

SETTLEMENT AGREEMENT

This Settlement Agreement (“Agreement”) is entered into among the United States of America, acting through the United States Department of Justice and on behalf of the Office of Inspector General (“OIG-HHS”) of the Department of Health and Human Services (“HHS”) (collectively the “United States”); Extendicare Health Services, Inc. (“EHSI”), and The Progressive Step Corporation (“ProStep”) (hereafter collectively referred to as “Extendicare”), Tracy Lovvorn (“Relator”), and Donald M. Gallick (“Relator”) (hereafter all collectively referred to as “the Parties”), through their authorized representatives.

RECITALS

A. EHSI is a Delaware corporation. Through its subsidiaries EHSI operates 146 skilled nursing facilities in 11 states and provides skilled nursing services, and, through its subsidiary ProStep, EHSI provides physical, occupational, and speech therapy to Medicare and Medicaid beneficiaries.

B. ProStep is a subsidiary of EHSI, and provides comprehensive rehabilitation services, including physical, occupational, and speech therapy.

C. Tracy Lovvorn (“Lovvorn” or “Relator”) is an individual resident of Massachusetts. On April 5, 2010, Lovvorn filed a qui tam action in the United States District Court for the Eastern District of Pennsylvania captioned United States ex rel. Lovvorn v. EHSI, et. al. C.A. 10-1580 (E.D.Pa) (hereinafter “the Pennsylvania Civil Action”). In Counts IX – X of the Pennsylvania Civil Action, Lovvorn also alleged claims of retaliation against Extendicare under the False Claims Act, 31 U.S.C. § 3730(h), and under the Wisconsin False Claims for Medical Assistance Act, Wis. Ctat. § 20.931.(14).

D. Donald M. Gallick (“Gallick” or “Relator”) is a resident of Ohio. On February 1, 2013, Gallick filed a qui tam action in the United States District Court for the Southern District of Ohio captioned United States ex rel Gallick et al., v. EHSI et al., C.A. 2:13cv-092 (S.D. Ohio)(hereinafter “the Ohio Civil Action”).

E. Extendicare has entered into or will be entering into separate settlement agreements with the states listed in Exhibit A hereto (hereinafter referred to as the “Medicaid Participating States”) that will be receiving settlement funds from Extendicare pursuant to the Covered Conduct described in Paragraph G.1 of this Agreement (the “State Medicaid Settlement Agreements”).

F. The United States contends that Extendicare submitted or caused to be submitted claims for payment to the Medicare Program (“Medicare”), Title XVIII of the Social Security Act, 42 U.S.C. §§ 1395–1395kkk-1, and the Medicaid Program (“Medicaid”), 42 U.S.C. §§ 1396–1396w-5.

G.1. The United States contends that it and the Medicaid Participating States have certain civil claims against Extendicare based on Extendicare submitting or causing to be submitted false claims for payment to Medicare and Medicaid for materially substandard and/or worthless skilled nursing services and/or for services that were provided in violation of certain essential requirements that the United States expects skilled nursing facilities to meet from January 1, 2007 through June 30, 2013 at thirty-three (33) Extendicare skilled nursing facilities listed in Exhibit B hereto. In particular, the United States and the Medicaid Participating States contend that some of the skilled nursing services at these skilled nursing facilities were materially substandard and/or worthless because Extendicare failed to provide care to residents that meets federal standards of care and federal statutory and regulatory requirements; for

example, the United States contends that Extencicare: (a) failed to have a sufficient number and skill-level of nursing staff to adequately care for the skilled nursing residents, (b) failed to provide adequate catheter care to some of the residents, (c) failed to follow appropriate pressure ulcer protocols at the skilled nursing facilities, (d) failed to follow appropriate falls protocols at the skilled nursing facilities, (e) failed to appropriately provide for some of the residents' activities of daily living (ADLs), and (f) failed to appropriately administer medications to some of the residents to avoid medication errors. The United States further contends that in failing to provide these services, Extencicare violated certain essential requirements that the United States expects nursing facilities to meet and that were therefore material to payment within the meaning of the False Claims Act.

