

STATE OF NEW YORK
PUBLIC HEALTH AND HEALTH PLANNING COUNCIL

COMMITTEE DAY

AGENDA

May 18, 2017
10:00 a.m.

*New York State Department of Health Offices at 90 Church Street, 4th Floor, Rooms 4A and 4B,
NYC*

I. COMMITTEE ON ESTABLISHMENT AND PROJECT REVIEW

Gary Kalkut, M.D., Vice-Chair

A. Applications for Construction of Health Care Facilities/Agencies

Acute Care Transplant Services – Construction

Exhibit # 1

	<u>Number</u>	<u>Applicant/Facility</u>
1.	162381 C	NYU Hospitals Center (New York County)
2.	171167 C	North Shore University Hospital (Nassau County)

Acute Care Services – Construction

Exhibit # 2

	<u>Number</u>	<u>Applicant/Facility</u>
1.	162544 C	Memorial Hospital for Cancer and Allied Diseases (New York County)
2.	171047 C	Erie County Medical Center (Erie County)
3.	171075 C	Eastern Niagara Hospital (Niagara County)
4.	171267 C	F.F. Thompson Hospital (Ontario County)

Residential Health Care Facilities – Construction

Exhibit # 3

	<u>Number</u>	<u>Applicant/Facility</u>
1.	171079 C	Victoria Home (Westchester County)

B. Applications for Establishment and Construction of Health Care Facilities/Agencies

Ambulatory Surgery Centers - Establish/Construct

Exhibit # 4

	<u>Number</u>	<u>Applicant/Facility</u>
1.	162556 E	Progressive Surgery Center, LLC (Suffolk County)
2.	171077 B	CMSC, LLC t/b/k/a CitiMed Surgery Center (Queens County)
3.	171198 B	Star Suites, LLC t/b/k/a Star Surgical Suites, LLC (Nassau County)
4.	162112 E	Hudson Valley Center for Digestive Health (Westchester County)
5.	171110 E	University Gastroenterology at the Philip Holtzapple Endoscopy Center (Onondaga County)

Dialysis Services - Establish/Construct

Exhibit # 5

	<u>Number</u>	<u>Applicant/Facility</u>
1.	161355 B	Freedom Center of Newark, LLC d/b/a Fresenius Kidney Care – Newark (Wayne County)
2.	162601 B	The Rogosin Institute at Methodist Home for Nursing and Rehabilitation, LLC (Bronx County)
3.	171122 E	Freedom Center of Syosset, LLC (Nassau County)

Hospice Services - Establish/Construct

Exhibit # 6

	<u>Number</u>	<u>Applicant/Facility</u>
1.	162451 E	Hospice Care in Westchester and Putnam, Inc. (Westchester County)

Residential Health Care Facilities - Establish/Construct

Exhibit # 7

	<u>Number</u>	<u>Applicant/Facility</u>
1.	162385 E	Yonkers Gardens, LLC d/b/a Yonkers Gardens Center for Nursing and Rehabilitation (Westchester County)
2.	171017 E	Massapequa Center d/b/a Massapequa Center Rehabilitation and Nursing (Suffolk County)

Certified Home Health Agencies - Establish/Construct

Exhibit # 8

	<u>Number</u>	<u>Applicant/Facility</u>
1.	162220 E	Prime Home Health Services, LLC (Dutchess County)
2.	162447 E	Visiting Nurse Association of Hudson Valley (Westchester County)
3.	171041 E	Shining Star Home Health Care (Kings County)

C. Home Health Agency Licensures

Home Health Agency Licensures

Exhibit # 9

New LHCSAs

2368 L	Friends & Family Home Care Services, LLC (New York, Bronx, Kings, Queens, Richmond and Westchester Counties)
2402 L	N and J Home Care, Inc. (Queens, Kings, Richmond, New York and Bronx Counties)
2410 L	Beth Hahesed Home Care Inc. (Kings, Queens, Bronx, New York, Richmond and Nassau Counties)
2417L	Manach LLC d/b/a Lach Home Care Services (Bronx and Westchester Counties)
2435L	St. Xavier Home Care Services, Inc. (Queens, Kings, New York, Bronx, Richmond and Nassau Counties)

- 2455L Long Island Home Care Services, Inc.
(Suffolk, Nassau and Queens Counties)
- 2472 L Phoenix's United Agency Inc. d/b/a Sar One Staffing
Agency
(Bronx, New York, Kings, Queens, Richmond and
Westchester Counties)
- 2478 L Millennium Children Home Care, LLC
(Saratoga, Albany, Dutchess and Columbia Counties)
- 2500 L Serenity Care Agency, LLC
(Queens, New York, Kings, Bronx, Richmond and
Nassau Counties)
- 2507 L Hyman's Homecare Agency, LLC
(Nassau, Suffolk and Queens Counties)
- 2529 L Igvara Home Care Services, LLC d/b/a Comfort Keepers
(Nassau and Suffolk Counties)
- 2544 L One Stop Home Care Agency, LLC
(Queens County)
- 2549 L Expert Home Care, Inc.
(Bronx, Kings, New York, Queens and Richmond
Counties)
- 2555 L Photuris Home Care Inc.
(Bronx and New York Counties)
- 2559 L Royal Home Care
(Fulton, Montgomery, Hamilton, Saratoga, Warren,
Herkimer and Schoharie Counties)
- 2561 L Always An Angel Licensed Homecare, LLC d/b/a
Always An Angel Licensed Homecare
(Putnam, Westchester, Rockland, Dutchess, Orange and
Bronx Counties)
- 2563 L CitiCare, LLC
(Kings, New York, Bronx, Queens, Richmond and
Nassau Counties)
- 2575 L L.A.M. Care, Inc. d/b/a Comfort Keepers
(Bronx, Kings, New York, Queens and Richmond
Counties)
- 2578 L Divinity Care at Home, Inc.
(Bronx, Kings, New York, Queens, Richmond and
Westchester Counties)

- 2579 L Nancy Marie Taylor d/b/a Taylors Tender Care Home Health Service
(Essex and Clinton Counties)
- 2584 L Rosetta Care, Inc.
(Bronx, Kings, New York, Richmond and Queens Counties)
- 2602 L Covenant Home Health Care Services Inc.
(Queens, Kings, Bronx, New York, Richmond and Nassau Counties)
- 2614 L Triple J and A Corporation d/b/a Right at Home South Shore Long Island
(Nassau and Suffolk Counties)
- 2632 L GSNY Home Care Services, Inc.
(Bronx, Kings, New York, Queens, Richmond, and Westchester Counties)
- 151286 ABJ Home Care Inc.
(Queens, Bronx, New York, Kings, Richmond and Nassau Counties)
- 151306 Caring Family Home Care Inc.
(Rockland, Orange, Putnam, Westchester and Bronx Counties)
- 151318 Brooklyn Care LLC d/b/a ComForCare
(Kings, Queens, New York, Bronx, Richmond and Nassau Counties)
- 151346 Enriched Home Care Agency, Inc.
(Bronx, Kings, New York, Queens, Richmond and Nassau Counties)
- 152037 Family and Child Service of Schenectady, Inc.
(Schenectady, Albany, Saratoga, Schoharie, Rensselaer, Warren, Montgomery, Fulton and Columbia Counties)
- 152087 LI Home Care Services, Inc. d/b/a SeniCare Plus
(Nassau, Suffolk and Queens Counties)
- 152088 B-Well Home Care Agency, Inc.
(Richmond, Bronx, New York, Kings and Queens Counties)
- 152097 Healthy Life Home Care, Inc.
(Kings, Queens, Bronx, New York, Richmond and Westchester Counties)

- 152102 Rehoboth Elderly Care and Companionship LLC
(Nassau, Suffolk and Queens Counties)
- 161135 Buffalo Homecare Inc.
(Cattaraugus, Chautauqua, Erie, Genesee, Niagara and
Wyoming Counties)
- 162108 Specialty Pharmacy Nursing Network, Inc.
(Albany, Columbia, Fulton, Montgomery, Rensselaer,
Saratoga, Schenectady, Schoharie, Warren and
Washington Counties)

Changes of Ownership

<u>Number</u>	<u>Applicant/Facility</u>
2072 L	American Outcomes Management LP (New York County)
162459	VNA Home Health Services, Inc. (Putnam and Westchester Counties)
162492	Smile Homecare Agency, Inc. (Kings, Queens, Bronx, Richmond, New York and Nassau Counties)
162603	ProLife Home Care, Inc. (Kings, Queens, Bronx, New York, Richmond and Nassau Counties)
171120	The W Group at Catskill, LLC d/b/a Home Sweet Home on the Hudson (Greene County)
171133	The W Group at Hudson, LLC d/b/a Home Sweet Home of Athens (Greene County)

D. Certificates

Exhibit # 10

Certificate of Dissolution

Applicant

Glens Falls Hospital Guild, Inc.

Mount Loretto Nursing Home, Inc.

Resurrection Nursing Home, Inc.

Mount Saint Ursula Speech Center

Certificate of Amendment of Articles of Organization

Applicant

LI Replacement, LLC

Restated Certificate of Incorporation

Applicant

NYU Hospitals Center

Certificate of Assumed Name

Applicant

NYU Langone Hospital for Orthopedics

NYU Langone Hospital-Brooklyn

NYU Langone Health-Cobble Hill

Certificate of Amendment to the Certificate of Incorporation

Applicant

At Home Care, Inc.

Aurelia Osborn Fox Memorial Hospital Society

Bassett Hospital of Schoharie County

Friends of Bassett, Inc.

Little Falls Hospital

O'Connor Hospital

The Mary Imogene Bassett Hospital

Tri Town Regional Healthcare

Valley Health Services, Inc.

Valley Residential Services, Inc.

II. JOINT COMMITTEE ON HEALTH PLANNING AND PUBLIC HEALTH

Jo Ivey Boufford, M.D., Chair of the Public Health Committee

John Ruge, M.D., Chair of the Health Planning Committee

III. HEALTH PLANNING COMMITTEE

John Rugge, M.D., Chair of the Health Planning Committee

Request for Stroke Center Designation

Exhibit #11

Applicant

Woman's Christian Association Hospital



**Project # 162381-C
NYU Hospitals Center**

Program: Hospital
Purpose: Construction

County: New York
Acknowledged: November 7, 2016

Executive Summary

Description

NYU Hospitals Center (NYU), an 844-bed, voluntary not-for-profit, Article 28 hospital located at 550 First Avenue, Manhattan (New York County), requests approval to certify Adult Heart Transplant services. The hospital is a teaching hospital/academic medical center affiliated with the NYU School of Medicine. In January 2016, NYU established a comprehensive Transplant Institute to provide patients with expert care that incorporates the latest technological advancements and evidence-based clinical care. The objective of this CON is to expand upon their treatment strategies in transplant medicine and certify a heart transplant program. The heart transplant program will function in existing inpatient and outpatient space.

The applicant suggests that a significant barrier to care exists in New York State, supporting the need for additional heart transplantation services. They indicate that the heart transplant patient waiting list at New York centers has grown by 40% over the past decade, and that 20% of those on the list will die or become too sick for transplantation while waiting. Additionally, the applicant indicates that despite the growing wait list, over 20% of all hearts recovered by the four New York State organ procurement organizations were transplanted outside of New York. There are currently only five heart transplant centers in New York, whereas states with similar size and demand have nine or more, which creates disparities in access to care for New Yorkers who need heart transplants.

**OPCHSM Recommendation
Contingent Approval**

Need Summary

Heart transplantation services have evolved significantly since the 1980's when the 709.9 need regulations were first developed. The Department has not considered a heart transplantation application since 1999 when programs at Albany Medical Center, Strong Memorial Hospital and Westchester Medical Center were approved (Albany Medical Center's program has since closed). In approving these applications, the Department relied on factors other than the minimum level of transplantation procedures specified in regulations (14 per year within two years of new program commencement and at least 30 transplantations per year for existing programs). In addition, national organ allocation policy requires that heart, lung and liver transplant program perform a minimum of 10 transplants annually. In 2014, NYSDOH revised and updated the organ transplantation programmatic regulations (Parts 405.30 and 405.31) to be consistent with the federal standards of ten transplants annually.

Since all five existing programs are performing above the federal minimums, the Department focused its review on the programmatic aspects of this application.

Program Summary

Based on the results of this review, a favorable recommendation can be made regarding the facility's current compliance pursuant to 2802-(3)(e) of the New York State Public Health Law.

The applicant has assured the Department that their program will meet all the requirements of 10 NYCRR 405.30 and 405.31 as well as comply with the relevant CMS Conditions of Participation for Transplant Centers. State regulations require facilities with approved heart and/or lung transplant programs to join the New York Cardiothoracic Consortium. Additionally, the Department has determined that any application for organ transplant services must include a detailed plan of specific, measurable organ donation activities.

These should be comprehensive and aim to improve actual recovery of transplantable donor organs, create an institutional culture that supports donation throughout the facility and in all arenas where patient care is delivered, and demonstrate a commitment to improving donor registry enrollment rates.

Financial Summary

There is no project cost associated with this application. Below is the proposed third year budget:

Revenues	\$8,879,754
Expenses	<u>7,439,567</u>
Gain/(Loss)	\$1,440,187

Recommendations

Health Systems Agency

There will be no HSA recommendation for this project.

