



Narrative Accompaniment to Catholic Health Care Services Audited Financial Statements for Fiscal Year Ended June 30, 2015

Catholic Health Care Services of the Archdiocese of Philadelphia (“CHCS”) is a nonprofit corporation whose members consist of the following: the Archbishop of Philadelphia, the Moderator of the Curia, and the Secretary for Clergy. Catholic Health Care Services promotes and enhances the integral health and well-being of seniors in their communities.

The mission of CHCS is to address the physical, emotional and spiritual needs of seniors through the provision of quality services and programs. CHCS is committed to creating healthy communities through the fostering of low-income housing and enhanced senior living opportunities throughout our region.

St. John Neumann Place is a 75-unit facility which provides affordable housing to the senior community. St. John Neumann Place, a nonprofit corporation, entered into a partnership joint venture (St. John Neumann Place LP) for the project as the general partner and owns 0.01% interest of the partnership. St. John Neumann Place is a controlled entity.

Our Community-based Services comprises 7 service entities. Souderton Adult Day Care Center, serves older adults living in the community by providing a therapeutic environment. Senior Care Partners provides older adult care management services in the community by connecting seniors to services, advocating with agencies, coordinating the provision of services and helping seniors transition from one level of care to another. CHCS Parish Based Older Adult Care Management programs are located in Philadelphia, Bucks, Montgomery and Delaware Counties. CHCS manages four Senior Community Centers which are focused on addressing social isolation, food insecurity and community health. Our In Home Support program in South Philadelphia assists with short term services such as housekeeping, transportation and meals for seniors living at home.

Catholic Health Care Services manages Villa Saint Joseph, a personal care facility, and St. John Vianney Center, a residential facility providing behavioral health treatment and outpatient behavioral health management and clinical services. Both are owned by the Archdiocese of Philadelphia and CHCS receives an annual fee for administrative support service from Villa Saint Joseph and St. John Vianney Center (an affiliated entity) in exchange for management services rendered. The fees from the Facilities are eliminated in the consolidation.

For the period July 1, 2014 through November 2, 2014, Catholic Health Care Services of the Archdiocese of Philadelphia was the sole corporate Member of the following entities: St. John

Neumann Nursing Home, Immaculate Mary Home, St. Mary Manor, St. Martha Manor, Villa St. Martha, St. Francis Country House and St. Monica Manor (collectively, the “Facilities”). Each of these facilities were owned and operated by Catholic Health Care Services. Skilled nursing care, personal care, and independent living services were rendered to the elderly on a 24-hour basis, regardless of payor source. Each of the six skilled nursing facilities was a certified provider under Medicare, Medicaid and certain federally designated Medicare HMO programs in the area. On November 3, 2014, the Facilities were sold to Center Management Group LLC (“CMG”), headquartered in Flushing, New York.

The rapidly changing demographics, specifically the significant increase of the elderly population, obligated CHCS to look beyond the provision of institutional nursing home care for innovative ways to meet the needs of our seniors seeking quality services. New programs under development will allow seniors to remain in their homes as long as possible, thereby recognizing and respecting their wishes to continue to remain independent while maintaining their well-being. Community involvement, strategic partnerships and innovative supports are essential to the future success of CHCS