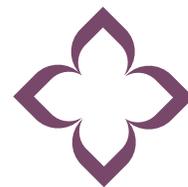
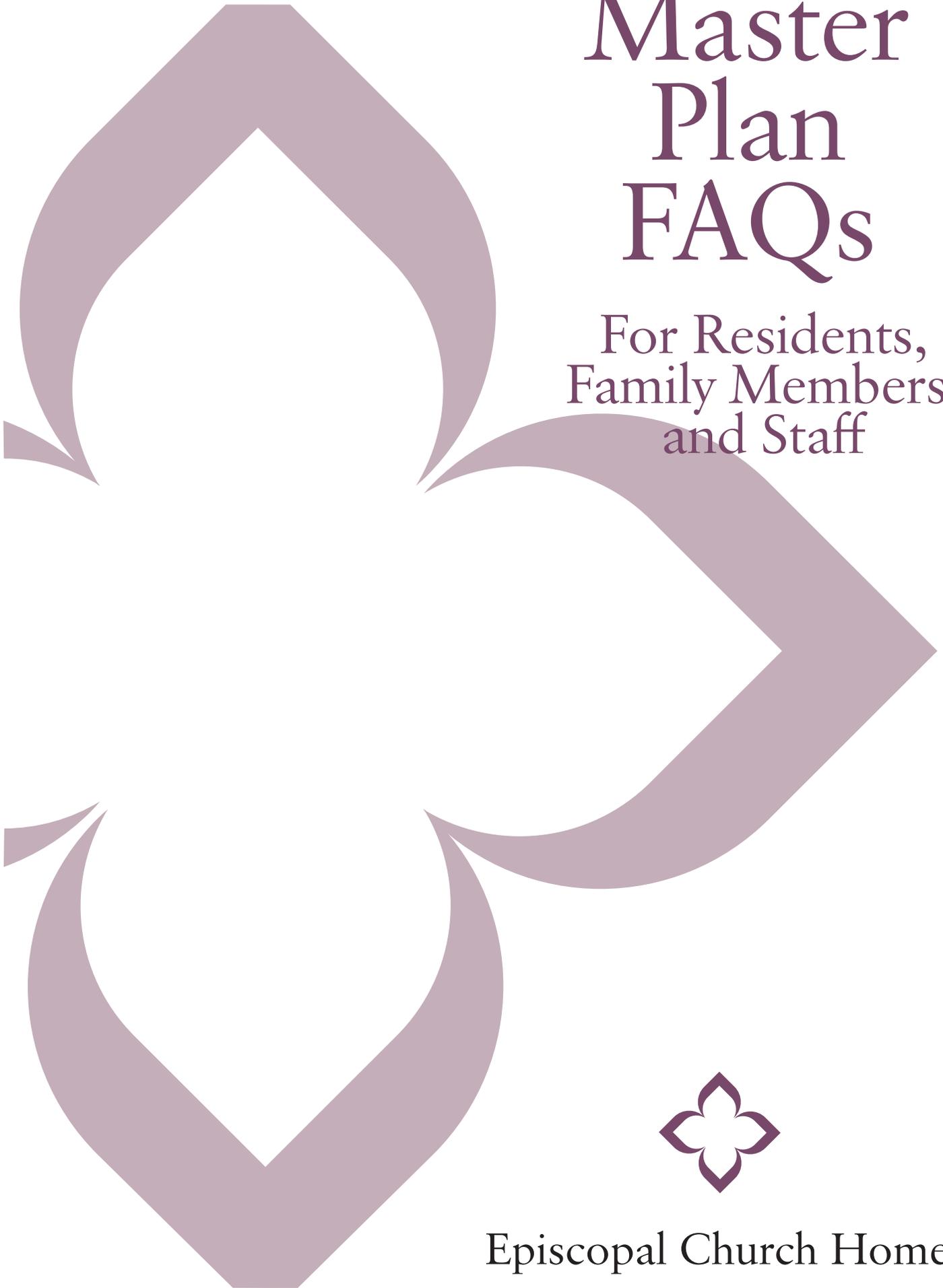


Master Plan FAQs

For Residents,
Family Members,
and Staff



Episcopal Church Home



Introduction

Every ten years, ERS undergoes a Master Plan for our communities which reviews market trends and evaluates current and future residents' needs and preferences. The result leads to renovations, the construction of new buildings, and/or the establishment of innovative services.

