



Plan Highlights:

Four strategic pillars underlie the plan and are essential to the ability of Cedar Village to deliver its mission:



Financial Sustainability: Cedar Village will operate its business in a way that allows it to continue to achieve its objectives and fulfill its mission over the long term. Our mix of services will allow us to generate sufficient revenues in areas that deliver positive margins to subsidize losses incurred in providing other services integral to our mission. Effective fundraising, community support and collaborations will fill any gaps, securing the organization’s long term viability.

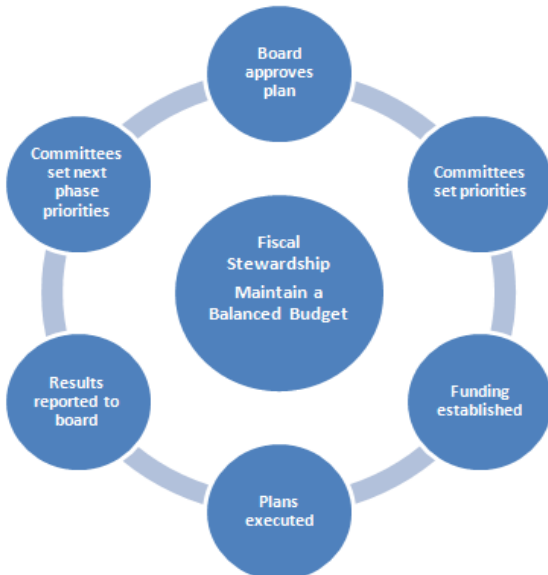
Quality: Cedar Village will provide the best quality clinical care in the region. This will include quality for our long-stay residents, who call Cedar Village home, as well as our rehabilitation patients to ensure that we are the the region’s best care transition partner. Quality will be a focal point for each interaction with residents and patients as well as regulators and healthcare partners. The organization will become “data-driven,” relying on leading indicators and

quantitative metrics to continually assess the quality of care being delivered to residents. Clinical staff will proactively and quickly identify the need for, and implement, quality improvement programs when necessary, to constantly improve the quality and competency of the healthcare delivery team.

Customer Satisfaction: Cedar Village will become known throughout the community for its exceptional customer service. Prospective residents and their families, hospital discharge planners and social workers, primary care physicians and other healthcare professionals, will all point to Cedar Village when discussing the top skilled nursing care, rehabilitation care, and senior living communities in Greater Cincinnati. That experience will be “end-to-end,” extending from someone’s very first interaction with the organization and through each step thereafter.

Workforce: Cedar Village will become an “Employer of Choice”, creating an inclusive work environment where a diverse workforce is fully engaged and energized to put forth its best effort every day. Healthcare workers, other professionals and hourly wage earners will seek out opportunities to join the Cedar Village team, motivated by its culture of excellence, competitive salary and benefits, opportunities for learning and development, and focus on recognizing the efforts of every member of the team, each and every day.