G.2 The United States further contends that it has certain civil claims against Extencicare for submitting or causing to be submitted false claims to Medicare from January 1, 2007 to June 30, 2013 for payment for the provision of medically unreasonable and unnecessary rehabilitation therapy services provided to Medicare Part A beneficiaries at the thirty-three (33) Extencicare skilled nursing facilities listed in Exhibit C hereto. In particular, the United States contends that Extencicare provided medically unreasonable and unnecessary rehabilitation therapy services, particularly during the patients' assessment reference periods, so Extencicare could bill Medicare for those patients at the highest Resource Utilization Group "RUG" levels. The United States further contends that Extencicare and the skilled nursing facilities listed in Exhibit C knew or should have known that these facilities were submitting or causing the submission of these false claims. All the foregoing conduct described in Paragraph G.1 and G.2 is hereinafter referred to as the "Covered Conduct."

H. This Agreement is made in compromise of disputed claims. This Agreement is neither an admission of facts nor liability by Extencicare, which denies the allegations set forth herein and in the Pennsylvania and Ohio Civil Actions and specifically denies that it submitted or caused to be submitted false claims for payment. Nor is this Agreement a concession by the United States that its claims are not well founded.

I. Relator Lovvorn claims entitlement under 31 U.S.C. §§3730(d) to a share of the proceeds of this Settlement Agreement as it relates to the Covered Conduct described in Paragraph G.2 only, and to Relator's reasonable expenses, attorneys' fees, and costs.

J. Relator Gallick claims entitlement under 31 U.S.C. §§3730(d) to a share of the proceeds of this Settlement Agreement as it relates to the Covered Conduct described in Paragraph G.1 only, and to Relator's reasonable expenses, attorneys' fees, and costs.

K. To avoid the delay, uncertainty, inconvenience, and expense of protracted litigation of the above claims, and in consideration of the mutual promises and obligations of this Settlement Agreement, the Parties reach a full and final settlement pursuant to the Terms and Conditions below.

TERMS AND CONDITIONS

1. Extencicare shall pay to the United States and the Medicaid Participating States, collectively, the sum of twenty-eight million dollars (\$28,000,000), for the Covered Conduct described in Paragraph G.1 only, and ten million dollars (\$10,000,000) for the Covered Conduct in Paragraph G.2 only. Extencicare shall discharge its debt to the United States and the Medicaid Participating States under the following terms and conditions:

- a. Extencicare shall pay to the United States the principal sum of \$22,274,693.62 (the "Federal Settlement Amount" for the Covered Conduct

described in Paragraph G.1 and \$10 million for the Covered Conduct described in Paragraph G.2). Extencicare shall pay the Federal Settlement Amount by electronic funds transfer pursuant to written instructions to be provided by the United States. Extencicare agrees to make this electronic funds transfer within ten (10) days of the Effective Date of this Agreement.

b. Extencicare shall pay to the Medicaid Participating States the sum of \$5,725,306.38 ("State Settlement Amount" for the Covered Conduct described in Paragraph G.1 only). Extencicare shall pay the Medicaid State Settlement Amount by electronic funds transfer pursuant to written instructions to be provided by the National Association of Medicaid Fraud Control Units Settlement Team ("NAMFCU Team"). Extencicare agrees to make this electronic funds transfer within (10) days of the Effective Date of this Agreement.

c. Extencicare shall pay to Relator Lovvorn the sum of \$990,000 in full satisfaction of the claims asserted in counts IX – X of the Pennsylvania Civil Action and Lovvorn's claims for attorneys' fees and costs. This amount shall be paid as an electronic funds transfer to the Relator's attorneys, pursuant to the instructions agreed upon between Relator Lovvorn and Extencicare, no later than ten (10) business days after the Effective Date of this Agreement. Extencicare shall have no obligation to make any additional payments to Relator Lovvorn and/or Relator's counsel with respect to the matters covered by this Agreement or the claims which have been or could have been asserted in the Pennsylvania Civil Action.

d. Contingent upon the United States receiving the Federal Settlement Amount from Extencicare, and as soon as feasible, the United States agrees to pay \$1,800,000 to Relator Lovvorn by electronic funds transfer, as the Relator's share of the Federal Settlement Amount for the Covered Conduct described in Paragraph G.2 only, pursuant to 31 U.S.C. §§ 3730(d). Payment to the Relator under this Agreement shall be made by electronic funds transfer to the IOLTA Trust Account of Katz, Marshall & Banks, LLP for the benefit of Relator Tracy Lovvorn.

