shall be refunded, without interest, less the cost of any services used.

c. **3 years after the Effective Date and Thereafter.** Three (3) years after the Effective Date and thereafter, You are no longer entitled to receive a refund of any portion of the Entrance Fee.

2. **Upon Moving to a CCRC.** You may elect to move to an Eligible CCRC as defined in Addendum D, and complete the form attached hereto as Addendum D. In the event You elect to become a permanent resident of an Eligible CCRC, enter into an Eligible CCRC Contract, and terminate Your Membership with ChooseHome by providing at least thirty (30) days prior written notice, in accordance with Article XI, Section F of this Agreement, Your Entrance Fee will be refunded as follows:

a. Fifty percent (50%) of the Plan’s Entrance Fee, without interest, less the cost of any Services received by You, shall be paid directly by

ChooseHome to the CCRC in which You will reside, to be applied toward the entrance fees charged to You by the CCRC.

- b. **Notwithstanding the foregoing**, this Section VII.C.2 shall **not** apply and Section VII.C.1 of this Agreement shall apply in the event that You would receive a higher refund amount pursuant to Section VII.C.1 of this Agreement. This Section VII.C.2 shall not apply in the event You have exhausted the amount of the refund through Services provided pursuant to this Agreement and covered under Your Plan.
 - c. For purposes of this Agreement, an “Eligible CCRC Contract” shall include a Type A or Type B Contract, and not a Type C Contract, as defined below:
 - i. Type A (extensive or Life Care) contracts include housing, residential services and amenities, and unlimited use of healthcare services at little or no increase in the monthly fee, and typically feature the highest entrance fees.
 - ii. Type B (modified) contracts typically offer lower entrance and monthly fees. Type B contracts limit the amount of health care services that may be accessed without an increase in the monthly fee.
 - iii. Type C (fee-for-service) contracts include similar housing, residential services, and amenities as found with Type A and B contracts; however, these contracts require residents to pay market rates for any health-related services under an as-needed arrangement. Type C contracts offer lower entrance and monthly fees; however, the risk of long-term-care expenses remains with the resident.
3. **Entrance Fee Refund Conditions**. Payment of the Refund Entrance Fee is conditioned on the following terms:
- a. The Entrance Fee Refund will be calculated from the Termination Date as defined in Article VII, Section C.
 - b. Any Entrance Fee Refund shall not include interest that has accrued from the date Your Entrance Fee was paid.

- c. If You receive Services (in-home or facility-based care) pursuant to this Agreement, the difference between the actual charges incurred hereunder and the Monthly Service Fee shall be deducted from the Entrance Fee Refund amount.
 - d. You understand and agree that any claim against ChooseHome for a refund, or any claim against the assets of ChooseHome, is unsecured.
4. **Payment of Refund.** Any refunds due hereunder will be made within thirty (30) business days following the Termination Date, as defined in Article XI, Section G.

ARTICLE VIII Changing Your Plan

- A. As a ChooseHome member, You may change Your Plan at any time by (1) providing written notice of termination of this Agreement under Article XI, Section F, and (2) entering into a new agreement with ChooseHome. You may be entitled to an Entrance Fee Refund based on the calculation set forth in Article VII, Section C. Any outstanding balance owed for services used must be paid prior to Your transition to the new plan. When entering into a new agreement, You may be subject to a health assessment to determine Your eligibility for the new plan.

ARTICLE IX Member Rights and Responsibilities

- A. **Health Insurance.**
1. You are responsible for maintaining Medicare Part A and B and/or other health insurance. You shall provide evidence of insurance to ChooseHome, and will assume all responsibility to bill the insurance company.
 2. If you choose not to maintain health insurance, ChooseHome will not cover Services, or the portion of those Services, that would generally be covered by Medicare Part A and B and/or other health insurance.
 3. If You are eligible for or entitled to medical care or payment by insurance or government agencies, You shall apply for such care or payment.

4. You shall authorize, as necessary, any provider of hospitalization, medical, or other health services to receive reimbursement under the above Medicare, TRICARE, and Supplemental insurance programs.
- B. **Health Status Change.** It is Your responsibility to promptly inform Your Personal Services Coordinator of any changes in Your health status, including, but not limited to elective surgery, acute events, new diagnoses, or changes in Activities of Daily Living function, so that ChooseHome may make the appropriate Services available to You. It is only through active and ongoing communication that ChooseHome can help You receive appropriate services necessary to help You remain at home.
- C. **Power Of Attorney.**
1. You agree to execute and maintain in effect a Durable Power of Attorney, valid under Virginia law. This Durable Power of Attorney shall designate as Your attorney-in-fact, Your spouse, a bank, lawyer, relative, or other responsible person or persons of Your choice, to act for You in managing Your financial affairs and filing for Your insurance or other benefits, as fully and completely as You would if acting personally. The Durable Power of Attorney should be in a form that survives Your incapacity or disability, and otherwise be satisfactory to ChooseHome.
 2. You will deliver a fully executed copy of this Durable Power of Attorney to ChooseHome prior to the Effective Date. Any existing advance directives, such as a “living will,” should be filed with ChooseHome upon the Effective Date. In the event You change or create a new advance directive, such as a living will, after the Effective Date, You will promptly provide a copy to ChooseHome.
 3. **Disclosure Statement.** You hereby acknowledge receipt of ChooseHome’s disclosure statement from ChooseHome, current as of the Effective Date of this Agreement, that describes ChooseHome’s structure, affiliations, financial information, governance, management, fees, and other information that may be required under Virginia law (“Disclosure Statement”). You have the right under Virginia law to request an updated copy of the Disclosure Statement annually.

ARTICLE X

ChooseHome Rights and Responsibilities

- A. **Management.** ChooseHome is responsible for the overall management and operation of Your Plan. ChooseHome has the right to hire professional management services to meet this responsibility.
- B. **Authority for Admissions, Dismissal, and Fees.** ChooseHome retains all authority regarding admission to, dismissal from, and adjustments of Fees for Your ChooseHome Plan.
- C. **Emergencies.** ChooseHome does not provide emergency care. As such, Members must call 9-1-1 in the event of an emergency. However, if a ChooseHome Program Service is scheduled for You, and You are unreachable and unresponsive to repeated attempts to contact You, then ChooseHome may, at its discretion, contact emergency personnel to enter the home. You agree that if and when such actions are taken, ChooseHome is acting “in good faith” and You will hold ChooseHome harmless, and will indemnify ChooseHome and its employees and staff for any loss that may arise.
- D. **Confidentiality.** You agree that ChooseHome may request and receive medical and financial information from You that ChooseHome deems necessary or useful (in its sole discretion) to carry out its responsibilities hereunder, and You agree to provide such information in a manner that is accurate and prompt. ChooseHome has the responsibility to keep all of the personal, medical, and financial information that You provide to ChooseHome confidential, subject to Your approval and/or Article V, Section D.

ARTICLE XI

Termination of Services

ChooseHome is intended to work in partnership with You, as a Member, to provide ongoing services that will enable You to remain in Your home as long as it is safe to do so, and Your needs can be met in the home. However, this Article XI outlines the physical, mental health, and financial conditions upon which ChooseHome may require You to relinquish membership in the program. Should You be required to relinquish Your membership, ChooseHome shall give reasonable notice of Your termination date. Furthermore, You will be given the opportunity to cure within a reasonable period whatever conducts warrant the termination of this Agreement. The refund provisions of this Agreement will apply, less any outstanding debts to ChooseHome.

- A. **Termination for Cause.** ChooseHome may terminate this Agreement for good cause. ChooseHome shall provide You with written notice of breach that shall set forth the good cause reason for termination. You will have a reasonable period to cure the breach, not to exceed thirty (30) calendar days (“Cure Period”). In the event that You fail to cure the breach within the Cure Period, ChooseHome may terminate this Agreement upon written notice at the end of the Cure Period. Each of the following shall serve as good cause to terminate this Agreement:
1. **Termination for Behavioral Issues.** You display any of the following behavioral issues:
 - a. You are a danger to Yourself or others.
 - b. You repeatedly behave in a manner that interferes with other individuals’ quiet enjoyment of a facility or service.
 - c. You persist in Your refusal to comply with the reasonable written rules and regulations of ChooseHome or Your ChooseHome Plan.
 2. **Termination for Failure to Pay Fees.** You fail to pay any Fees referred to in Article VI of this Agreement when due, including any late charges.
 3. **Termination of Services Due to Material Misrepresentation.** You intentionally or recklessly made a material misrepresentation in Your application to ChooseHome, or any related materials, regarding information which, if accurately provided, would have resulted in either Your failure to qualify for participation or a material increase in the cost of care and Services provided to You hereunder.
 4. **Termination for Material Breach of Contract.** You breach any material terms and conditions of this Agreement.
- B. **Insolvency of Member.** If You notify us that You have become insolvent, or if ChooseHome determines that You are otherwise unable to pay any fees and/or charges due to ChooseHome, then ChooseHome shall attempt to assist You in identifying alternative means to secure payment of the Monthly Service Fee and other charges. If You become insolvent or otherwise unable to pay any amounts owed hereunder to ChooseHome, then ChooseHome, in its sole discretion, can choose alternative means to obtain payment. These alternative means may include, but are not limited to, charging the Monthly Service Fees against the Entrance Fee Refund Balance; accruing unpaid charges if You agree to pay such

charges when funds become available; or pursuing any other legal remedies. If no alternative payment sources are found to be acceptable to ChooseHome, ChooseHome may rescind Your membership and terminate this Agreement in accordance with Article XI, Section A.2 of this Agreement.

- C. **Relocation of Member.** Should You temporarily or permanently relocate to a residence outside of the Continental United States, then ChooseHome may terminate this Agreement, effective as of the day You relocate.
- D. **Discontinuation of Program.** In the sole discretion of ChooseHome, the ChooseHome Program may be discontinued upon no less than ninety (90) days prior written notice to You. Should this occur, You shall be eligible for a full refund of the Entrance Fee, less the cost of any Services provided in excess of Your Monthly Service Fee. Such discontinuation will result in the termination of this Agreement, and ChooseHome will no longer be responsible for providing any Services or fulfilling any duties hereunder after the termination date.
- E. **Death of Member.** In the event of the Member's death, the following terms shall apply:
1. If the Member dies before initiating the Plan, or is precluded through illness, injury, or incapacity from becoming a Member under the terms of this Agreement, the contract is automatically rescinded and You or Your legal representative shall receive a full refund of all money paid by You to ChooseHome, less those costs specifically incurred by ChooseHome, at Your request and set forth in writing in a separate addendum to the Agreement.
 2. Following initiation of the Plan, this Agreement is automatically terminated as of the date of the Member's death. The Member's estate shall receive a refund, if any, as set forth in Article VII, Section C.
- F. **Voluntary Termination by Member.** You may voluntarily terminate this Agreement by giving thirty (30) days written notice of Your intent to terminate in accordance with the notice requirements described in this Article XI, Section G.
- G. **Termination Date.** Unless otherwise indicated in the termination notice provided, the Termination Date shall be the first (1st) day of the month following completion of the thirty- (30) day notice period.
- H. **Effect of Termination.** Beginning on the date of termination, ChooseHome shall have no further obligations to You under this Agreement.

ARTICLE XII
Miscellaneous

- A. **Advice and Consultation.** You acknowledge and agree that You have had ample time to review this Agreement and to seek advice and consultation from Your attorneys, accountants, or other advisors before signing.
- B. **Assignment of the Agreement by ChooseHome.** ChooseHome reserves the right to assign this Agreement, and/or its rights and responsibilities hereunder, to a third party upon written notice to You. In the case of assignment, this Agreement shall serve to the benefit of and bind such assignee. As this Agreement is specifically designed for Your needs and abilities, You agree not to assign Your rights or obligations under this Agreement. Any assignment You make in breach of such agreement shall be void. Nothing in this Agreement, expressed or implied, is intended to confer upon any other person any rights or remedies of any nature.
- C. **Complete Agreement.** This Agreement shall be the complete agreement between the Member and ChooseHome with respect to the subject matter hereof, and may not be modified except in writing and signed by both Parties. You agree that You have read and fully understand the Agreement. You further agree that no representations, promises, inducements, or agreements concerning ChooseHome and Your ChooseHome Plan have been made to You other than those contained in the Agreement.
- D. **Governing Law.** The laws of the Commonwealth of Virginia shall govern this Agreement. The Parties consent to personal jurisdiction in the Commonwealth of Virginia and agree that the sole venue for any mediation, arbitration proceeding, or court proceeding shall be Newport News, Virginia.
- E. **Indemnification.** You shall indemnify, hold harmless, and defend ChooseHome and its directors, employees, and agents for any claims, damages, or injuries caused in whole or in part by any act or omission on Your part or on the part of Your family, agent, employee, independent contractor, and/or other invitee.
- F. **Member's Personal Property and Home.** Except for the gross negligence or willful misconduct of ChooseHome or its employees, ChooseHome shall not be responsible for damages or loss to Your personal property or home due to theft, fire, water, vandalism, or any other cause. If You suspect that damage or loss to Your property was caused by a ChooseHome employee or a ChooseHome service provider providing Services to You under the Program, please notify ChooseHome. ChooseHome will undertake an investigation and communicate with the employees or services providers involved in an effort to resolve the matter on Your

behalf.

- G. **Notices.** Any and all notices or other communications required or permitted by the Agreement or by law to be served or given to any Party by another Party of this Agreement shall be in writing and shall be deemed duly served when delivered in person, mailed by certified or registered mail (postage prepaid), or sent by reputable overnight courier service (charges prepaid), addressed as follows:

If to ChooseHome: ChooseHome
4804 Courthouse Street, 4A
Williamsburg, Virginia 23188

If to the Member: See Member's Notice Contact set forth below.

- H. **Availability in Assisted Living, Memory Care, and Nursing Care Facilities.** In the event that You move to an assisted living, memory care, or nursing care facility, You shall be able to choose an assisted living, memory care, or nursing care facility from among those affiliated with ChooseHome, as space permits. In the event that space is not available at Your chosen facility, You will be placed on its waiting list and ChooseHome will coordinate similar accommodations and services for You to temporarily reside in another facility located within the Service Area. Costs of similar accommodations and services at the non-affiliated facility will be paid for by ChooseHome to the extent such costs would be covered at an affiliated facility. If You choose to use additional services that have not been approved by ChooseHome in writing, the costs will be billed to You and You will be responsible for payment of such costs.
- I. **Registering a Concern.** If You (or if You lack capacity to make Your own informed decisions, the person/entity designated by Your Power of Attorney) have a complaint or concern related to ChooseHome or Your ChooseHome Plan, please contact your Personal Services Coordinator. If Your concern is not satisfactorily addressed by Your Personal Services Coordinator, You may submit Your concern in writing to the Executive Director for further assistance. The Executive Director will provide final resolution to You within approximately ten (10) business days of receiving Your request in writing. If You have concerns about the Level of Services You are receiving, please submit a Request for Review, as outlined in Article II, Section C.
- J. **Section Headings.** The section headings are for reference only and shall not limit or control the meaning of any provision of this Agreement.

ChooseHome
Community-Based Continuing Care Agreement (Standard)

- K. **Severability**. If any provision of this Agreement should be or become invalid, such invalidity shall not in any way affect any of the other provisions of this Agreement, which shall continue to remain in full force and effect.

- L. **Waiver**. No delay or omission on the part of the Member or ChooseHome in exercising any right hereunder shall operate as a waiver of such right or any other rights under this Agreement.

[Signatures appear on the following page.]

ChooseHome
Community-Based Continuing Care Agreement (Standard)

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement to be effective on the Effective Date indicated below.

Effective Date: _____, 20_____

MEMBER

Riverside Retirement Services, Inc.

Member Signature

Authorized Signature

Print Name

Print Name

Title

Member's Plan: _____

Member's Notice Contact:

Name: _____

Address: _____

Addendum A
Fees and Payment Options

By signing below, you (Member) agree to the terms of this **Addendum A**.