Office of Primary Care and Health Systems Management

Approval contingent upon:

1. Submission of evidence of UNOS/OPTN approval to establish a heart transplant program, acceptable to the Department. [HSP]
2. Submission of evidence of the applicant's heart transplant program becoming a member of the New York Cardiothoracic Consortium (NYCC), acceptable to the Department. [HSP]
3. Submission of a signed commitment, acceptable to the Department, to provide services regardless of patient's ability to pay. [PMU]
4. Submission by the applicant of a comprehensive five-year plan, acceptable to the Department, identifying actions and activities they will undertake to create a system-wide institutional culture of organ donation and support enrollment in the NYS Donate Life Registry (the Plan). The Plan should include, but is not limited to:
 - (a) implementation of and participation in programs and initiatives to promote health and prevent diseases associated with the need for organ and tissue donation and transplantation;
 - (b) improving communication and coordination with the organ procurement organization(s) or OPO(s); for example establishing onsite transplant coordinators, conducting regular multidisciplinary clinical case reviews to identify missed opportunities and/or opportunities for improvement, and reporting and reviewing aggregate donor data jointly with the OPO(s);
 - (c) enlisting participation, improving coordination, and holding staff throughout the facility accountable as partners in achieving these goals, including but not limited to critical care, emergency department and palliative care staff;
 - (d) developing specific organ/tissue donor referral strategies, such as the use of automated monitoring systems to notify OPO of potential donors and other similar initiatives;
 - (e) developing and implementing proactive donor management improvement activities, in conjunction with the OPO(s), including, but not limited to, the use of protocols and standard processes to improve organ management and recovery;
 - (f) supporting research to advance organ donation referral, management, recovery, preservation and NYS Donate Life Registry donor enrollment rates;
 - (g) increasing awareness and education of staff about organ donation throughout system facilities, and the communities they serve, by partnering and coordinating with organ donation stakeholders (e.g. the NY Alliance for Donation, OPOs and tissue banks) and others (e.g. community based organizations such as interfaith organizations, organizations that provide services to different ethnic and cultural groups, etc.) to implement awareness and education initiatives;
 - (h) conducting specific activities to improve enrollment in the NYS Donate Life Registry;
 - (i) actively participating in the NYCC by sharing data, participating in peer review, research, quality improvement and other activities endorsed by the Department including but not limited to coordinating the facility's plan with efforts that NYCC may be conducting;
 - (j) exploring the use of technology to accomplish the Plan goals;
 - (k) establishing measurable goals and benchmarks, acceptable to the Department, with timeframes which are monitored and are used to continually evaluate and update the Plan, including specific initiatives the applicant referenced in the application such as:
 - (i) development of specific deliverables to accomplish the goals outlined in Schedule 16B submitted November 10, 2016 (p7) concerning implementing "best practices in coordinated donor management, maximizing the number of organs procured per donor and increasing the number of registered donors" and on p. 10 of the same schedule "partnering with the state, OPOs, other transplant centers to leverage best practices in improving the landscape for organ donation and transplantation in NYS";
 - (ii) development of specific deliverables to accomplish the goals outlined in Schedule 16B submitted November 11, 2016 (p11) concerning "donor management, including protocols,

- standard processes and critical pathways to improve organ viability and medical management of donors...optimizing in-house transplant coordinators, making investments in intensive care and donor resource teams and actively working with OPOs to continuously learn and improve from each transplant encounter”;
- (iii) development of specific deliverables to accomplish the goals outlined in Schedule 16B submitted November 11, 2016 (p11) regarding leveraging past successes with technology...optimizing its use including electronic medical records....to automate donor referrals, coordinate donor organs and facilitate transplantation”;
 - (iv) development of specific deliverables to accomplish the goals outlined in Schedule 16B submitted November 11, 2016 (p11-12) to increase NYS Donate Life Registry enrollments;
 - (v) development of specific deliverables to accomplish the goals outlined in Schedule 16B submitted November 11, 2016 (p12) concerning increasing organ availability and improving transplantation capabilities and quality.
 - (l) collaborating with the Department, the NYS Transplant Council and state wide organizations, such as the NY Alliance for Donation, Greater New York Hospital Association and the Healthcare Association of New York State to share plan results to improve practices in hospitals and communities across the state;
 - (m) meeting with Department staff six months after implementing the CON approved program to review progress toward implementation and related outcomes of implementing this plan;
 - (n) consulting with outside experts in the field of organ donation and transplantation, eighteen months after implementing the CON approved program, to review the plan, the outcomes of applicant efforts and identify opportunities of improvement and/or expansion of this plan;
 - (o) agreement by the applicant to provide the Department with information and updates about the Plan including progress towards meeting the goals, benchmarks and timelines developed and described above, annually, for the first five years, and upon request thereafter.

Approval conditional upon:

1. The project must be completed within three years from the date of the Public Health and Health Planning Council recommendation letter. Failure to complete the project within the prescribed time shall constitute an abandonment of the application by the applicant and an expiration of the approval. [PMU]
2. The applicant's heart transplant program remaining a member, in good standing, with the NYCC. [HSP]
3. The applicant committing and devoting resources to improving organ donation and NYS Donate Life Registry enrollments as a top priority in all system hospitals. This commitment must be reflected in the written comprehensive Plan, developed and implemented, with or without the assistance of outside consultants, to create a system-wide institutional culture which supports organ donation and NYS Donate Life Registry enrollment, that is continually evaluated and updated as needed. [HSP]
4. The applicant demonstrating reasonable efforts, acceptable to the Department, to accomplish the goals outlined in Schedule 16B submitted November 10, 2016 (p7) concerning implementing “best practices in coordinated donor management, maximizing the number of organs procured per donor and increasing the number of registered donors” and on p. 10 “partnering with the state, OPOs, other transplant centers to leverage best practices in improving the landscape for organ donation and transplantation in NYS”. [HSP]
5. The applicant demonstrating reasonable efforts, acceptable to the Department, to accomplish the goals outlined in Schedule 16B submitted November 11, 2016 (p11) concerning “donor management, including protocols, standard processes and critical pathways to improve organ viability and medical management of donors...optimizing in-house transplant coordinators, making investments in intensive care and donor resource teams and actively working with OPOs to continuously learn and improve from each transplant encounter”. [HSP]
6. The applicant demonstrating reasonable efforts, acceptable to the Department, to accomplish the goals outlined in Schedule 16B submitted November 11, 2016 (p11) leveraging past successes with technology...optimizing its use including electronic medical records....to automate donor referrals, coordinate donor organs and facilitate transplantation”. [HSP]
7. The applicant demonstrating reasonable efforts, acceptable to the Department, to accomplish the goals outlined in Schedule 16B submitted November 11, 2016 (p11-12) to increase NYS Donate Life Registry enrollments. [HSP]

8. The applicant demonstrating reasonable efforts, acceptable to the Department, to accomplish the goals outlined in Schedule 16B submitted November 11, 2016 (p12) concerning increasing organ availability and improving transplantation capabilities and quality. [HSP]

Council Action Date

June 8, 2017

Need Analysis

Background

The current need methodology for heart transplantation services, NYCRR Title 10 Part 709.9 was developed in the 1980's, just as heart transplantation services began to be offered as a surgical option for cardiac failure. The regulations require that each applicant must present evidence that a minimum of 14 heart transplants per year within two years of operation and that no additional heart transplantation services will be approved until each existing transplantation service is performing at least 30 transplantations per year. Prior to receipt of this application in November 2016, the Department had not received an application to establish a new heart transplant program since 1999.

During the 30+ years since the NYS need methodology was established, and remained in place unchanged, heart transplantation has been evolving. During this same period, the federal oversight system for organ transplantation has grown and matured. In 2007, the Centers for Medicare and Medicaid Services (CMS) developed organ transplant conditions of participation (CoPs) for each organ specific transplant service. In addition, the federal government contracted with the United Network for Organ Sharing (UNOS) to be the Organ Procurement and Transplantation Network (OPTN), requiring that all transplant programs obtain UNOS/OPTN approval and agree to follow UNOS/OPTN policies before initiating transplant services. The UNOS/OPTN national organ allocation policy which requires heart, lung and liver transplant program perform a minimum of 10 transplants annually. In 2014, the Department of Health revised and updated the organ transplantation programmatic regulations (Part 405.30 and 405.31) to be consistent with the federal standards of ten transplants annually.

New York State Governor Andrew M. Cuomo and New York State Commissioner of Health Howard A. Zucker have made increasing organ donation and transplant rates a public health priority. As a result, efforts are underway to create a statewide culture that supports and improves organ donation-related activities and practices across the continuum from increasing NYS Donate Life Registry enrollments to improved donor organ management, procurement, preservation and transplantation. In addition, with the assistance and guidance of the Transplant Council, the Department of Health plans to re-examine and update the need methodology for heart transplantation. Considering these factors, and that all the five existing New York State heart transplant programs are performing above the federal minimums, the Department focused its review on the programmatic aspects of the application, data on donation, transplant volumes, outcomes and wait lists, and consulted with an expert panel convened by the Chairperson of the NYS Transplant Council. This is described in detail in the Programmatic Analysis.

The five hospitals currently certified for heart transplantation services include: New York Presbyterian Hospital – Columbia Presbyterian Center (NY Presbyterian-Columbia), Strong Memorial Hospital, Montefiore Medical Center, Mount Sinai Medical Center, and Westchester Medical Center.

Three of these programs are in New York City including NY Presbyterian-Columbia, Mount Sinai Medical Center and Montefiore Medical Center. The other two programs are at Westchester Medical Center in Valhalla and Strong Memorial Hospital in Rochester. NY Presbyterian-Columbia, Mount Sinai Medical Center and Montefiore Medical Center also have pediatric heart transplant programs with as expected outcomes.

Heart Transplant Volume Data by Calendar Year

	2014	2015	2016
NY Presbyterian-Columbia	65	60	70
Strong Memorial Hospital	9	15	16
Montefiore Medical Center	27	42	40
Mount Sinai Medical Center	29	28	33
Westchester Medical Center	22	18	29

Source: NYCC

NYS Heart Transplant Volumes & Outcomes - 7/1/2015-6/30/2016

	Program Type	Volume	One Year Outcomes Tier*
NY Presbyterian-Columbia	Adult	43	3
Strong Memorial Hospital	Adult	16	3
Montefiore Medical Center	Adult	39	3
Mount Sinai Medical Center	Adult	24	3
Westchester Medical Center	Adult	24	3

Source: Scientific Registry of Transplant Recipients

*Tier key: 1: Worse than expected (18.5%); 2: Somewhat worse than expected (13.6%); 3: As expected (10.4%); 4: Somewhat better than expected (8.2%); 5: Better than expected (5.5%)

Waitlist, Transplant Rate, and Median Time to Transplant

	Waitlist Volume	Transplant Rate ¹		Median Time to Transplant (months)		
		7/2015-6/2016		7/2010-12/2015		
	4/25/17	Center	US	Center	Region	US
NY Presbyterian-Columbia	154	34.7	72.6	13.9	10.8	8.6
Strong Memorial Hospital	20	57.5	72.6	<i>Not Observed</i>		
Montefiore Medical Center	54	92.5	72.6	5.2	10.8	8.6
Mount Sinai Medical Center	95	35.6	72.6	16.0	10.8	8.6
Westchester Medical Center	19	138.2	72.6	3.5	10.8	8.6

Source: Scientific Registry of Transplant Recipients

¹Rate = Number of patients who underwent a transplant per 100 patients on the waiting list during the year. (UNOS/OPTN)

All existing programs perform more than the minimum 10 transplants per year required by CMS, UNOS/OPTN and NYCRR Title 10 Part 405.30 regulations.

The Scientific Registry of Transplant Recipients (SRTR) reports that during the period of one year (July 2015-June 2016) and 30 months (July 2013-December 2015) outcomes for heart transplants (graft failure and patient mortality) performed by all New York centers are as expected.

On April 25, 2017, of the 3,956 patients awaiting a heart transplant nationally, 342, or 8.6% of them, are listed at NYS heart transplant centers. As indicated in the table above, waitlist volumes, transplant rates and mean transplant times vary center to center.

The applicant has indicated an intent to provide services regardless of ability to pay.

Recommendation

From a need perspective, approval is recommended.

Program Analysis

Background

NYU Hospitals Center seeks approval to certify a heart transplant program.

The applicant notes that: heart disease is the most common cause of death in New York State (nearly 10% higher than the national average); heart transplant waiting lists at New York centers have grown by 40% over the past decade; and of those on heart transplant waiting lists in New York, an estimated 20% will die while waiting or become too sick for transplantation.

The applicant has active cardiac intervention cardiothoracic surgery programs performing an average of 923 cardiac surgery cases over the last three years and 1,625 interventional cases. Two of NYU's affiliate hospitals, Winthrop University Hospital and Bellevue Medical Center, also have both cardiac surgery and cardiovascular interventional programs. Lutheran Medical Center provides cardiovascular interventional services.

The applicant plans to provide heart transplantation services within their existing physical plant including ORs, ICU and step down/floor beds until construction of the new Kimmel Pavilion is complete.

In 2011, NYU established the Ventricular Assist Device (VAD) program, accredited by The Joint Commission (TJC), which provides mechanical circulatory support for patients in acute cardiogenic shock and with chronic advanced heart failure. The program has been re-certified twice by TJC since its establishment. The applicant reports that, to date, they have inserted 62 VAD devices in 49 distinct patients with nearly half of these patients subsequently receiving a heart transplant or are currently on a heart transplant waiting list at another facility. NYU identifies that during 2015 they treated 458 patients for heart failure and that during the same time Winthrop University Hospital treated had 484 distinct patient encounters for heart failure.

The applicant notes that VAD programs which do not also have a heart transplant program must coordinate transplant evaluations with facilities that have transplant programs. NYU reports that this can result in delays in transplant evaluation and transplantation. The applicant asserts that having a transplant program at NYU will result in greater access, more timely transplant evaluations, and better long-term outcomes.

The applicant identifies its service area, and the service area of the proposed heart transplant program, evidenced by the patient population served by NYU as well as its affiliate hospitals, as encompassing all five boroughs of New York City as well as Nassau and Suffolk Counties.

The proposed heart transplant program will be established within their Transplant Institute (TI). NYU's TI is a new organizational structure designed to bring all transplant services together under one umbrella department. The TI currently houses the UNOS/OPTN approved transplant programs for kidney and liver. The facility also performs bone marrow transplants. The applicant has recently established a lung transplant program after receiving UNOS/OPTN approval and, as of April 28, 2017, has performed six lung transplants. There is no state certificate of need requirement for lung transplantation. The NYU Transplant Institute is a member of and actively engaged with the New York Consortium for Liver Transplantation. Their heart transplant program will join the New York Cardiothoracic Consortium once their program has been established.

The applicant reports that both the surgical and medical directors for the proposed program are in place and that other staff required to support the program are either in place or recruitment to fill is underway. Other relevant staff includes five cardiothoracic surgeons that will perform heart transplants and four cardiologists board certified in advanced heart failure and transplant cardiology. Supporting physician and non-physician resources are available in the facility, e.g. anesthesia, pulmonary, infectious disease, nutrition, social work, financial services, etc.

Staffing is expected to increase by 9.3 FTEs in Year One of the completed project, and to increase slightly by a total of 9.8 FTEs by the third year of operation.

