| **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 Inspections  33c - Sept 2017  56c - Sept. 2018 55c - 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 Scheduled  Administrator 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 | | | |