Member Name (Print): _____

Effective Date of Agreement: _____

A. **Deposit (as applicable)**: The Parties acknowledge that Member has has not paid a Deposit toward Member's Entrance Fee. The balance due is \$_____.

B. **Initial Monthly Service Fee (before any applicable discounts)**: \$_____ per month (subject to change as set forth in Article VI, Section B.5 of the Agreement).

C. **Payment Options: Lump Sum/Installments**. You may pay the Entrance Fee via one of the options listed below. Please circle Your preferred payment option below.

Option 1: The Member shall pay the Entrance Fee in one (1) single payment.

Option 2: The Member shall pay the Entrance Fee in two (2) installments. The first installment represents one-half of the Entrance Fee and is due on or before the date that this Agreement is executed. The second installment is due on or before six (6) months from the Effective Date. The second installment will include an additional five percent (5%) of the balance of the Entrance Fee as a convenience fee, which will be added to the outstanding balance.

<u>Option 2:</u>	Entrance Fee	\$ _____
	Due at Signing	Due at Sixth Month
Two Annual Installments	\$	\$
5% Convenience Fee	\$ 0.00	\$
Outstanding Balance	\$	\$
Total \$		

ChooseHome
Community-Based Continuing Care Agreement (Standard)

Option 3: The Member shall pay the Entrance Fee in three (3) installments. The first installment represents one-third of the Entrance Fee and is due on or before the date that this Agreement is executed. The second installment is due the sixth month from the Effective Date. The third installment is due on, or before, twelfth month from the Effective Date. The second and third installments will include an additional five percent (5%) of the balance of the Entrance Fee as a convenience fee, which will be added to the outstanding balance.

<u>Option 3:</u>	Entrance Fee \$ _____		
	Due at Signing	Due at Sixth Month	Due at 12 th Month
Three Annual Installments	\$	\$	\$
5% Convenience Fee	\$ 0.00	\$	\$
Outstanding Balance	\$	\$	\$
Total \$			

D. **Refund at Termination.** Refunds available to You are described in Article VII, Section C of this Agreement. However, convenience fees paid by You according to the Installment Options described in this Addendum shall not be eligible for refund.

Addendum B Discount for Couples

Discount for Couples: Couples that are legally (i) married, (ii) joined by civil union, or (iii) in a domestic partnership may be eligible for a discount. In addition, individuals living in the same household at the time of joining may be eligible for a discount.

In order to qualify for the discount: (i) the couple must be living in the same household, (ii) both individuals must become Members of ChooseHome at the same time, and (iii) each individual must meet eligibility requirements and be approved for membership in ChooseHome. If all three (3) requirements are met, ChooseHome will discount the initial Entrance Fee for both members. The discount will be calculated based on the Plan and coordinating percentage discount of the lesser of the two Entrance Fees, which varies depending on the Plan selected in Article I. That amount will then be split to evenly discount each Member's Entrance Fee, resulting in a reduced Entrance Fee for each Member.

The discount schedule is as follows: Comprehensive Plan – 30%, Premier Plan – 25%, Choice Plan – 20%, and Select Plan – 15%. Refer to the Plan selected in Article I to determine the applicable discount rate.

Your final Entrance Fee will be calculated as follows:

	Initial Entrance Fee	Couples Discount Percentage	Couples Discount	Final Entrance Fee
Member 1				
Member 2				
Total				

Your signature below constitutes acceptance of the Couple's Discount. In accepting this discount, each Member agrees to provide reasonable support to his/her partner in the event of a decline in his/her partner's health status, until no longer able to serve in a support capacity, as determined by ChooseHome. Reasonable support shall include, but not be limited to, companion/homemaker support, transportation, and meal assistance.

Member Signature

Print Name

Date

Member Signature

Print Name

Date

Addendum C

Description of Plans

Type of Service (unit of service)	Comprehensive	Premier	Choice	Select
<i>Maximum Daily Benefit:</i>	\$291.75	\$238.70	\$180.35	\$116.70
Level I Care: No Impairments in IADLs, ADLs, or Cognition				
Personal Services Coordinator	100%	100%	100%	100%
Initial Health and Wellness Assessment	100%	100%	100%	100%
Annual Wellness Assessment and Plan	100%	100%	100%	100%
Access to Community Events, Programs	100%	100%	100%	100%
Home Safety Assessment and Plan	100%	100%	100%	100%
Emergency Response System	100%	100%	100%	100%
Level II Care: Impairments in two or more IADLs and/or mild cognitive impairment				
Transportation to essential services (trip)	100%	100%	100%	100%
Medication Dispensing Service (month)	100%	100%	100%	100%
Companion/Homemaker (hour)	100%	90%	70%	70%
Level III Care: Impairments in two or more ADLs and/or moderate cognitive impairment				
Home Health Aide (hour)	100%	90%	70%	70%
Meal Assistance (hour)	100%	90%	70%	70%
Adult Day Service (visit)	100%	90%	70%	70%
Assisted Living / Memory Care (day)	100%	75%	50%	0%
Level IV Care: Impairments in two or more ADLs, meeting nursing home criteria, and/or severe cognitive impairment				
Nursing Facility (day)	100%	75%	50%	0%

* Percentages set forth above indicate the percentage of each Unit of Service covered by Your ChooseHome Plan up to the selected Plan's Maximum Daily Benefit.

Addendum D
CCRC Wait List Enrollment

Member Name: _____

Effective Date of Agreement: _____

I understand that ChooseHome provides me with services to allow me to live in my own home. However, I may choose to move to independent living at a continuing care retirement community (“CCRC”) at any time, and the following terms shall apply:

1. **Eligible CCRCs:** An “Eligible CCRC” is a CCRC with which ChooseHome has a Facility Coordination Agreement in place at the time I wish to enroll. For a current list of Eligible CCRCs, I may contact my Personal Service Coordinator.
2. **CCRC Waitlist Sign-up:** I may enroll in the waitlist program at one (1) of the Eligible Riverside CCRCs at no additional cost to me. If I wish to enroll in the waitlist program at more than one Eligible CCRC, or at a CCRC that is not an Eligible CCRC, I understand and agree that I must manage such waitlist program without assistance from ChooseHome and at my own cost.
3. **Notification/Authorization:** By signing below:
 - I am notifying ChooseHome that I am already enrolled in the waitlist program at the Eligible CCRC indicated below
 - I am authorizing ChooseHome to enroll me in the waitlist program at the Eligible CCRC indicated below. I authorize ChooseHome to contact the Eligible CCRC to initiate my enrollment, which may require me to meet with the CCRC to complete the process.

Eligible CCRC: _____

4. **ChooseHome Membership Options:** If I move to Independent Living at an Eligible CCRC under an Eligible CCRC Contract (as defined in Article VII, Section C.2), I will have the following options and will notify ChooseHome of my choice prior to the move:

If purchasing a Type C Contract:

- I choose to retain my membership in ChooseHome and receive all the Services provided for under this Agreement.
- I choose to terminate the Agreement pursuant to Article XI, Section F. I will submit a timely termination notice to ChooseHome.

If purchasing a Type A or Type B Contract:

- I choose to terminate my ChooseHome Agreement pursuant to Article XI, Section F and receive a refund of my entrance fee as outlined in Article VII of the Agreement. I will submit a timely termination notice to ChooseHome. The CCRC may offer me a discount on the entrance fee of contract.
- I choose NOT to terminate my ChooseHome Agreement.

Member Signature

Print Name

Date

Member Signature

Print Name

Date



APPENDIX D

Fees Schedules

Riverside Retirement Services, Inc. D.B.A. ChooseHome. Community-based continuing care provider registration statement and disclosure statement.

2024 Plan Pricing – Entrance Fees

Standard					Long-term				
Age	Compre.	Premier	Choice	Select	Age	Compre.	Premier	Choice	Select
55	\$34,397	\$23,643	\$17,193	\$9,623	55	\$41,757	\$29,100	\$21,722	\$13,546
56	\$34,856	\$23,649	\$17,199	\$9,628	56	\$42,273	\$29,214	\$21,728	\$13,551
57	\$35,315	\$23,654	\$17,205	\$9,635	57	\$42,789	\$29,329	\$21,734	\$13,557
58	\$35,774	\$23,660	\$17,210	\$9,640	58	\$43,305	\$29,444	\$21,739	\$13,562
59	\$36,232	\$23,665	\$17,216	\$9,646	59	\$43,822	\$29,558	\$21,745	\$13,568
60	\$36,692	\$23,671	\$17,222	\$9,652	60	\$44,338	\$29,673	\$21,751	\$13,573
61	\$37,375	\$23,677	\$17,231	\$9,658	61	\$44,987	\$29,841	\$21,759	\$13,583
62	\$38,055	\$23,682	\$17,241	\$9,666	62	\$45,636	\$30,008	\$21,768	\$13,591
63	\$38,740	\$23,685	\$17,250	\$9,671	63	\$46,287	\$30,175	\$21,775	\$13,600
64	\$39,422	\$23,687	\$17,259	\$9,678	64	\$46,936	\$30,341	\$21,783	\$13,608
65	\$40,106	\$23,691	\$17,270	\$9,686	65	\$47,587	\$30,508	\$21,793	\$13,618
66	\$41,360	\$24,310	\$17,286	\$9,693	66	\$48,949	\$31,367	\$21,951	\$13,648
67	\$42,615	\$24,930	\$17,305	\$9,697	67	\$50,309	\$32,225	\$22,111	\$13,677
68	\$43,872	\$25,547	\$17,324	\$9,703	68	\$51,672	\$33,082	\$22,272	\$13,707
69	\$45,127	\$26,166	\$17,342	\$9,708	69	\$53,034	\$33,940	\$22,431	\$13,736
70	\$46,382	\$26,785	\$17,361	\$9,713	70	\$54,396	\$34,799	\$22,592	\$13,766
71	\$47,988	\$27,858	\$17,794	\$9,717	71	\$56,267	\$36,174	\$23,206	\$13,850
72	\$49,590	\$28,930	\$18,229	\$9,720	72	\$58,138	\$37,551	\$23,823	\$13,935
73	\$51,196	\$30,003	\$18,662	\$9,725	73	\$60,010	\$38,927	\$24,437	\$14,019
74	\$52,800	\$31,076	\$19,097	\$9,728	74	\$61,880	\$40,304	\$25,053	\$14,103
75	\$54,405	\$32,148	\$19,532	\$9,730	75	\$63,752	\$41,680	\$25,670	\$14,186
76	\$56,019	\$33,497	\$20,226	\$9,771	76	\$65,816	\$43,363	\$26,572	\$14,336
77	\$57,635	\$34,844	\$20,922	\$9,810	77	\$67,883	\$45,045	\$27,474	\$14,484
78	\$59,249	\$36,193	\$21,619	\$9,848	78	\$69,949	\$46,728	\$28,379	\$14,632
79	\$60,866	\$37,542	\$22,314	\$9,887	79	\$72,016	\$48,411	\$29,282	\$14,781
80	\$62,481	\$38,890	\$23,010	\$9,926	80	\$74,082	\$50,093	\$30,185	\$14,930
81	\$64,086	\$40,204	\$23,739	\$9,938	81	\$76,178	\$51,794	\$31,145	\$15,050
82	\$65,692	\$41,514	\$24,469	\$9,947	82	\$78,272	\$53,493	\$32,105	\$15,170
83	\$67,298	\$42,824	\$25,196	\$9,958	83	\$80,368	\$55,193	\$33,064	\$15,290
84	\$68,905	\$44,137	\$25,925	\$9,966	84	\$82,464	\$56,893	\$34,025	\$15,409
85	\$70,511	\$45,448	\$26,653	\$9,978	85	\$84,560	\$58,593	\$34,984	\$15,529
86	\$72,328	\$46,635	\$27,288	\$9,979	86	\$86,871	\$60,237	\$35,904	\$15,663
87	\$74,140	\$47,822	\$27,922	\$9,981	87	\$89,180	\$61,883	\$36,823	\$15,794
88	\$75,955	\$49,009	\$28,556	\$9,982	88	\$91,492	\$63,529	\$37,741	\$15,926
89	\$77,769	\$50,196	\$29,189	\$9,986	89	\$93,802	\$65,174	\$38,660	\$16,059
90	\$79,585	\$51,384	\$29,825	\$9,988	90	\$96,112	\$66,819	\$39,579	\$16,191
91	\$81,973	\$52,926	\$30,720	\$10,287	91	\$98,995	\$68,825	\$40,767	\$16,677
92	\$84,431	\$54,513	\$31,640	\$10,595	92	\$101,965	\$70,889	\$41,989	\$17,176
93	\$86,963	\$56,146	\$32,591	\$10,914	93	\$105,024	\$73,014	\$43,250	\$17,692
94	\$89,575	\$57,831	\$33,566	\$11,239	94	\$108,177	\$75,204	\$44,545	\$18,224
95	\$85,331	\$54,148	\$30,600	\$10,340	95	\$102,232	\$70,528	\$40,733	\$16,710

2024 Plan Pricing – Monthly Service Fees

Age	Monthly Fee			
	Comprehensive.	Premier	Choice	Select
55	\$490	\$465	\$405	\$327
56	\$495	\$471	\$411	\$333
57	\$502	\$476	\$416	\$339
58	\$507	\$482	\$422	\$344
59	\$513	\$487	\$428	\$350
60	\$519	\$493	\$434	\$355
61	\$524	\$501	\$441	\$362
62	\$530	\$507	\$446	\$367
63	\$536	\$513	\$452	\$373
64	\$543	\$519	\$457	\$379
65	\$548	\$524	\$465	\$386
66	\$554	\$530	\$471	\$392
67	\$561	\$536	\$476	\$399
68	\$567	\$543	\$482	\$404
69	\$573	\$548	\$487	\$410
70	\$578	\$554	\$493	\$415
71	\$585	\$561	\$501	\$422
72	\$591	\$567	\$507	\$428
73	\$596	\$573	\$513	\$434
74	\$603	\$578	\$519	\$441
75	\$608	\$585	\$524	\$446
76	\$615	\$591	\$530	\$452
77	\$621	\$596	\$536	\$457
78	\$627	\$603	\$543	\$465
79	\$633	\$608	\$548	\$471
80	\$639	\$615	\$554	\$476
81	\$645	\$621	\$561	\$482
82	\$651	\$627	\$567	\$487
83	\$656	\$633	\$573	\$493
84	\$663	\$639	\$578	\$501
85	\$668	\$645	\$585	\$507
86	\$676	\$651	\$591	\$513
87	\$682	\$656	\$596	\$519
88	\$687	\$663	\$603	\$524
89	\$693	\$668	\$608	\$530
90	\$698	\$676	\$615	\$536
91	\$706	\$682	\$621	\$543
92	\$712	\$687	\$627	\$548
93	\$717	\$693	\$633	\$554
94	\$723	\$698	\$639	\$561
95	\$728	\$706	\$645	\$567

2024 No Entrance Fee Option -Monthly Fee Schedule

	Monthly fees for 3-year (Standard) plan			
	Comprehensive	Premier	Choice	Select
55	584	526	461	410
56	598	538	469	414
57	613	549	477	418
58	628	560	484	422
59	643	573	492	425
60	657	584	500	430
61	675	596	509	435
62	691	610	517	440
63	708	623	526	444
64	725	637	535	449
65	742	649	544	453
66	761	664	554	458
67	780	680	564	464
68	799	694	575	469
69	819	710	585	474
70	837	724	595	479
71	866	747	612	487
72	895	769	627	494
73	924	792	643	502
74	953	815	658	510
75	982	836	675	517

	Monthly fees for 5-year (Long-term) plan			
	Comprehensive	Premier	Choice	Select
55	644	574	495	423
56	661	587	505	428
57	678	599	513	433
58	695	613	522	438
59	712	626	531	442
60	729	640	541	447
61	748	654	550	452
62	767	670	560	457
63	786	684	571	462
64	805	699	581	468
65	825	714	590	474
66	846	731	603	479
67	867	748	614	485
68	889	764	625	490
69	909	781	637	496
70	931	797	648	502
71	963	822	665	510
72	994	847	683	519
73	1026	871	700	527
74	1058	896	717	536
75	1089	921	734	544



APPENDIX E

Certified Financial Statement

Riverside Retirement Services, Inc. D.B.A. ChooseHome. Community-based continuing care provider registration statement and disclosure statement.