The applicant has not yet applied for UNOS/OPTN approval to establish a heart transplant program. They plan to apply upon approval of this project.

Program Review

In addition to materials provided as part of the CON application, staff review of the proposed project included review of a draft of the applicant's UNOS/OPTN application for approval to initiate a heart transplant program; the facility's most recent CMS survey; NYS Cardiac Services Outcomes data; the UNOS/OPTN and the SRTR data on heart donors, heart transplant volumes and outcomes at all other hospitals that perform heart transplants in NYS, as well as the applicant's liver and kidney transplant data.

The applicant has an active cardiothoracic surgery program with analysis of data submitted to the Department's Cardiac Services Program revealing an observed mortality rate (2014-2016) less than the observed statewide mortality rate for isolated coronary artery bypass graft (CABG) and valve surgeries, combined CABG and valve surgeries, and other cardiac surgeries. The facility reports that their length of stay, post-op infection, mortality and 30-day re-admission rates for this population of patients as lower than expected. Observed mortality rate for NYU's cardiovascular interventional program are consistent with or less than the statewide expected mortality rates for emergency and non-emergency percutaneous coronary interventions.

Data from UNOS/OPTN and SRTR demonstrated that NYU performed 51 kidney and 20 liver transplants between July 2015 and June 2016, with graft and patient survival transplant outcomes for the period of 7/1/2013-12/31/2015, as expected.

In January 2016, shortly after hiring a new Executive Director and Surgical Director, NYU established the TI which re-committed the facility and its resources to organ transplantation. Since that time, they report significant increases in the number of kidney and liver transplants performed.

LiveOnNY, the New York City Metro-area organ procurement organization (OPO), supplied a letter of support for NYU's application. LiveOnNY attests to the applicant's outreach and efforts to develop donation improvement programs both within and outside of the facility.

Expert Review Process

To further evaluate this application, the Department convened a committee consisting of experts in the field to review the application, provide feedback as to its strengths and weaknesses and make recommendations to the PHHPC and the Commissioner of Health.

The review committee was chaired by the Chairperson of the NYS Transplant Council and included another member of the Transplant Council (TC); a cardiothoracic surgeon member of the Cardiac Advisory Committee (CAC); a NYS transplant program administrator; a heart transplant surgeon and cardiologist from non-competing out-of-state programs; and a chief operating officer from a large organ procurement organization, also from out-of-state.

Review Committee members were provided with the following information for review and evaluation:

- components of the CON application;
- UNOS/OPTN and SRTR data for volumes, outcomes, transplant rates and other data regarding existing heart transplant centers in NYS;
- volumes and mortality for the NYU liver and kidney transplant programs;
- components of the applicants draft UNOS/OPTN application to initiate a heart transplant program;
- analysis of 2014-2016 cardiac services data; and a
- information regarding public comment received about the application and copies of select correspondence.

Committee members were instructed to review this program on the merits of the application and material supplied. Each member was asked their thoughts and opinions and discussion followed.

Overall, the Committee found the application to be acceptable and specific observations of committee members included:

- There were unmet end-stage heart failure care needs of patients served by NYU and its affiliate hospitals;
- NYU had active cardiovascular intervention and cardiothoracic surgery programs that are demonstrating good outcomes;
- NYU's program had an ability to leverage existing services and patients served by them to generate a waitlist;
- NYU's program had a robust quality assurance and performance improvement program (QAPI); NYU's surgical and associated transplant administrative and support staff had exemplary credentials;

- The existing heart transplant centers have the capacity to perform more transplants;
- There have been actions taken to increase enrollments in the NYS Donate Life Registry, education and outreach to NYU intensivists to aid the identification of potential donors, and improve medical management of donors to enhance organ usability, collaboration with LiveOnNY and other NYS organ procurement organizations; and
- There was public comment in support of and opposition to this application and concern regarding the impact the establishment any new heart transplant program may have on the availability of hearts to existing programs and the quality of care.

The committee discussed these issues and determined that the applicant's volume projections for a new program were reasonable. (NYU projects they will perform five heart transplants in Year 1, 12 in Year 2 and 18 in Year 3).

The committee discussed how the new UNOS/OPTN heart allocation policy would likely impact the availability of hearts to New York's centers and, though evidence of the impact of the change will not be available for two or more years, it was felt that the rule changes would bring more donor hearts into New York programs with higher acuity patients listed and likely have little impact on lower volume programs. It was noted that some hearts would leave New York for transplantation at other centers within the 500-mile radius allocation rule due higher patient acuity elsewhere and other reasons such as organ size, etc. Committee members noted that all transplant programs need to maintain a balance in the acuity of the patients they list, the organs they accept for transplantation, and the patients they transplant to assure that program outcomes are maintained within the parameters set by UNOS/OPTN and CMS. The committee noted this is especially true for new programs.

Even though it was the opinion of the Committee that with the changes to the UNOS/OPTN heart allocation rules would most likely benefit NYS centers overall, every committee member raised the point that the applicant, and all NYS transplant centers, should implement strategies proven in other parts of the country to increase early identification of potential donors, maximize medical management of donors and improve donation rates for all organs.

The Committee discussed whether opening new programs would destabilize or adversely impact the quality of existing programs due to fewer hearts being available to more providers in an environment where an already limited number of hearts are available for transplantation. Given the fact that many heart transplant programs nationally perform relatively few heart transplants and their outcomes are equivalent to those expected of all programs by UNOS/OPTN, Committee members did not think that any reduction in the volume of transplants performed at existing programs that might occur subsequent to the opening of new programs would negatively impact the outcomes of existing programs. The Committee also noted that the addition of programs that also included comprehensive strategies for increasing donation rates had the likelihood of increasing the number of organs available for transplant in NYS.

Compliance with Applicable Codes, Rules and Regulations

A successful Medicare Transplant re-approval survey was conducted for the NYU adult kidney and liver transplant programs May 3-5, 2016.

This facility has no outstanding Article 28 surveillance or enforcement actions and, based on the most recent surveillance information, is deemed to be currently operating in substantial compliance with all applicable State and Federal codes, rules and regulations. This determination was made based on a review of the files of the Department of Health, including all pertinent records and reports regarding the facility's enforcement history and the results of routine Article 28 surveys as well as investigations of reported incidents and complaints.

Conclusion

Governor Cuomo and Commissioner Zucker have made organ and tissue donation and increasing NYS Donate Life Registry enrollments, a public health priority. Recent efforts have been focused on modernizing and expanding the NYS Donate Life Registry and calling upon the physician community to become engaged in the organ donation crisis. A logical next initiative is a call to action for all hospitals, including transplant centers, to support efforts to create a state-wide culture that supports and improves

organ donation. This enhances the overall goal of creating a state-wide environment, which reaches across medical and social institutions and into communities, to improve organ donation.

The expansion of the population health model, and hospitals as entities willing and able to accept broad responsibilities for the health of the populations they serve, has coincided with changes that are critical to support organ donation promotion and procurement. Hospitals are vital partners in the organ donation process, from referring potential donors and managing their care to maximize the number of organs available for transplantation and to promoting organ donor registry enrollment efforts. These activities have become increasingly vital and necessary to address New York's shortage of organ donors.

Accordingly, the Department has determined that any application for organ transplant services must include a detailed plan of specific, measurable organ donation activities. These should be comprehensive and aim to improve actual recovery of transplantable donor organs, create an institutional culture that supports donation throughout the facility and in all arenas where patient care is delivered, and demonstrates a commitment to improving donor registry enrollment rates.

NYU's application reflects this movement and contains enhanced collaboration with LiveOnNY and the other NYS OPOs, improved medical management of organ donors and initiatives to increase enrollments in the NYS Donate Life Registry. The Department's contingencies and conditions for approval will reflect the Department's recognition that hospitals need to be proactive partners in statewide efforts to improve organ donation and registry enrollment.

The Review Committee thought additional specificity concerning these activities referenced by the applicant regarding its collaboration with LiveOnNY would add clarity and assist in monitoring the effectiveness of actions taken going forward, should the application be approved. The Committee strongly encouraged DOH staff to include this as a condition, if approval is granted.

The applicant has assured the Department their program will meet all the requirements of 10 NYCRR 405.30 and 405.31 as well as comply with the relevant CMS Conditions of Participation for Transplant Centers. State regulations require facilities with approved heart and/or lung transplant programs to join the New York Cardiothoracic Consortium.

Recommendation

From a programmatic perspective, approval is recommended.

Financial Analysis

Operating Budget

The applicant has submitted an incremental operating budget, in 2017 dollars, during the first and third years, summarized below:

	<u>Year One</u>	<u>Year Three</u>
<u>Inpatient Revenues</u>		
Medicaid - Fee for Service	\$0	\$1,871,812
Medicare - Fee for Service	0	5,278,950
Commercial - Fee for Service	<u>0</u>	<u>1,714,892</u>
Total Inpatient Revenues	\$0	\$8,865,654
<u>Outpatient Revenues</u>		
Medicaid - Fee for Service	\$0	\$4,935
Medicare - Fee for Service	0	7,050
Commercial - Fee for Service	<u>0</u>	<u>2,115</u>
Total Outpatient Revenue	\$0	\$14,100
 Total Revenues	 \$0	 \$8,879,754

Capability and Feasibility

There are no issues of capability since there is no total project cost associated with this application.

The submitted budget indicates an excess of revenues over expenses of (\$3,447,478) and \$1,440,187 during the first and third years. The applicant submitted a letter indicating that they will offset the losses via operations. Revenues are based on current reimbursement methodologies. The submitted budget appears reasonable.

BFA Attachment A is the August 31, 2014 and August 2015 certified financial statements of NYU Hospital Center. As shown, the entity had an average positive working capital position and an average positive net asset position. Also, the entity achieved an average excess of revenues over expenses of \$221,834,000 from the period September 1, 2014 through August 31, 2015.

BFA Attachment B is the August 31, 2016 certified financial statements of NYU Hospitals Center. As shown, the entity had a positive working capital position and a positive net asset position through August 31, 2016. Also, the entity achieved a gain from operations of \$278,390,000 through August 31, 2016.

The applicant has demonstrated the capability to proceed in a financially feasible manner.

Recommendation

From a financial perspective, approval is recommended.

Attachments

- | | |
|------------------|--|
| BFA Attachment A | Financial Summary- August 31, 2014 and August 31, 2015 certified financial statements of NYU Hospital Center |
| BFA Attachment B | Financial Summary- August 31, 2016 certified financial statements of NYU Hospital Center |



**Project # 171167-C
North Shore University Hospital**

**Program: Hospital
Purpose: Construction**

**County: Nassau
Acknowledged: March 8, 2017**

Executive Summary

Description

North Shore University Hospital (NSUH), a 738-bed, voluntary not-for-profit, Article 28 hospital located at 300 Community Drive, Manhasset (Nassau County), seeks approval to add Adult Heart Transplant service to its operating certificate. The heart transplant program will be developed in partnership with Maimonides Medical Center, a 711-bed tertiary care hospital located in Brooklyn that is a clinical affiliate of NSUH. The proposed program will include the inpatient transplantation service and the pre- and post-hospitalization outpatient components. NSUH is a member of Northwell Health, Inc. and is co-operated by Northwell Healthcare, Inc.

The primary service area includes Queens, Nassau and Suffolk Counties. Because of NSUH's relationships with Maimonides Medical Center, Wyckoff Hospital, and Staten Island University Hospital, their extended service area will also include Kings (Brooklyn) and Richmond (Staten Island) Counties. The applicant indicated that the service area accounts for 46% of all heart transplants in New York State and 90% of the growth in such transplants throughout the State over the past three years. Additionally, the applicant indicates that Northwell Health treats more heart failure patients than any of the State's current heart transplant centers, and NSUH and Maimonides each treat more heart failure patients in the service area than any other hospital. Adding a heart transplant program at NSUH will enable their heart failure patients to maintain continuity of care with their NSUH physicians and eliminate the need to travel to Manhattan, the Bronx or beyond for follow-up care that is

required for the rest of a heart transplant recipient's life.

Gerin Stevens, M.D., PhD., will serve as Medical Director of the heart transplantation program. Dr. Stevens is Board-Certified in Internal Medicine, Cardiovascular Medicine, and Advanced Heart Failure and Cardiac Transplantation. Dr. Stevens currently serves as the Director of Cardiomyopathy at Northwell Health Systems and is Medical Director for Heart Failure and Heart Transplant at NSUH.

**OPCHSM Recommendation
Contingent Approval**

Need Summary

Heart transplantation services have evolved significantly since the 1980's when the 709.9 need regulations were first developed. The Department has not considered a heart transplantation application since 1999 when programs at Albany Medical Center, Strong Memorial Hospital and Westchester Medical Center were approved (Albany Medical Center's program has since closed). In approving these applications, the Department relied on factors other than the minimum level of transplantation procedures specified in regulations (14 per year within two years of new program commencement and at least 30 transplantations per year for existing programs). In addition, national organ allocation policy requires that heart, lung and liver transplant programs perform a minimum of ten transplants annually. In 2014, the Department revised and updated the organ transplantation programmatic

regulations (Parts 405.30 and 405.31) to be consistent with the federal standards of ten transplants annually.

Since all five existing programs are performing above the federal minimums, the Department focused its review on the programmatic aspects of this application.

Program Summary

Based on the results of this review, a favorable recommendation can be made regarding the facility's compliance pursuant to 2802-(3)(e) of the New York State Public Health Law.

The applicant has assured the Department that their program will meet all the requirements of 10 NYCRR 405.30 and 405.31 as well as comply with the relevant CMS Conditions of Participation for Transplant Centers. State regulations require facilities with approved heart and/or lung transplant programs to join the New York Cardiothoracic Consortium. Additionally, the Department has determined that any application for organ transplant services must include a detailed plan of specific, measurable

organ donation activities. These should be comprehensive and aim to improve actual recovery of transplantable donor organs, create an institutional culture that supports donation throughout the facility and in all arenas where patient care is delivered, and demonstrate a commitment to improving donor registry enrollment rates.

Financial Summary

There will be no construction or renovation associated with this project. Project cost for telecommunications equipment of \$375,342 will be met via equity. Below is the proposed third year budget:

<u>Incremental Budget</u>	
	<u>Year Three</u>
Revenues	\$8,022,400
Expenses	<u>5,921,100</u>
Net Income	\$2,101,300

Recommendations

Health Systems Agency

There will be no HSA recommendation for this project.

