ADDENDUM TO STAFF SUMMARY FOR DETERMINATION OF NEED
BY THE PUBLIC HEALTH COUNCIL
November 12, 2025

Introduction

On August 13, 2025, and pursuant to 105 CMR 100.620, the Public Health Council voted to take Preliminary Action on the DoN application 23101112-TO filed by Everest Hospital, LLC for the Transfer of Ownership of Vibra Hospital of Western Massachusetts – Central Campus, located at 111 Huntoon Memorial Highway, Leicester (Rochdale), Massachusetts 01542, pending receipt of additional information as discussed during the meeting.

The Applicant provided the additional information, detailed below. The Public Health Council (PHC) will review this additional information at its November 12, 2025 meeting.

1. **What are the applicant's plans for retaining a management agreement with a company with significant Long Term Care Hospital ("LTCH") experience to manage day-to-day operations? If the applicant has entered an agreement or plans to do so, what is or will be the duration of that agreement? If the applicant has entered an agreement or plans to do so, does or will the agreement include a deferral of management fees?**

   Response: The Applicant as the operator and licensee of the Hospital will be running the day-to-day operations. Yedidya Danziger, one of the three principals of the Applicant, will be the Executive Director of Operations and be onsite at the Hospital at least 4 days a week and intimately involved in all aspects of operations for the foreseeable future. This is a change from how the Hospital is currently run by Vibra. As a national company, Vibra does not have administrative leadership that is regularly onsite and runs much of the administrative leadership and back-office operations out of their flagship Massachusetts location in New Bedford or out of the central office in Pennsylvania. Over the last few years, Vibra's investment in the Hospital has been stagnant, which is demonstrated by the Vibra patient panel and staffing data presented in the application and CMS quality scores identified by PHC Council members. The Applicant's primary goal, through the investments in the Hospital discussed in the application and in these responses, is to revitalize the Hospital and the Meadows, a skilled nursing facility (SNF) located at the same address as the Hospital, which will provide more resources for the Commonwealth, particularly Central Massachusetts, to ease throughput and ensure that patients are receiving the appropriate level of care. Accordingly, the Applicant can commit to prioritizing eligible Massachusetts residents for admission and plans to foster the relationships with Central Massachusetts acute care hospital providers who support this Proposed Project.

Even though the Applicant is an experienced post-acute health care operator, given that the Proposed Project is the Applicant's first time operating an LTCH, they have proactively engaged Whittier Health Network as a consultant to assist them during the licensure process and with post-acquisition operations. Whittier has over 20 years of experience in the LTCH space in Massachusetts. The Applicant and Whittier will have a formal 3-year consulting agreement in place to start and will evaluate if future assistance is needed.

The relationship between the Applicant and Whittier was disclosed to the Health Policy Commission (HPC) during their review of the Material Change Notice (MCN), which the HPC closed out on July 3, 2025 when it concluded that it conducted its preliminary review of the MCN and elected not to proceed with a cost and market impact review. As discussed with the HPC, through the consulting arrangement Whittier will assist Applicant on matters regarding admissions, hiring and training, marketing, provider contracting, case management, budgeting and revenue cycle. Whittier will also assist with regulatory compliance and development and implementation of a robust quality assurance process to review risk areas on an ongoing basis. To the extent the services were to ever change beyond this scope the Applicant has committed to updating the HPC and filing another MCN if required.

The Applicant also committed to the HPC that it would not be taking any management fee. The Applicant can make that same commitment to DPH.

At the same time, the Applicant wants to reaffirm to DPH that it will be acquiring both the operations, equipment and real property associated with the Hospital. The Applicant confirmed the following with the HPC as part of the MCN review - the Hospital, the Meadows, and related real property will be held by the Applicant in single purpose entities for liability purposes and consistent with standard corporate structures in the post-acute space. The real estate is not being held in a REIT and this Proposed Project would terminate Medical Properties Trust (Steward's landlord) interest in the real property that it currently has with Vibra. The real property would be owned by the operator with no lease-back or unrelated third-party interests.

