

State of Delaware

Division of Long Term Care Residents Protection

Request for Information: Evaluation of Current Financial Disclosure Statute and  
Development of Appropriate Regulations.

**Key Dates:**

Release Date: September 21, 2012

Response Date: October 24, 2012

**Purpose**

The purpose of this RFI is to retain information from an accounting firm with health-care experience to advise the Division of Long Term Care Residents Protection (LTCRP) regarding the requirements it should impose on licensed facilities to ensure compliance with the current governing statute related to financial disclosures. In addition, LTCRP seeks assistance in the development of regulations which achieve the objective of 16 *Del.C.* 1141.

**Background**

LTCRP licenses a variety of types of facilities, from large nursing homes with 150 residents to small neighborhood homes and group homes with 2-10 residents. (See number of facilities by category at end of document)

LTCRP has a statutory obligation to review the financial information and make a determination of the financial capability of each facility.

The financial disclosure statute which governs all licensed facilities provides:

(e) Financial Disclosure Requirement. As part of the license and annual renewal application, or when the Department determines that conditions exist which threaten the health or safety of a resident or residents, each facility licensed under this chapter shall disclose the following financial information notwithstanding Chapter 100 of Title 29, the Department may promulgate regulations identifying which, if any, part of such financial information shall be available to the public:

- (1) Audited annual financial statements;
- (2) Annual financial reports;
- (3) Other financial reports regularly filed with state or federal agencies;
- (4) Any other information relative to the financial health of the facility.

16 *Del.C.* 1141

Since the creation of the LTCRP in 1999, and the enactment of various statutes to enable its operation, the long term care business has changed. While many single-owner non-profit and for-profit facilities operate in the State, there are also facilities which are LLC's owned by LLC's, and up the chain of ownership several levels to the parent owner. The Group Homes and Neighborhood Homes may be operated by the individual homeowner, or owned by a parent organization which operates 20-30 homes at different locations.

There are facilities which have been sold to real estate investment trust companies (REIT), with the management of the facilities done by contractual arrangement with the REIT.

Given the range of operations, a financial disclosure obligation for one may not be right for another. It is the intent of LTCRP is to enforce audit requirements, with appropriate regulations.

### **Information Requested**

LTCRP seeks consultative services to:

- develop a process whereby LTCRP can identify precisely what information is to be provided to LTCRP in order to comply with this statute, recognizing the various types of business structure;
- develop an objective method for reviewing the information;
- develop a tool with which LTCRP can evaluate the data provided in order to determine financial capability;
- Write regulations which maintain the objective of the statutory without imposing unnecessary or unduly burdensome requirements.

LTCRP would like vendors to provide cost estimates associated with these requirements. Our expectation is that the estimate would be as detailed and accurate as possible.

### **RFI Obligations**

LTCRP would like vendors to provide cost estimates associated with this project and supporting explanation of services in a vendor information package (VIP).

### **Contact Person and Submission**

DLTCRP is the sole point of contact with regard to all matters relating to this RFI. All communications concerning this RFI must be addressed to the contact person:

Tom Murray, Deputy Director  
DHSS/DLTCRP  
3 Mill Road  
Suite 308  
Wilmington, DE 19806  
John.T.Murray@state.de.us

To streamline the review process, the Vendor Information Packet (VIP) needs to:

- Have a cover letter on the letterhead of the company submitting the VIP. The cover letter must briefly summarize the vendor's ability to provide the services specified and identify all the materials and enclosures being submitted.
- Identify a Responses to this RFI should provide a straight-forward concise description of the Vendor's offer to meet the requirements of the RFI. Responses should be submitted electronically. Any materials provided during the presentations will be considered as part of the VIP in addition contact person which includes a phone number and email address.
- Include a table of contents with page numbers for each component of the VIP.
- Reply to the requirements listed with a detailed description of how the Vendor will provide each of the services outlined in this RFI. This part of

the VIP should also include descriptions of any additional services or qualifications the Vendor will provide that are not mentioned in this RFI.

In addition to the VIP, LTCRP is making available the opportunity for interested Vendors to make an oral presentation. These presentations may last up to 1 hour. The audience may consist of LTCRP staff as well as persons from the Division of Management Services. The location of the presentation will be at 3 Mill Road, Wilmington, Delaware.

Neither DLTCRP nor the State of Delaware shall be liable for any of the costs incurred by a Vendor in preparing or submitting a VIP, including, but not limited to, preparation or the expenses associated with any presentations. Each VIP should be prepared simply and content.

**Schedule**

RFI Issued	9\21\12
Vendor Questions Due	10\03\12
Answers to Questions Published	10\08\12
Responses Due	10\24\12
Oral Presentations	beginning 10\31\12

Adult Day Care	2
Assisted Living	31
Group Home for Persons With AIDS	1
Group Homes for Persons with Mental Illness	18
IBSER—specialized group homes	12
Neighborhood Homes	152
Skilled Nursing Facilities	49

Rest (Family) Care	76
Rest Residential	3
Total	344