ECH has a rich tradition of innovation to meet the needs of older adults in the Louisville area. Whether it was the construction of the healthcare building on Westport Road in the 1970's, the expansion of the campus to include unprecedented memory care neighborhoods in the 1990's, or the addition of Dudley Square patio homes in the 2000's, ECH has reinvented itself and gone through several Master Plans throughout the years. We are excited to share that ECH has developed a bold vision to reimagine the campus for its current and future residents in line with our mission to enrich the lives of older adults.

We hope this guide will answer your initial questions about the renovations and the impacts it may have on yourself or your loved one. We commit to meeting with our residents, family members, and staff as important milestones in the Master Plan process occur.

You can visit our website at episcopalchurchhome.org/masterplan for updates.

Resident and Family FAQs

REASONING:

Why does ECH have to carry out the Master Plan?

During the life of a retirement community, the buildings ERS & ECH operates typically need upgrades and services need to be evaluated to match consumer preferences and demographic trends. The ECH campus has not performed major upgrades since the 2000's. ERS and ECH believe we need to review our buildings, demographics and services that we offer approximately every ten years to make sure we are meeting consumer expectations and have attractive services and amenities for current and future residents. We call this a Master Plan.

Over the past year, we performed a thorough analysis of our buildings not just from a cosmetic standpoint but a systems standpoint as well. This includes, plumbing, electric, heating and cooling systems and more. Furthermore, we reviewed demographic data, market data, consumer trends and financial forecasts to guide our decision-making process as we developed a Master Plan for ECH.

After going through this analysis, we have determined that the original healthcare building is unsustainable going forward. Many of the systems in this building are at the end of their useful life and expensive upgrades would still provide us with an older building that does not meet consumer expectations. We have also determined there will be less demand for memory care, personal care and skilled nursing services. With that said, we do know that there will be a higher demand for more independent living in the Louisville marketplace. Additionally, with the current trends in demographics and competition we expect challenges in occupancy for many levels of care which would ultimately affect ECH's financial position. Finally, we are now facing a challenging insurance marketplace, where rates have skyrocketed, creating extremely higher costs.

With all of this in mind, we are confident we have developed a plan that will continue the mission and legacy of ECH well into the future. Our commitment to increase the number of independent living patio homes, while creating smaller more intimate care settings sets a bold new course for ECH to create high-quality living and care environments that serves our residents and the Louisville community with continued alignment to our mission and values.

Why didn't ECH just remodel the original healthcare building?

The Master Plan Committee completed a detailed analysis related to the original healthcare building. We had architects and engineers complete a thorough facility assessment. The team came to the following conclusions. The current layout of the original healthcare building is not conducive to delivering person-centered living. Secondly, costs to bring the building to current day standards were extremely high and still wouldn't meet the demands that

Resident and Family FAQs

residents and families would expect as we go into the next decade. Finally, as a Continuing Care Retirement Community, we expect the new mix of the number of apartments available by level of living (independent living, memory care, personal care, and skilled nursing) will properly serve our residents' healthcare needs as they age and require more assistance.

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OVERVIEW OF PLAN:

What will ECH look like in the future? How many accommodations will be within each level of care?

The campus will feature more independent living patio homes along with smaller, more intimate healthcare neighborhoods supported by our staff who will be trained in our Person-Centered Care model. New therapies and services will also be introduced and our buildings will reflect the latest consumer trends to accommodate for the space and amenities they desire. The final mix of accommodations will include:

- 86 patio homes which includes 24 new patio homes that will be built
- 22 Personal Care apartments
- 26 Personal Care Memory Care apartments
- 26 skilled nursing beds with 13 dedicated to those living with cognitive loss and the other 13 dedicated to long-term care for those living with physical limitations and short-term rehabilitation

Please view the map on pages 6 and 7 to view the future layout of the ECH campus.

What is the timeline of the changes?