Office of Primary Care and Health Systems Management

Approval contingent upon:

1. Submission of a check for the amount enumerated in the approval letter, payable to the New York State Department of Health. Public Health Law Section 2802.7 states that all construction applications requiring review by the Public Health and Health Planning Council shall pay an additional fee of fifty-five hundredths of one percent of the total capital value of the project, exclusive of CON fees. [PMU]
2. Submission of evidence of UNOS/OPTN approval to establish a heart transplant program, acceptable to the Department. [HSP]
3. Submission of evidence of the applicant's heart transplant program becoming a member of the New York Cardiothoracic Consortium (NYCC), acceptable to the Department. [HSP]
4. Submission of a signed commitment, acceptable to the Department, to provide services regardless of patient's ability to pay. [PMU]
5. Submission by the applicant of a comprehensive five-year plan, acceptable to the Department, identifying actions and activities they will undertake to create a system-wide institutional culture of organ donation and supports enrollment in the NYS Donate Life Registry (the Plan). The Plan should include, but is not limited to:
 - (a) Implementation of and participation in programs and initiatives to promote health and prevent diseases associated with the need for organ and tissue donation and transplantation;
 - (b) improving communication and coordination with the organ procurement organization(s) or OPO(s), for example establishing onsite transplant coordinators, conducting regular multidisciplinary clinical case reviews to identify missed opportunities and/or opportunities for improvement and reporting and reviewing aggregate donor data jointly with the OPO(s);
 - (c) enlisting participation, improving coordination and holding staff throughout the facility accountable as partners in achieving these goals, including but not limited to critical care, emergency department and palliative care staff;
 - (d) developing specific organ/tissue donor referral strategies, such as the use of automated monitoring systems to notify OPO of potential donors and other similar initiatives;
 - (e) developing and implementing proactive donor management improvement activities, in conjunction with the OPO(s), including, but not limited to, the use of protocols and standard processes to improve organ management and recovery;
 - (f) supporting research to advance organ donation referral, management, recovery, preservation and NYS Donate Life Registry donor enrollment rates;
 - (g) increasing awareness and education of staff about organ donation throughout system facilities, and the communities they serve, by partnering and coordinating with organ donation stakeholders (e.g. the NY Alliance for Donation, OPOs and tissue banks) and others (e.g. community based organizations such as interfaith organizations, organizations that provide services to different ethnic and cultural groups, etc.) to implement awareness and education initiatives;
 - (h) conducting specific activities to improve enrollment in the NYS Donate Life Registry;
 - (i) actively participating in the NYCC by sharing data, participating in peer review, research, quality improvement and other activities endorsed by the Department including but not limited to coordinating the facility's plan with efforts that NYCC may be conducting;
 - (j) exploring the use of technology to accomplish the Plan goals;
 - (k) establishing measurable goals and benchmarks, acceptable to the Department, with timeframes which are monitored and are used to continually evaluate and update the Plan including specific initiatives the applicant referenced in the application such as:
 - (i) development of an implementation plan and timeline for expansion of the eICU system in hospitals throughout the Northwell Health Network and movement toward implementation of an automatic referral to LiveOnNY;

- (ii) development of an implementation plan, defined deliverables and a timeline for the Physician Donor Council, including its goals to improve referrals rates, improve consent rates, and educate physicians on organ donation;
- (iii) development of specific deliverables and a timeline for its Center for Excellence to accomplish (as stated in its Project narrative submitted March 3, 2017, p. 9) efforts to "expand the supply and availability of organs for transplantation in collaboration with LiveOn NY... to include the development of public information efforts directed at increasing organ donation";
- (iv) development of specific deliverables and a timeline for its Center for Excellence to accomplish (as stated in its Project narrative submitted March 3, 2017, p. 10) its efforts "to identify opportunities to provide education in medical, graduate medical, nursing, related health and support staff for in-service and continuing professional education programs in heart failure.
- (l) collaborating with the Department, the NYS Transplant Council and state wide organizations, such as the NY Alliance for Donation, Greater New York Hospital Association and the Healthcare Association of New York State to share plan results to improve practices in hospitals and communities across the state;
- (m) meeting with Department staff six months after implementing the CON approved program to review progress toward implementation and related outcomes of implementing this plan;
- (n) consulting with outside experts in the field of organ donation and transplantation, eighteen months after implementing the CON approved program, to review the plan, the outcomes of applicant efforts and identify opportunities of improvement and/or expansion of this plan;
- (o) agreement by the applicant to provide the Department with information and updates about the Plan including progress towards meeting the goals, benchmarks and timelines developed and described above, annually, for the first five years, and upon request thereafter.

Approval conditional upon:

1. The project must be completed within three years from the date of the Public Health and Health Planning Council recommendation letter. Failure to complete the project within the prescribed time shall constitute an abandonment of the application by the applicant and an expiration of the approval. [PMU]
2. The applicant must provide services regardless of ability to pay. [HSP]
3. The applicant's heart transplant program remaining a member, in good standing, with the NYCC. [HSP]
4. The applicant committing and devoting resources to improving organ donation and NYS Donate Life Registry enrollments as a top priority in all system hospitals. This commitment must be reflected in the written comprehensive Plan, developed and implemented, with or without the assistance of outside consultants, to create a system-wide institutional culture which supports organ donation and NYS Donate Life Registry enrollment, that is continually evaluated and updated as needed. [HSP]
5. The applicant demonstrating reasonable efforts, acceptable to the Department, to adhere to its implementation plan and timeline for expansion of the eICU system in hospitals throughout the Northwell Health Network and toward implementation of an automatic referral to LiveOnNY. [HSP]
6. The applicant demonstrating reasonable efforts, acceptable to the Department, to adhere to its implementation plan for the Physician Donor Council, including its goals to improve referrals rates, improve consent rates, and educate physicians on organ donation. [HSP]
7. The applicant demonstrating reasonable efforts, acceptable to the Department, to adhere to its specific deliverables and timeline identified in the Plan, for its Center for Excellence to accomplish (as stated in its Project narrative, p. 9) efforts to "expand the supply and availability of organs for transplantation in collaboration with LiveOnNY... to include the development of public information efforts directed at increasing organ donation". [HSP]
8. The applicant demonstrating reasonable efforts, acceptable to the Department, to adhere to its specific deliverables and timeline identified in the Plan, for its Center for Excellence to accomplish (as stated in its Project narrative, p. 10) its efforts "to identify opportunities to provide education in medical, graduate medical, nursing, related health and support staff for in-service and continuing professional education programs in heart failure. [HSP]

Council Action Date
June 8, 2017

Need Analysis

Background

The current need methodology for heart transplantation services, NYCRR Title 10 Part 709.9 was developed in the 1980's, just as heart transplantation services began to be offered as a surgical option for cardiac failure. The regulations require that each applicant must present evidence that a minimum of 14 heart transplants per year within two years of operation and that no additional heart transplantation services will be approved until each existing transplantation service is performing at least 30 transplantations per year. Prior to receipt of CON 162381 (NYU's heart transplant program application) in November 2016, the Department had not considered an application to establish a new heart transplant program since 1999.

During the 30+ years since the NYS need methodology was established, and remained in place unchanged, heart transplantation has been evolving. During this same period, the federal oversight system for organ transplantation has grown and matured. In 2007, the Centers for Medicare and Medicaid Services (CMS) developed organ transplant conditions of participation (CoPs) for each organ specific transplant service. In addition, the federal government contracted with the United Network for Organ Sharing (UNOS) to be the Organ Procurement and Transplantation Network (OPTN), requiring that all transplant programs obtain UNOS/OPTN approval and agree to follow UNOS/OPTN policies before initiating transplant services. The UNOS/OPTN national organ allocation policy requires heart, lung and liver transplant program perform a minimum of ten transplants annually. In 2014, the Department of Health revised and updated the organ transplantation programmatic regulations (Part 405.30 and 405.31) to be consistent with the federal standards of ten transplants annually.

New York State Governor Andrew M. Cuomo and New York State Commissioner of Health Howard A. Zucker have made increasing organ donation and transplant rates a public health priority. As a result, efforts are underway to create a statewide culture that supports and improves organ donation-related activities and practices across the continuum from increasing NYS Donate Life Registry enrollments to improved donor organ management, procurement, preservation and transplantation. In addition, with the assistance and guidance of the Transplant Council, the Department of Health plans to re-examine and update the need methodology for heart transplantation. Considering these factors, and that all the five existing New York State heart transplant programs are performing above the federal minimums, the Department focused its review on the programmatic aspects of the application, data on donation, transplant volumes, outcomes and wait lists, and consulted with an expert panel convened by the Chairperson of the NYS Transplant Council. This is described in detail in the Programmatic Analysis.

The five hospitals currently certified for heart transplantation services include: New York Presbyterian Hospital – Columbia Presbyterian Center (NY Presbyterian-Columbia), Strong Memorial Hospital, Montefiore Medical Center, Mount Sinai Medical Center, and Westchester Medical Center.

Three of these programs are in New York City including NY Presbyterian-Columbia, Mount Sinai Medical Center and Montefiore Medical Center. The other two programs are at Westchester Medical Center in Valhalla and Strong Memorial Hospital in Rochester. NY Presbyterian-Columbia, Mount Sinai Medical Center and Montefiore Medical Center also have pediatric heart transplant programs with as expected outcomes.

Heart Transplant Volume Data by Calendar Year

	2014	2015	2016
NY Presbyterian-Columbia	65	60	70
Strong Memorial Hospital	9	15	16
Montefiore Medical Center	27	42	40
Mount Sinai Medical Center	29	28	33
Westchester Medical Center	22	18	29

Source: NYCC

NYS Heart Transplant Volumes & Outcomes - 7/1/2015-6/30/2016

	Program Type	Volume	One Year Outcomes Tier*
NY Presbyterian-Columbia	Adult	43	3
Strong Memorial Hospital	Adult	16	3
Montefiore Medical Center	Adult	39	3
Mount Sinai Medical Center	Adult	24	3
Westchester Medical Center	Adult	24	3

Source: Scientific Registry of Transplant Recipients

*Tier key: 1: Worse than expected (18.5%); 2: Somewhat worse than expected (13.6%); 3: As expected (10.4%); 4: Somewhat better than expected (8.2%); 5: Better than expected (5.5%)

Waitlist, Transplant Rate, and Median Time to Transplant

	Waitlist Volume	Transplant Rate ¹		Median Time to Transplant (months)		
		Center	US	Center	Region	US
	4/25/17	7/2015-6/2016		7/2010-12/2015		
		Center	US	Center	Region	US
NY Presbyterian-Columbia	154	34.7	72.6	13.9	10.8	8.6
Strong Memorial Hospital	20	57.5	72.6	<i>Not Observed</i>		
Montefiore Medical Center	54	92.5	72.6	5.2	10.8	8.6
Mount Sinai Medical Center	95	35.6	72.6	16.0	10.8	8.6
Westchester Medical Center	19	138.2	72.6	3.5	10.8	8.6

Source: Scientific Registry of Transplant Recipients

¹Rate = Number of patients who underwent a transplant per 100 patients on the waiting list during the year. (UNOS/OPTN)

All existing programs perform more than the minimum ten transplants per year required by CMS, UNOS/OPTN and NYCRR Title 10 Part 405.30 regulations.

The Scientific Registry of Transplant Recipients (SRTR) reports that during the period of one year (July 2015-June 2016) and 30 months (July 2013-December 2015) outcomes for heart transplants (graft failure and patient mortality) performed by all New York centers are as expected.

On April 25, 2017, of the 3,956 patients awaiting a heart transplant nationally, 342, or 8.6% of them, are listed at NYS heart transplant centers. As indicated in the table above, waitlist volumes, transplant rates and mean transplant times vary center to center.

The applicant has indicated an intent to provide services regardless of ability to pay.

Recommendation

From a need perspective, approval is recommended.

Program Analysis

Background

North Shore University Hospital (NSUH), in partnership with one of its affiliates, Maimonides Medical Center (MMC), seeks approval to certify a heart transplant program.

The applicant reports that cardiovascular disease is the leading cause of death in NYS, accounting for nearly 40% of deaths in the State, and that the prevalence of cardiovascular diseases has increased from 7.2% to 7.4% between 2011 and 2014. In addition, they note the Centers for Disease Control (CDC) reports identify the primary and secondary service area of NSUH, including Queens, Nassau, Suffolk,

Staten Island and Brooklyn, as having high rates of hospitalization and mortality related to heart failure. Suffolk and Nassau have the highest rates of mortality compared to the remaining counties.

The applicant has active cardiovascular intervention and cardiothoracic surgery programs that reportedly perform on average 3,000 cardiac interventions and approximately 1,500 cardiac surgeries per year in its five catheterization labs, four electrophysiology (EP) labs, one hybrid OR and four cardiac ORs.

MMC, NSUH's partner in this application, has performed approximately 550 cardiac surgical procedures for each of the last three years, and four other hospitals in the Northwell Health Network also provide cardiac surgery services.

The applicant reports that they were selected by the Cleveland Clinic Heart & Vascular Institute to serve as its exclusive alliance member in the New York metropolitan area after an extensive, year-long evaluation process. As an affiliate, NSUH's cardiac patients are provided with access to new and enhanced treatment options, clinical trials and techniques and technologies in cardiology and cardiac surgery.

The applicant states their heart failure program currently follows 662 unique patients at the main campus and 381 additional patients at satellite heart failure clinic sites. Northwell Health reports that they treat more heart failure patients than any of the current NYS heart transplant centers, with NSUH and MMC each treating more heart failure patients than other hospitals in their service area.

In April of 2016, NSUH implanted its first long term left ventricular assist device (LVAD), which provides mechanical circulatory support for acute cardiogenic shock and chronic advanced heart failure. Shortly thereafter, NSUH received Joint Commission certification of its LVAD program. Since the initial LVAD insertion, the facility reports:

- implanting LVADs in 13 patients with advanced heart failure;
- referring 17 patients for transplant evaluation to other facilities;
- currently caring for five patients on the heart transplant waiting list of other facilities and
- having two patients receive successful heart transplants.

NSUH's affiliate, Maimonides Medical Center, also has a robust heart failure program. In 2016, MMC performed 375 heart failure consults, inserted 13 LVADs, referred four patients for transplant evaluation and is currently caring for eight patients on the heart transplant list of other facilities. Having initiated their LVAD program in 2012, MMC recently inserted its 50th LVAD device.

