|  **PART I – SUMMARY OF ACTION PLAN** |
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| **Item** | **Risk Indicator***(select from pull**down menu)* | **Initial Risk Quantifier***(type in event trigger)* | **Summary of Root Cause***(escribe the underlying issues)* | **Risk Mitigation Steps***(list Action Plan Steps)* | **Action Plan Goal(s)***(final goal of**Action Plan)* | **Anticipated End Date***(not to Exceed 1 Year)* |
| 1 | Financial risk metric of Operator (DSCR) | DSCR 0.70  | Facility currently has 10 vacant beds due to newer facilities in the market area. Due to holidays/winter season, admissions have slightly slowed, which has impacted revenue. 80% Beds Filled. | 1. Increase Marketing Efforts
2. Update curb appeal of property
3. Improve relationship with local hospitals to increase referrals
4. Decrease reliance on contracted staff/staffing agency
5. Explore cost saving opportunities
 | DSCR of 1.0 or more | 12/31/2021 |
| 2 | REAC inspection | 3 Failed REAC Inspections33c - Sept 2017 56c - Sept. 201855c - Oct 2019 | Official Maintenance Plan and Procedures (MPP) not followed. | 1. Administrator to review and certify reviewing MPP
2. Training for Maintenance Staff
3. Staff to do 100% walkthrough of property and prepare work orders for repair/replacement items
4. Repairs/Replacements to be made prior to REAC Inspection
5. Borrower to submit Owner’s Certification required by NOV
 | REAC Inspection Score of 60+ | 12/31/2021 |
| 3 | State inspections | Open H tag | Medication administration issues and lack of proper staff training. | 1. Director of Nursing to review and improve Infection Control protocol
2. Administrator to provide staff training
 | Substantial Compliance  | 12/31/2021 |
| **Frequency of HUD Reporting:** Quarterly**FIRST ACTION PLAN PROGRESS REPORT DUE:** 3/31/2021 |

| **PART II – MONITORING OF ACTION PLAN** |
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| **Item** | **Action Plan Goal** | **Anticipated End Date** | **Action Plan Progress as of:**3/31/2021 | **Action Plan Progress as of:**6/30/2021 | **Action Plan Progress as of:**9/30/2021 | **Action Plan Progress as of:**12/31/2021 |
| 1 | DSCR of 1.0 or more | 12/31/2021 | ***Progress Report (provide quantifiable details):*** DSCR increased to 0.80; beds are 41/50 filled (82%); advertised in new local paper, landscaping project underway. Scheduling open house with local hospitals shortly. *On Target?*Yes - On Target  | ***Progress Report (provide quantifiable details):*** DSCR 0.83; 42/50 Beds filled (84%); open house with hospitals was successful; found a way to reduce administrative expenses by 20%.*On Target?*Yes - On Target  | ***Progress Report (provide quantifiable details):*** DSCR 0.96; 45/50 Beds filled (90%); fully staffed, no longer relying on temp. agencies. Continuing to work with hospitals on referrals. *On Target?*Yes - On Target  | ***Progress Report (provide quantifiable details):*** DSCR 1.05; 49/50 Beds filled (98%).*On Target?*Yes - Action Plan Complete - Completion Date: 12/25/2021  |
| 2 | REAC Inspection Score of 60+ | 12/31/2021 | ***Progress Report (provide quantifiable details):*** REAC Not ScheduledAdministrator has certified reviewing MPP. 100% Inspection Walkthrough scheduled. *On Target?*Yes - On Target  | ***Progress Report (provide quantifiable details):*** Loss of staff resulted in walk-through not occurring.*On Target?*No-See Lender Comments below  | ***Progress Report (provide quantifiable details):*** 100% inspection occurred. Back on target.REAC Scheduled for 12/01/2021; Staff continuing monthly walkthroughs to keep property maintained.*On Target?*Yes - On Target  | ***Progress Report (provide quantifiable details):*** REAC Score 62 on 12/31/2021*On Target?*Yes - Action Plan Complete - Completion Date:12/31/2021 |
| 3 | Open H tag | 12/31/2021 | ***Progress Report (provide quantifiable details):***  Infection control procedures updated and all staff trained on new protocol. Property has provided Lender with letter noting they are back in substantial compliance. *On Target?*Yes - Action Plan Complete - Completion Date: 3/20/2021 |   |   |  |
|  | ***LENDER COMMENTS:***N/A | ***LENDER COMMENTS:***Held call on 5/15/2021 and the Operator confirmed staffing issues are resolved and plan is back on track. | ***LENDER COMMENTS:***N/A | ***LENDER COMMENTS:***N/A |
| **Frequency of HUD Reporting:** Quarterly**FIRST ACTION PLAN PROGRESS REPORT DUE:** 3/31/2021 |