There are a number of important milestones throughout the Master Plan construction process. First, outside admissions to long-term care and personal care will cease immediately so that we can accommodate and serve our current residents throughout the Master Plan construction process. Dudley Square Patio Homes and Morton Rehab will continue to accept new admissions. As we currently know now, we will move our existing residents in the Reed neighborhood to the West neighborhood in April of this year. We will then immediately begin renovations of the Reed neighborhood to bring it up to skilled nursing stan-

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dards. The renovations of the Reed neighborhood will be complete by approximately spring of 2021 and we will then move long-term care residents from the Clingman and Marmion neighborhoods to the Reed neighborhood, along with Woodcock residents (Personal Care) to the West neighborhood respectively. We will also open our new dining venue within the administration building at that time. Concurrently, we will build new model homes on the east lawn of Dudley Square and a clubhouse on the west lawn. We expect these to be completed around January of 2021.

Once the moves from the original healthcare building have been completed, we will then begin the demolition of the original healthcare building by approximately spring of 2021. After the demolition, we then expect to begin constructing the new Personal Care building and new patio homes by approximately December of 2021. The first new patio homes will be available for move-in by summer of 2022. Lastly, we will complete the final phase of patio homes and the new Personal Care building by fall of 2022.

What will happen to St. Luke Chapel?

St. Luke's will remain open throughout the Master Plan construction and will continue to operate during and after the renovations to the campus. A new connector will be constructed from the administration building through the new Personal Care building to reach the chapel. Please reference the map on pages 6 and 7 to see how the buildings will be connected.

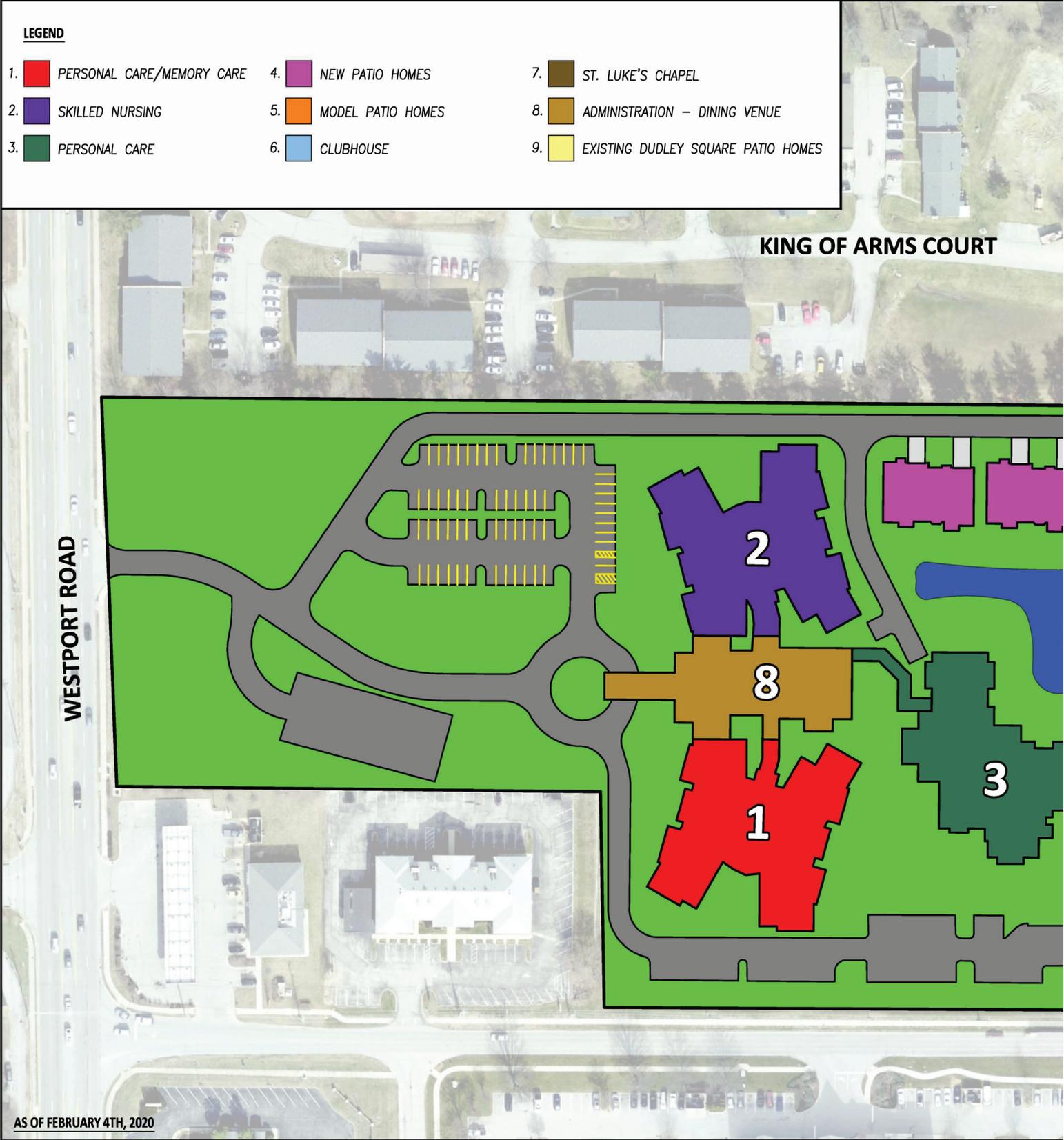
Who was involved in the planning process?