The service area for this proposed transplant program will include Nassau, Suffolk, Queens, Brooklyn and Staten Island. The applicant states that the overall population of this service area is 8.4 million residents who account for 46% of all heart transplants in New York State. The applicant reports that Northwell Health, of which NSUH is a member, treats more heart failure patients than any other transplant center and that a heart transplant program is needed at NSUH to improve coordination of care, reduce delays in transplant evaluations, reduce the burden on patients and their families of having to travel out of the area for transplant services, improve compliance and long term outcomes for the heart failure population served by this health care system.

The applicant reports that both the surgical and medical directors for the proposed program are in place and that other staff required to support the program are either in place or recruitment to fill is underway. The applicant stated that both NSUH and MMC's cardiologists have extensive training in caring for heart transplant patients pre- and post-transplant, and the cardiothoracic surgery team includes three trained heart transplant surgeons in addition to the newly hired surgical director. Supporting physician and non-physician resources are available in the facility, e.g. anesthesia, pulmonary, infectious disease, nutrition, social work, financial services, etc. In addition, the Cleveland Clinic has given NSUH permission to use their clinical guidelines for heart transplant.

Staffing is expected to increase by 11.5 FTEs in Year One of the completed project, and to increase slightly to a total of 12.4 FTEs by the third year of operation.

NSUH has not yet applied for UNOS/OPTN approval to establish a heart transplant program. They plan to apply upon approval of this project.

NSUH was certified in 2007 for adult kidney transplantation and the program was recertified without findings by the Centers for Medicare and Medicaid (CMS) in August, 2015. Long Island Jewish Medical Center (Cohens Children's Hospital), an affiliate of North Shore within the Northwell Health system, was approved to open a pediatric kidney transplant program in 2016.

Program Review

In addition to materials provided as part of the CON application, staff review of the proposed project included review of draft components of the applicant's UNOS/OPTN application to initiate a heart transplant program; the facility's most recent CMS survey in 2015; NYS Cardiac Services Outcomes data; the UNOS/OPTN and the SRTR data on heart transplant volumes, rates and outcomes, waitlist volume and mean time to transplant at the five existing NYS heart transplant program, as well as the applicant's kidney transplant data.

The applicant has an active cardiothoracic surgery program with analysis of 2016 data submitted to the Department's Cardiac Services Program revealing an observed mortality rate less than the observed statewide mortality rate for isolated coronary artery bypass graft (CABG) and valve surgeries, combined CABG and valve surgeries, and other cardiac surgeries. 2016 observed mortality rate data for isolated CABG and valve surgeries and combined CABG and valve surgeries were also less than the statewide observed mortality rate, while the center rate for other cardiac surgeries was somewhat higher than the statewide rate. NSUH has an alliance with the Cleveland Clinic with reportedly affords their patients greater access to clinical trials, technology, enhanced treatment options.

In addition, NSUH has an active cardiovascular interventional program reportedly performing over 2,700 PCI procedures in each of the last two years with consistently low mortality rates.

Data from UNOS/OPTN and SRTR demonstrated that NSUH performed 35 kidney transplants between July 2015 and June 2016 with one year graft and patient survival transplant outcomes for the period of 7/1/2013-12/31/2015 as expected. Long Island Jewish Medical Center (Cohen's Children's Hospital) was recently approved for and performed their first pediatric kidney transplant.

The Northwell Health network and its affiliate hospitals have undertaken a number of initiatives to increase donation rates and build a culture of donation. These include the establishment of a Physician Donor Council at each Northwell facility and at the system level and implementation of an electronic monitoring system (eICU) that, based on triggers (vital signs, Glasgow Coma Scale, etc.), identifies potential donors and referral to the local organ procurement agency. This eICU system was implemented in six of the network hospitals in 2016. Further implementation in nine additional network hospitals is planned for 2017 and 2018. In addition, staff education and outreach is underway.

LiveOnNY, the New York City Metro-area organ procurement organization (OPO), has submitted a letter in support of NSUH's application. Northwell Health system and LiveOnNY data on referrals, organs recovered and transplants reveal improvement in all areas.

Expert Review Process

To further evaluate this application, the Department convened a committee consisting of experts in the field to review the application, provide feedback as to its strengths and weaknesses, and make recommendations.

The review committee was chaired by the Chairperson of the NYS Transplant Council and included another member of the Transplant Council (TC); a cardiothoracic surgeon member of the Cardiac Advisory Committee (CAC); a NYS transplant program administrator; a heart transplant surgeon and cardiologist from non-competing out-of-state programs; and a chief operating officer from a large organ procurement organization, also out of state.

Review Committee members were provided with the following information for review and evaluation:

- components of the CON application;
- UNOS/OPTN and SRTR data for volumes, outcomes, transplant rates and other data regarding existing heart transplant centers in NYS;
- volumes and mortality for the NSUH kidney transplant program;
- components of the applicants draft UNOS/OPTN application to initiate a heart transplant program;
- analysis of 2014-2016 cardiac services data; and
- information regarding public comment received about the application and copies of select correspondence.

Committee members were asked to review this program based on the merits of the application, supplemental material supplied by the Department, and their individual knowledge and expertise. Each member was asked their thoughts and opinions and discussion followed.

Overall, the Committee found the application to be acceptable and specific observations of committee members included:

- There were unmet end-stage heart failure care needs of patients served by the Northwell Health Network and Maimonides Medical Center;
- There are challenges and hardships associated with needing to travel for transplant related care faced by these patients and their families;
- There are active cardiovascular intervention and cardiothoracic surgery programs demonstrating good outcomes at NSUH;
- An established LVAD program and the expertise of Maimonides provides added support to that existing within NSUH and the Northwell system;
- The existing and planned infrastructure of the applicant's program is strong and the program will likely be able to leverage existing services and patients served by them to generate a waitlist and increase organ donation;
- The capacity of applicant to perform quality assurance and performance improvement program (QAPI), develop and implement policies and procedures consistent with standards of care and current medical evidence, and carry out other CMS/UNOS/DOH programmatic requirements;
- The credentials of the heart transplant medical and surgical directors and their teams are impressive and meet UNOS/OPTN and CMS requirements;
- Acknowledgement of preparedness of the applicant to put in place the required transplant associated clinical, administrative and support staff, but preference to have the primary surgeon (surgical director) onsite; recognizing the challenges of doing this without CON approval;
- Existing heart transplant centers have the capacity to perform more transplants;
- Acknowledgement of actions taken to implement the eICU system to increase early identification of potential donors and notification of LiveOnNY, to educate staff and increase organ donation within both the NW patient population as well as within the healthcare worker ranks;
- The potential that the addition of a new program could dilute the existing pool of organ donors and organs available for transplant. However, the Committee did not think the addition of new programs in NYS would destabilize existing programs; and
- There was public comment in support of and opposition to this application and potential concern regarding the impact the establishment of any new heart transplant program may have on the availability of hearts to existing programs and the quality of care.

The committee raised no concerns about the applicant's volume projections of performing ten heart transplants in Year 1, 15 in Year 2 and 20 in Year 3.

The committee discussed how the new UNOS/OPTN heart allocation policy will likely impact the availability of hearts to New York's centers and, although evidence of the impact of the change will not be available for two or more years, it was felt that the rule changes would bring more donor hearts into New York programs with higher acuity patients listed and likely have little impact on lower volume programs. It was noted that some hearts would leave New York for transplantation at other centers within the 500-mile radius allocation rule due higher patient acuity elsewhere and other reasons such as organ size, etc. Committee members noted that all transplant programs need to maintain a balance in the acuity of the

patients they list, the organs they accept for transplantation, and the patients they transplant to assure that program outcomes are maintained within the parameters set by UNOS/OPTN and CMS. The Committee noted this is especially true for new programs.

Even though it was the opinion of the Committee that with the changes to the UNOS/OPTN heart allocation rules would most likely benefit NYS centers overall, every committee member raised the point that the applicant, and all NYS transplant centers, should implement strategies proven in other parts of the country to increase early identification of potential donors, maximize medical management of donors and improve donation rates for all organs.

The Committee discussed whether opening a new program would destabilize or adversely impact the quality of existing programs, making less hearts available to more providers in an environment where an already limited number of hearts are available for transplantation. Given the fact that many heart transplant programs nationally perform relatively few heart transplants and their outcomes are equivalent to those expected of all programs by UNOS/OPTN, Committee members did not think that any reduction in the volume of transplants performed at existing programs that might occur subsequent to the opening of new programs would negatively impact the outcomes of the existing programs. The Committee also noted that the addition of programs that also included comprehensive strategies for increasing donation rates had the likelihood of increasing the number of organs available for transplant in NYS.

In addition, it was suggested that the applicant's collaboration with LiveOnNY could be strengthened by implementation of an automatic referral of potential donors—an enhancement of the current eICU system.

Compliance with Applicable Codes, Rules and Regulations

A successful Medicare Transplant re-approval survey was conducted for the NSUH adult kidney transplant programs August 11-12, 2015.

This facility has no outstanding Article 28 surveillance or enforcement actions and, based on the most recent surveillance information, is deemed to be currently operating in substantial compliance with all applicable State and Federal codes, rules and regulations. This determination was made based on a review of the files of the Department of Health, including all pertinent records and reports regarding the facility's enforcement history and the results of routine Article 28 surveys as well as investigations of reported incidents and complaints.

Conclusion

Governor Cuomo and Commissioner Zucker have made organ and tissue donation and increasing NYS Donate Life Registry enrollments, a public health priority. Recent efforts have been focused on modernizing and expanding the NYS Donate Life Registry and calling upon the physician community to become engaged in the organ donation crisis. A logical next initiative is a call to action for all hospitals, including transplant centers, to support efforts to create a state-wide culture that supports and improves organ donation. This enhances the overall goal of creating a state-wide environment, which reaches across medical and social institutions and into communities, to improve organ donation.

The expansion of the population health model, and hospitals as entities willing and able to accept broad responsibilities for the health of the populations they serve, has coincided with changes that are critical to support organ donation promotion and procurement. Hospitals are vital partners in the organ donation process, from referring potential donors and managing their care, to maximize the number of organs available for transplantation, and to promoting organ donor registry enrollment efforts. These activities have become increasingly vital and necessary to address New York's shortage of organ donors.

Accordingly, the Department has determined that any application for organ transplant services must include a detailed plan of specific, measurable organ donation activities. These should be comprehensive and aim to improve actual recovery of transplantable donor organs, create an institutional culture that supports donation throughout the facility and in all arenas where patient care is delivered, and demonstrate a commitment to improving donor registry enrollment rates.

North Shore's application reflects this movement and contains an innovative program to improve the donor referral process; their eICU. The Department's contingencies and conditions for approval will reflect the Department's recognition that hospitals need to be proactive partners in statewide efforts to improve organ donation and registry enrollment.

The applicant has assured the Department their program will meet all the requirements of 10 NYCRR 405.30 and 405.31 as well as comply with the relevant CMS Conditions of Participation for Transplant Centers. State regulations require facilities with approved heart and/or lung transplant programs to join the New York Cardiothoracic Consortium.

Recommendation

From a programmatic perspective, contingent approval is recommended.

Financial Analysis

Total Project Cost and Financing

The total project cost for telecommunications and fees is \$375,342, to be funded via equity.

Telecommunications	\$371,300
Application Fee	2,000
Processing Fee	<u>2,042</u>
Total Project Cost	\$375,342

Incremental Operating Budget

The applicant has submitted an incremental operating budget, in 2017 dollars, for the first and third years, summarized below:

	<u>Year One</u>	<u>Year Three</u>
<u>Inpatient Revenues</u>		
Commercial - Managed Care	\$1,768,400	\$4,126,300
Medicare - Managed Care	0	2,812,200
Medicaid - Managed Care	0	1,003,900
Total Inpatient	\$1,768,400	\$7,942,400
<u>Outpatient Revenues</u>		
Commercial - Managed Care	\$12,100	\$28,000
Medicare - Managed Care	6,000	32,000
Medicaid - Managed Care	<u>12,100</u>	<u>20,000</u>
Total Outpatient	\$30,200	\$80,000
Total Revenue	\$1,798,600	\$8,022,400
<u>Expenses</u>		
Operating	\$4,715,700	\$5,867,500
Capital	<u>53,600</u>	<u>53,600</u>
Total Expenses	\$4,769,300	\$5,921,100
Gain/(Loss)	<u>(\$2,569,100)</u>	<u>\$2,101,300</u>
Total Patient Discharges	10	20
Visits	250	663

Inpatient utilization by payor source for Year One and Year Three is as follows:

<u>Payor</u>	<u>Year One</u>	<u>Year Three</u>
Commercial - Managed Care	40%	35%
Medicare - Managed Care	0%	40%
Medicaid - Managed Care	0%	25%
Charity Care	60%	0%

Outpatient utilization by payor source for Year One and Year Three is as follows:

<u>Payor</u>	<u>Year One</u>	<u>Year Three</u>
Commercial - Managed Care	40%	35%
Medicare - Managed Care	20%	40%
Medicaid - Managed Care	40%	25%

The following is noted with respect to the submitted budget:

- There are no inpatient Medicaid and Medicare revenues projected during the first year, as transplant programs are not eligible to apply for CMS certification until after the completion of ten transplant procedures.
- The applicant expects that prior to the CMS certification, they will be able to negotiate rates on a case by case basis in Year One for commercial pay patients.
- The CFO of Northwell Health, Inc. submitted a letter noting that Northwell is committed to financially support the program to serve the needs of the community and will absorb the budgeted Year One losses related to the program pending CMS certification.
- Utilization, revenue and expense assumptions are based on the experience of the applicant through their kidney transplant service program, and through the experience of their affiliate, the Cleveland Clinic, in which they are using the Cleveland Clinic's Heart Transplant Manual for Adults to benchmark operations. The manual provides guidelines on frequency of exams and median waitlist times. SPARCS data also allowed them to develop total patient encounters and predict how many transplants will be needed for years one and three.

Capability and Feasibility

The total project cost of \$375,342 will be met with equity from accumulated funds. Working capital requirements are estimated at \$1,241,250 based on two months of third year expenses. Working capital will be funded from operations. BFA Attachment A is the 2015 and September 30, 2016 Consolidated Statement of Financial Position and Consolidated Statement of Operations from Northwell Health's certified financial statements, which indicates the availability of sufficient funds for the equity contribution and working capital needs.