e. Extencicare shall pay attorneys' fees to the Gallick Relator, in the amount of \$30,036.88. This amount shall be paid as an electronic funds transfer to the Relator's attorneys no later than ten (10) business days after the stipulations of dismissal are filed as set forth in Paragraph 14. Extencicare shall have no obligation to make any additional payments to Relator Gallick, and/or Relator's counsel with respect to the matters covered by this Agreement or the claims which have been or could have been asserted in the Ohio Civil Action.

f. Contingent upon the United States receiving the Federal Settlement Amount from Extencicare, and as soon as feasible, the United States agrees to pay \$258,850 to Relator Gallick, by electronic funds transfer, as the Relator's share of the Federal Settlement Amount for the Covered Conduct described in Paragraph G.1 only, pursuant to 31 U.S.C. §§ 3730(d). Payment to the Relator under this Agreement shall be made by electronic funds transfer in accordance with the written instructions of Relator's counsel John Weisensell, Esq.

2. Subject to the exceptions in Paragraph 5 below, and conditioned upon Extencicare's full payment of the Federal Settlement Amount, the United States (on behalf of

itself, its officers, agents, agencies and departments) releases Extendicare together with its current and former parent corporations and shareholders; direct and indirect subsidiaries; brother or sister corporations; divisions; current or former owners; and officers, directors, and affiliates; and the successors and assigns of any of them; and their respective officers, agents, servants, and employees, from any civil or administrative monetary claim the United States has for the Covered Conduct under (1) the False Claims Act, 31 U.S.C. §§3729-3733; (2) the Civil Monetary Penalties Law, 42 U.S.C. §1320a-7a; (3) the Program Fraud Civil Remedies Act, 31 U.S.C. §§3801-3812; (4) any statutory provision for which the Civil Division of the U.S. Department of Justice has actual and present authority to assert and compromise pursuant to 28 C.F.R. Part 0, Subpart I, Section 0.45(d); and (5) the common law and/or equitable theories of recovery of payment by mistake, unjust enrichment, conversion, fraud, disgorgement, restitution, misrepresentation, and recoupment for the Covered Conduct.

3. Subject to the exceptions in Paragraph 5 below, and conditioned upon Extendicare's full payment of the Federal Settlement Amount, Relators Lovvorn and Gallick, for themselves and for their heirs, successors, attorneys, agents, and assigns, release Extendicare together with its current and former parent corporations and shareholders; direct and indirect subsidiaries; brother or sister corporations; divisions; current or former owners; and officers, directors, and affiliates; and the successors and assigns of any of them; and their respective officers, agents, servants, and employees from any civil monetary claims the Relators have or may have on behalf of the United States pursuant to the False Claims Act, 31 U.S.C. §§3729-3733 arising from the Ohio Civil Action and counts I-VIII of the Pennsylvania Civil Action. Further, in addition to Relators' release for the Covered Conduct in the preceding sentence of this Paragraph, and subject to Extendicare's payment of the Federal Settlement Amount, Relators, for themselves and for their heirs, successors, attorneys, agents, and assigns, release

any and all actions, causes of action, claims, suits, demands, rights, damages, losses, costs, expenses, fees, accounts, judgments, executions, debts, obligations, and any and all other liabilities of any kind or nature whatsoever either in law or in equity whether known or unknown, suspected or unsuspected, that Relators, to the date of this Agreement, ever had or now have against Extendicare or its current and former parent corporations and shareholders; direct and indirect subsidiaries; brother or sister corporations; affiliates; divisions; current or former owners; and their respective officers, directors, employees, agents, heirs, personal representatives, successors and assigns.