Lastly, the Applicant also plans to join Massachusetts Hospital Association, the state hospital association, which will provide access to up to date education, policy, and advocacy resources alongside other Massachusetts LTCHs.

- **Follow-up Question: Provide details about the weekly time commitment from Whittier for their consultation.**

  Response: The consulting agreement between the Applicant and Whittier does not contain a weekly minimum or maximum time commitment. The agreement is structured so that Whittier can provide consulting as needed with the mutual

understanding between the parties that the time commitment will be significant during the first year and gradually reduce over time. This arrangement is not meant to be permanent and should enable the Applicant to efficiently and effectively operate the Hospital in the long-run. Whittier has prior experience working under similar arrangements with other Massachusetts LTCH providers. At the outset, Whittier will be consulting with Everest on a number of operational matters identified in Round 4, Question #1, including investing in and setting up long term systems needed to support the Hospital going forward. Applicant proactively invested in the hospital's future success by engaging Whittier during this pre-approval process with the understanding that the most substantive work would take place when all approvals for this Project are in place.

- **Follow-up Question: Round 4 question responses noted that that the Applicant won't take a management fee. Will Whittier be taking a management fee or will they delay taking a management fee until a future date?**

  Response: To clarify, Whittier is a consultant to the Applicant and not manager, so it will not be taking a management fee. Whittier also is an independent contractor unrelated to Applicant and is not providing financing for the Project; it operates its own LTCHs and Inpatient Rehabilitation Facilities. Thus, the consulting agreement between Applicant and Whittier is a fair market value arrangement negotiated by the parties at arms-length in compliance with law. The consulting fee has been accounted for in the Applicant's financial projections which were reviewed for this Application.

- **Follow-up Question: Please provide the following information regarding the consulting agreement: A) The cost per month/year; B) The scope of the consulting agreement; C) Would the Applicant have the resources needed if they need to increase the amount of consulting work?**

  Response: The Applicant has a three-year consulting agreement with Whitter Health Network with a consulting fee equal to 5% of the Hospital's revenue. The consulting agreement is consistent with industry standards and identifies a broad array of consulting services. The fee as described herein is consistent with industry standards in similar arrangements and was intended to comply with the personal services safe harbor of the federal Anti-kickback statute. There is no formal provision for waiving or delaying payment of the fee based on the Hospital's finances at any given point in time. Such provisions are not found in arm's length relationships; they may be present where the consultant is affiliated or has a financial stake in the provider's operations, which is not

the case here. The parties, however, are always free to negotiate accommodations due to particular facts and circumstances. Whittier is available to provide, and the Applicant will obtain, Whittier's ongoing advice concerning the Hospital's operations and practices on a daily basis, as needed with no cap on hours, and with the added ability to obtain assistance on specific projects. Consulting services will cover a broad scope of areas including: admissions, marketing, provider contracting, medical coverage, case management, revenue cycle management, regulatory filings, budgeting, staffing and operational reviews. Like many such agreements, the consulting agreement is for a fixed percentage of revenue which does not fluctuate depending on the level of consulting needs required at any particular moment in time, thus it accounts for the changing needs of the Applicant. The expectation is that this consulting arrangement will involve a significant number of hours during the first year and then level set.

2. **Please provide more information related to staffing plans. If Vibra removes the current travel staff from the facility, what staff will remain? Please provide a more robust plan addressing how the Applicant will hire and retain adequate staffing, including:**

   a. **A description of physician staffing essential for LTCH including but not limited to the current physician coverage and plans for future physician staffing including specialties.**

   Response: The Hospital contracts with UMass Memorial Health physician groups (hospitalists and specialists) and other physician groups to ensure appropriate physician coverage in accordance with the Medicare and DPH physician staffing requirements for LTCHs. The Applicant's plan is to maintain the relationship with UMass Memorial Health and their physicians and to enhance that relationship through further collaboration. The Applicant, working with Whittier as its consultant, will also explore expanding physician staffing with other local provider groups.