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RIVERSIDE HEALTHCARE ASSOCIATION, INC. AND SUBSIDIARIES
d/b/a Riverside Health System

Consolidated Financial Statements and Supplementary Schedules

December 31, 2023 and 2022

(With Independent Auditors' Report Thereon)

RIVERSIDE HEALTHCARE ASSOCIATION, INC. AND SUBSIDIARIES

d/b/a Riverside Health System

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KPMG LLP
Suite 1510
222 Central Park Avenue
Virginia Beach, VA 23462

Independent Auditors' Report

The Board of Directors
Riverside Healthcare Association, Inc.:

Opinion

We have audited the consolidated financial statements of Riverside Healthcare Association, Inc. and its subsidiaries (the System), which comprise the consolidated balance sheets as of December 31, 2023 and 2022, and the related consolidated statements of operations and changes in net assets without donor restrictions, changes in net assets, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the System as of December 31, 2023 and 2022, and the results of its operations and its cash flows for the years then ended in accordance with U.S. generally accepted accounting principles.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the System and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Consolidated Financial Statements

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

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the System's ability to continue as a going concern for one year after the date that the consolidated financial statements are issued.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.



In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the System's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the System's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying supplementary information on pages 42-45 is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

KPMG LLP

Virginia Beach, Virginia
March 29, 2024

RIVERSIDE HEALTHCARE ASSOCIATION, INC. AND SUBSIDIARIES

d/b/a Riverside Health System

Consolidated Balance Sheets

December 31, 2023 and 2022

(In thousands)

Assets	2023	2022
Current assets:		
Cash and cash equivalents	\$ 41,399	37,182
Accounts receivable	199,826	180,542
Due from third-party payors	128,006	85,565
Other receivables	43,445	12,606
Other current assets	<u>68,046</u>	<u>59,807</u>
Total current assets	480,722	375,702
Investments	553,913	572,193
Investments – bond proceeds	253,557	—
Land, buildings, and equipment, net	1,017,844	964,094
Right-of-use assets	112,216	125,678
Other assets	<u>125,051</u>	<u>91,019</u>
Total assets	<u>\$ 2,543,303</u>	<u>2,128,686</u>
Liabilities and Net Assets		
Current liabilities:		
Accounts payable	\$ 78,432	56,459
Accrued liabilities	122,587	103,881
Current portion of long-term debt and obligations under finance leases	26,328	24,798
Other current liabilities	<u>49,008</u>	<u>61,891</u>
Total current liabilities	276,355	247,029
Deferred revenue	65,788	64,790
Long-term debt, less current portion	762,699	504,675
Obligations under finance leases, less current portion	58,644	64,536
Pension and postretirement obligations	93,267	100,869
Other liabilities	<u>221,490</u>	<u>216,416</u>
Total liabilities	<u>1,478,243</u>	<u>1,198,315</u>
Net assets:		
Without donor restrictions	1,037,110	902,770
Noncontrolling interest	<u>124</u>	<u>113</u>
Total without donor restrictions	1,037,234	902,883
With donor restrictions	<u>27,826</u>	<u>27,488</u>
Total net assets	<u>1,065,060</u>	<u>930,371</u>
Total liabilities and net assets	<u>\$ 2,543,303</u>	<u>2,128,686</u>

See accompanying notes to consolidated financial statements.

RIVERSIDE HEALTHCARE ASSOCIATION, INC. AND SUBSIDIARIES

d/b/a Riverside Health System

Consolidated Statements of Operations and Changes in Net Assets Without Donor Restrictions

Years ended December 31, 2023 and 2022

(In thousands)

	<u>2023</u>	<u>2022</u>
Operating revenues, gains, and other support without donor restrictions:		
Patient service revenue	\$ 1,596,189	1,444,888
Long-term care revenue	78,838	71,396
Other operating revenues	173,457	156,021
Net assets released from restrictions for operations	<u>1,491</u>	<u>743</u>
Total operating revenues, gains, and other support	<u>1,849,975</u>	<u>1,673,048</u>
Operating expenses:		
Salaries and benefits	974,131	876,676
Services and other	356,015	336,215
Supplies	372,383	318,923
Depreciation and amortization	101,136	96,765
Interest	<u>20,365</u>	<u>16,459</u>
Total operating expenses	<u>1,824,030</u>	<u>1,645,038</u>
Net operating income	<u>25,945</u>	<u>28,010</u>
Nonoperating gains and (losses), net:		
Investment gains (losses), net	49,516	(98,266)
Pension and postretirement (cost) benefit	<u>(150)</u>	<u>7,986</u>
Total nonoperating gains (losses), net	<u>49,366</u>	<u>(90,280)</u>
Excess (deficiency) of revenues, gains, and other support over expenses and losses before noncontrolling interest	75,311	(62,270)
Noncontrolling interest	<u>(11)</u>	<u>(10)</u>
Excess (deficiency) of revenues, gains, and other support over expenses and losses attributable to Riverside Health System	75,300	(62,280)
Change in fair value of financial instruments – interest rate swap agreement	95	5,927
Change in plan assets and benefit obligations of pension and postretirement plans	6,722	77,066
Cumulative effect of change in lease classification	—	(3,045)
Contributed capital from UVAMC	55,000	—
Other	<u>(2,777)</u>	<u>(4,647)</u>
Change in net assets without donor restrictions attributable to Riverside Health System	\$ <u><u>134,340</u></u>	\$ <u><u>13,021</u></u>

See accompanying notes to consolidated financial statements.

RIVERSIDE HEALTHCARE ASSOCIATION, INC. AND SUBSIDIARIES
d/b/a Riverside Health System

Consolidated Statements of Changes in Net Assets

Years ended December 31, 2023 and 2022

(In thousands)

	<u>Without donor restrictions</u>		<u>With donor restrictions</u>	<u>Total</u>
	<u>Riverside Health System</u>	<u>Noncontrolling interest</u>		
Balance at December 31, 2021	\$ 889,749	103	27,403	917,255
(Deficiency) excess of revenues over expenses	(62,280)	10	—	(62,270)
Change in fair value of financial instruments – interest rate swap agreement	5,927	—	—	5,927
Change in plan assets and benefit obligations of pension and postretirement plans	77,066	—	—	77,066
Cumulative effect of change in lease classification	(3,045)	—	—	(3,045)
Other	(4,647)	—	—	(4,647)
Contributions	—	—	3,069	3,069
Donor-restricted investment loss, net	—	—	(3,009)	(3,009)
Net assets released from restrictions	—	—	(743)	(743)
Other changes in restricted net assets	—	—	768	768
Change in net assets	<u>13,021</u>	<u>10</u>	<u>85</u>	<u>13,116</u>
Balance at December 31, 2022	<u>902,770</u>	<u>113</u>	<u>27,488</u>	<u>930,371</u>
Excess of revenues over expenses	75,300	11	—	75,311
Change in fair value of financial instruments – interest rate swap agreement	95	—	—	95
Change in plan assets and benefit obligations of pension and postretirement plans	6,722	—	—	6,722
Cumulative effect of change in lease classification	—	—	—	—
Contributed capital from UVAMC	55,000	—	—	55,000
Other	(2,777)	—	—	(2,777)
Contributions	—	—	(818)	(818)
Donor-restricted investment gain, net	—	—	2,647	2,647
Net assets released from restrictions	—	—	(1,491)	(1,491)
Other changes in restricted net assets	—	—	—	—
Change in net assets	<u>134,340</u>	<u>11</u>	<u>338</u>	<u>134,689</u>
Balance at December 31, 2023	<u>\$ 1,037,110</u>	<u>124</u>	<u>27,826</u>	<u>1,065,060</u>

See accompanying notes to consolidated financial statements.

RIVERSIDE HEALTHCARE ASSOCIATION, INC. AND SUBSIDIARIES
d/b/a Riverside Health System

Consolidated Statements of Cash Flows
Years ended December 31, 2023 and 2022
(In thousands)

	2023	2022
Cash flows from operating activities:		
Changes in net assets	\$ 134,689	13,116
Adjustments to reconcile changes in net assets to net cash provided by (used in) operating activities:		
Depreciation and amortization	101,136	96,765
Net realized and unrealized (gains) losses on investments	(36,326)	116,753
Loss (gain) on sale of assets	1,793	(175)
Change in fair value of interest rate swap	(95)	(5,927)
Net periodic pension cost	(145)	16,878
Components of the change in net pension and postretirement liabilities	(6,722)	(77,066)
Contributed capital from UVAMC	(55,000)	—
Cumulative effect of change in lease classification	—	3,045
Changes in assets and liabilities:		
Accounts receivable	(19,284)	(20,606)
Due from third-party payors	(42,441)	(109,269)
Other receivables	(30,839)	(4,272)
Other current assets	(8,239)	(8,596)
Right-of-use assets	3,797	10,037
Other assets	300	(278)
Accounts payable	16,087	(21,656)
Accrued liabilities	18,706	(11,148)
Other current liabilities	(12,883)	12,261
Deferred revenue	998	3,270
Contributions to pension plan	(735)	(11,746)
Other liabilities	4,996	(21,108)
Net cash provided by (used in) operating activities	69,793	(19,722)
Cash flows from investing activities:		
Capital expenditures	(144,209)	(126,393)
Proceeds from sales of capital assets	3,081	768
Purchases of investments	(135,011)	(153,209)
Proceeds from sales of investments	176,970	194,945
Purchases of investments with bond proceeds	(253,242)	—
Net cash used in investing activities	(352,411)	(83,889)
Cash flows from financing activities:		
Proceeds from issuance of long-term debt	271,796	—
Proceeds from borrowings under line of credit	658,063	609,876
Repayments of line of credit	(658,063)	(610,200)
Principal payments on long-term debt and capital leases	(15,284)	(19,175)
Financing costs	(2,677)	—
Sale of member interest in Riverside Health System	33,000	—
Net cash provided by (used in) financing activities	286,835	(19,499)
Net increase (decrease) in cash and cash equivalents	4,217	(123,110)
Cash and cash equivalents, beginning of year	37,182	160,292
Cash and cash equivalents, end of year	\$ 41,399	37,182
Supplemental disclosures of cash flow information:		
Land, buildings, and equipment purchases in accounts payable	\$ 5,886	4,042
Cash paid for interest	18,047	17,535
Major moveable equipment obtained through finance leases	—	2,254

See accompanying notes to consolidated financial statements.

RIVERSIDE HEALTHCARE ASSOCIATION, INC. AND SUBSIDIARIES

d/b/a Riverside Health System

Notes to Consolidated Financial Statements

December 31, 2023 and 2022

(1) Organization

Riverside Healthcare Association, Inc. and subsidiaries is a nonprofit organization of owned and controlled healthcare providers located principally in Newport News, Virginia. The organization currently operates under the trade name of Riverside Health System. Riverside Health System comprises four major divisions: the Acute Care Division, the Other Acute Care Division, the Lifelong Health Division, and the Healthcare Support Division.

As of December 31, 2023, Riverside Health System is principally owned and controlled by Riverside Integrated Services, Inc. (the Parent). A minority share of Riverside Health System is owned by The Rectors and Visitors of the University of Virginia, d/b/a University of Virginia Medical Center ("UVAMC"). The Parent was formed in June 2023 as an entity under common control with Riverside Health System with the intent to carry out the same overall mission. Under the current Master Trust Indenture, the owners of Riverside Health System's bonds look solely to Riverside Health System for repayment of those obligations.

The Acute Care Division is composed of the following:

- Doctors' Hospital of Williamsburg, a 40-bed acute care hospital doing business as Riverside Doctors' Hospital Williamsburg
- Riverside Hospital, Inc., consisting primarily of an acute care general hospital licensed for 450 beds operating under the trade name Riverside Regional Medical Center
- Riverside Middle Peninsula Hospital, Inc., a 67-bed acute care hospital doing business as Riverside Walter Reed Hospital
- Shore Health Services, Inc., a 52-bed acute care hospital doing business as Riverside Shore Memorial Hospital
- Riverside Mental Health & Recovery Center, a 98-bed psychiatric and chemical dependence center, including a dedicated psychiatric emergency department

The Other Acute Care Division is composed of the following:

- MiChuMi, LLC, doing business as MDEXpress, which operates five urgent care centers
- Peninsula Cancer Institute, LLC, which employs 15 physicians and 8 advanced practice providers in seven practices
- Riverside Physician Services, Inc., doing business as Riverside Medical Group, which employs 393 physicians and 242 advanced practice providers in 117 practices

The Lifelong Health Division operates 478 nursing home beds; 295 assisted living beds; and provides skilled, rehabilitation, intermediate, and home-for-adult services. The division also manages home care and community-based services for Riverside Health System.

The Lifelong Health Division is composed of the following:

- At Home Partners, LLC (At Home Partners), 80% owned by Riverside Retirement Services, Inc.

RIVERSIDE HEALTHCARE ASSOCIATION, INC. AND SUBSIDIARIES

d/b/a Riverside Health System

Notes to Consolidated Financial Statements

December 31, 2023 and 2022

- Center for Excellence in Aging and Geriatric Health, doing business as Center for Excellence in Aging and Lifelong Health
- Francis N. Sanders Nursing Home, Inc.
- Patrick Henry Hospital, Inc.
- Patriots Colony, Inc.
- Riverside Convalescent Centers, Inc.
- Riverside Hospice and Homecare Services, LLC
- Riverside Retirement Services, Inc.
- Riverside Wellness and Fitness Centers, Inc.
- Sanders Common, Ltd.
- Shore Life Care, Inc.
- Tilden and Virginia Davis Support Foundation, Inc.

The Healthcare Support Division is composed of the following:

- Newport News General and Non-Sectarian Hospital Association, Inc., a real estate holding company
- Peninsula Hospital Services, Inc., a laundry service company, wholly owned by Riverside Healthcare Foundation, Inc.
- Peninsula Radiosurgery Associates, LLC, a radiosurgery center management company
- Quarterpath Williamsburg, LLC
- The Rehabilitation Institute of Virginia, Inc., a healthcare holding company
- RHS MedInsur, Ltd. (MedInsur), a wholly owned captive insurance company
- Riverside Advantage, Inc.
- Riverside Health System Foundation, Inc.
- Riverside Healthcare Foundation, Inc.
- Riverside Healthcare Association, Inc., a wholly owned holding company
- Riverside Healthcare Services, Inc., which provides financial services, risk management, and management contract services to related organizations
- Riverside Management Services, Inc., which provides managerial and advisory services primarily to related organizations
- Riverside Medical Equipment Center, Inc., a physician office billing company
- Virginia Surgical Management, LLC, a surgery center management company

All are hereinafter referred to collectively as the "System."

RIVERSIDE HEALTHCARE ASSOCIATION, INC. AND SUBSIDIARIES

d/b/a Riverside Health System

Notes to Consolidated Financial Statements

December 31, 2023 and 2022

Basis for Consolidation

The accompanying consolidated financial statements include the assets, liabilities, and net assets and operations of all the controlled corporations mentioned above. All significant intercompany accounts and transactions have been eliminated in consolidation.

(2) Summary of Significant Accounting Policies

(a) Use of Estimates

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

(b) Cash and Cash Equivalents

The System considers all highly liquid investments with original maturities of three months or less at the time of purchase to be cash equivalents, with the exception of short-term investments that are included within investments in the accompanying consolidated balance sheets.

(c) Accounts Receivable

Accounts receivable are amounts due from patients or residents, less implicit and explicit price concessions. Price concessions are based on historical collection trends, market conditions, and management's judgment regarding the ability to collect specific accounts.

(d) Inventories

Inventories consist primarily of drugs and medical supplies which are stated at the lower of average cost or net realizable value are recorded in other current assets on the accompanying consolidated balance sheets.

(e) Investments

The System's investments include marketable securities, alternative investments, and equity method investments.