The submitted incremental budget indicates a loss in the first year of \$2,569,100. This is primarily due to the facility's inability to bill for Medicare and Medicaid inpatient services until CMS certification of the heart transplant program is received. After certification, Year Three projects a gain of \$2,101,500 from this program. The applicant submitted a letter from the CFO of Northwell indicating that they will offset the losses via operations for the first-year projected loss. Revenues reflect current reimbursement methodologies for liver transplant services. The budget appears reasonable.

BFA Attachment A shows the hospital maintained positive working capital and net asset positions, and achieved an average net operating income.

The applicant has demonstrated the capability to proceed in a financially feasible manner.

Recommendation

From a financial perspective, approval is recommended.

Attachments

BFA Attachment A 2015 and September 30, 2016 Financial Summary of Northwell Health, Inc.



Project # 162544-C
Memorial Hospital for Cancer and Allied Diseases

Program: Hospital
Purpose: Construction

County: New York
Acknowledged: January 25, 2017

Executive Summary

Description

This application amends and supersedes CON 131326, adding two outpatient physician office practices and a 16-bed inpatient unit to that previously approved project. Memorial Hospital for Cancer and Allied Disease (MHCAD), a 514-bed, voluntary not-for-profit, Article 28 hospital affiliate of Memorial Sloan-Kettering Cancer Center (MSKCC) located at 1275 York Avenue, New York (New York County), requests approval to construct and certify a new hospital division to be located at 503 East 74th Street in Manhattan. The building will be 23 stories high and approximately 760,000 square feet. The building is also in the proximate location of the main hospital campus, which will enable coordination between outpatient and inpatient services. The applicant states that the building will be sufficient to meet current demand, and has been designed to meet the anticipated growth projections through 2026.

The original plan for the building submitted under CON 131326 included the following:

- Clinic space for Hematologic, Thoracic, Endocrinology, Head, Neck and other oncology services, including and outpatient bone marrow transplants program;
- Infusion Rooms for standard chemotherapy and early stage trials of new drugs and biologic agents;
- Consultative services including, Dental, Speech and Swallowing, Cardiology, Pulmonary, Pre-surgical Testing, Cutaneous lymphoma and Outpatient Rehabilitation;
- A Radiation Oncology Program including three linear accelerators, one MRI Simulation Suite and One CT Simulation Suite;

- A Diagnostic Imaging Program including three Angiography/CT Units and one PET/CT;
- An Interventional Radiology Program including Chemotherapy and Retail Pharmacies, Laboratory Medicine and Pathology Services; and
- Academic and Administrative Office Space and a Conference Center.

CON 131326 was contingently approved by the Public Health and Health Planning Council on December 12, 2013, and all contingencies were satisfied on March 21, 2014 authorizing construction to begin. This amendment includes all of what was approved under CON 131326 and the following additions, which utilize the unassigned shell space originally included in CON 131326:

- a proposal to include two outpatient physician office practices: Dermatology, with its associated Mohs Surgery program, and Plastics/Reconstructive Surgery and
- a proposal for a 16-bed inpatient unit for patients requiring elective inpatient chemotherapy and patients requiring admission following interventional radiology procedures.

OPCHSM Recommendation
Contingent Approval

Need Summary

The additional inpatient beds and outpatient space is warranted given Memorial's current and projected utilizations. The beds are projected to have an 85% utilization rate and the site will see almost 181,000 outpatient visits by the third year after completion.

Program Summary

Based on the results of this review, a favorable recommendation can be made regarding the facility's current compliance pursuant to 2802-(3)(e) of the New York State Public Health Law.

Financial Summary

Project costs of \$1,549,958,915 will be met with \$159,227,459 Equity/Operations, \$215,000,000 in land already purchased, a contribution of \$150,000,000 from David H. Koch, \$899,856,000 in bond financing, and an inter-corporate loan of \$125,875,456. Below is the proposed budget:

	<u>Current Year</u>	<u>Year One</u>
Revenues	\$2,915,949,000	\$3,142,167,000
Expenses	<u>2,725,233,000</u>	<u>3,008,740,000</u>
Net Income	\$190,716,000	\$133,427,000

Recommendations

Health Systems Agency

There will be no HSA recommendation for this project.

Office of Primary Care and Health Systems Management

Approval contingent upon:

1. Submission of a check for the amount enumerated in the approval letter, payable to the New York State Department of Health. Public Health Law Section 2802.7 states that all construction applications requiring review by the Public Health and Health Planning Council shall pay an additional fee of fifty-five hundredths of one percent of the total capital value of the project, exclusive of CON fees. [PMU]
2. Submission of State Hospital Code (SHC) Drawings, acceptable to the Department, as described in BAEFP Drawing Submission Guidelines DSG-02. [AER]
3. Submission of Engineering (MEP) Drawings, acceptable to the Department, as described in BAEFP Drawing Submission Guidelines DSG-02. [AER]
4. Submission of State Environmental Quality Review (SEQR) Summary of Findings pursuant to 6 NYCRR Part 617.4(b) (6), and 10NYCRR 97.12. [SEQ]

Approval conditional upon:

1. The project must be completed within five years from the date of the Public Health and Health Planning Council recommendation letter. Failure to complete the project within the prescribed time shall constitute an abandonment of the application by the applicant and an expiration of the approval. [PMU]
2. Submission of confirmation of the DASNY Bond Financing Resolution or alternately, notification of approval for an incremental Inter-corporate MSKCC loan if the bond financing market cannot be accessed, acceptable to the Department of Health. [BFA]

Council Action Date

June 8, 2017

Need Analysis

Background and Analysis

Memorial Hospital for Cancer and Allied Diseases, a 514-bed facility located at 1275 York Ave. New York, NY 10021 is seeking approval to certify a new division with 16 medical/surgical beds and specialty outpatient services including chemotherapy, therapeutic radiology, interventional radiology, and physician office practices. This project amends and supersedes CON 131326 which was approved by the Public Health and Health Planning Council on December 12, 2013 and is currently under construction. The amendment includes the addition of the inpatient beds and outpatient physician services.

	Current Beds	Discharges			
		2012	2013	2014	2015
Med/Surg	476	23,527	21,333	21,137	21,448
Pediatric	38	981	983	901	882
Obstetric	0	1	2	0	30
General Psychiatric	0	14	8	9	17
Chemical Dependence	0	11	9	4	9
High-Risk Neonates	0	1	0	0	0
Total	514	24,535	22,335	22,051	22,386

Source: SPARCS

	Occupancy Based on Current Beds			
	2012	2013	2014	2015
Med/Surg	80.8%	79.1%	79.9%	81.8%
Pediatric	55.4%	54.6%	51.7%	55.1%
Obstetric	0.0%	0.0%	0.0%	0.0%
General Psychiatric	0.0%	0.0%	0.0%	0.0%
Chemical Dependence	0.0%	0.0%	0.0%	0.0%
High-Risk Neonates	0.0%	0.0%	0.0%	0.0%
Total	79.0%	77.3%	77.9%	79.9%

Source: SPARCS

	Projected Outpatient Visits			
	131326		162544 as Amended	
	First Year	Third Year	First Year	Third Year
Medical Services - Primary Care	29,489	53,412	65,102	93,825
Radiology Therapeutic	6,234	9,588	6,234	9,588
Magnetic Resonance Imaging	8,140	10,276	8,140	10,276
Nuclear Medicine (Diagnostic)	2,500	2,500	2,500	2,500
Pharmaceutical Services	17,595	24,095	17,595	24,095
Radiology Diagnostic	34,200	40,700	34,200	40,700
Total	98,158	140,571	133,771	180,984

Memorial states that its current Interventional Radiology (IR) program is at maximum capacity and patients are experiencing extended wait times. Per the need methodology set forth in section 709.16, linear accelerators are expected to perform between 5,000 and 6,500 treatments per year. Based on 709.16, the public need for linear accelerators in New York City is:

1	Number of Cancer Cases per Year	37,840
2	60% will be Candidates for Radiation Therapy	22,704
3	50% of (2) will be Curative Patients	11,352
4	50% of (2) will be Palliative Patients	11,352
5	Course of Treatment for Curative Patients is 35 Treatments	397,322
6	Course of Treatment for Palliative patients is 15 Treatments	170,281
7	The Total Number of Treatments [(5)+(6)]	567,603
8	Need for MEV Machines in NYC* (Each MEV Machine has Capacity for 6,500 Treatments)	87
9	Existing/Approved Resources	71
10	Remaining Need for MEV Machines	16

There is a remaining need for 16 linear Accelerators in New York City. If this project is approved, there will be a remaining need for 13 linear accelerators.

The applicant anticipates an approximate growth of 35.3% from Year One to Year Three across the outpatient services. First and third year inpatient projected days of 4,928 are based on a projected average daily census of 13.5, which is an 85% utilization.

Conclusion

Memorial Sloan Kettering is facing the problem of high utilization, lack of space for expansion, and an anticipated growth in utilization. The addition of this 16-bed division, with ample space for outpatient services will resolve these issues.

Recommendation

From a need perspective, approval is recommended.

Program Analysis

Program Proposal

The new division will include 16 medical/surgical beds; Clinic space for Hematologic, Thoracic, Endocrinology, Head, Neck and other oncology services, including and outpatient bone marrow transplants program; Infusion Rooms for standard chemotherapy and early stage trials of new drugs and biologic agents; Consultative services including, Dental, Speech and Swallowing, Cardiology, Pulmonary, Pre-surgical Testing, Cutaneous lymphoma and Outpatient Rehabilitation; A Radiation Oncology Program including three linear accelerators, one MRI Simulation Suite and One CT Simulation Suite; A Diagnostic Imaging Program including three Angiography/CT Units and one PET/CT; An Interventional Radiology Program including Chemotherapy and Retail Pharmacies, Laboratory Medicine and Pathology Services; two outpatient physician office practices: Dermatology, with its associated Mohs Surgery program, and Plastics/Reconstructive Surgery; and Academic and Administrative Office Space and a Conference Center.

Staffing at the new site is expected to be 764.7 FTEs in the first year, increasing to 825.7 FTEs by the third year of operation.

Compliance with Applicable Codes, Rules and Regulations

This facility has no outstanding Article 28 surveillance or enforcement actions and, based on the most recent surveillance information, is deemed to be currently operating in substantial compliance with all applicable State and Federal codes, rules and regulations. This determination was made based on a review of the files of the Division of Certification and Surveillance, including all pertinent records and reports regarding the facility's enforcement history and the results of routine Article 28 surveys as well as investigations of reported incidents and complaints.

Conclusion

Based on the results of this review, a favorable recommendation can be made regarding the facility's current compliance pursuant to 2802-(3)(e) of the New York State Public Health Law.

Recommendation

From a programmatic perspective, approval is recommended.

Financial Analysis

Total Project Cost and Financing

Total project cost, which is for new construction and the acquisition of moveable equipment is estimated at \$1,549,958,915, itemized as follows:

Land*	\$215,000,000
New Construction	685,028,769
Renovation & Demolition	2,802,557
Site Development	3,534,562
Temporary Utilities	4,200,023
Asbestos Abatement or Removal	17,850,097
Design Contingency	49,996,322
Construction Contingency	24,998,162
Planning Consultant Fees	11,130,431
Architect/Engineering Fees	45,990,242
Construction Manager Fees	12,773,879
Other Fees	65,536,448
Movable Equipment	127,816,667
Telecommunications	49,767,300
Financing Costs	6,766,000
Interim Interest Expense	218,675,413
Application Fee	2,000
Processing Fee (Adjusted)**	<u>8,090,043</u>
Total Project Cost	\$1,549,958,915

Project costs are estimated based on a construction start date of July 1, 2014, and a 57-month construction period.

* The land was purchased by Memorial Sloan-Kettering Cancer Center, in partnership with The City University of New York (CUNY). Two-thirds of the site is dedicated to this project and the remaining one-third is dedicated to CUNY Hunter College's Science and Health Professions.

** The processing fee has been adjusted based on the Article 28 allocated project cost for this project as follows:

A. Total Project Cost submitted without Fees	\$1,541,866,872
B. Less: 33% Allocation of Land Fee for non-Article 28 Component	<u>(70,950,000)</u>
C. Processing Fee basis for Article 28 Project Cost	\$1,470,916,872
D. Adjusted Processing Fee (C X 0.0055)	8,090,043

Construction began in 2014 under the original approval and the applicant has already established financing for most of the overall project. The financing of the project appears as follows:

Equity/Operations Contribution	\$159,227,459
Land	150,000,000
Inter-corporate Loan (see below)	215,000,000
Bonds (see below)	125,875,456
	<u>899,856,000</u>
	\$1,549,958,915

Affiliate Loan

This amount will be provided from MSKCC. The hospital is only obligated to repay its inter-corporate loan with MSKCC in the event the hospital generates a positive cash flow over the course of any year. The payment would be the amount of the excess cash-flow. The loan is unsecured, without interest, and has no specific term or final due date. A letter from MSKCC's Chief Financial Officer confirms these terms.

Bonds

Bonds Issued (Taxable) fixed rate 5% for 30 years	\$400,000,000
Bonds Issued (Taxable) fixed rate 4.125% for 40 years	150,000,000
Bonds Issued (Taxable) fixed rate 4.2% for 40 years	300,000,000
*DASNY Bonds (2017) Projected Issue	<u>49,856,000</u>
	\$899,856,000

*MHCAD has not provided a letter of interest to date from DASNY for the additional bond financing, which is expected to be issued in connection with another financing project in late 2017 or early 2018. The applicant assumes a 4.0% interest rate for a term of 20 years. They indicated that if for any unforeseen reason the bond market cannot be accessed, MSKCC will loan the money needed to fund any remaining costs of the project to the Hospital. BFA Attachment A is MSKCCs financial statements indicating the availability of sufficient capital.