- **Follow-up Question: Provide details of the hours of coverage provided on site by UMass physicians as described in your Round 4 question responses.**

  Response: There is currently 24/7 physician coverage at the Hospital. The Hospital has a Medical Director who is responsible for overseeing medical care, developing and implementing patient policies, coordinating physician and other professional services and participating in quality assurance activities. The Applicant has no plans to change this. The Applicant will continue to work with the existing Medical Director and maintain the existing physician coverage which includes both hospitalists/internists who round daily on the inpatient census and

specialists like nephrologists and pulmonologists as needed for consults. Many of these physicians are in UMass affiliated practices. UMass Memorial Health Center has informed the Applicant that it supports the proposed transfer of ownership that will help take the pressure off overwhelmed emergency departments, allowing patients to receive care in the most medically appropriate environment and that it ensures that patients in its region have access to all the levels of care they need supporting positive outcomes and lower admission rates. In fact, the Applicant aims to expand and enhance the physician coverage and hopes to attract additional physicians to work at the Hospital and expand the Hospital's relationships with other providers.

- **Follow Up Question: In Round 5 Question #3 responses, the Applicant states that they, "aim to expand and enhance the physician coverage and hope to attract additional physicians to work at the Hospital and expand the Hospital's relationships with other providers." A) Please provide details on how the Applicant will accomplish this; B) Why does the Applicant think they need more than what UMMHC is already providing?**

  Response: As previously noted, the Hospital has a Medical Director and there is 24/7 physician coverage in accordance with LTCH requirements. The Medical Director will remain in place after the transfer of ownership and the Applicant does not anticipate any change to the existing physicians providing coverage, many of whom are associated with UMass Memorial Health Center affiliated practices. In addition, the Applicant aims to attract additional physicians to have consulting arrangements to round at the hospital to enhance back-up coverage and increase the number of physicians in the community that have familiarity with the Hospital and LTCH services. The Applicant has not defined a specific need or hiring goal and has no specific plans to attract additional physicians other than for the usual methods of getting out into the community to publicize the availability of its facility. Providers also must regularly take steps to ensure that as physicians age out or otherwise decide to leave the practice of medicine or modify schedules that there is a continuous pipeline of physicians that are able to take their place. The Applicant is looking to build its brand and reputation in Central Massachusetts so it can continue to be a resource for the health care community to ensure that Massachusetts residents are cared for in the most appropriate, cost effective setting for their health care needs.

b. A description of nurse staffing including but not limited to the current nursing coverage and plans for future nursing staff.

Response: Medicare requires a hospital to have 24-hour nursing services but does not mandate a nurse staffing ratio. DPH does not require mandated nurse staffing ratio for LTCHs. The Hospital currently has a nurse staffing pattern

consistent with acuity of care and aims to have a ratio of 1:5 during the day and evening shifts. The Applicant plans to continue to use the same staffing pattern as Vibra, though it will adjust staffing daily based on overall acuity of the patient population and individual patient needs. The Applicant aims to ensure ample certified nursing assistant support on each shift, 24-hour respiratory therapy care, and a robust inpatient rehabilitation department. Staffing assignments will be adjusted based on a review of several primary variables, including patients with airway management issues, patients requiring IV medication, wound care treatment needs, cardiac stability medication, and patients' overall functional level. This staffing pattern aligns with its proforma reviewed in the CPA Report and is an established model utilized by other LTCHs that will provide a higher standard of care with better patient outcomes.

Day and Evening: 1 nurse to 4-5 patients depending on acuity
Night: 1 nurse to 8 patients

c. A description of the applicant's plan for training new staff.