4. In consideration of the obligations of Extendicare in this Agreement and the Corporate Integrity Agreement ("CIA"), entered into between OIG-HHS and Extendicare, and conditioned upon Extendicare's full payment of the Federal Settlement Amount, the OIG-HHS agrees to release and refrain from instituting, directing, or maintaining any administrative action seeking exclusion from Medicare, Medicaid, and other Federal health care programs (as defined in 42 U.S.C. §1320a-7b(f)) against Extendicare under 42 U.S.C. §1320a-7a (Civil Monetary Penalties Law) or 42 U.S.C. §1320a-7(b)(7) (permissive exclusion for fraud, kickbacks, and other prohibited activities) for the Covered Conduct, except as reserved in Paragraph 5 (concerning excluded claims), below, and as reserved in this Paragraph. The OIG-HHS expressly reserves all rights to comply with any statutory obligations to exclude Extendicare from Medicare, Medicaid, and other Federal health care programs under 42 U.S.C. §1320a-7(a) (mandatory exclusion) based upon the Covered Conduct. Nothing in this Paragraph precludes the OIG-HHS from taking action against entities or persons, or for conduct and practices, for which claims have been reserved in Paragraph 5, below.

5. Notwithstanding the releases given in paragraphs 2 and 4 of this Agreement, or any other term of this Agreement, the following claims of the United States are specifically reserved and are not released:

- (a) Any liability arising under Title 26, U.S. Code (Internal Revenue Code);
- (b) Any criminal liability;
- (c) Except as explicitly stated in this Agreement, any administrative liability, including mandatory exclusion from Federal health care programs;
- (d) Any liability to the United States (or its agencies) for any conduct other than the Covered Conduct;
- (e) Any liability for personal injury or property damage or for other consequential damages ensuing from the covered conduct; and
- (f) Any liability based upon obligations created by this Agreement.

6. Relators and their heirs, successors, attorneys, agents, and assigns shall not object to this Agreement but agree and confirm that this Agreement is fair, adequate, and reasonable under all the circumstances, pursuant to 31 U.S.C. §3730(c)(2)(B).

7. Extencicare waives and shall not assert any defenses Extencicare may have to any criminal prosecution or administrative action relating to the Covered Conduct that may be based in whole or in part on a contention that, under the Double Jeopardy Clause in the Fifth Amendment of the Constitution, or under the Excessive Fines Clause in the Eighth Amendment of the Constitution, this Agreement bars a remedy sought in such criminal prosecution or administrative action. Nothing in this paragraph or any other provision of this Agreement constitutes an agreement by the United States concerning the characterization of the Federal

Settlement Amount for purposes of the Internal Revenue laws, Title 26 of the United States Code.

8. Extencicare releases the United States, its agencies, officers, agents, employees, and servants, from any claims (including attorneys' fees, costs, and expenses of every kind and however denominated) that Extencicare has asserted, could have asserted, or may assert in the future against the United States, its agencies, officers, agents, employees, and servants, related to the Covered Conduct and the United States' investigation and prosecution thereof.

9. Conditioned upon all Relators signing and filing Joint Stipulations of Dismissal with Prejudice of all claims in the Ohio Civil Action and the Pennsylvania Civil Action, as set forth in Paragraph 15 below and Relators' release as set forth in Paragraph 3 of this Agreement, Extencicare releases the Relators and their attorneys, and their respective successors, assigns and agents, from any claims, causes of actions, debts, suits, rights of action, dues, sums of money, accounts, liabilities, losses, and expenses, including without limitation attorneys' fees, charges, liens, bills, covenants, contracts, controversies, agreements, promises, damages, judgments, executions, demands or obligations of any kind or nature whatsoever, matured or unmatured, known or unknown, liquidated or unliquidated, absolute or contingent, at law, equity, or otherwise that Extencicare has asserted, could have asserted or may assert in the future against Relators or their attorneys, including but not limited to claims related to the investigation and prosecution of the Pennsylvania and Ohio Civil Actions.

10. The Federal Settlement Amount shall not be decreased as the result of the denial of claims for payment now being withheld from payment by any Medicare contractor (e.g., Medicare Administrative Contractor, fiscal intermediary, carrier) or any state payer, related to the Covered Conduct; and Extencicare agrees not to resubmit to any Medicare contractor or any

state payer any previously denied claims related to the Covered Conduct, and agrees not to appeal any such denials of claims.