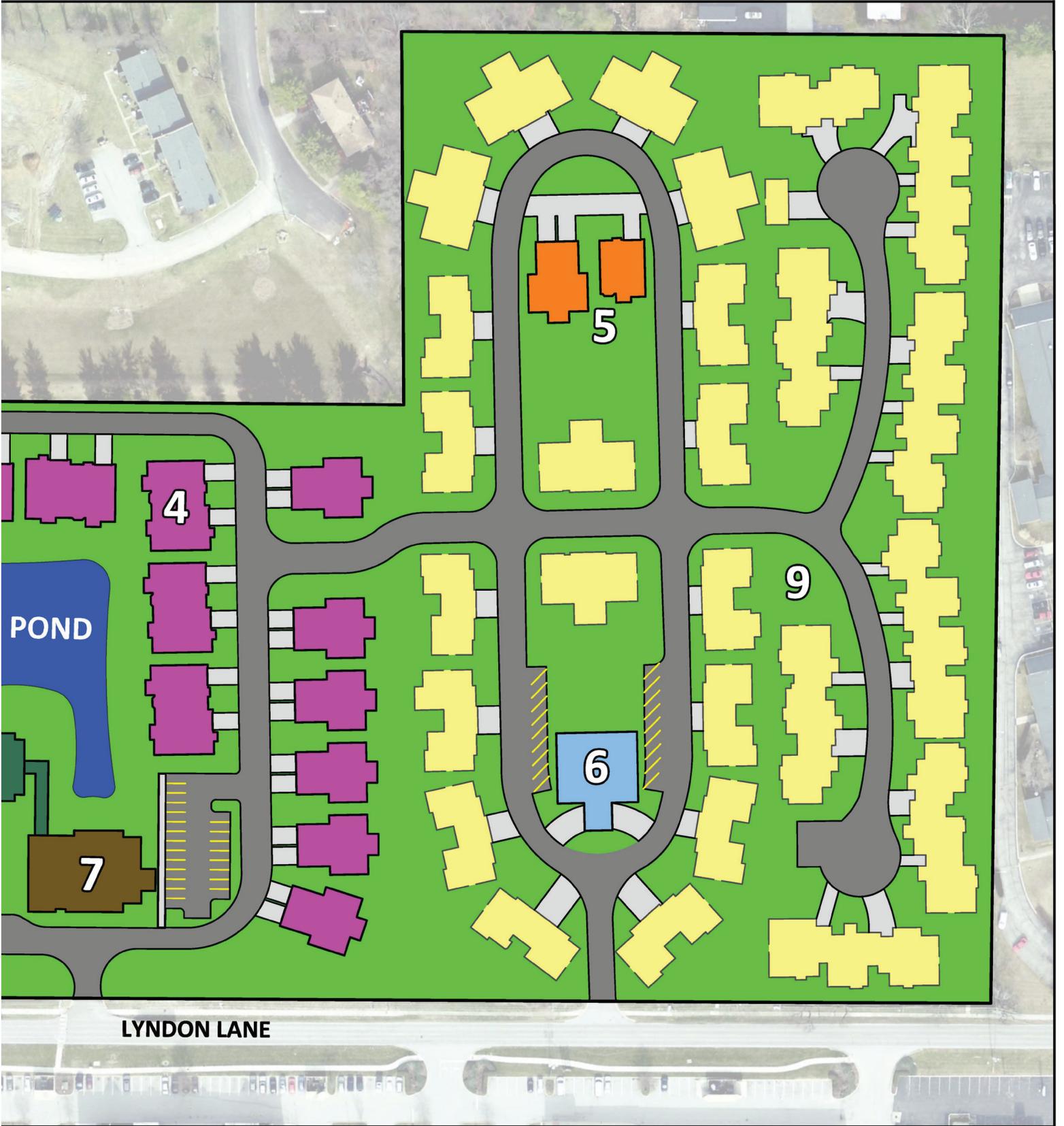
The Master Plan Committee has been a collaborative effort. Select ECH Board members, ERS and ECH leaders, and outside experts in the areas of marketing, construction and architecture all participated in the process. Committee members include Gibbs Reese, Rob King, and Robin Smith of the ECH board. ERS and ECH leadership members included Laura Lamb, President and CEO of ERS, Beverly Edwards, Executive Director of ECH, Ginny Uehlin, Vice President of Healthcare of ERS, Dan Steward, CFO of ERS, Paul Scheper, previous CFO of ERS, Bryan Reynolds, Vice President of Marketing of ERS and Megan Bradford, Director of Strategic Initiatives of ERS. Outside experts included Lisa Legeer, Senior Vice President of Strategic Partnerships of Glynn Devins (marketing agency), Allen Hale, Chief Operating Officer of SFCS (architecture), Greg Thomas, Design Architect with SFCS and Brian Gruber, Owner of Ridge Stone Builders and Developers (construction).