Response: Vibra's staffing model for the Hospital (both clinic and administrative staff) has been through its related staffing agency, Vibra Travels, which operates out of a central location (not the Hospital). Vibra Travels acts as the Hospital's human resource department and directly employs all staff, some of whom are classified as agency and some who are direct hires. It is a misnomer that the agency staff employed by Vibra Travels are "travelers" as all are local and live within driving distance to the Hospital. With the upcoming transfer of ownership, a number of the Vibra Travels staff classified as agency have already shifted to direct employees of the Hospital instead of Vibra Travels. In the Applicant's view, Vibra's staffing model creates added expense to the Hospital's operations. The Applicant aims to change that staffing model and invest in the Hospital, its staff, and the community. The Applicant recognizes that the change will be gradual and that there are industry-wide challenges. Despite this, the Applicant remains positive that by being actively involved in management of the Hospital and developing a robust recruitment, retention and staff training program that it will result in positive changes at this facility.

There is no intent to eliminate existing staff who will convert to direct hires of the Hospital, if they are not already, and remain in place. The Applicant will run its dedicated human resource department at the facility focused on Hospital and Meadows staff only. As the Applicant builds out its staff recruitment model, it will leverage agency staff as needed with the goal of eventually eliminating the need for the regular use of an agency. The Applicant also aims to foster employee satisfaction. The Applicant will staff appropriately for LTCH skills and competencies but it also intends to leverage and build upon Vibra's existing training program that helps providers build these skills. There will be a robust onboarding program that includes a 12-week preceptorship where all new employees receive hands-on training consistency with their competencies.

3. Please re-evaluate and provide an expanded description of your revenue projections.

Response: The LTCH's current financials under Vibra are precarious and indicate that they would have to invest significant capital to sustain the Hospital in the long run based on their current operations. By its own accord, Vibra has stated that it will have to close the Hospital if this transaction does not take place. The Applicant believes that small changes in a number of operational areas, including but not limited to staffing, will result in significant financial improvements that will put them on track to meet the pro forma in the CPA Report.

The Hospital is a small facility with only 47 beds. As noted, it is currently running at approximately 50% and under Vibra's management has had a decline in census over the last few years. Adding even a few patients to the Patient Panel will have a dramatic impact on the financials. To support an increased census, Applicant will simultaneously invest in staff recruitment, retention and education to increase overall employee satisfaction.

Improving staffing is key to the Applicant's plans to revitalize the Hospital; however, it is not the only action item. The Applicant plans to improve the Hospital's reputation and foster local relationships with acute care hospitals to bolster its referrals. It will have onsite marketing liaisons that are dedicated only to the Hospital and the Meadows. Currently Vibra does this work out of its New Bedford location which does not prioritize the Hospital.

The Applicant will also ensure that back-office operations are run efficiently and meet the needs of the facility. Currently Vibra manages the Hospital at regional and national levels which has potential economies of scale; however, this model has diverted much-needed focus and onsite leadership from the Hospital while creating significant expenses.

The Applicant has no concerns about sharing expenses with the Meadows. The Applicant is a seasoned SNF provider and similar to the Hospital sees tremendous opportunity to turn around the Meadows and enhance the beds and services available to residents of the Commonwealth. Lastly, as noted above the Applicant is going to waive the management fee noted in the CPA Report until the Hospital financials have stabilized and its outlook improved.

- **Follow-up Question: In response to Round 4 Question #3, the Applicant states that the hospital would close if the transaction doesn't take place. However, in response to Round 1 Question #9a, the Applicant stated, "Vibra would continue to operate the Hospital without the Proposed Project; however, the SNF, which is on the same campus and is owned by Vibra, likely would have been at risk for closure**

if Vibra had been unable to find a buyer." Please explain what has occurred to cause the reversal.

Response: Vibra has confirmed to the Applicant that if the Proposed Project does not go through that it would continue to operate the Hospital and look to renegotiate the lease. It will also continue to review the ongoing operations to determine the best direction for the Hospital in the future. Vibra provided that it would still look to proceed with the sale of the SNF for a reasonable period of time before it would consider closing it.