Marketable debt and equity securities are carried at fair value determined in accordance with the provisions of Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 820, *Fair Value Measurement*. The System has designated its marketable securities as trading securities and recognizes investment income or loss (including realized and unrealized gains and losses on investments, interest, and dividends) as nonoperating gains and losses in the accompanying consolidated statements of operations and changes in net assets without donor restrictions.

The System's alternative investments are reported at net asset value (NAV) as a practical expedient; gains or losses are recorded as nonoperating gains and losses in the accompanying consolidated statements of operations and changes in net assets without donor restrictions unless it is probable that

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all or a portion of the investment will be sold for an amount other than NAV. The System has concluded, as a practical expedient, that NAV approximates fair value.

Joint ventures and other investments in which the System does not control but does, however, have the ability to exercise significant influence are accounted for under the equity method of accounting in the accompanying consolidated financial statements.

The System also has investments designated for self-insurance held at MedInsur of approximately \$55,100 and \$49,650, respectively, as of December 31, 2023 and 2022.

The System's investments are exposed to several risks, including market risks. Due to the level of risk associated with certain investments, it is at least reasonably possible that changes in the values of investment securities will occur and that such changes could materially affect the amounts reported in the System's consolidated financial statements. The System manages such risks through diversification of the investment portfolio, monitoring and due diligence, and the use of third-party service providers.

(f) Land, Buildings, and Equipment, Net

Land, buildings, and equipment are stated at cost. Depreciation is computed on the straight-line method using the following estimated useful lives:

	<u>Years</u>
Land improvements	2–25
Buildings and improvements	5–40
Fixed equipment	5–20
Major movable equipment	2–20

Gains or losses on the disposal of land, buildings, and equipment are included in other operating revenues on the accompanying consolidated statements of operations and changes in net assets without donor restrictions.

(g) Goodwill

The System accounts for goodwill in accordance with FASB ASC Topic 350, *Intangibles – Goodwill and Other*. As of December 31, 2023 and 2022, the balance of goodwill was approximately \$40,000 and is included in other assets in the accompanying consolidated balance sheets. In accordance with ASC Topic 350, the System's goodwill is not amortized but rather is tested annually for impairment. Management evaluates goodwill amounts for impairment annually at the end of the reporting period. No impairment loss was recognized in 2023 or 2022.

(h) Deferred Compensation Plan

The System sponsors an eligible deferred compensation plan as described under Internal Revenue Code (IRC) section 457. Eligible plans allow employees to defer income taxation on retirement savings into future years and plan participants can contribute up to the IRC limit. The System records an asset

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for the investments and a corresponding liability related to the payment to the employees in future years. Investments held by the System under a rabbi trust arrangement and the liability associated with the deferred compensation plan are included within other (noncurrent) assets and other (noncurrent) liabilities, respectively, in the accompanying consolidated balance sheets. As of December 31, 2023 and 2022, the asset and liability were approximately \$59,500 and \$47,200, respectively.

As of December 31, 2023 and 2022, investments held by the rabbi trust arrangement included marketable equity securities, money market mutual funds, and other investments, substantially all of which would be classified as Level 1 securities within the valuation hierarchy. The allocation by investment type as of December 31 were as follows:

	<u>2023</u>	<u>2022</u>
Equity securities	96 %	91 %
Money market mutual funds	3	8
Other	1	1

All investment earnings and expenses of the rabbi trust are reported in the System's consolidated statements of operations and changes in net assets without donor restrictions within investment income, net and the related compensation cost from the change in fair value of the amount owed to the employees is recorded in net pension and postretirement costs. For the year ended December 31, 2023, net unrealized investment gains and deferred compensation benefit were \$9,058. For the year ended December 31, 2022, net unrealized investment losses and deferred compensation cost were (\$10,329). These gains and losses related to the deferred compensation plan were recognized by the System in nonoperating gains and losses.

(i) COVID-19 Federal Assistance

On March 27, 2020, the U.S. Congress passed the Coronavirus Aid, Relief, and Economic Security (CARES) Act, which provided federal assistance for individuals and businesses. Under the CARES Act Provider Relief Funding, the System received \$88,399 in federal grants, \$72,429 of which were recognized prior to 2022, \$15,970 of which were recognized in 2022, and \$0 of which were recognized in 2023 as grant revenue in other operating revenues on the accompanying consolidated statements of operations and changes in net assets without donor restrictions. In addition to the federal grants received, the System received and recognized state of Virginia CARES Act grants from the Department of Medical Assistance Services in the amount of \$3,870 and \$0 during the years ended December 31, 2022 and 2023, respectively. The System considered FAQs and other guidance issued by the U.S. Department of Health and Human Services (HHS) when assessing whether the terms and conditions of the Provider Relief Funding were met. The amounts recognized as revenue could change in the future based on continuing analysis of lost operating revenues and COVID-19-related expenses as well as the evolving guidance provided by HHS.

In April 2020, the System received \$149,379 of advance payments from the Centers for Medicaid and Medicare Services (CMS). These advanced payments, which continue to be earned when future Medicare claims are reported to CMS, are recorded in due to third-party payors on the accompanying

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consolidated balance sheets. CMS started to recoup the advance payments in April 2021. The System repaid the advance payments in 2022.

The System submitted a FEMA Public Assistance claim due to the COVID-19 Public Health Emergency in December 2022. This claim was for eligible agency contract clinical labor expenses incurred for the treatment of COVID positive and suspected positive patients during the Public Health Emergency incident period from January 20, 2020 through July 1, 2022. FEMA obligated this claim for \$18,500, and it was funded by the Commonwealth of Virginia in December 2023 in the amount of \$16,650. The reduced payment amount reflects Virginia withholding of 10% of the obligated project amount until FEMA project close out has been completed. The System recognized the \$18,500 as grant revenue in other operating revenues on the accompanying consolidated statement of operations. The System anticipates close out of this project and receipt of the remaining \$1,850 in 2024.

(j) Deferred Revenue

Patriots Colony, Inc. (Patriots Colony) and Warwick Forest (a division of Riverside Retirement Services, Inc.) are continuing care retirement communities. Residents admitted to the facilities pay a fee at admission (advance fee) and a monthly fee to cover the cost of their care (periodic fee). Note 2(o) (ii) further discusses recognition of the monthly fees when the performance obligations are met.

Under the terms of the various contracts, the advance fees range from nonrefundable to 95% refundable. The advance fees paid by a resident upon entering into a continuing care contract are recorded as deferred revenue and are amortized over time using an actuarial valuation that includes estimated remaining life expectancy and remaining healthcare usage of each individual resident, or joint and last survivor life expectancy of each pair of residents occupying the same unit. The refundable portion of these advance fees is repayable to the resident upon the resident vacating the unit and generally becomes nonrefundable over time. The refundable portion is classified as other current liabilities and is not amortized.

The deferred revenue balance as of December 31, 2023 was \$65,788, consisting of \$63,642 in advance fees and \$2,146 in other deferred revenue. The deferred revenue balance as of December 31, 2022 was \$64,790, consisting of \$61,821 in advance fees and \$2,969 in other deferred revenue.

As of December 31, 2023 and 2022, the portion of advance fees subject to refund provisions were approximately \$19,900 and \$18,000, respectively. Amounts expected to be refunded to current residents, based on the System's experience, were approximately \$5,700 and \$5,100 as of December 31, 2023 and 2022, respectively, and are recorded in other current liabilities in the accompanying consolidated balance sheets.

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The amounts relating to long-term care residents' advance fees are as follows:

Balance at December 31, 2021	\$	58,358
Amortization of entrance fees		(6,009)
Current year entrance fees		12,374
Refunds and terminations		<u>(2,902)</u>
Balance at December 31, 2022		61,821
Amortization of entrance fees		(6,334)
Current year entrance fees		10,584
Refunds and terminations		<u>(2,429)</u>
Balance at December 31, 2023	\$	<u><u>63,642</u></u>

(k) Obligation to Provide Future Services

Patriots Colony and Warwick Forest calculate the present value of the net cost of future services and future use of facilities to current residents and members and compares that amount with the balances of deferred revenue from advanced entrance fees. If the present value of the net obligation to provide future services and future use of facilities (discounted at 5%) exceeds the deferred revenue from advanced entrance fees, a liability is recorded with the corresponding charge to income. The calculation is performed biennially for each program in alternating years. As of December 31, 2023 and 2022, deferred revenue from advanced entrance fees exceeded the calculation of the present value of the net cost of future services and future use of facilities for Patriots Colony and Warwick Forest. Therefore, an additional liability for an obligation to provide future services and use of facilities is not required.

(l) Derivatives Policy

The System manages its exposure to interest rate volatility through use of an interest rate swap contract. This contract qualifies as a derivative financial instrument. In accordance with the provisions of FASB ASC Subtopic 954-815, *Health Care Entities – Derivatives and Hedging*, the System applies the provisions of FASB ASC Topic 815, *Derivatives and Hedging*, in the same manner as a for-profit entity. That is, the gain or loss items related to derivative instruments that affect a for-profit entity's income from continuing operations under ASC Topic 815 similarly affect the System's performance indicator, and the gain or loss items that are excluded from a for-profit entity's income from continuing operations similarly are excluded from the System's performance indicator. Under ASC Subtopic 954-815, to exclude the change in fair value from the performance indicator, the derivative instrument must not only be related to a specific bond issue, but also be a statistically correlated hedge of the current interest cash flow on the bonds. The System's performance indicator is referred to as excess of revenues, gains, and other support over expenses and losses. The net amount that becomes due or payable under the contracts is recognized currently in operating income. The System recognizes the derivative instrument at its estimated fair value on the balance sheet date and the gains and losses in its consolidated statements of operations and changes in net assets without donor restrictions. As of December 31, 2023 and 2022, the System has recorded the estimated fair

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value within other liabilities on the accompanying consolidated balance sheets. See Note 10 for further details.

(m) Leases

The System accounts for leases in accordance with ASC Topic 842, Leases (see Note 12). As such, the System determines if an arrangement is or contains a lease at contract inception and recognizes a right-of-use (ROU) asset and a lease liability at the lease commencement date.

For operating leases, the lease liability is initially and subsequently measured at the present value of the unpaid lease payments at the lease commencement date. For finance leases, the lease liability is initially measured in the same manner and date as for operating leases, and is subsequently measured at amortized cost using the effective-interest method. Key estimates and judgments include how the System determines (1) the discount rate it uses to discount the unpaid lease payments to present value, (2) lease term, and (3) lease payments.

- ASC Topic 842 requires a lessee to discount its unpaid lease payments using the interest rate implicit in the lease or, if that rate cannot be readily determined, its incremental borrowing rate. Generally, the System cannot determine the interest rate implicit in the lease because it does not have access to the lessor's estimated residual value or the amount of the lessor's deferred initial direct costs. Therefore, the System uses U.S. Treasury risk-free rate of return as the discount rate for the lease.
- The lease term for all of the System's leases includes the noncancelable period of the lease plus any additional periods covered by either an option to extend (or not to terminate) the lease that the System is reasonably certain to exercise.
- Lease payments included in the measurement of the lease liability are comprised of fixed payments, including in-substance fixed payments, owed over the lease term (which includes termination penalties the System would owe if the lease term assumes the System's exercise of a termination option) and the exercise price of the System's option to purchase the underlying asset if the System is reasonably certain to exercise the option.

The ROU asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for lease payments made at or before the lease commencement date, plus any initial direct costs incurred less any lease incentives received.

For operating leases, the ROU asset is subsequently measured throughout the lease term at the carrying amount of the lease liability, plus initial direct costs, plus (minus) any prepaid (accrued) lease payments, less the unamortized balance of lease incentives received. Lease expense for lease payments is recognized on a straight-line basis over the lease term.

For finance leases, the ROU asset is subsequently amortized using the straight-line method from the lease commencement date to the earlier of the end of its useful life or the end of the lease term unless the lease transfers ownership of the underlying asset to the System, or the System is reasonably certain to exercise an option to purchase the underlying asset. In those cases, the ROU asset is amortized over the useful life of the underlying asset. Amortization of the ROU asset is recognized and presented separately from interest expense on the lease liability.

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(n) Net Assets

The System classifies resources into two net assets categories based on the existence or absence of restrictions imposed by donors: without donor restrictions and with donor restrictions.

(i) Net Assets without Donor Restrictions

Net assets without donor restrictions are those net assets that are the result of revenues and income from standard operations of the System and are not subject to donor-imposed stipulations. Expenses, as reported on the consolidated statements of operations and changes in net assets without donor restrictions, reduce the total net assets without donor restrictions that resulted from revenues and other income.

Also included in this category are net assets in the plant replacement fund that the Board of Directors has the ability to, but has not, designated for specific purposes other than general plant replacement.

(ii) Net Assets with Donor Restrictions

Net assets with donor restrictions are unconditional promises to give cash and other assets whose use by the System has been limited by donors to a specific time period or purpose. These unconditional promises are discounted at a risk adjusted rate commensurate with the duration of the payment term which approximates fair value at the date the promise is received. When a donor restriction expires, that is, when a stipulated time restriction ends or the purpose of the restriction is accomplished, the assets are reclassified as net assets without donor restrictions and are reported in the consolidated statements of operations and changes in net assets without donor restrictions as net assets released from restriction. Donor-restricted contributions whose restrictions are met in the year they are received are reflected as increases in net assets without donor restrictions in the accompanying consolidated financial statements.

Also included in this category are net assets subject to donor-imposed restrictions to be maintained by the System in perpetuity, including gifts and pledges wherein donors stipulate that the corpus of the gift be held in perpetuity and that only the income be made available for program operations.

(o) Patient Service Revenue and Long-Term Care Revenue

(i) Patient Service Revenue

Revenue from patients is reported at the estimated net realizable amounts to be received from patients, third-party payors, or others for services rendered. The nature of the services provided determines performance obligations and the System recognizes revenue as performance obligations are satisfied, which is typically over time. The net realizable amounts include estimated retroactive adjustments under reimbursement agreements with third-party payors that are accrued on an estimated basis in the period the performance obligations are met and are based on current and historical experience, as well as reimbursement and other information, such as charges and allowable costs. The amounts are adjusted in future periods as changes to current, historical, and forecasted data becomes readily available.

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(ii) Long-Term Care Revenue

Long-term care revenue includes revenue from patients in nursing homes, as well as revenue from residents in continuing care retirement communities. Revenue from patients in the nursing home divisions are recorded in a similar manner to patient service revenue in that patient service revenue is recorded over time as the performance obligations are satisfied.

Revenue from residents in continuing care retirement communities is reported at the amount that reflects the consideration the System expects to receive in exchange for services provided. The amounts are due from residents or third-party payors and include variable consideration for retroactive adjustments, if any, under reimbursement programs. Revenue is recognized as the performance obligations are satisfied. Residents' fees include a fixed fee at admission and monthly fees. Residency agreements are generally for a term of one month with options to renew. The options to renew generally do not provide a material right to the resident (i.e., incremental discount) that the resident would not receive without entering into that contract; therefore, the System recognizes the monthly fees as revenue when the services for the month are performed and the performance obligation is met.

(p) Charity Care

The System's policy is to provide medical care without regard to the patient's ability to pay for such services. Charity care is based upon a review of the patient's financial circumstances. The amounts charged to patients that qualify for charity care are not recorded as patient service revenue and are excluded from accounts receivable because the System does not pursue collection of these amounts; however, the expenses incurred in providing these services are included in the System's operating expenses in the accompanying consolidated statements of operations and changes in net assets without donor restrictions.

(q) Noncontrolling Interest

Noncontrolling interest represents the minority shareholder's proportionate share of the net assets of At Home Partners. Revenues in excess of expenses are allocated to the minority shareholder of At Home Partners in proportion to the minority shareholder's ownership percentage and are reflected as income attributable to noncontrolling interest in the accompanying consolidated statements of operations and changes in net assets without donor restrictions.