How will ECH pay for the Master Plan?

As of today, our preliminary estimated costs of the Master Plan total approximately \$18.5 million. From the addition of new patio homes and new Personal Care apartments, we anticipate funding sources of approximately \$9.3 million from new entrance

Map of ECH Master Plan





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fees. In addition, ERS will be providing internal debt funding of approximately \$3 million. ECH will be obtaining a construction loan that will ultimately be converted into a permanent long-term loan of approximately \$4 million. The remaining funding needs of approximately \$2.2 million will be underwritten through a capital campaign.

RESIDENT & FAMILY INFORMATION:

What will happen to my loved one?

First and foremost, we want to ensure you that our primary responsibility is to take good care of our current residents. Our mission to enrich the lives of older adults in a person-centered, innovative and spiritually based way is always at the forefront of our minds. The board and leadership have studied in depth, the topic of resident attrition and resident moves in relation to the phasing of the Master Plan. As of today, we believe we can minimize the impact on current residents and accommodate their care requirements as their needs change. There are several factors that will determine if a move will be required to another care setting or new part of the campus. As with many things, timing is everything. However, all levels of care will be available for current residents as their needs change during the transition. Stopping admissions is a critical part of our plan and allows us to focus on our current residents' care needs. As our values dictate, we hold dear our values of relationships and integrity and we will continually communicate with residents and families as we near milestones. We will work with you and your family members to determine the level of needed services required and minimize the disruptions and number of moves as much as possible as we are going through the process of the Master Plan renovations.

Will the pricing of our rooms or apartments change?

No, all prices will remain the same with the exception of our normal annual increases.

I am a Dudley Square resident. What will happen to my entrance fee?

Your entrance fee will be unaffected by the Master Plan changes. Your entrance fee will be refunded at the agreed upon terms and amount in your contract once your patio home has been vacated.

Where will parking be available?

Parking will continue to be available in the front parking lot and near St. Luke's Chapel. Additional parking will be created in the new patio home area.

Resident and Family FAQs

I am a Dudley Square resident. Will I be able to move to one of the new patio homes?

Yes. Details including the costs and the process by which a resident(s) will move are being finalized. More information will be available at a later time.

Will ECH renovate current Dudley Square patio homes?

Yes, ECH will continue to make investments in select patio homes as they are vacated and become available. As we currently perform updates during many of our resident transitions, ECH wants to ensure that it continues to offer an attractive product that meets consumer expectations reflecting current and future market trends.

STAFF & PARTNER INFORMATION:

How will this affect the current ECH staff?

Our staffing levels will be reduced in alignment with resident attrition. We will strive to ensure that staffing levels are in place for the care of your loved one. In line with our values, ECH will communicate with staff and give as much notice as we are able to regarding the changes. Roles will change as we shift to smaller, more intimate health-care neighborhoods. ERS and ECH will provide employee assistance during these transitions and help them find new positions if needed. ERS and ECH leaders are experienced in managing staffing and renovations as a result of a Master Plan and will communicate openly and honestly with staff as the process moves along the timeline.

