



May 7, 2021

North Carolina Department of Administration
Office of Fiscal Management – Purchasing Section

RE: Cover Letter in Response to Request for Proposal # 13-DOA154085146 Operation and Management of Licensed Nursing Facilities

To Whom it May Concern:

Please accept this Cover Letter as documentation that Principle Long Term Care, Inc. (PLTC) has read the Request for Proposal (RFP) # 13-DOA154085146 in its entirety, including all links, and all Addenda released in conjunction with the RFP. PLTC acknowledges and accepts all terms and conditions as set forth in the RFP.

As detailed in its proposal and responses to the RFP, PLTC has extensive experience operating under North Carolina regulations and guidelines and is committed to providing the highest quality of care that assures quality of life for our residents, their families, and our employees. PLTC was established in 1980 and currently operates approximately 37 facilities across all of North Carolina. PLTC's corporate office is in Kinston, North Carolina and has always been proud of its roots in the eastern part of the state. In the last 3.5 years, PLTC has come under new leadership, leadership that has brought a demonstrated – and realized – commitment to quality care to the organization.

PLTC believes that it is well situated to integrate the VA facilities – not only into its established operations within North Carolina, but also into its established mission, vision, and guiding principles. Of note, PLTC believes that its mission is in keeping with the mission of the NCSVH Program – “To provide quality health care services in a professional and ethical manner, ensuring the trust, confidence and respect of our veteran residents, their families, and the communities we serve.”

In addition, please accept this Cover Letter as documentation that PLTC meets the Minimum Requirements found in RFP Sections 4.5.2.A through 4.5.2.K. In particular, PLTC hereby certifies that:

- A. In response to Minimum Requirement Section 4.5.2.A, neither PLTC nor any of its affiliates has ever been forced to close a nursing home due to resident care issues.
- B. In response to Minimum Requirement Section 4.5.2.B, PLTC can obtain the required \$5,000,000.00 Performance Bond as a guarantee of its performance

under the terms and conditions of the contract. Further, PLTC acknowledges and accepts this condition that breach of contract by PLTC will result in forfeiture of the Performance Bond, the Performance Bond shall be for the entire contract period and shall be renewable for any subsequent extension of the contract, the Performance Bond must be in force for a minimum of six months following the termination of the contract, and a certification by an appropriate financial institution of PLTC's ability to secure the Performance Bond is required with the RFP submission (this shall be submitted within 15 days after notice of award during the transition period before start of work).

- C. In response to Minimum Requirement Section 4.5.2.C, PLTC can obtain the required \$1,000,000.00 Fidelity Bond as a guarantee against employee dishonesty and acts of others (ensuring for comprehensive perils including, but not limited to dishonesty, theft, and burglary by principals and employees of PLTC as well as third parties). Further, PLTC acknowledges and accepts this condition that breach of contract by PLTC will result in forfeiture of the Fidelity Bond, the Fidelity Bond shall be for the entire contract period and shall be renewable for any subsequent extension of the contract, the Fidelity Bond must be in force for a minimum of six months following the termination of the contract, and a certification by an appropriate financial institution of PLTC's ability to secure the Fidelity Bond is required with the RFP submission (this shall be submitted within 15 days after notice of award during the transition period before start of work).
- D. In response to Minimum Requirement Section 4.5.2.D, PLTC can obtain sufficient liability insurance. Of note, coverage is currently in effect through Queensland Insurance Company pursuant to the declaration pages included in an attachment in response to Minimum Requirement Section 4.5.2.D. The limits of PLTC's insurance policies – general liability, commercial general liability, professional liability, medical liability, commercial automobile, and worker's compensation and employee liability – meet each of the Insurance Requirements outlined in RFP Section 4.4.
- E. In response to Minimum Requirement Section 4.5.2.E, PLTC has an integrated Computer/Accounting and Resident Tracking System – PointClickCare (PCC) – in place prior to submission of its proposal. Further, PLTC acknowledges that the system must be operating in the homes prior to start-up and that the Electronic Charting System must be compatible with current resident information systems. Of note, and as documented in detail in PLTC's response to Minimum Requirement Section 4.5.2.E, PCC is compatible with current resident information systems.
- F. In response to Minimum Requirement Section 4.5.2.F, PLTC acknowledges and accepts this condition that no interest expense from Nursing Home Management Company (NHMC) shall be charged to NCSVH and that interest expense on cash flow must be a part of the bid process included as part of revenue as set forth in the RFP.
- G. In response to Minimum Requirement Section 4.5.2.G, PLTC has systems – Planful Management and Reporting and PCC – in place to produce financial reports/medical reports and other required reporting requirements.

- H. In response to Minimum Requirement Section 4.5.2.H, PLTC maintains cash flow in excess of \$12 million. Further, PLTC acknowledges and accepts this condition that the addition of another NCSVH may increase the cash flow by at least \$3 million that must also be available by PLTC, if required.
- I. In response to Minimum Requirement Section 4.5.2.I, PLTC acknowledges and accepts this condition that the following positions salaries and related expenses shall be part of the management fees: each Facility Administrator, Regional Director of Nursing, Regional Finance Director, Regional Vice President, and Regional Admissions Coordinator as set forth in the RFP.
- J. In response to Minimum Requirement Section 4.5.2.J, PLTC acknowledges and accepts this condition to define the Management Fee as a percentage of net revenue as set forth in the RFP.
- K. In response to Minimum Requirement Section 4.5.2.K, PLTC acknowledges and accepts this condition to define Operational Costs as the cost of operation of the home which excludes management fee and that Operational Costs will also include any Capital Expenditure Requests (CERs) that have been properly provided to the Contract Administrator for approval and subsequent purchase by PLTC as set forth in the RFP.

PLTC also certifies that, in response to Section 4.5.3.4 (Financial Stability), PLTC is financially stable and has the ability to maintain \$9,000,000.00 in excess cash flow for the NCSVHs.

Further, PLTC has reviewed the Evaluation Criteria contained in RFP Section 3.4 and maintains that its proposal meets or exceeds each of the Evaluation Criteria outlined therein. Specifically, PLTC's response to:

- Section 4.5.3.1 – Experience:
Provides discussion of PLTC's experience in community long-term care and its ownership and management of skilled nursing care facilities; PLTC's history of contracting for management of skilled nursing care facilities; PLTC's experience with state and/or federal healthcare facilities; PLTC's experience with Medicaid, Medicare, private insurance, and VA disability compensation; and PLTC's past performance.
- Section 4.5.3.2 – Organizational Profile:
Provides discussion of PLTC's approach to the management of the program and how it plans to meet the requirements of the scope of work and tasks of the contract – including, PLTC's program suitability, excellence in program design, organizational resources, and management plan.
- Section 4.5.3.3 – Staffing Plan:
Provides PLTC's proposed execution and staffing plan as well as experience of key personnel.
- Section 4.5.3.4 – Financial Stability:

Provides documentation regarding PLTC's financial stability, resources, and ability to support a project of this size.

- Attachment A: Pricing Form – Total Cost:
Provides PLTC's percentage of net revenues (gross revenues less contractual) for management fees, excluding the Performance Bond.

It would be an honor to care for those who served this country – one that PLTC would not take lightly. On behalf of PLTC, we thank you for the opportunity to respond to this RFP.

Sincerely,


Lynn Hood (May 5, 2021 16:22 EDT)

Lynn Hood
President and Chief Executive Officer
Principle Long Term Care, Inc.



Gale Boice
Chief Financial Officer
Principle Long Term Care, Inc.