Operating Budget

The applicant has submitted an operating budget, in 2017 dollars, for the current and first projected year, summarized below in (000s):

<u>Inpatient Revenues</u>	<u>Current Year</u>		<u>Year One</u>	
	<u>Per Day</u>	<u>Total</u>	<u>Per Day</u>	<u>Total</u>
Commercial - FFS	\$6,811.07	\$49,353,000	\$6,824.09	\$51,051,000
Commercial - MC	\$6,048.58	414,521,000	\$6,060.04	428,784,000
Medicare - FFS	\$3,358.85	186,134,000	\$3,365.13	192,539,000
Medicare - MC	\$3,359.14	12,150,000	\$3,365.83	12,568,000
Medicaid - FFS	\$3,145.12	9,514,000	\$3,151.14	9,841,000
Medicaid - MC	\$2,942.08	31,898,000	\$2,947.65	32,996,000
Private Pay	\$10,978.39	33,023,000	\$11,001.29	34,159,000
Other		<u>153,573,000</u>		<u>158,467,000</u>
Total Inpatient		\$890,166,000		\$920,405,000

<u>Outpatient Revenues</u>	<u>Per Visit</u>	<u>Total</u>	<u>Per Visit</u>	<u>Total</u>
Commercial - FFS	\$1,759.33	\$55,514,000	\$1,566.70	\$59,685,000
Commercial - MC	\$1,592.30	909,564,000	\$1,551.95	997,940,000
Medicare - FFS	\$1,154.65	445,840,000	\$1,114.55	482,485,000
Medicare - MC	\$1,142.28	29,176,000	\$1,152.90	30,771,000
Medicaid - FFS	\$798.59	9,421,000	\$676.91	10,044,000
Medicaid - MC	\$895.50	36,086,000	\$893.80	37,317,000
Private Pay	\$2,541.02	48,287,000	\$2,408.74	51,564,000
Other		<u>491,895,000</u>		<u>551,956,000</u>
Total Outpatient		\$2,025,783,000		\$2,221,762,000
Total Revenue		\$2,915,949,000		\$3,142,167,000
<u>Expenses</u>				
Operating		2,608,916,000		2,789,060,000
Capital		<u>116,317,000</u>		<u>219,680,000</u>
Total		\$2,725,233,000		\$3,008,740,000
Net Income		<u>\$190,716,000</u>		<u>\$133,427,000</u>
Total Patient Days		151,827		156,755
Visits		1,089,097		1,222,868

Utilization by payor source for **inpatient** services for the first and third years is as follows:

<u>Payor</u>	<u>1st & 3rd Year</u>
Commercial - FFS	4.8%
Commercial - MC	45.1%
Medicare - FFS	36.5%
Medicare - MC	2.4%
Medicaid - FFS	2.0%
Medicaid - MC	7.1%
Private Pay	2.1%

Utilization by payor source for **outpatient** services for the first and third years is as follows:

<u>Payor</u>	<u>1st Year</u>	<u>3rd Year</u>
Commercial - FFS	2.9%	3.1%
Commercial - MC	52.4%	52.6%
Medicare - FFS	35.5%	35.4%
Medicare - MC	2.3%	2.2%
Medicaid - FFS	1.1%	1.2%
Medicaid - MC	3.7%	3.4%
Private Pay	2.1%	2.1%

- Revenue and expense assumptions are estimated based on the experience of the existing services provided within Memorial Hospital for Cancer and Allied Diseases and have been adjusted for the projected volume and patient utilization.
- Other Inpatient revenue consist of Retail Pharmacy, Billings to Affiliates, and other hospital services.
- Other Outpatient Revenue consists of Medical Practice Revenue.
- Utilization assumptions are based on the services currently being provided.

Capability and Feasibility

As indicated above Total project costs of \$1,549,958,915 is being be funded via:

Equity/Operations	\$159,227,459
Contribution	150,000,000
Land	215,000,000
Inter-corporate Loan	125,875,456
Bonds	<u>899,856,000</u>
	\$1,549,958,915

BFA Attachment A is the financial summary of MSKCC, which indicates the availability of sufficient funds to meet the equity contribution. In the event the bonds are not attainable at reasonable rates, the hospital has agreed to work out an inter-corporate unsecured loan with no set payments and interest free with its corporate affiliate, MSKCC.

Working capital requirements are estimated at \$501,456,667 based on two months of third year incremental expenses. The applicant will provide equity from operations to meet the working capital requirement. BFA Attachment A indicates the availability of sufficient funds to meet the total project cost and the working capital requirements.

The submitted budget indicates an excess of expenses over revenues of \$133,427,000 during the first year of operations after the project is completed. Revenue and expense assumptions are based on the experience of the existing services provided within Memorial Hospital for Cancer and Allied Diseases, adjusted for the projected volume and patient utilization.

BFA Attachment A is the financial summary of MSKCC, which shows the entity maintained a positive working capital position, a positive net asset position and an average annual excess of operating revenues over expenses for the period shown.

The applicant has demonstrated the capability to proceed in a financially feasible manner.

Recommendation

From a financial perspective, approval is recommended.

Attachments

BFA Attachment A – 2015-2016 Financial Summary, Audited MSKCC



Project # 171047-C
Erie County Medical Center

Program: Hospital
Purpose: Construction

County: Erie
Acknowledged: January 19, 2017

Executive Summary

Description

Erie County Medical Center (ECMC), a 602-bed public benefit corporation, Article 28 acute care hospital located at 462 Grider Street, Buffalo (Erie County), requests approval to construct a new 54,000 square foot emergency department (ED) to be located on ECMC's campus adjacent to the existing ED. The purpose is to relocate, expand and modernize the ED, which is consistently operating over capacity in space not renovated in over 20 years. The current 36-station ED occupies 26,100 square feet in space that was designed for approximately 45,000 visits annually. In 2015, the facility served 56,148 ED patients. The proposed new ED will have 54 stations subdivided based on patient acuity as follows: 18 fast track stations, 32 high to medium acuity main ED treatment stations, and four dedicated trauma rooms. The new ED will include a public lobby and associated support spaces for walk-in patients, a care initiation zone for advanced triage, staff support and administration areas, and intradepartmental imaging to streamline operational efficiency and patient throughput.

ECMC is a Level 1 Trauma Center, a safety net hospital, an academic medical center/major teaching facility for the University at Buffalo School of Medicine, and the region's primary teaching facility for ED and Trauma medical residents. The hospital currently has more than 68,000 ED visits and 18,000 patient discharges annually.

OPCHSM Recommendation
Contingent Approval

Need Summary

No changes to the operating certificate are being proposed. The total number of ED bays, including trauma stations, will increase from 36 to 54. By Year 3 of project completion, the Center projects an additional 7,241 ED visits, for a total of 1,174 visits per treatment area. The new ED will provide improvements in work flow, patient safety and patient satisfaction.

Program Summary

Based on the results of this review, a favorable recommendation can be made regarding the facility's current compliance pursuant to 2802-(3)(e) of the New York State Public Health Law.

Financial Summary

Total project costs of \$55,329,160 will be met with \$9,315,291 equity and \$46,013,869 via Erie County Fiscal Stability Authority (ECFSA) Bond financing at 3.46% interest rate for a 22-year term. The applicant has provided ECFSA's approval (Resolution No. 17-09) authorizing the issuance of ECFSA Series B - 2017 New Money Bonds to fund capital projects of Erie County, including ECMC's ED construction project.

ED Specific Budget (Treat & Release only)

	<u>Year One</u>	<u>Year Three</u>
Revenues	\$34,304,633	\$35,294,763
Expenses	<u>\$33,097,520</u>	<u>\$33,233,525</u>
Gain/(Loss)	\$1,207,113	\$2,061,238

ED Enterprise Budget

	<u>Year One</u>	<u>Year Three</u>
Revenues	\$251,043,658	\$257,773,179
Expenses	<u>\$247,957,322</u>	<u>\$248,979,714</u>
Gain/(Loss)	\$3,086,336	\$8,793,465

Recommendations

Health Systems Agency

There will be no HSA recommendation for this project.

Office of Primary Care and Health Systems Management

Approval contingent upon:

1. Submission of a check for the amount enumerated in the approval letter, payable to the New York State Department of Health. Public Health Law Section 2802.7 states that all construction applications requiring review by the Public Health and Health Planning Council shall pay an additional fee of fifty-five hundredths of one percent of the total capital value of the project, exclusive of CON fees. [PMU]
2. Submission of Engineering Drawings, acceptable to the Department, as described in BAER Drawing Submission Guidelines DSG-02. [AER]
3. Submission of State Hospital Code (SHC) Drawings, acceptable to the Department, as described in BAEFP Drawing Submission Guidelines DSG-02. [AER]

Approval conditional upon:

1. The project must be completed within three years from the date of the Public Health and Health Planning Council recommendation letter. Failure to complete the project within the prescribed time shall constitute an abandonment of the application by the applicant and an expiration of the approval. [PMU]
2. Construction must start on or before June 28, 2017 and construction must be completed by November 1, 2018, presuming the Department has issued a letter deeming all contingencies have been satisfied prior to commencement. In accordance with 10 NYCRR Section 710.10(a), if construction is not started on or before the start date this shall constitute abandonment of the approval. It is the responsibility of the applicant to request prior approval for any changes to the start and completion dates. [PMU]
3. The submission of Final Construction Documents, as described in BAER Drawing Submission Guidelines DSG-05, is required prior to the applicant's start of construction. [AER]

Council Action Date

June 8, 2017

Need Analysis

Background and Analysis

Erie County Medical Center is a 602-bed facility located at 462 Grinder Street, Buffalo, NY 14215, in Erie County with the following state designations: AIDS Center, Burn Center, Level 1 Adult Trauma Center, SAFE Center of Excellence, Stroke Center.

This project is intended to modernize and increase the capacity of the emergency department to serve current and future volume.

ED Utilization Data				
Year	Inpatient Admissions	Treat and Release	AmSurg from ED	All ED Discharges
2011	10,167	42,132	95	52,394
2012	11,034	44,163	98	55,295
2013	10,593	46,602	103	57,298
2014	10,699	45,685	134	56,518
2015	10,046	45,958	144	56,148

Source: SPARCS 2017

As the only Level 1 Trauma Center in the Western New York planning region, and with significant projected increases in the elderly population within Erie County, the Center is projecting 7,241 additional ED visits by Year 3 after completion. Per the Cornell Project on Applied Demographics, the population aged 65 and older will increase from 149,458 in 2015 to 159,498 in 2020, an increase of 6.7% over five years.

The ED is already operating beyond the intended capacity. ECMC saw 56,148 ED visits in 2015, or 1,560 visits per treatment area. The projected visits per area will decrease to 1,174 with the increase in treatment areas.

Erie County Medical Center will continue to operate in compliance with all applicable Federal, State and local codes and regulations. The Center is a Safety Net Provider and accepts patients regardless of ability to pay, and will provide treatment regardless of any personal characteristic.

Conclusion

No changes to certified beds or services are being proposed. This expanded and modernized ED will enable Erie County Medical Center to provide for current and projected patient volumes safely and efficiently.

Recommendation

From a need perspective, approval is recommended.

Program Analysis

Program Proposal

The ED at ECMC was last substantially renovated in the late 1990's and is comprised of 32 emergency stations and four trauma bays. Since that time, annual patient volumes have increased by more than 100% resulting in strained resources and extensive wait times for patients. The applicant seeks to increase the build a new 54,000 square foot ED next to the existing 26,000 square foot ED. The new ED will include 50 emergency stations and four trauma bays with direct access to the helipad via a dedicated rooftop elevator.

Character and Competence

This facility has no outstanding Article 28 surveillance or enforcement actions and, based on the most recent surveillance information, is deemed to be currently operating in substantial compliance with all applicable State and Federal codes, rules and regulations. This determination was made based on a review of the files of the Division of Certification and Surveillance, including all pertinent records and reports regarding the facility's enforcement history and the results of routine Article 28 surveys as well as investigations of reported incidents and complaints.

Recommendation

From a programmatic perspective, approval is recommended.

Financial Analysis

Total Project Cost and Financing

Total project costs, estimated at \$55,329,160, are broken down as follows:

New Construction	\$27,986,433
Site Development	\$2,325,680
Design Contingency	\$3,031,211
Construction Contingency	\$1,515,606
Architect/Engineering Fees	\$2,085,000
Construction Manager Fees	\$817,890
Movable Equipment	\$9,586,162
Telecommunications	\$3,665,887
Interim Interest Expense	\$4,010,656
CON Application Fee	\$2,000
CON Processing Fee	<u>\$302,635</u>
Total Project Cost	\$55,329,160

Project costs are based on a construction start date August 28, 2017, with an 18-month construction period.

The applicant's financing plan appears as follows:

Cash	\$9,315,291
ECFSA Series B Bond (3.46% interest, 22-year term)	<u>\$46,013,869</u>
Total	\$55,329,160

The cash contribution will be provided from ECMC's current operations. BFA Attachment A is ECMC Corporation's 2013-2016 certified financial statements, which shows the availability of sufficient resources to cover project costs and the requisite working capital requirements.

The applicant has provided the executed ECFSA Resolution No. 17-09 authorizing the Series B new capital project bond financing at the above stated terms. The bond will be underwritten by Roosevelt & Cross, Inc.