(r) Income Taxes

The System has received a group exemption letter from the Internal Revenue Service (IRS) under the corporation name Riverside Healthcare Association, Inc. recognizing each of its wholly owned subsidiaries, except for Riverside Medical Equipment Center, Inc., Newport News General and Non-Sectarian Hospital Association, Inc., Shore Health Services, Inc., Shore Life Care, Inc., Tilden and Virginia Davis Support Foundation, Inc., and Peninsula Hospital Services, Inc., stating they are exempt from income taxes pursuant to Section 501(c)(3) of the IRC, except for unrelated business income. Newport News General and Non-Sectarian Hospital Association, Inc. has retained its determination letter from the IRS stating it is exempt from income taxes pursuant to IRC Section 501(c)(2). Shore Health Services, Inc., Shore Life Care, Inc., and Tilden and Virginia Davis Support Foundation, Inc. have retained their determination letters stating they are exempt from income taxes pursuant to IRC

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Section 501(c)(3). No provision for income taxes was required for the years ended December 31, 2023 and 2022. As of December 31, 2023 and 2022, there were no uncertain tax positions.

(s) Mission Statement and Nonoperating Gains and Losses

The System's primary mission is to provide the highest quality care based on the medical needs of the citizens of the surrounding communities. Only those activities directly associated with the furtherance of this purpose are considered to be operating activities.

Other activities that result in gains or losses unrelated to the System's primary mission are considered to be nonoperating. Nonoperating gains and losses include earnings on investments and gains and losses resulting from unusual or infrequent transactions.

(3) Patient Service Revenue and Long-term Care Revenue

The System has two main sources of operating revenue: (1) contracts with patients through Acute Care and Other Acute Care Divisions and (2) contracts with patients or residents through the Lifelong Health Division.

The amounts recognized as revenue are due from patients, residents, third-party payors, or others, and include estimated retroactive adjustments under reimbursement agreements with third-party payors. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and are adjusted in future periods as final settlements are determined. Generally, for inpatient services, the System bills the patient and third-party payors several days after services are performed and after the patient is discharged from the hospital. For outpatient services, the System bills patients and third-party payors several days after the services are rendered. The nature of the services provided determines performance obligations; the System typically recognizes revenue over time as performance obligations are satisfied. Other performance obligations that are deemed to be satisfied at a point in time may include services such as pharmacy sales. These obligations are satisfied when (1) goods are provided to the patients, residents, or other customers and (2) further services are not required in order to satisfy the performance obligation.

The System recognizes revenue for performance obligations satisfied over time based on actual charges incurred as services are provided to the patient or resident. Performance obligations incurred over time include services provided in inpatient acute care facilities, ancillary outpatient services provided in a facility or in a provider office including those rendered on the same day, long-term care facility services, and home care services. For inpatient and long-term care facility services, the performance obligation is measured from the point of admission to the time when services and goods are no longer required to satisfy the contract with the patient, which is generally at the time of discharge. These services are considered to be one performance obligation.

For inpatients at acute care facilities that have been admitted but not yet discharged at the end of the reporting period, an unsatisfied or partially satisfied performance obligations exists. The System recognizes revenue based on gross charges for services provided through the end of the month and accrues revenue based on charges posted after year-end that relate to the reporting period. These performance obligations are related to contracts that are expected to have a duration of less than one year and are therefore not disclosed separately as unsatisfied at the end of the reporting period.

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The System determines the transaction price based on gross charges for services provided, less explicit and implicit price concessions and variable constraints. Contracts with patients usually involve a third-party payor and the System has agreements with certain third-party payors that provide for reimbursement at amounts different from their established rates. The gross charges are reduced for the difference between the reimbursement from third-party payors and the gross charge amount (explicit price concessions). Additionally, the System provides medical care without regard to the patient's ability to pay for services. Uninsured patients receive a discount from billed charges for medically necessary services.

If the System identifies subsequent adjustments to the transaction price that would cause adverse changes in a patient or payor's ability to pay, the amounts are recorded as bad debt expense. Bad debt expense is included in operating expenses in the accompanying consolidated statement of operations and changes in net assets without donor restrictions. The amount included as bad debt expense for the years ended December 31, 2023 and 2022 was not material to the System.

The System uses a portfolio approach as a practical expedient in recognizing patient revenue as patient accounts receivable are valued. The System does not expect its portfolio results to differ materially from valuing individual contracts.

There were no changes to the estimate of transaction price in the valuation of patient service revenue in 2023 and 2022 as compared with prior years.

The System does not adjust the amount of consideration from patients and third-party payors for the effects of a significant financing component because the System expects that the period between the time when patients receive services and when the System receives payments for those services will be one year or less. The System does, however, enter into payment arrangements with patients that allow payments in excess of one year. The System does not consider the financing component significant to the contract for these payment plans.

Laws and regulations governing the Medicare and Medicaid programs are complex and subject to interpretation. As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term. Adjustments to revenue estimates related to prior periods resulted in increases in patient service revenue of approximately \$34,755 and \$4,884 for the years ended December 31, 2023 and 2022, respectively.

A summary of the basis of hospital reimbursement from major third-party payors is as follows:

(a) Acute Care

Medicare – Inpatient services and capital costs related to Medicare program beneficiaries are paid at prospectively determined rates per discharge. These rates vary according to a patient classification system that is based on clinical, diagnostic, and other factors. Substantially all Medicare outpatient services are paid at prospectively determined rates, which vary according to services rendered. Other outpatient services related to Medicare beneficiaries are paid based on a cost reimbursement methodology. The System's Medicare cost reports have been final-settled by the intermediary through December 31, 2012.

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There are several Medicare Advantage Programs in the System's service area. Inpatient acute care services are reimbursed at prospectively determined rates per discharge based upon the Medicare inpatient patient classification system. Outpatient services are reimbursed at prospectively determined rates based upon the Medicare Outpatient Prospective Payment System.

Medicaid – Inpatient services are reimbursed at prospectively determined operating rates and tentative, cost-based capital and education rates per discharge, with final settlement of capital and education costs determined after submission of annual cost reports by the System and audits thereof by the Medicaid fiscal intermediary. Outpatient services are reimbursed at prospective determined rates. The System's Medicaid cost reports have been final-settled by the intermediary through December 31, 2022.

There are several Medicaid managed programs in the System's service area. Inpatient acute care services are reimbursed at prospectively determined rates. Outpatient services are reimbursed at either a percentage of charges or prospectively determined rates.

The State of Virginia assesses a fee or tax on hospital gross patient service revenue. The revenue from this assessment is used to increase payments made to hospitals for the unreimbursed costs of hospital services provided to Medicaid patients of \$50,086 and \$38,181 for 2023 and 2022, respectively. The System's patient service revenue reflects the increase in payment for services to Medicaid patients and hospital tax assessment expense reflects the fees assessed by the State. Reimbursement and the assessment under this program are reflected in the accompanying consolidated statements of operations and changes in net assets without donor restrictions as follows:

			<u>2023</u>	<u>2022</u>
Reimbursement	Patient service revenue	\$	180,540	146,601
Assessment	Services and other		68,614	52,927

Blue Cross – For Blue Cross Health Maintenance Organization (HMO) subscribers, inpatient acute care services are reimbursed on prospectively determined rates per discharge, and outpatient services are reimbursed according to a fee schedule. For Blue Cross Preferred Provider Organization (PPO) subscribers, inpatient acute care services are reimbursed on a discharge basis, and outpatient services are reimbursed based upon a fee schedule. For other Blue Cross subscribers, inpatient acute care and outpatient services are reimbursed based upon a percentage of charges.

Commercial and Other Insured – Each hospital also has payment agreements with certain commercial insurance carriers, HMOs, and PPOs. The basis for payment to the System under these agreements is primarily a discount from established charges.

Self-pay – The System provides certain discounts to the uninsured. Uninsured patients received a 50% discount from billed charges in 2023 and 2022.

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The payor mix of major third-party payors for acute care, based on percentages of patient service revenue, for the years ended December 31 was as follows:

	<u>2023</u>	<u>2022</u>
Medicare (including Medicare Advantage)	38 %	37 %
Medicaid (including Medicaid HMO)	24	24
Blue Cross (including Blue Cross HMO)	20	21
Commercial and other insured	17	17
Self-pay	1	1
	<u>100 %</u>	<u>100 %</u>

(b) Long-Term Care

The majority of long-term care services were provided to Medicaid and Medicare patients in 2023 and 2022. Skilled nursing services provided under the Medicare program are reimbursed based upon a case-mix and geographically adjusted prospective payment. Medicaid reimburses based on a blending of the facility's historical price-based rate with patient-specific case mix rate, with an add-on for facility specific capital. The Lifelong Health Division's Medicaid cost reports have been final-settled by the intermediary through December 31, 2022.

The payor mix of major third-party payors for the Lifelong Health Division, based on percentages of long-term care revenue, for the years ended December 31 was as follows:

	<u>2023</u>	<u>2022</u>
Medicare (including Medicare Advantage)	26 %	28 %
Medicaid (including Medicaid HMO)	29	29
Blue Cross (including Blue Cross HMO)	1	1
Commercial and other insured	1	1
Self-pay	43	41
	<u>100 %</u>	<u>100 %</u>

(c) Riverside Medical Group

Patient service revenue for Riverside Medical Group (RMG) is included in patient service revenue in the accompanying consolidated statements of operations and changes in net assets without donor restrictions. These services are reimbursed based on established fee schedules for Medicare and Medicaid, negotiated fee schedules for Blue Cross and commercial payors, and capitated rates for HMOs.

For the years ended December 31, 2023 and 2022, patient service revenue for RMG totaled approximately \$286,139 and \$265,786, respectively.

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The payor mix of major third-party payors for RMG, based on percentages of patient service revenue, for the years ended December 31 was as follows:

	<u>2023</u>	<u>2022</u>
Medicare (including Medicare Advantage)	42 %	44 %
Medicaid (including Medicaid HMO)	11	11
Blue Cross (including Blue Cross HMO)	23	23
Commercial and other insured	21	19
Self-pay	3	3
	<u>100 %</u>	<u>100 %</u>

(d) Regulatory Environment

National and state healthcare-related legislation has been, and is expected to continue to be, introduced in the U.S. Congress and the Commonwealth of Virginia Legislature. Such legislation has addressed benefits provided, insurance coverage, and provider reimbursement. The healthcare industry is subject to numerous laws and regulations of federal, state, and local governments. These laws and regulations include, but are not necessarily limited to, matters such as licensure, accreditation, government healthcare program participation requirements, reimbursement for patient services, and Medicare and Medicaid fraud and abuse. Government activity has increased with respect to investigations and allegations concerning possible violations of fraud and abuse statutes and regulations by healthcare providers. Violations of these laws and regulations could result in expulsion from government healthcare programs, together with the imposition of significant fines and penalties, as well as significant repayments for patient services previously billed.

Management is not aware of any material noncompliance with fraud and abuse-related rules or other applicable government laws and regulations. While no material regulatory inquiries have been made, compliance with such laws and regulations can be subject to future government review and interpretation, as well as regulatory action unknown or unasserted at this time.

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(4) Community Benefit Expense

The System's estimated cost of providing services to the indigent and benefits to the broader community during the years ended December 31 are as follows:

	<u>2023</u>	<u>2022</u>
Benefits for the indigent:		
Unreimbursed cost of charity	\$ 25,830	27,454
Unreimbursed costs of Medicaid program	32,336	26,066
Total quantifiable benefits for the indigent at cost	<u>58,166</u>	<u>53,520</u>
Benefits for the broader community:		
Education and research programs	20,896	19,162
Other community benefits	5,406	6,799
Total quantifiable benefits for the broader community	26,302	25,961
Implicit price concessions	30,139	34,527
Total quantifiable community benefits	\$ <u>114,607</u>	<u>114,008</u>

The System accepts all patients regardless of their ability to pay. Benefits for indigent patients include services provided to persons who cannot afford healthcare because of inadequate resources or who are uninsured. This includes traditional charity care at the estimated cost and the costs of treating Medicaid beneficiaries in excess of government payments. Distinguishing uncollected patient revenue between charity and implicit price concessions requires full consideration of both the financial and nonfinancial circumstances of the patient, which are not always available to the organization. Therefore, both traditional charity care and implicit price concessions are included as a component of benefits for indigent patients.

Benefits for the broader community include services provided to other individuals who may not qualify as indigent but need special services and support. Examples include the elderly, substance abusers, victims of child abuse, and the disabled. Benefits for the broader community also include the cost of health promotion and education, health clinics and screenings, and the unreimbursed cost of medical training. The costs for these services have been estimated using multiple costing methodologies, including the application of cost-to-charge ratios, internal cost accounting estimates, Medicare allowable costs, and, where possible, the amount provided as support to the community group or building activity.

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(5) Investments

The estimated values of the System's investments at December 31 are as follows:

	<u>2023</u>	<u>2022</u>
Investments:		
Short-term investments	\$ 2,494	3,661
Money market mutual funds	4,731	5,444
Fixed-income securities:		
Bond mutual funds	259,566	278,594
International bond mutual funds	17,308	16,048
U.S. government bonds and notes	12,801	14,915
Mortgage-backed securities	16,223	12,567
Corporate bonds and notes	15,367	12,685
Foreign bonds and notes	764	—
Equity securities:		
Common trust funds:		
International	46,716	44,984
Domestic	47,322	41,346
Foreign stocks	33,422	30,077
Pooled investments	15,153	13,555
Marketable equity securities	69,018	62,541
Fund of funds	—	22,857
Total investments at fair market value	<u>540,885</u>	<u>559,274</u>
Equity method investments	9,488	9,416
Other investments	3,540	3,503
Total investments	<u>\$ 553,913</u>	<u>572,193</u>
Investments – bond proceeds:		
Money market mutual funds	\$ 946	—
Fixed maturity securities:		
US government bonds and notes	222,292	—
Corporate bonds and notes	30,319	—
Total investments – bond proceeds	<u>\$ 253,557</u>	<u>—</u>

The fair market values of the System's investments, excluding certain alternative investments and equity method investments, and other investments, were determined by year-end closing prices reported in the listings of the applicable major exchanges.

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Investment gains (losses), net for the years ended December 31 consists of the following:

	<u>2023</u>	<u>2022</u>
Interest and dividends	\$ 15,837	15,478
Realized gains (losses), net	1,342	(6,825)
Unrealized gains (losses) on trading securities, net	23,279	(96,590)
Investment gains (losses) from deferred compensation investments	9,058	(10,329)
Total investment gains (losses), net included in change in net assets without donor restrictions	49,516	(98,266)
Donor-restricted investment gains (losses), net	2,647	(3,009)
Total investment gains (losses), net	<u>\$ 52,163</u>	<u>(101,275)</u>

(6) Fair Value Measurements

The System's financial instruments include cash and cash equivalents, receivables, investments, accounts payable, accrued liabilities, and long-term debt. With the exception of long-term debt, the carrying amounts of these instruments approximate their fair values because of the short maturity or frequent repricing of these instruments.

ASC Topic 820 defines fair value as the price that would be received to sell an asset or paid to transfer a liability (i.e., the exit price) in an orderly transaction among market participants at the measurement date. ASC Topic 820 emphasizes that fair value is a market-based measurement, not an entity-specific measurement. Therefore, a fair value measurement should be determined based on the assumptions that market participants would use in pricing the asset or liability.

In determining fair value, the System uses the market approach. The market approach utilizes prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities. As a basis for considering market participant assumptions in fair value measurements, ASC Topic 820 establishes a fair value hierarchy that distinguishes between market participant assumptions based on market data obtained from sources independent of the reporting entity (observable inputs that are classified within Level 1 and Level 2 of the hierarchy) and the reporting entity's own assumptions about market participant assumptions (unobservable inputs classified within Level 3 of the hierarchy).

The fair value levels are as follows:

- Level 1 – Inputs utilize unadjusted quoted prices in active markets for identical assets or liabilities that the System has the ability to access at the measurement date.
- Level 2 – Inputs are other than quoted prices included in Level 1 that are observable for the assets or liabilities, either directly or indirectly. Level 2 inputs may include quoted prices for similar assets and liabilities in active markets, as well as inputs that are observable for the assets or liabilities (other than

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quoted prices), such as interest rates, foreign exchange rates, and yield curves that are observable at commonly quoted intervals.