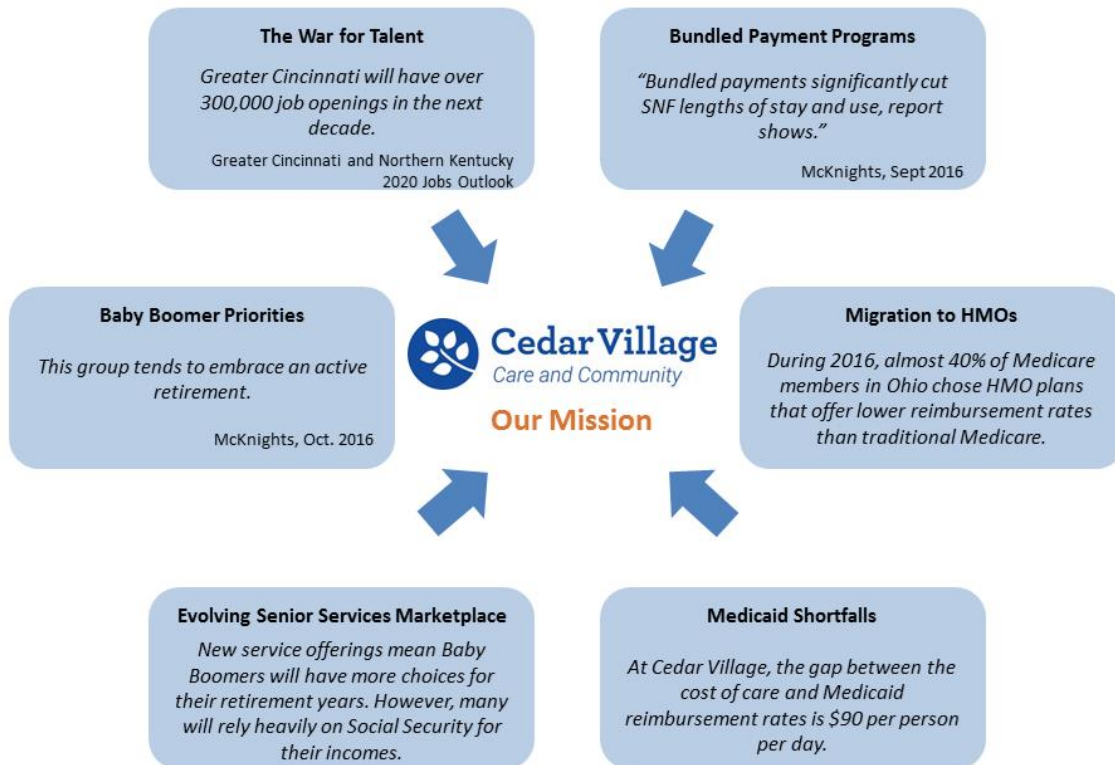
Implementation:



A great deal of work has been devoted to the development of this Phase 1 Strategic Plan, and in defining strategic objectives and identifying potential strategies to enable Cedar Village to achieve those objectives. However, more “heavy lifting” is still to come, as we move forward with the implementation of those strategies. Further, as is clearly the case with our goal of ensuring the long term financial sustainability of Cedar Village, the work thus far has resulted in a mix of some near-term implementable strategies, as well as defining a set of further analysis required to make the most informed decisions possible. Some of the other pillars of this plan also included additional research to better inform decision-making. Finally, as we transition to a more implementation-focused phase, it is intended that the work will shift to staff-led and executed activities, and the work of the sub-committees will wind down.

Industry Trends Informing the Plan:

Market Forces Impacting Cedar Village



Bundled Payment Programs: These programs launched during 2016 have reduced the time patients recover in skilled nursing facilities and cut reimbursement rates. They link financial sustainability and quality, seeking to compensate providers for the value of the care they deliver.

Migration to HMOs: In Ohio, nearly 40% of Medicare recipients chose HMOs instead of traditional Medicare that better reimburses for providers. We need more volume to maintain census even as revenue from inpatient care trends downward.

Medicaid Shortfalls: Medicaid is not keeping pace with the cost of care. The program covers 60% of all nursing home residents, with a national gap between the cost of care and reimbursement of \$22.46 per person per day. At Cedar Village, the gap is \$90 per person per day, as we strive to meet the highest possible standards.

Growing Market for Senior Services: By 2050, more than 80 million Americans will be 65+, eventually comprising 20% of the population. Many will rely almost exclusively on government programs, including Social Security, to fund retirement. Our safety net will remain important and our off-campus service lines are anticipated to grow.

Bed Mix: The industry standard for current building projects is 8 to 10 independent living units for every skilled bed, and an equal number of assisted living and skilled nursing beds. At Cedar Village, our ratio is .65; 105 apartments to 162 nursing home beds.

The War for Talent: Competition for talent will likely remain fierce. According to the 2020 Jobs Report, in Cincinnati and Northern Kentucky healthcare support and healthcare practitioner occupations will increase by 54% and 29% respectively into 2020. Those roles will account for more than 126,457 new jobs in the region. However, local schools graduate fewer people trained for these positions than the number of job openings each year. At Cedar Village, we have experienced nearly 30% turnover among those roles.