11. Extendicare agrees to the following:

(a) Unallowable Costs Defined: All costs (as defined in the Federal Acquisition Regulation, 48 C.F.R. §31.205-47; and in Titles XVIII and XIX of the Social Security Act, 42 U.S.C. §§1395-1395kkk and 1396-1396w-5; and the regulations and official program directives promulgated thereunder) incurred by or on behalf of Extendicare, its present or former officers, directors, employees, shareholders, and agents in connection with:

- (i) the matters covered by this Agreement;
- (ii) the United States' audit(s) and civil and criminal investigations of the matters covered by this Agreement;
- (iii) Extendicare's investigation, defense, and corrective actions undertaken in response to the United States' audit(s) and civil and criminal investigations in connection with the matters covered by this Agreement (including attorneys' fees and expenses);
- (iv) the negotiation and performance of this Agreement;
- (v) the payment Extendicare makes to the United States pursuant to this Agreement and any payments that Extendicare may make to Relators, including costs and attorneys' fees; and
- (vi) the negotiation of, and obligations undertaken pursuant to the CIA to:

(1) retain an independent monitor and an independent review organization to perform annual reviews as described in the CIA; and

(2) prepare and submit reports to the OIG-HHS, are unallowable costs for government contracting purposes and under the Medicare Program, Medicaid Program, TRICARE Program, and Federal Employees Health Benefits Program (FEHBP) (hereinafter referred to as Unallowable Costs). However, nothing in Paragraph 11(a)(vi) that may apply to the obligations undertaken pursuant to the CIA affects the status of costs that are not allowable based on any other authority applicable to Extencicare.

(b) Future Treatment of Unallowable Costs: Unallowable Costs shall be separately determined and accounted for by Extencicare, and Extencicare shall not charge such Unallowable Costs directly or indirectly to any contracts with the United States or any State Medicaid program, or seek payment for such Unallowable Costs through any cost report, cost statement, information statement, or payment request submitted by Extencicare or any of its subsidiaries or affiliates to the Medicare, Medicaid, TRICARE, or FEHBP Programs.

(c) Treatment of Unallowable Costs Previously Submitted for Payment: Extencicare further agrees that within 90 days of the Effective Date of this Agreement it shall identify to applicable Medicare and TRICARE fiscal intermediaries, carriers, and/or contractors, and Medicaid and FEHBP fiscal agents, any Unallowable Costs (as defined in this Paragraph) included in payments previously sought from the United States, or any State Medicaid

program, including, but not limited to, payments sought in any cost reports, cost statements, information reports, or payment requests already submitted by Extencicare or any of its subsidiaries or affiliates, and shall request, and agree, that such cost reports, cost statements, information reports, or payment requests, even if already settled, be adjusted to account for the effect of the inclusion of the Unallowable Costs. Extencicare agrees that the United States, at a minimum, shall be entitled to recoup from Extencicare any overpayment plus applicable interest and penalties as a result of the inclusion of such Unallowable Costs on previously-submitted cost reports, information reports, cost statements, or requests for payment. Any payments due after the adjustments have been made shall be paid to the United States pursuant to the direction of the Department of Justice and/or the affected agencies. The United States reserves its rights to disagree with any calculations submitted by Extencicare or any of its subsidiaries or affiliates on the effect of inclusion of Unallowable Costs (as defined in this Paragraph) on Extencicare or any of its subsidiaries or affiliates' cost reports, cost statements, or information reports.

(d) Nothing in this Agreement shall constitute a waiver of the rights of the United States to audit, examine, or re-examine Extencicare's books and records to determine that no Unallowable Costs have been claimed in accordance with the provisions of this Paragraph.

12. This Agreement is intended to be for the benefit of the Parties only, including their current and former parent corporations, subsidiaries, predecessors, successors, and assigns. The Parties do not release any claims against any other person or entity, except to the extent

provided for in Paragraphs 2, 3, 4, 8 and 9 and in Paragraph 13 (waiver for beneficiaries paragraph), below.

13. Extendicare agrees that it waives and shall not seek payment for any of the health care billings covered by this Agreement from any health care beneficiaries or their parents, sponsors, legally responsible individuals, or third party payors based upon the claims defined as Covered Conduct.

14. Upon receipt of the payment described in Paragraph 1, above, the Parties shall promptly sign and file in the Civil Actions Joint Stipulations of Dismissal with Prejudice of the Pennsylvania and Ohio Civil Actions pursuant to Rule 41(a)(1).