- Level 3 – Inputs are unobservable inputs for the assets or liabilities, which are typically based on an entity's own assumptions, as there is little, if any, related market activity.

The determination of the fair value level within which the entire fair value measurement falls is based on the lowest-level input that is significant to the fair value measurement in its entirety. The System's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment and considers factors specific to the assets or liabilities.

The following tables present information about the fair value of the System's financial assets and liabilities on a recurring basis:

	December 31, 2023				
	Total fair value	Level 1	Level 2	Level 3	NAV¹
Investments:					
Short-term investments	\$ 2,494	2,494	—	—	—
Money market mutual funds	4,731	4,731	—	—	—
Fixed-income securities:					
Bond mutual funds	259,566	176,800	82,766	—	—
International bond mutual funds	17,308	—	—	—	17,308
U.S. government bonds and notes	12,801	—	12,801	—	—
Mortgage-backed securities	16,223	—	16,223	—	—
Corporate bonds and notes	15,367	—	15,367	—	—
Foreign bonds and notes	764	—	764	—	—
Equity securities:					
Common trust funds:					
International	46,716	—	—	—	46,716
Domestic	47,322	—	—	—	47,322
Foreign stocks	33,422	21,762	—	—	11,660
Pooled investments	15,153	—	—	—	15,153
Marketable equity securities	69,018	69,018	—	—	—
Fund of funds	—	—	—	—	—
Total assets	\$ 540,885	274,805	127,921	—	138,159
Investments – bond proceeds:					
Money market mutual funds	\$ 946	946	—	—	—
Fixed maturity securities:					
U.S. government bonds and notes	222,292	222,292	—	—	—
Corporate bonds and notes	30,319	—	30,319	—	—
Total assets	\$ 253,557	223,238	30,319	—	—
Liability:					
Interest rate swap contract	\$ 2,668	—	2,668	—	—
Total liability	\$ 2,668	—	2,668	—	—

¹ Investments reported at NAV as a practical expedient estimate of fair value at December 31, 2023

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There were no significant transfers among Levels 1, 2, or 3 during the year ended December 31, 2023.

	December 31, 2022				
	Total fair value	Level 1	Level 2	Level 3	NAV¹
Investments:					
Short-term investments	\$ 3,661	3,661	—	—	—
Money market mutual funds	5,444	5,444	—	—	—
Fixed-income securities:					
Bond mutual funds	278,594	190,600	87,994	—	—
International bond mutual funds	16,048	—	—	—	16,048
U.S. government bonds and notes	14,915	—	14,915	—	—
Mortgage-backed securities	12,567	—	12,567	—	—
Corporate bonds and notes	12,685	—	12,685	—	—
Equity securities:					
Common trust funds:					
International	44,984	—	—	—	44,984
Domestic	41,346	—	—	—	41,346
Foreign stocks	30,077	19,091	—	—	10,986
Pooled investments	13,555	—	—	—	13,555
Marketable equity securities	62,541	62,541	—	—	—
Fund of funds	22,857	—	—	—	22,857
Total assets	\$ 559,274	281,337	128,161	—	149,776
Liability:					
Interest rate swap contract	\$ 2,763	—	2,763	—	—
Total liability	\$ 2,763	—	2,763	—	—

¹ Investments reported at NAV as a practical expedient estimate of fair value at December 31, 2022

There were no significant transfers among Levels 1, 2, or 3 during the year ended December 31, 2022.

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The following table summarizes certain characteristics of the alternative investments, which are valued using the NAV as of December 31:

Fund	2023	2022	Investment strategy	Liquidity restrictions	Remaining commitment
International bond mutual fund	\$ 17,308	16,048	Fund goal is to outperform the investment benchmark (Citigroup World Government Bond Index – Unhedged) by at least 2% average annual basis over rolling five-year period.	Daily, with 10 days notice	N/A
Common trust fund – international	46,716	44,984	Fund seeks to provide long-term total return in excess of the MSCI EAFE Index.	Monthly, with 10 days notice	N/A
Common trust fund – domestic	47,322	41,346	Fund seeks to provide long-term return in excess of indices.	Monthly, with 10 days notice	N/A
Foreign stocks	11,660	10,986	Fund seeks to achieve long-term total return, primarily by investing in equity securities of non-U.S. small capitalization companies.	Monthly, with 15 days notice	N/A
Pooled investments	15,153	13,555	Investments seek to achieve long-term earnings.	No redemptions	\$ 10,239
Fund of funds	—	22,857	Funds seek to deliver positive returns regardless of the direction of the market with the major driver of investment returns coming from active management.	Quarterly, with 65 to 100 days notice	N/A
	<u>\$ 138,159</u>	<u>149,776</u>			

The following methods and assumptions were used to estimate the fair value of each class of financial instrument.

Fixed-income securities consist of U.S. Treasury and other U.S. government agencies securities, corporate debt, mortgage-backed securities, other asset-backed securities, and bond mutual funds. The fair value is based upon proprietary valuation models that may consider market characteristics, such as benchmark yield curves, option-adjusted spreads, credit spreads, estimated default rates, coupon rates, anticipated timing of principal repayments, underlying collateral, and other security features in order to estimate relevant cash flows, which are discounted to fair value.

Equity securities consist of publicly traded index funds and publicly traded equity securities (common stocks and preferred stocks). The fair value of investments is determined by management using third-party service providers utilizing various methods dependent upon the specific type of investment. Where quoted prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. Where significant inputs are used by these third-party dealers or independent pricing services to determine fair values, the securities are classified within Level 2. Certain assets measured at fair value using the NAV are classified as Level 2 in accordance with FASB ASC Topic 820, *Fair Value Measurement*.

The System uses Level 2 inputs of interest rates and yield curves to value the interest rate swap.

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(7) Land, Buildings, and Equipment, Net

A summary of land, buildings, and equipment at December 31 is as follows:

	2023	2022
Land and improvements	\$ 160,521	159,136
Buildings and improvements	1,197,875	1,092,824
Fixed equipment	34,875	34,698
Major moveable equipment	632,037	609,030
Construction in progress	146,637	139,558
Land, buildings, and equipment	2,171,945	2,035,246
Less accumulated depreciation	(1,154,101)	(1,071,152)
Land, buildings, and equipment, net	\$ 1,017,844	964,094

Depreciation and amortization expense for the years ended December 31, 2023 and 2022 was \$101,136 and \$96,765, respectively. Capitalized interest expense net of capitalized interest income for the years ended December 31, 2023 and 2022 is approximately \$2,100 and \$4,900, respectively. As of December 31, 2023 and 2022, there were \$52,512 and \$56,497, respectively, of assets associated with finance leases within major moveable equipment.

As of December 31, 2023, construction in progress consisted primarily of renovations at Riverside Regional Medical Center, Riverside Doctors' Hospital Williamsburg, and the addition of a hospital and medical office building in Smithfield. As of December 31, 2022, construction in progress consisted primarily of renovations at Riverside Regional Medical Center, Riverside Doctors' Hospital Williamsburg, and Riverside Mental Health & Recovery Center.

As of December 31, 2023 and 2022, the estimated cost to complete construction in progress was approximately \$325,500 and \$122,000, respectively.

(8) Retirement Plans

(a) Defined-Contribution Plans

The System sponsors defined-contribution plans under IRC Sections 401(k) and 403(b), which cover substantially all employees, and matches a percentage of contributions made by employees. Expenses related to the Riverside Health Services 401(k) Savings Plan and the Riverside Health System 403(b) Retirement Plan totaled approximately \$10,200 and \$9,600, respectively, for the years ended December 31, 2023 and 2022. Those expenses are included in salaries and benefits expense on the accompanying consolidated statements of operations and changes in net assets without donor restrictions.

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(b) Pension and Postretirement Plans

In addition to the defined-contribution plans, the System has a noncontributory, defined-benefit pension plan (the Riverside Plan) that covers substantially all employees of the System that were employed prior to January 1, 2012, except for those employees in the Lifelong Health Division. Prior to January 1, 2011, the System had three noncontributory, defined-benefit pension plans. The plans were merged effective January 1, 2011. The benefit structures of the plans remain unchanged after the merger. This plan is not available to new employees effective January 1, 2012. The System also provides healthcare benefits for eligible retired employees and accrues the estimated costs for such benefits during years that the employees render services to the System.

Benefits are based on years of service and the participant's compensation for each plan year in which the participant accrued credited service, as determined in accordance with the terms of the Riverside Plan.

The System's annual contributions to the Riverside Plan are actuarially determined amounts required to provide the benefits of the Riverside Plan and to meet the minimum funding standards as required by law. Funds released through terminations of nonvested employees are applied to reduce the System's future contributions. The System plans to contribute \$39,250 in 2024.

	Pension		Postretirement	
	2023	2022	2023	2022
Weight average assumptions used to determined net periodic benefit costs:				
Discount rate	5.60 %	3.07 %	5.60 %	3.07 %
Expected long-term return on assets	7.00	6.50	N/A	N/A
Compensation rate increase	3.00	3.00	N/A	N/A

The expected return on plan assets is based on current market expectations. Assumed healthcare cost trend rates have a significant effect on the amounts reported for the healthcare plans.

	Postretirement	
	2023	2022
Healthcare cost trend rate:		
Cost trend rate assumed for next year	6.60 %	5.60 %
Rate to which the cost trend rate is assumed to decline (the ultimate trend rate)	4.00	4.00
Year that the rate reaches the ultimate trend rate	2047	2045

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The reconciliation of the beginning and ending balances of the projected benefit obligation and the fair value of plan assets for the year ended December 31 and the accumulated benefit obligation at December 31 are as follows:

	Pension benefits		Postretirement benefits	
	2023	2022	2023	2022
Accumulated benefit obligation	\$ 618,445	602,593	—	—
Changes in benefit obligation:				
Benefit obligations at beginning of year	618,840	845,601	6,460	7,415
Service cost	8,619	14,349	145	186
Interest cost	33,646	25,451	371	237
Actuarial (gain) loss	6,066	(238,435)	1,004	(632)
Employee contributions	—	—	72	85
Benefits paid	(29,678)	(28,126)	(807)	(831)
Benefit obligation at end of year	<u>637,493</u>	<u>618,840</u>	<u>7,245</u>	<u>6,460</u>
Changes in plan assets:				
Fair value of plan assets at beginning of year	524,431	680,213	—	—
Actual return on plan assets	56,718	(138,656)	—	—
Employer contributions	—	11,000	735	746
Participant contributions	—	—	72	85
Benefits paid	(29,678)	(28,126)	(807)	(831)
Fair value of plan assets at end of year	<u>551,471</u>	<u>524,431</u>	<u>—</u>	<u>—</u>
Funded status	<u>\$ (86,022)</u>	<u>(94,409)</u>	<u>(7,245)</u>	<u>(6,460)</u>
Net (loss) gain recognized in net assets at December 31	\$ (83,657)	(91,679)	2,654	3,954

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The components of net periodic pension cost for the year ended December 31 are as follows:

	Pension		Postretirement	
	2023	2022	2023	2022
Service cost	\$ 8,619	14,349	145	186
Interest cost	33,646	25,451	371	237
Expected return on plan assets	(42,629)	(40,253)	—	—
Amortization of net (gain) loss	—	17,143	(296)	(235)
Net periodic pension (benefit) cost	\$ (364)	16,690	220	188

The service cost component of net periodic pension cost is included in salaries and benefits expense as operating expenses on the consolidated statements of operations and changes in net assets without donor restrictions. The remaining components of net periodic pension cost are included in nonoperating gains and losses.

Other pension-related changes are included as changes in net assets on the consolidated statements of operations and changes in net assets without donor restrictions. The components of these other changes for the year ended December 31 are as follows:

	Pension		Postretirement	
	2023	2022	2023	2022
Actuarial gain (loss)	\$ 8,022	59,526	(1,004)	632
Amortization of actuarial (gain) loss	—	17,143	(296)	(235)
Pension-related changes other than periodic pension cost (benefit)	\$ 8,022	76,669	(1,300)	397

The System's policy is to provide for growth of capital with a moderate level of volatility by investing assets per the target allocations stated above. The assets will be reallocated periodically to meet the above target allocations. The investment policy will be reviewed periodically, under the advisement of a certified investment advisor, to determine if the policy should be changed.

The expected long-term rate of return for the Riverside Plan's total assets is based on the expected return of each of the above categories and weighted based on the median of the target allocation for each class. Equity securities are expected to return 6.44% to 7.07% over the long term, while cash and fixed-income securities are expected to return approximately 4.84% to 6.16%. Real estate, hedge funds, and private equity are expected to return approximately 6.32%, 6.37%, and 9.90% respectively.

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The following benefit payments, which reflect expected future service, as appropriate, are expected to be paid:

	<u>Pension</u>	<u>Postretirement</u>
2024	\$ 35,183	753
2025	37,004	700
2026	38,732	594
2027	40,422	615
2028	41,971	655
2029–2033	225,802	2,985

The fair value of the System's qualified pension plan assets, by asset category, are as follows:

	<u>December 31, 2023</u>				
<u>Asset category</u>	<u>Total fair value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>NAV¹</u>
Short-term investments	\$ 3,486	3,486	—	—	—
Fixed-income securities:					
Collective trust funds	236,929	—	236,929	—	—
Equity securities:					
Collective trust funds	228,719	—	228,719	—	—
Alternative investments	82,337	—	23,226	—	59,111
Total assets	\$ 551,471	3,486	488,874	—	59,111

¹ Investments reported at NAV as a practical expedient estimate of fair value at December 31, 2023

	<u>December 31, 2022</u>				
<u>Asset category</u>	<u>Total fair value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>NAV¹</u>
Short-term investments	\$ 3,240	3,240	—	—	—
Fixed-income securities:					
Collective trust funds	211,199	—	211,199	—	—
Equity securities:					
Collective trust funds	238,461	—	238,461	—	—
Alternative investments	71,531	—	22,919	—	48,612
Total assets	\$ 524,431	3,240	472,579	—	48,612

¹ Investments reported at NAV as a practical expedient estimate of fair value at December 31, 2022

The fair value levels and valuation methodology are consistent with those disclosed in Note 6.

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The determination of the fair value level within which the entire fair value measurement falls is based on the lowest-level input that is significant to the fair value measurement in its entirety. The System's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment and considers factors specific to the assets or liabilities.

(9) Long-Term Debt

Long-term debt at December 31 is as follows:

	<u>2023</u>	<u>2022</u>
Long-term debt:		
Economic Development Authority of the City of Newport News, Virginia, Health System Revenue Bonds Series 2015A	\$ 100,000	100,000
Economic Development Authority of the City of Newport News, Virginia, Health System Revenue Bonds Series 2015B	19,000	21,000
Industrial Development Authority of the City of Newport News, Virginia, Health System Series 2017A	50,000	50,000
Economic Development Authority of the City of Newport News, Virginia, Health System Revenue Bond Series 2017B	40,488	44,364
2020 TowneBank Loan Agreement	55,160	56,645
2021 Taxable Series Bond	241,950	245,510
Economic Development Authority of Isle of Wight County, Virginia, Health System Revenue Bonds Series 2023	<u>257,760</u>	<u>—</u>
	764,358	517,519
Plus unamortized premium based on imputed interest rate of 3.38%	15,053	1,098
Less unamortized debt issuance costs	(5,515)	(3,020)
Less current portion of long-term debt	<u>(11,197)</u>	<u>(10,922)</u>
Total long-term debt	\$ <u>762,699</u>	<u>504,675</u>

(a) Long-Term Debt

The Economic Development Authority of the City of Newport News, Virginia, Health System Revenue Bonds Series 2015A and Series 2015B were issued on July 22, 2015 for \$100,000 and \$25,000, respectively. The interest rates were fixed at 5.33% and 3.09%, respectively, with maturities through July 1, 2045 and July 1, 2030, respectively.

The Industrial Development Authority of the City of Newport News, Virginia, Health System Series 2017A tax-exempt bonds were issued on August 18, 2017 for \$50,000. The interest rate was fixed at 5.00%, with maturities through July 1, 2046.