Will we still work with our outside partners?

We do expect changes with outside partners and vendors. An important change to note is that ECH will manage the dining program within the new dining venue. We will work with Morrison, who has been our valued dining program manager through the transition. Partnerships with other companies may change as the scope of their work shifts as well. In the meantime, we will continue to work with our current partners for therapy, pharmacy and more. We will advise you of any important changes if and when they occur.

ECH Staff FAQs

REASONING:

Why was this decision made knowing it will result in a reduction of the caring team members of ECH?

As with all significant decisions that we make as an organization, a lot of time, study and discernment goes into it. In order to fulfill our mission of enriching the lives of older adults in an innovative, person centered and spiritually based way, we recognized that physical changes were going to be necessary. After studying the data for more than a year, we made the decision to change the care and services offered at ECH in order to deliver innovative, person centered care. With fewer residents, we recognize we will need fewer staff. This is something we take very seriously. We are committed to assisting anyone who is not selected for a role to ease the transition in securing employment.

ROLES/POSITIONS:

How will roles be different from what they are today?

Some positions will function as they do today. Others will be very different. For example, we will have Versatile Worker positions in our households. The Versatile Worker position is a combination of our current Resident Assistant (CNA/SRNA required), Life Enrichment and Housekeeping roles. Another example is our current Care Team Manager position, which will be replaced by a Clinical Care Household Manager. This role will have some similar duties as the Care Team manager today but will look different in a person centered care environment.

Will I automatically be placed in a new role or will I have the opportunity to apply for one of the new positions?

Staff will have the opportunity to learn about the new roles when they are posted and may apply for the new positions. We know some staff will be excited about the enhanced roles and some may not be interested.

Will ECH provide training for the new roles?

Yes, after selection, ECH will provide thorough training for all of the new roles as well as training for a new person-centered work environment.

When will positions be reduced?

Effectively immediately, we will not be admitting outside residents to any of our households except Morton (short-term rehabilitation) and Dudley Square (independent living). Our staffing levels will be reduced in alignment with resident attrition. ECH will give as much notice as we are able to about staff changes.

If I am not selected for one of the new positions, can I stay on PRN until a FT position is available?

PRN positions will be posted just as all of our other open positions. Qualified team

ECH Staff FAQs

members who are interested in these positions are encouraged to apply.

How will hiring decisions be made for the new roles?

Positions will be posted. All staff who apply for the new positions and meet the minimum qualifications will be interviewed and considered. Other considerations will be level of expertise and/or skillset, current and previous job performance in alignment with our job descriptions, ERS Core Values and Ways of Working.

PAY & BENEFITS:

Will the new Versatile Worker position have a different pay grade?

Yes, the Versatile Worker positions will be paid a higher wage than our current Resident Assistant and Housekeeping positions.

Will my current benefits change?

There is no change to our benefits programs at ECH. Some benefits require that you are full time, such as our health and dental insurance. If you were to move from full-time to part-time, you would no longer be eligible for these benefits (some exceptions apply under the Affordable Care Act for health insurance). Staff who leave ECH will have the opportunity to continue benefits coverage through COBRA.

SUPPORT:

Will ECH offer additional support for staff during this transition?

Yes, our Staff Wellbeing partner, TriHealth and our Employee Assistance partner, HDC will both spend time on-site to assist staff in dealing with these changes. They are also available anytime by phone. Additionally, our ERS HR team will have a greater presence during this transition to support staff needs.

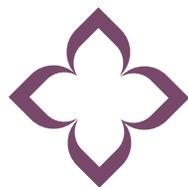
If I am not selected for one of the new roles, will ECH assist and support me in finding another job?

Yes, ECH is committed to assisting anyone who is not selected for a role to secure gainful employment. Our HR team is available to assist team members with updating their resumes and will have resources available for interviewing skills and job networking.

If I am not selected for another role, will ECH offer me a severance agreement?

Our goal is to assist each staff member who is not selected for a position in finding gainful employment. However, we recognize that there may be individuals who have unique roles within ECH that may be more difficult to employ elsewhere. In those cases, ECH will support our staff with a severance agreement.

If you have any questions, or if you would like additional information,
contact Beverly Edwards, Executive Director of ECH,
at 502.736.7802 or bedwards@erslife.org



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