15. Except as provided in Paragraphs 1(c) and 1(e) above, each Party shall bear its own legal and other costs incurred in connection with this matter, including the preparation and performance of this Agreement.

16. Each party and signatory to this Agreement represents that it freely and voluntarily enters into this Agreement without any degree of duress or compulsion.

17. This Agreement is governed by the laws of the United States. The exclusive jurisdiction and venue for any dispute relating to this Agreement is the United States District Court for the Eastern District of Pennsylvania.

18. This Agreement constitutes the complete agreement between the Parties. This Agreement may not be amended except by written consent of the Parties.

19. The undersigned counsel represent and warrant that they are fully authorized to execute this Agreement on behalf of the persons and entities indicated below.

20. This Agreement may be executed in counterparts, each of which constitutes an original and all of which constitute one and the same Agreement.

21. This Agreement is binding on Extencicare's successors, transferees, heirs, and assigns.

22. This Agreement is binding on Relators' successors, transferees, heirs, and assigns.


23. All parties consent to the United States' disclosure of this Agreement, and information about this Agreement, to the public.

24. This Agreement is effective on the date of signature of the last signatory to this Agreement, the State Settlement Agreements, and the Corporate Integrity Agreement (Effective Date of this Agreement). Facsimiles of signatures shall constitute acceptable, binding signatures for purposes of this Agreement.

THE UNITED STATES OF AMERICA

JOYCE R. BRANDA
Acting Assistant Attorney General

DATED: 9/29/14

BY: 
Susan C. Lynch
Andrew Penn
Trial Attorneys
Commercial Litigation Branch, Civil Division
United States Department of Justice

ZANE DAVID MEMEGER
United States Attorney, Eastern District of Pennsylvania

DATED: _____

BY: _____
David A. Degnan
Charlene Keller Fullmer
Assistant United States Attorneys

CARTER M STEWART
United States Attorney, Southern District of Ohio

DATED: _____

BY: _____
Mark T. D'Alessandro
Civil Chief

DATED: _____

BY: _____
ROBERT K. DECONTI
Assistant Inspector General for Legal Affairs
Office of Counsel to the Inspector General
Office of Inspector General United States Department of
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United States Attorney, Southern District of Ohio

DATED:

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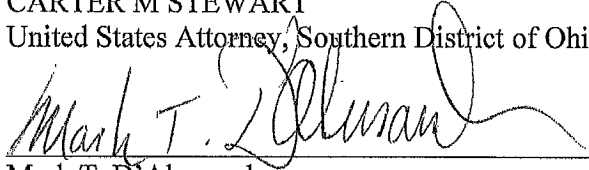
DATED: _____

BY: _____

David A. Degnan
Charlene Keller Fullmer
Assistant United States Attorneys

CARTER M STEWART
United States Attorney, Southern District of Ohio

DATED: 9/26/14

BY: 

Mark T. D'Alessandro
Civil Chief

DATED: _____

BY: _____

ROBERT K. DECONTI
Assistant Inspector General for Legal Affairs
Office of Counsel to the Inspector General
Office of Inspector General United States Department of
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United States Department of Justice

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United States Attorney, Eastern District of Pennsylvania

DATED: _____

BY: _____

David A. Degnan
Charlene Keller Fullmer
Assistant United States Attorneys

CARTER M STEWART
United States Attorney, Southern District of Ohio

DATED:

BY: _____

Mark T. D'Alessandro
Civil Chief

DATED: 10/3/14

BY: *Robert K. DeConti*


ROBERT K. DECONTI
Assistant Inspector General for Legal Affairs
Office of Counsel to the Inspector General
Office of Inspector General United States Department of
Health and Human Services

EXTENDICARE AND PROSTEP- DEFENDANTS

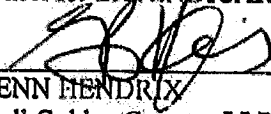
DATED: 9/26/14

BY: 
TIMOTHY LUKENDA
President and Chief Executive Officer

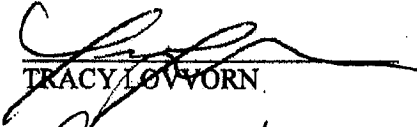
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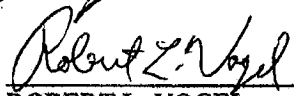
BY: 
J. RICHARD KIEFER
Bingham Greenebaum Doll LLP
Counsel for EXTENDICARE