The Economic Development Authority of the City of Newport News, Virginia, Health System Refunding Revenue Bonds Series 2017B were issued on September 7, 2017. The 2017B bonds were issued for \$68,555 with a variable rate ranging from 4.47% to 5.39% during 2023, with maturities through July 1, 2037.

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On February 27, 2020, the System entered into a \$60,000 taxable loan agreement. The interest rate on the loan is fixed at 2.21%, with maturities through July 1, 2050.

On November 9, 2021, the System issued \$246,510 in taxable bonds (Series 2021). The interest rate on the debt was fixed at 3.31%, with maturities through July 1, 2051. A portion of the proceeds from the 2021 Series was used to refund both the Series 2012 Revenue Bonds and the 2017 taxable loan that had \$64,335 and \$50,000 of principal outstanding, respectively.

On December 13, 2023, the Economic Development Authority of Isle of Wight County, Virginia, Health System Revenue Bonds Series 2023 were issued for \$257,760. The interest rate was fixed at 5.00%, with maturities through July 1, 2053.

Scheduled maturities of long-term debt, as described above, are as follows:

2024	\$	11,197
2025		11,477
2026		15,052
2027		15,312
2028		15,807
Thereafter		<u>695,513</u>
Total	\$	<u><u>764,358</u></u>

(b) Line of Credit

The System has a revolving line of credit with Wells Fargo Bank, National Association for the purpose of financing the System's general short-term working capital needs with an annual maturity date in September. As of December 31, 2022, the line of credit available balance was \$50,000. On September 21, 2023, the line of credit was renewed with a maturity date of September 19, 2024, and was increased to \$75,000. The System has drawn \$0 against the line of credit as of December 31, 2023 and 2022. The interest rate at December 31, 2023 and 2022 was 6.14% and 5.05%, respectively.

(c) Debt Covenants

The System is subject to a debt service coverage ratio, days cash on hand requirements, and credit ratio of unrestricted cash and investments to the outstanding principal amount and certain restrictions and limitations with respect to the incurrence of indebtedness, consolidation and merger, transfer of assets, and addition and withdrawal of entities to or from the System. Management believes the System was in compliance with its debt covenants for the years ended December 31, 2023 and 2022.

(10) Derivatives

In 2008, the System entered into an interest rate swap agreement with Deutsche Bank with a notional amount of \$63,730 to hedge against interest rate risk related to the Series 2004 variable rate bonds. In 2011, the Series 2004 bonds were refinanced with the Series 2011C bonds. In 2017, the Series 2011C bonds were refinanced with the 2017B bonds, and there was no change in the maturity date from July 1,

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2037. In 2024, the System entered into an agreement with Deutsche Bank to terminate the interest rate swap contract, and paid \$2,161 in cash on March 15, 2024 to pay off the contract.

The following summarizes the general terms for the System's interest rate swap agreement:

Notional amount – Original	\$	63,730
Notional amount – Current		38,480
Trade date		10/3/2008
Effective date		10/3/2008
Termination date		7/1/2037
Fixed rate		3.53 %
Fair value at December 31, 2021	\$	(8,690)
Change in fair value		<u>5,927</u>
Fair value at December 31, 2022		(2,763)
Change in fair value		<u>95</u>
Fair value at December 31, 2023	\$	<u><u>(2,668)</u></u>

This change has been included as a separate change in net assets in the accompanying consolidated statements of operations and changes in net assets without donor restrictions.

(11) Functional Expenses

The System provides general healthcare services to residents within its geographical location. Expenses related to providing these services are as follows:

	Patient-related healthcare services	General and administrative services	Education, fundraising, and other services	Total
For the year ended				
December 31, 2023:				
Salaries and benefits	\$ 775,739	164,087	34,305	974,131
Services and other	300,237	51,897	3,881	356,015
Supplies	368,026	3,466	891	372,383
Depreciation and amortization	91,947	8,251	938	101,136
Interest	<u>17,257</u>	<u>2,660</u>	<u>448</u>	<u>20,365</u>
Total	\$ <u><u>1,553,206</u></u>	<u><u>230,361</u></u>	<u><u>40,463</u></u>	<u><u>1,824,030</u></u>

RIVERSIDE HEALTHCARE ASSOCIATION, INC. AND SUBSIDIARIES

d/b/a Riverside Health System

Notes to Consolidated Financial Statements

December 31, 2023 and 2022

	<u>Patient-related healthcare services</u>	<u>General and administrative services</u>	<u>Education, fundraising, and other services</u>	<u>Total</u>
For the year ended				
December 31, 2022:				
Salaries and benefits	\$ 691,239	153,684	31,753	876,676
Services and other	283,865	48,911	3,439	336,215
Supplies	313,892	4,189	842	318,923
Depreciation and amortization	89,025	6,923	817	96,765
Interest	13,928	2,160	371	16,459
Total	\$ <u>1,391,949</u>	<u>215,867</u>	<u>37,222</u>	<u>1,645,038</u>

The System has expenses relating to functional classifications of patient-related healthcare services, general and administrative services, and education, fundraising, and other services. The accompanying consolidated statements of operations and changes in net assets without donor restrictions reports certain natural expense classifications that are attributed to these functional classifications. Natural expenses attributed to more than one functional expense classification are allocated based on the ratio of the individual functional classification's expense to total expense prior to allocation. In 2023 and 2022, approximately \$114,246 and \$68,891 in expenses were allocated based on the ratio of total expenses by category.

(12) Lease Commitments

The System leases property and equipment under both operating and finance leases. Leases with terms greater than 12 months are recorded with the related right-of-use assets and right-of-use obligations at the present value of the lease payments over the term, on the accompanying consolidated balance sheets. The Systems uses US Treasury risk-free rate of return as the discount rate, as most leases do not provide a readily determinable implicit interest rate. Leases that include rental escalation clauses and renewal options are factored into the determination of the lease payments where appropriate.

RIVERSIDE HEALTHCARE ASSOCIATION, INC. AND SUBSIDIARIES

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Notes to Consolidated Financial Statements

December 31, 2023 and 2022

The following table represents the System's lease-related assets and liabilities as of December 31, 2023 and 2022:

	<u>Balance sheet classification</u>	<u>2023</u>	<u>2022</u>
Assets:			
Operating leases	Right-of-use assets	\$ 112,216	125,678
Finance leases	Land, buildings, and equipment, net	52,512	56,497
	Total lease assets	\$ <u>164,728</u>	<u>182,175</u>
Liabilities:			
Current:			
Operating leases	Other current liabilities	\$ 18,548	20,208
Finance leases	Current portion of long-term debt and obligations under finance leases	15,131	13,876
Non-current:			
Operating leases	Other liabilities	107,015	120,760
Finance leases	Obligations under finance leases, less current portion	58,644	64,536
	Total lease liabilities	\$ <u>199,338</u>	<u>219,380</u>
	Weighted average remaining term – operating leases	8.2 years	8.8 years
	Weighted average remaining term – finance leases	6.7 years	7.3 years
	Weighted average discount rate – operating leases	1.9 %	1.7 %
	Weighted average discount rate – finance leases	1.9 %	1.6 %

The following table represents certain information related to lease expenses for finance and operating leases for the years ended December 31, 2023 and 2022. All expenses related to operating leases and short-term and variable lease expense are including in services and other expenses.

	<u>2023</u>	<u>2022</u>
Finance lease expense:		
Amortization of leased assets	\$ 13,714	12,628
Interest on lease liabilities	1,341	1,239
Operating lease expense	22,846	21,509
Short term lease expense	1,466	2,178
Variable lease expense	3,139	1,066
Sublease income	(127)	(908)
	\$ <u>42,379</u>	<u>37,712</u>
Total expenses		

RIVERSIDE HEALTHCARE ASSOCIATION, INC. AND SUBSIDIARIES

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Notes to Consolidated Financial Statements

December 31, 2023 and 2022

The following table represents supplemental cash flow information for the years ended December 31, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Cash paid for amounts included in the measurement of liabilities:		
Operating cash flows from operating leases	\$ 22,856	20,896
Operating cash flows from finance leases (interest)	1,279	1,137
Financing cash flow from finance leases (principal)	14,338	13,258

The following table reconciles the undiscounted cash flows to the finance lease liabilities and operating lease liabilities recorded on the accompanying consolidated balance sheet at December 31, 2023:

	<u>Operating leases</u>	<u>Finance leases</u>
2024	\$ 20,687	16,385
2025	19,265	15,405
2026	16,823	8,234
2027	13,651	6,394
2028	11,994	6,071
Thereafter	<u>53,010</u>	<u>26,586</u>
Total undiscounted minimum lease payments	135,430	79,075
Less present value discount	<u>(9,867)</u>	<u>(5,300)</u>
Present value of future minimum lease payments	125,563	73,775
Less current obligations under leases	<u>(18,548)</u>	<u>(15,131)</u>
Non-current lease obligations	\$ <u><u>107,015</u></u>	<u><u>58,644</u></u>

(13) Liquidity and Availability

The System has financial assets available within one year of the balance sheet date for general expenditures as follows:

	<u>2023</u>	<u>2022</u>
Cash and cash equivalents	\$ 41,399	37,182
Accounts receivable	199,826	180,542
Due from third-party payors	128,006	85,565
Other receivables	<u>43,445</u>	<u>12,606</u>
	\$ <u><u>412,676</u></u>	<u><u>315,895</u></u>

RIVERSIDE HEALTHCARE ASSOCIATION, INC. AND SUBSIDIARIES
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Notes to Consolidated Financial Statements

December 31, 2023 and 2022

None of the financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the balance sheet date. The System has a requirement from bond holders to maintain financial assets, which consist of cash and short-term investments, on hand to meet a minimum of 90 days of normal operating expenses. As more fully described in Note 9, the System also has a line of credit totaling \$75,000, which is drawn upon daily to meet operational needs. The amount drawn at December 31, 2023 and 2022 was \$0. The System invests excess cash in short-term investments that are readily available (next day). Investments available to be used to meet normal operating expenses at December 31, 2023 and 2022 were \$525,201 and \$522,862, respectively.

The System has future construction commitments totaling approximately \$325,500. The major projects included in this commitment that are funded by bond proceeds total \$261,800. This includes the construction of a hospital and medical office building in Smithfield totaling \$231,400, infrastructure upgrades at Riverside Shore Memorial Hospital totaling \$10,100, the construction of a medical office building and an expansion of the operating room at Riverside Doctors' Hospital Williamsburg, totaling \$8,900 and \$4,400, respectively. The proceeds are also being used for expansions at the Gloucester Cancer Center and Patriots Colony, totaling approximately \$5,100 and \$1,900 respectively.

The remaining construction commitments of \$63,700 are not designated to be funded by bond proceeds. These commitments include large projects at Riverside Regional Medical Center and Riverside Walter Reed Hospital, significant upgrades to RMG practices and Radiation Oncology Cancer Center in Newport News, and various other projects throughout the System.

(14) Net Assets

The composition of net assets at December 31 is presented as follows:

	2023	2022
Without donor restrictions:		
Hospital and physician operations	\$ 838,886	713,004
Lifelong health operations	198,224	189,766
Noncontrolling interest	124	113
Total without donor restrictions	\$ 1,037,234	902,883
With donor restrictions:		
Purpose-restricted donor contributions:		
Capital expenditures	\$ 9,138	8,125
Patient support	11,514	10,372
Other	3,710	6,135
Perpetual in nature donor contributions	3,464	2,856
Total with donor restrictions	\$ 27,826	27,488

RIVERSIDE HEALTHCARE ASSOCIATION, INC. AND SUBSIDIARIES

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Notes to Consolidated Financial Statements

December 31, 2023 and 2022

(15) Insurance Coverage

Professional Liability

As of December 31, 2023 and 2022, the System maintains professional liability insurance coverage of \$32,550 and \$2,500, respectively, per occurrence and \$46,600 and \$16,000, respectively, annual aggregate with a wholly owned captive insurance company, MedInsur. During 2023, the System changed insurance structures from umbrella coverage to reinsurance coverage. In addition, the System has obtained additional coverage from a commercial insurance company totaling \$30,000 for excess reinsurance coverage.

The System's professional liability insurance coverage is on a claims-made basis. The System accrues for the estimated ultimate cost of uninsured and self-insured asserted and unasserted malpractice claims when incidents occur. As of December 31, 2023 and 2022, the System had accrued approximately \$31,200 and \$25,400, respectively, for claims associated with MedInsur. These claims are recorded in other liabilities on the accompanying consolidated balance sheets.

The estimated liability for professional liability claims will be significantly affected if current and future claims differ from historical trends. Management monitors reported claims closely and considers potential outcomes that are estimated by actuaries. Adequate provisions have been made related to the risks in determining the professional liability accrual.

Workers' Compensation

The System is responsible for workers' compensation claims of up to \$300 per loss event and an aggregate deductible of \$8,000 per year. The System is fully insured for claims occurring prior to January 1, 1994. The System has accrued for the estimated ultimate cost of reported and incurred but not reported claims as of December 31, 2023 and 2022. As of December 31, 2023 and 2022, the System had accrued approximately \$5,000 and \$4,600, respectively. These claims are recorded in other liabilities on the accompanying consolidated balance sheets.

(16) Related-Party Transactions

During 2023 and 2022, the System made payments for professional services of approximately \$27,700 and \$24,200, respectively, to entities that are affiliated with a member of the System's Board of Directors.

As disclosed in Note 9, on February 27, 2020, the System entered into a \$60,000 taxable loan agreement with TowneBank. The interest rate on the loan is fixed at 2.21%, with maturities through July 1, 2050. As of December 31, 2023 and 2022, one member of the System's Board of Directors was affiliated with the lender.

RIVERSIDE HEALTHCARE ASSOCIATION, INC. AND SUBSIDIARIES

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Notes to Consolidated Financial Statements

December 31, 2023 and 2022

(17) Concentration of Credit Risk

The System grants credit without collateral to its patients, most of whom are local residents and are insured under third-party payor agreements. The mix of receivables from patients and third-party payors at December 31 is as follows:

	<u>2023</u>	<u>2022</u>
Medicare (including Medicare Advantage)	42 %	40 %
Medicaid (including Medicaid HMO)	18	18
Blue Cross (including Blue Cross HMO)	15	14
Commercial and other insured	22	23
Self-pay	3	5
	<u>100 %</u>	<u>100 %</u>

(18) Riverside Integrated Services, Inc.

In June 2023, Riverside Integrated Services, Inc. (the Parent) was formed as a non-stock, tax-exempt organization created with the same management, Board of Directors, and mission as the System. The formation of an entity under common control prevented the need for acquisition accounting by the Parent. At its formation, the Parent had sole membership interest in the System. In July 2023, the System sold 5% membership interest to UVAMC for \$55,000 in consideration, including \$33,000 in cash and \$22,000 of in-kind contributions. Of the \$22,000 in-kind contributions, \$16,310 was recorded as intangible assets and \$5,690 was recorded as other assets, all within the other assets caption on the accompanying consolidated balance sheet.

The Parent maintained control of the System through majority voting interest and representation on the Board of Directors of the System.

(19) Subsequent Events

The System has evaluated events through March 29, 2024, which is the date the consolidated financial statements were issued, and determined that there are no other items to disclose.