- **Follow Up Question: In response to Round 5 Question #4, the Applicant did not address what had changed since Round 1 responses to make the Proposed Project necessary for the Hospital's continued operation. Please explain what has occurred to cause the reversal.**

  Response: The healthcare marketplace is dynamic and plans evolve as providers continually assess their alternatives based on a variety of factors including patient census. Accordingly, Vibra's response to the Applicant about the future of the Hospital in light of the Proposed Project has fluctuated during the DoN application process. Most recently, Vibra reconfirmed to the Applicant if the Proposed Project is not approved that it will close the SNF because operating nursing homes is not part of their business model.[1] Vibra has also told the Applicant, noting the increasing census, that before embarking on a decision to close the Hospital that they would look to renegotiate the lease in order to keep the Hospital open. The Applicant is not in a position to give the Department assurance about Hospital's continued operations without the Proposed Project beyond what they have been told by Vibra. All the Applicant can do is commit to operating the Proposed Project which would keep both the Hospital and SNF in place. Having both Hospital and SNF level of care on the campus ensures that patients can timely and efficiently step down from the LTCH level of care to the SNF setting all in one place while achieving economies of scale to meet the Commonwealth's access and cost containment goals.

- **Follow-up Question: In Round 4 Responses (#3, at the bottom of page 4), the Applicant said they had "no concerns" about sharing expenses with the SNF. Please share the Applicant's plan for managing expenses in the event that the SNF closes.**

  Response: Today the hospital financially supports the SNF which is not being utilized at its full capacity. In the unlikely event that the SNF closes, the Hospital

[1] The Department notes that while the SNF is not directly related to the DoN Application, both facilities are part of the Applicant's intent and model.

will absorb the expenses to ensure that it continues to operate in the most efficient manner while continuing to provide quality care to its patients and meet its regulatory and payor requirements.

4. Please provide additional background information about the three applicants/owners including their experience relevant to operating a LTCH.

Response: The Applicant is not associated with private equity. It is regional health care owner/operator. As noted in the application, the three principals of Everest Hospital are Mr. Chaim Klein, Mr. Yisrael Klein, and Mr. Yedidya Danziger. Mr. Chaim Klein is a practicing health care practitioner and along with Mr. Yisrael Klein has more than 20 years of experience owners of skilled nursing facilities, which provides valuable insight and experience on the practicalities of delivering quality patient care. Mr. Danziger is an experienced nursing home administrator, operating multiple post-acute facilities, including SNFs, assisted living, and independent living facilities, and is well-versed in the types of services and needs that apply to each. Together, these partners have the necessary leadership experience to address the major operational functions that are required for any health care facility, including LTCHs, such as patient satisfaction, quality of care, case management and care coordination, goal setting, cost-effectiveness, and health equity. This team understands that the clinical aspects of care fall under purview of the clinicians; therefore its focus is to bring forth its management experience from the long-term care space – which is, in some ways, more highly regulated than LTCHs.

As noted in Response #1, the Applicant is also proactively working with Whittier and will continue working with Whittier as a consultant to assist them with the LTCH-specific operational and compliance requirements, which will supplement their operational experience.

In addition to the above, Mr. Danziger has a track record of successfully turning around facilities. For example, he was able to improve one facility's referral and marketing process, as well as its reputation in the community, which resulted in a 40% increase to the census in a short period of time. To accommodate the increased census, he fully renovated units that had been closed and in disarray for many years. At the same facility, he was able build out a strong staff recruitment and retention model and move the facility away from agency to employed staff within a few months. This included ensuring market rate pay and eliminating an above market shift bonus that the facility previously needed to attract staff. Mr. Danziger was also able to work with his team to improve the facility's survey scores within one year. Leveraging this experience along with the assistance of Whittier and the trust and goodwill he will garner by being an involved owner/operator who is on-site at the facility, the Applicant will be in a good position to revitalize the operations of LTCH.