DATED: 9/26/14

BY: 
GLENN HENDRIX
Arnall Golden Gregory LLP
Counsel for EXTENDICARE

TRACY LOVVORN - RELATOR

DATED: 10/01/2014 BY: 
TRACY LOVVORN

DATED: 10/2/2014 BY: 
ROBERT L. VOGEL
Vogel, Slade & Goldstein, LLP
Counsel for TRACY LOVVORN

DATED: 10/2/2014 BY: 
DAVID J. MARSHALL
Katz, Marshall & Banks, LLP
Counsel for TRACY LOVVORN

DONALD M. GALLICK - RELATOR

DATED: 9/26/14 BY: 
DONALD M. GALLICK

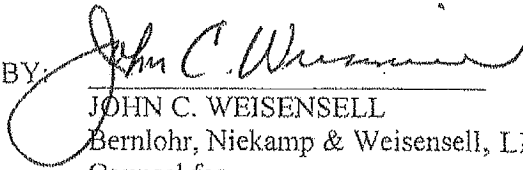
DATED: 9/26/14 BY: 
JOHN C. WEISENSELL
Bernlohr, Niekamp & Weisensell, LLP
Counsel for
DONALD M. GALLICK

Exhibit A

Indiana

Kentucky

Michigan

Minnesota

Ohio

Pennsylvania

Washington

Wisconsin

Exhibit B

In the state of Indiana, the following facilities: Ironwood Health and Rehabilitation Center, Cypress Grove Rehabilitation Center, Eastgate Manor Nursing & Rehabilitation Center.

In the state of Kentucky, the following facilities: Campbellsville Nursing and Rehabilitation Center, Springfield Nursing & Rehabilitation Center, Pembroke Nursing & Rehabilitation Center, Henderson Nursing and Rehabilitation Center.

In the state of Michigan, the following facilities: Tendercare Sault Sainte Marie, Tendercare of Saginaw LLC, Tendercare Gaylord, Tendercare Portage, Tendercare Health and Rehabilitation Center of Taylor, Tendercare of Westwood, Tendercare Health Center of Cheboygan.

In the state of Minnesota, the following facility: Robbinsdale Rehabilitation & Care Center.

In the state of Ohio, the following facilities: Arbors at London, Rockmill Rehabilitation Centre, The Arbors at Milford, Columbus Rehabilitation and Subacute Inc., Arbors East Subacute and Rehabilitation Center, Arbors at Sylvania.

In the state of Pennsylvania, the following facilities: Broad Mountain Nursing and Rehabilitation, Langhorne Gardens Rehabilitation and Nursing, Havencrest Nursing Center, Meadowcrest Nursing Center, Suburban Woods Health and Rehabilitation.

In the state of Washington, the following facilities: Forest Ridge Health and Rehabilitation and Pacific Specialty.

In the state of Wisconsin, the following facilities: Beloit Health and Rehabilitation Center, Monroe Manor Nursing and Rehabilitation, The Willows Nursing and Rehabilitation, Maple Ridge Health and Rehabilitation Center, Sunrise Care Center.

Exhibit C

In the state of Pennsylvania, the following facilities:

Valley Manor, Meadowcrest, Oak Hill, Eldercrest, Abington, Havencrest, Stonebridge, Dresher Hill, Broad Mountain, Belair, Elkins Crest, Statesman, Beaver Valley, Spruce Manor, Langhorne, Tremont, Mountain Laurel, Slate Belt, Mountain City and Suburban Woods.

In the state of Delaware, the following facility: Arbors at New Castle.

In the state of Indiana, the following facility: Eastgate.

In the state of Kentucky, the following facility: Campbellsville.

In the state of Ohio, the following facility: Arbors at Sylvania.

In the state of Minnesota, the following facility: Rose of Sharon.

In the state of Michigan, the following facilities: Traverse City and Saginaw.

In the state of Wisconsin, the following facilities: Weyauwega and Maple Ridge.

In the state of Washington, the following facilities: Riverside, Forest Ridge and Pacific Specialty.