RIVERSIDE HEALTHCARE ASSOCIATION, INC. AND SUBSIDIARIES
d/b/a Riverside Health System

Consolidating Balance Sheet with Lifelong Health Divisional Detail

December 31, 2023

(In thousands)

Assets	Riverside Retirement Services, Inc.							Other entities							Total Riverside Health System
	Warwick Forest	Choose Home	Center for Excellence in Aging and Lifelong Health	At Home Partners	Investment in Riverside Retirement Services Subsidiaries	Other Divisions	Riverside Retirement Services Eliminations	Consolidated Riverside Retirement Services, Inc.	Sanders Common, Ltd.	Francis N. Sanders Nursing Home, Inc.	Patriots Colony, Inc.	Riverside Advantage Inc.	All Other Riverside Health System	Eliminations	
Current assets:															
Cash and cash equivalents	\$ 396	66	76	646	—	—	1,184	—	(174)	64	—	40,325	—	41,399	
Accounts receivable	210	(280)	(3)	—	—	—	(73)	64	462	953	—	198,420	—	199,826	
Due from affiliates	(13,825)	1,157	(338)	19	(8)	375	(12,620)	(1,236)	(16,862)	19,433	(3,197)	12,313	2,169	—	
Due from third-party payors	221	—	—	—	—	—	221	(1)	48	3	—	127,735	—	128,006	
Other receivables	2,114	5	71	—	96	—	(502)	1,784	—	2,212	—	40,448	(1,000)	43,445	
Other current assets	41	11	—	—	—	—	52	—	6	36	—	67,952	—	68,046	
Total current assets	(10,843)	959	(194)	665	88	375	(9,452)	(1,173)	(16,519)	22,701	(3,197)	487,193	1,169	480,722	
Investments	24,738	486	—	—	—	—	25,224	—	—	70,510	—	458,179	—	553,913	
Investments – bond proceeds	—	—	—	—	—	—	—	—	—	—	—	253,557	—	253,557	
Land, buildings, and equipment, net	21,823	14	235	—	—	—	22,072	1,473	8,214	47,973	—	938,112	—	1,017,844	
Right-of-use assets	1	86	91	—	—	—	178	—	—	3	—	112,035	—	112,216	
Other assets	—	—	—	—	—	—	—	—	—	—	—	125,051	—	125,051	
Total assets	\$ 35,719	1,545	132	665	88	375	(502)	38,022	300	(8,305)	141,187	(3,197)	2,374,127	1,169	2,543,303
Liabilities and Net Assets															
Current liabilities:															
Accounts payable	\$ 1,147	2	90	35	—	375	1,649	101	9	612	—	76,061	—	78,432	
Accrued liabilities	390	2	—	12	—	—	404	103	187	2,164	—	119,729	—	122,587	
Current portion of long-term debt and obligations under finance leases	—	—	—	—	—	—	—	—	—	—	—	26,328	—	26,328	
Current portion due to third-party payors	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Other current liabilities	1,385	35	80	—	—	—	1,500	108	33	4,564	—	40,634	2,169	49,008	
Total current liabilities	2,922	39	170	47	—	375	3,553	312	229	7,340	—	262,752	2,169	276,355	
Deferred revenue	18,191	2,344	—	—	—	—	20,535	2	7	44,518	—	726	—	65,788	
Long-term debt, less current portion	—	—	—	—	—	—	—	—	—	—	—	762,699	—	762,699	
Obligations under finance leases, less current portion	—	—	—	—	—	—	—	—	—	—	—	58,644	—	58,644	
Pension and postretirement obligations	—	—	—	—	—	—	—	—	—	—	—	93,267	—	93,267	
Other liabilities	—	56	7	—	—	—	63	—	10	2	—	221,415	—	221,490	
Total liabilities	21,113	2,439	177	47	—	375	24,151	314	246	51,860	—	1,399,503	2,169	1,478,243	
Net assets:															
Without donor restrictions	14,228	(894)	(45)	618	88	—	(502)	13,493	(14)	(8,551)	89,327	(3,197)	941,052	(1,000)	1,031,110
Noncontrolling interest	—	—	—	—	—	—	—	—	—	—	—	124	—	124	
Total without donor restrictions	14,228	(894)	(45)	618	88	—	(502)	13,493	(14)	(8,551)	89,327	(3,197)	941,176	(1,000)	1,031,234
With donor restrictions	378	—	—	—	—	—	378	—	—	—	—	27,448	—	27,826	
Total net assets	14,606	(894)	(45)	618	88	—	(502)	13,871	(14)	(8,551)	89,327	(3,197)	968,624	(1,000)	1,059,060
Total liabilities and net assets	\$ 35,719	1,545	132	665	88	375	(502)	38,022	300	(8,305)	141,187	(3,197)	2,368,127	1,169	2,537,303

See accompanying independent auditors' report.

RIVERSIDE HEALTHCARE ASSOCIATION, INC. AND SUBSIDIARIES
d/b/a Riverside Health System

Consolidating Balance Sheet with Lifelong Health Divisional Detail

December 31, 2022

(In thousands)

Assets	Riverside Retirement Services, Inc.							Other entities						Total Riverside Health System	
	Warwick Forest	Choose Home	Center for Excellence in Aging and Lifelong Health	At Home Partners	Investment in Riverside Retirement Services Subsidiaries	Other Divisions	Riverside Retirement Services Eliminations	Consolidated Riverside Retirement Services, Inc.	Sanders Common, Ltd.	Francis N. Sanders Nursing Home, Inc.	Patriots Colony, Inc.	Riverside Advantage Inc.	All Other Riverside Health System		Eliminations
Current assets:															
Cash and cash equivalents	\$ 135	129	7	646	—	—	—	917	2,709	(2,748)	(86)	—	36,390	—	37,182
Accounts receivable	9	(364)	(3)	—	—	—	—	(358)	96	556	924	—	179,324	—	180,542
Due from affiliates	(15,006)	1,235	(4,428)	(103)	(4)	80	—	(18,226)	(3,534)	(14,603)	11,541	(2,576)	9,336	18,062	—
Due from third-party payors	228	—	—	—	—	—	—	228	(1)	48	3	—	85,287	—	85,565
Other receivables	1,355	48	64	—	53	—	(459)	1,061	—	2	2,909	—	9,634	(1,000)	12,606
Other current assets	27	14	—	—	—	—	—	41	—	11	40	—	59,715	—	59,807
Total current assets	(13,252)	1,062	(4,360)	543	49	80	(459)	(16,337)	(730)	(16,734)	15,331	(2,576)	379,686	17,062	375,702
Investments	22,389	470	—	—	—	—	—	22,859	—	—	67,509	2,066	479,759	—	572,193
Land, buildings, and equipment, net	22,901	17	18	—	—	—	—	22,936	1,545	8,443	49,106	—	882,064	—	964,094
Right-of-use assets	1	—	168	—	—	—	—	169	—	—	4	—	125,505	—	125,678
Other assets	—	—	—	—	—	—	—	—	—	—	—	—	91,019	—	91,019
Total assets	\$ 32,039	1,549	(4,174)	543	49	80	(459)	29,627	815	(8,291)	131,950	(510)	1,958,033	17,062	2,128,686
Liabilities and Net Assets															
Current liabilities:															
Accounts payable	\$ 1,186	—	7	17	—	80	—	1,290	101	308	750	40	53,970	—	56,459
Accrued liabilities	(1,257)	(3)	—	(38)	—	—	—	(1,298)	79	(988)	(512)	—	106,600	—	103,881
Current portion of long-term debt and obligations under finance leases	—	—	—	—	—	—	—	—	—	—	—	—	24,798	—	24,798
Current portion due to third-party payors	—	—	—	—	—	—	—	—	(54)	54	—	—	—	—	—
Other current liabilities	1,277	5	79	—	—	—	—	1,361	73	31	4,929	—	37,435	18,062	61,891
Total current liabilities	1,206	2	86	(21)	—	80	—	1,353	199	(595)	5,167	40	222,803	18,062	247,029
Deferred revenue	18,299	2,376	—	—	—	—	—	20,675	2	7	42,557	—	1,549	—	64,790
Long-term debt, less current portion	—	—	—	—	—	—	—	—	—	—	—	—	504,675	—	504,675
Obligations under finance leases, less current portion	—	—	—	—	—	—	—	—	—	—	—	—	64,536	—	64,536
Pension and postretirement obligations	—	—	—	—	—	—	—	—	—	—	—	—	100,869	—	100,869
Other liabilities	1	—	87	—	—	—	—	88	—	10	3	—	216,315	—	216,416
Total liabilities	19,506	2,378	173	(21)	—	80	—	22,116	201	(578)	47,727	40	1,110,747	18,062	1,198,315
Net assets:															
Without donor restrictions	12,180	(829)	(4,347)	564	49	—	(459)	7,158	614	(7,713)	84,223	(550)	820,038	(1,000)	902,770
Noncontrolling interest	—	—	—	—	—	—	—	—	—	—	—	—	113	—	113
Total without donor restrictions	12,180	(829)	(4,347)	564	49	—	(459)	7,158	614	(7,713)	84,223	(550)	820,151	(1,000)	902,883
With donor restrictions	353	—	—	—	—	—	—	353	—	—	—	—	27,135	—	27,488
Total net assets	12,533	(829)	(4,347)	564	49	—	(459)	7,511	614	(7,713)	84,223	(550)	847,286	(1,000)	930,371
Total liabilities and net assets	\$ 32,039	1,549	(4,174)	543	49	80	(459)	29,627	815	(8,291)	131,950	(510)	1,958,033	17,062	2,128,686

See accompanying independent auditors' report.

RIVERSIDE HEALTHCARE ASSOCIATION, INC. AND SUBSIDIARIES
d/b/a Riverside Health System
Consolidating Statement of Operations with Lifelong Health Divisional Detail
Year ended December 31, 2023
(In thousands)

	Riverside Retirement Services, Inc.							Other entities					Eliminations	Total Riverside Health System	
	Warwick Forest	Choose Home	Center for Excellence in Aging and Lifelong Health	At Home Partners	Investment in Riverside Retirement Services Subsidiaries	Other Divisions	Riverside Retirement Services Eliminations	Consolidated Riverside Retirement Services, Inc.	Sanders Common, Ltd.	Francis N. Sanders Nursing Home, Inc.	Patriots Colony, Inc.	Riverside Advantage Inc.			All Other Riverside Health System
Operating revenues, gains, and other support without donor restrictions:															
Patient service revenue	\$ —	—	—	—	—	—	—	—	—	—	—	—	1,596,220	(31)	1,596,189
Long-term care revenue	7,785	1	—	—	—	—	7,786	2,231	7,106	13,408	—	—	48,327	(20)	78,838
Other operating revenues	9,828	1,915	5,706	1,659	43	—	(1,713)	17,438	22	763	19,697	—	151,999	(16,462)	173,457
Net assets released from restrictions for operations	—	—	—	—	—	—	—	—	—	—	—	—	1,491	—	1,491
Total operating revenues, gains, and other support	17,613	1,916	5,706	1,659	43	—	(1,713)	25,224	2,253	7,869	33,105	—	1,798,037	(16,513)	1,849,975
Operating expenses:															
Salaries and benefits	8,056	76	863	388	—	—	9,383	1,544	4,538	12,009	—	—	951,356	(4,699)	974,131
Services and other	4,980	1,910	504	1,215	3	—	(1,669)	6,943	1,267	1,986	10,790	—	345,711	(10,682)	356,015
Supplies	1,682	8	35	1	1	—	1,727	1,727	(2)	869	2,817	—	366,979	(7)	372,383
Depreciation and amortization	3,164	3	3	—	—	—	3,170	3,170	72	734	4,820	—	92,344	(4)	101,136
Interest	—	—	—	—	—	—	—	—	—	579	542	—	20,365	(1,121)	20,365
Total operating expenses	17,882	1,997	1,405	1,604	4	—	(1,669)	21,223	2,881	8,706	30,978	—	1,776,755	(16,513)	1,824,030
Net operating income (loss)	(269)	(81)	4,301	55	39	—	(44)	4,001	(628)	(837)	2,127	—	21,282	—	25,945
Nonoperating gains and (losses), net:															
Investment gains (losses), net	2,315	16	—	—	—	—	—	2,331	—	—	2,975	(2,647)	46,857	—	49,516
Pension and postretirement costs	—	—	—	—	—	—	—	—	—	—	—	—	(150)	—	(150)
Total nonoperating gains (losses), net	2,315	16	—	—	—	—	—	2,331	—	—	2,975	(2,647)	46,707	—	49,366
Excess (deficiency) of revenues, gains, and other support over expenses and losses before noncontrolling interest	2,046	(65)	4,301	55	39	—	(44)	6,332	(628)	(837)	5,102	(2,647)	67,989	—	75,311
Noncontrolling interest	—	—	—	—	—	—	(11)	(11)	—	—	—	—	—	—	(11)
Excess (deficiency) of revenues, gains, and other support over expenses and losses attributable to Riverside Health System	\$ 2,046	(65)	4,301	55	39	—	(55)	6,321	(628)	(837)	5,102	(2,647)	67,989	—	75,300

See accompanying independent auditors' report.

RIVERSIDE HEALTHCARE ASSOCIATION, INC. AND SUBSIDIARIES
d/b/a Riverside Health System
Consolidating Statement of Operations with Lifelong Health Divisional Detail
Year ended December 31, 2022
(In thousands)

	Riverside Retirement Services, Inc.							Other entities						Eliminations	Total Riverside Health System
	Warwick Forest	Choose Home	Center for Excellence in Aging and Lifelong Health	At Home Partners	Investment in Riverside Retirement Services Subsidiaries	Other Divisions	Riverside Retirement Services Eliminations	Consolidated Riverside Retirement Services, Inc.	Sanders Common, Ltd.	Francis N. Sanders Nursing Home, Inc.	Patriots Colony, Inc.	Riverside Advantage Inc.	All Other Riverside Health System		
Operating revenues, gains, and other support without donor restrictions:															
Patient service revenue	\$ —	—	—	—	—	—	—	—	—	—	—	—	1,444,917	(29)	1,444,888
Long-term care revenue	7,099	13	—	—	—	—	7,112	2,049	7,089	12,164	—	—	42,982	—	71,396
Other operating revenues	9,615	1,649	440	1,285	47	—	(1,401)	11,635	183	560	17,865	—	140,266	(14,488)	156,021
Net assets released from restrictions for operations	—	—	—	—	—	—	—	—	—	—	—	—	743	—	743
Total operating revenues, gains, and other support	16,714	1,662	440	1,285	47	—	(1,401)	18,747	2,232	7,649	30,029	—	1,628,908	(14,517)	1,673,048
Operating expenses:															
Salaries and benefits	7,686	74	696	319	—	—	8,775	1,366	4,211	11,209	—	—	855,208	(4,093)	876,676
Services and other	4,969	1,514	309	917	3	—	(1,354)	6,358	1,151	2,020	10,219	(1,183)	327,268	(9,618)	336,215
Supplies	1,497	24	13	—	—	—	1,534	37	893	2,665	—	—	313,800	(6)	318,923
Depreciation and amortization	3,310	2	3	—	—	—	3,315	78	780	4,410	—	—	88,185	(3)	96,765
Interest	—	—	—	—	—	—	—	—	545	251	—	—	16,460	(797)	16,459
Total operating expenses	17,462	1,614	1,021	1,236	3	—	(1,354)	19,982	2,632	8,449	28,754	(1,183)	1,600,921	(14,517)	1,645,038
Net operating income (loss)	(748)	48	(581)	49	44	—	(47)	(1,235)	(400)	(800)	1,275	1,183	27,987	—	28,010
Nonoperating gains and (losses), net:															
Investment gains (losses), net	(3,598)	(77)	—	—	—	—	—	(3,675)	—	—	(11,019)	(550)	(83,022)	—	(98,266)
Pension and postretirement benefit	—	—	—	—	—	—	—	—	—	—	—	—	7,986	—	7,986
Total nonoperating gains (losses), net	(3,598)	(77)	—	—	—	—	—	(3,675)	—	—	(11,019)	(550)	(75,036)	—	(90,280)
Excess (deficiency) of revenues, gains, and other support over expenses and losses before noncontrolling interest	(4,346)	(29)	(581)	49	44	—	(47)	(4,910)	(400)	(800)	(9,744)	633	(47,049)	—	(62,270)
Noncontrolling interest	—	—	—	—	—	—	(10)	(10)	—	—	—	—	—	—	(10)
Excess (deficiency) of revenues, gains, and other support over expenses and losses attributable to Riverside Health System	\$ (4,346)	(29)	(581)	49	44	—	(57)	(4,920)	(400)	(800)	(9,744)	633	(47,049)	—	(62,280)

See accompanying independent auditors' report.