Operating Budget

The applicant submitted their first and third year ED operating budgets, in 2017 dollars. The treat and release component of the ED is summarized below:

ED Specific	<u>Current Year</u>		<u>Year One</u>		<u>Year Three</u>	
	<u>Per Visit</u>	<u>Total</u>	<u>Per Visit</u>	<u>Total</u>	<u>Per Visit</u>	<u>Total</u>
<u>Revenues</u>						
Medicaid	\$516.46	\$13,455,425	\$515.57	\$14,248,813	\$517.86	\$14,646,077
Medicare	\$580.14	\$5,061,712	\$582.58	\$6,034,367	\$591.79	\$6,228,544
Commercial	\$1,322.28	\$9,715,521	\$1,272.00	\$10,826,019	\$1,279.30	\$11,132,465
Private Pay	\$343.55	<u>\$2,995,785</u>	\$334.01	<u>\$3,195,434</u>	\$337.23	<u>\$3,287,677</u>
Total Revenues		\$31,228,443		\$34,304,633		\$35,294,763
<u>Expenses</u>						
Operating	\$586.28	\$29,987,575	\$543.59	\$30,664,215	\$534.87	\$30,813,515
Capital	<u>\$23.75</u>	<u>\$1,214,873</u>	<u>\$43.14</u>	<u>\$2,433,305</u>	<u>\$42.01</u>	<u>\$2,420,010</u>
Total Expenses	\$610.03	\$31,202,448	\$586.73	\$33,097,520	\$576.88	\$33,233,525
Net Income/(Loss)		<u>\$25,995</u>		<u>\$1,207,113</u>		<u>\$2,061,238</u>
Treat/Release		51,149		56,411		57,609

Utilization by payor source for the first and third years is anticipated as follows:

	<u>Year One</u>	<u>Year Three</u>
Medicaid	48.99%	49.09%
Medicare	18.36%	18.27%
Commercial	15.09%	15.11%
Charity	.60%	.61%
Private Pay	<u>16.96%</u>	<u>16.92%</u>
Total	100.00%	100.00%

The facility's ED Enterprise budget inclusive of Treat & Release visits, Ambulatory Surgery, Observation and Inpatient Transfer patients/services is as follows:

ED Enterprise	<u>Current Year</u>	<u>Year One</u>	<u>Year Three</u>
<u>Revenues</u>			
Medicaid	\$85,921,480	\$87,277,803	\$89,086,582
Medicare	\$81,581,908	\$91,264,441	\$93,846,152
Commercial	\$45,416,147	\$46,722,665	\$48,766,305
Private Pay	<u>\$25,440,545</u>	<u>\$25,778,749</u>	<u>\$26,074,140</u>
Total Revenues	238,360,080	\$251,043,658	\$257,773,179
<u>Expenses</u>			
Operating	\$226,430,189	\$231,740,523	\$232,817,655
Capital	<u>\$11,200,000</u>	<u>\$16,216,799</u>	<u>\$16,162,059</u>
Total Expenses	\$237,630,189	\$247,957,322	\$248,979,714
Net Income/(Loss)	<u>\$729,891</u>	<u>\$3,086,336</u>	<u>\$8,793,465</u>

The following is noted with respect to the submitted budget:

- Revenues are based on the facility's current ED experience for each payor class.
- Expense assumptions are based upon the applicant's experience operating the current ED service, plus the incremental staffing and projected operating and capital costs for the expanded ED operation. Staffing is projected to increase by 20 FTEs consisting mostly of additional nursing, technician and specialist practitioners.
- Utilization projections are based on historic trends related to age, gender and projected population changes, including comparison to regional and national trends and the overall DSRIP goal of avoidable visit reduction goals.
- The ED Enterprise budget is comprised of four subcategories:
 - Treat and release patient visits – normal ED visits lasting less than 24 hours;
 - Ambulatory Surgery – ED visits that require ambulatory surgery procedures and are visits lasting less than 24 hours;
 - Observation unit – an ED specific unit where patients are admitted for evaluation and for whom a diagnosis and determination concerning admission, discharge or transfer cannot be made within eight hours of admission, but can reasonably be expected within 24 hours; and
 - Inpatient Services – patients the present to the ED and are determined to require admission for inpatient level care and are subsequently transferred to a Hospital inpatient unit.

The budgets are reasonable.

Capability and Feasibility

The total project cost of \$55,329,160 will be satisfied with \$9,315,291 equity and \$46,013,869 from the ECFSA Series B Bond issuance at the above stated terms.

Working capital requirements are estimated at \$5,538,921 based on two months of third year ER Treat and Release specific expenses. ECMCC will provide all of the working capital requirement from ongoing operations. BFA Attachment A is the 2013-2016 certified financial statements for ECMCC, which shows significant resources to cover both the project cost and the working capital equity requirements for this project. The facility had average positive working capital and net asset positions for the period shown, and generated an average positive operating income of \$4,497,000.

The applicant has demonstrated the capability to proceed in a financially feasible manner.

Recommendation

From a financial perspective, approval is recommended.

Attachments

BFA Attachment A Summary of Erie County Medical Center's 2013-2016 Certified Financial Statements



**Project # 171075-C
Eastern Niagara Hospital**

**Program: Hospital
Purpose: Construction**

**County: Niagara
Acknowledged: February 3, 2017**

Executive Summary

Description

Eastern Niagara Hospital – Lockport Division (ENH), is a 136-bed, voluntary not-for-profit, Article 28 acute care hospital located at 521 East Avenue, Lockport (Niagara County). The facility requests approval to convert an extension clinic site located at 2600 William Street in Newfane to a Division of the hospital, relocate its existing 20-bed Chemical Dependence-Rehabilitation Unit to the Newfane site, and certify 10 additional Chemical Dependence-Rehabilitation Unit beds at Newfane. Upon approval by the Public Health and Health Planning Council, the Chemical Dependence-Rehabilitation Unit bed capacity will be 30 beds and will be located at the Newfane site.

The Newfane site, which was previously a 63-bed Division of ENH, was renovated in 2010, modernizing all inpatient rooms. In 2014, all inpatient services were discontinued; however, emergency department (ED), clinical lab and outpatient clinical services continue to be provided. Effective March 15, 2016, the site was converted to hospital extension clinic with the decertification of ED and clinical lab services. This proposal re-establishes Newfane as a Division of ENH for inpatient drug and alcohol rehabilitation services, and allows for the creation of 16 private and 14 semi-private bed rooms. The current unit at Lockport is 25 years old and in need of capital improvements.

Transitioning the unit to Newfane provides capital cost avoidance at the Lockport site with relatively modest capital expenditure while increasing needed capacity. The Newfane site also has ample green space for patient recreation.

**OPCHSM Recommendation
Contingent Approval**

Need Summary
Eastern Niagara Hospital is considered an Essential Safety Net Hospital. The expansion from 20 to 30 chemical dependency beds in Newfane will address an increased need for services.

Program Summary
Based on the results of this review, a favorable recommendation can be made regarding the facility’s current compliance pursuant to 2802-(3)(e) of the New York State Public Health Law.

Financial Summary
Total project costs of \$583,531 will be met from accumulated liquid resources. The proposed budget is as follows:

Revenues	\$3,853,108
Expenses	<u>1,776,489</u>
Gain	\$2,076,619

Recommendations

Health Systems Agency

There will be no HSA recommendation for this project.

Office of Primary Care and Health Systems Management

Approval contingent upon:

1. Submission of a check for the amount enumerated in the approval letter, payable to the New York State Department of Health. Public Health Law Section 2802.7 states that all construction applications requiring review by the Public Health and Health Planning Council shall pay an additional fee of fifty-five hundredths of one percent of the total capital value of the project, exclusive of CON fees. [PMU]
2. Submission of documentation of approval by the Office of Alcoholism and Substance Abuse, acceptable to the Department. [PMU]
3. Submission of State Hospital Code (SHC) Drawings, acceptable to the Department, as described in BAEFP Drawing Submission Guidelines DSG-02. [AER]

Approval conditional upon:

1. The project must be completed within three years from the date of the Public Health and Health Planning Council recommendation letter. Failure to complete the project within the prescribed time shall constitute an abandonment of the application by the applicant and an expiration of the approval. [PMU]
2. Construction must start on or before August 1, 2017 and construction must be completed by January 31, 2018, presuming the Department has issued a letter deeming all contingencies have been satisfied prior to commencement. In accordance with 10 NYCRR Section 710.10(a), if construction is not started on or before the start date this shall constitute abandonment of the approval. It is the responsibility of the applicant to request prior approval for any changes to the start and completion dates. [PMU]
3. The submission of Final Construction Documents, as described in BAER Drawing Submission Guidelines DSG-05, is required prior to the applicant's start of construction. [AER]

Council Action Date

June 8, 2017

Need Analysis

Background and Analysis

The Newfane site, located at 2600 William Street, Newfane (Niagara County), New York 14108, was renovated in 2010, modernizing all inpatient rooms. Inpatient services at Newfane were discontinued in 2014. This proposal would create 16 private and 14 semi-private Chemical Dependence Rehabilitation beds at the Newfane site, increasing the capacity of the unit by 10 beds.

Table1: Eastern Niagara Lockport Discharges by Service

Bed Type	Current Beds	Discharges				
		2011	2012	2013	2014	2015
Med/Surg	84	3,334	3,328	2,990	2,893	3,284
Pediatric	8	19	19	18	5	13
Obstetric	12	545	478	512	392	403
General Psychiatric	12	12	100	329	318	312
Chemical Dependence	20	327	307	304	300	326
High-Risk Neonates	0	19	15	15	20	24
Total	136	4,256	4,247	4,168	3,928	4,362

Source: SPARCS

Table2: Eastern Niagara Lockport Occupancy Rates by Service

	Occupancy Based on Current Beds				
	2011	2012	2013	2014	2015
Med/Surg	55.6%	51.2%	51.1%	49.1%	59.3%
Pediatric	1.9%	1.4%	1.4%	0.5%	2.0%
Obstetric	31.0%	26.5%	29.8%	23.5%	21.8%
General Psychiatric	1.5%	15.4%	81.4%	76.9%	72.4%
Chemical Dependence	82.8%	83.0%	85.6%	84.2%	88.5%
High-Risk Neonates	0.0%	0.0%	0.0%	0.0%	0.0%
Total	49.6%	47.7%	54.1%	51.7%	58.1%

Source: SPARCS

Occupancy in Eastern Niagara Hospital's Chemical Dependence Rehabilitation Unit has historically been at or above the planning optimum. The hospital currently maintains a waiting list of 15-20 patients.

Potential benefits of this project include:

- Address the significant increase in admissions seen by OASAS certified centers.
- More private beds and expansion to address the waiting list.
- Recreation space for patients.
- Increase in jobs to the area.

Table3: Eastern Niagara Newfane Projected Discharges/Patient Days

	Current Year		First Year		Third Year	
	Discharges	Patient Days	Discharges	Patient Days	Discharges	Patient Days
Chemical Dependence - Detox	304	6,288	454	9,389	454	9,389

Eastern Niagara anticipates continued growth over the next three years.

Conclusion

Significant growth in chemical dependency patients has plagued New York. Young adults are being admitted to OASAS certified centers at an extremely high rate for addition to Opioids and Heroin. The addition of these 10 beds as well as a designated program to be located at Newfane will help address the increased need for services.

Recommendation

From a need perspective, approval is recommended.

Program Analysis

Background

In recent years, ENH has experienced increased demand for inpatient alcohol and drug rehabilitation services and the Hospital maintains a waiting list of 15-20 patients. Approval of this project would increase the capacity of the Chemical Dependence Rehabilitation Unit to 30 (16 private and 14 semi-private) beds and provide a better milieu for patients as well as ample green space for recreation. Staffing is expected to increase 5.7 FTEs in the first year after completion and remain at that level through the third year of operation.

Compliance with Applicable Codes, Rules, and Regulations

This facility has no outstanding Article 28 surveillance or enforcement actions and, based on the most recent surveillance information, is deemed to be currently operating in substantial compliance with all applicable State and Federal codes, rules and regulations. This determination was made based on a review of the files of the Division of Certification and Surveillance, including all pertinent records and reports regarding the facility's enforcement history and the results of routine Article 28 surveys as well as investigations of reported incidents and complaints.

Recommendation

From a programmatic perspective, approval is recommended.

Financial Analysis

Total Project Cost and Financing

Total project costs for renovations is estimated at \$583,531, broken down as follows:

Renovation & Demolition	\$389,000
Design Contingency	38,900
Construction Contingency	19,450
Architect/Engineering Fees	56,000
Moveable Equipment	75,000
CON Application Fee	2,000
CON Processing Fee	<u>3,181</u>
Total Project Cost	\$583,531

Total project costs are based on a start date of August 1, 2017, with a six-month construction period.

ENH has sufficient liquid resources to fund the project. BFA Attachment B is Eastern Niagara Hospital, Inc.'s internal financial summary as of December 31, 2016, which shows Cash and Temporary Investments of \$5,171,630 and Board Designated Cash of \$1,027,205. Per the applicant, these funds accumulated from the December 2015 sale of the hospital's affiliated nursing home (Newfane Rehabilitation and Health Care Center).

Incremental Operating Budget

The applicant has submitted their current year and first and third year incremental operating budget in 2017 dollars. The third year is not shown as is not expect to change.

	<u>Current Year</u>		<u>Year One</u>	
	<u>Per Disch.</u>	<u>Total</u>	<u>Per Disch.</u>	<u>Total</u>
<u>Inpatient Revenue</u>				
Medicaid-FFS	\$8,501.96	\$756,674	\$8,309.13	\$1,113,424
Medicaid-MC	\$8,459.71	1,362,014	\$8,316.03	2,004,164
Medicare-FFS	\$8,011.90	80,119	\$8,420.93	117,893
Medicare-MC	\$8,902.00	44,510	\$8,186.88	65,495
Commercial-FFS	\$8,902.00	44,510	\$8,186.88	65,495
Commercial-MC	\$8,362.55	275,964	\$8,287.20	406,073
Other Income (DSH)		0		80,564
Total Inpatient Revenues		\$2,563,791		\$3,853,108
<u>Inpatient Expenses</u>				
Operating	\$4,242.31	\$1,285,420	\$3,847.52	\$1,746,773
Capital	0	0	65.45	29,716
Total Expense	\$4,242.31	\$1,285,420	\$3,912.97	\$1,776,489
Net Income		<u>\$1,278,371</u>		<u>\$2,076,619</u>
Discharges		303		454
Inpatient Days		6,288		9,389
Utilization % (Inpatient Days)		86.14%		85.74%

Utilization by payor for the current year and the first and third year is as follows:

<u>Payor</u>	<u>Current Year</u>		<u>First & Third Years</u>	
	<u>Discharges</u>	<u>%</u>	<u>Discharges</u>	<u>%</u>
Medicaid-FFS	89	29.37%	134	29.52%
Medicaid-MC	161	53.14%	241	53.09%
Medicare-FFS	10	3.30%	14	3.08%
Medicare-MC	5	1.65%	8	1.76%
Commercial-FFS	5	1.65%	8	1.76%
Commercial-MC	33	10.89%	49	10.79%
Total	303	100%	454	100%

Expense and utilization assumptions are based on the hospital's historical experience in operating a Chemical Dependence-Rehabilitation unit.

Capability and Feasibility

Total project costs of \$583,531 will be met from accumulated liquid resources.

The submitted budget indicates an operating surplus of \$2,076,619 during the first year and third year of operation. Revenues reflect current reimbursement methodologies for inpatient Chemical Dependence-Rehabilitation services. Working capital of \$81,845 will be provided from operations and is based on two months of first year's incremental expenses. The budget appears reasonable.

BFA Attachments A and B are Eastern Niagara Hospital, Inc.'s 2014-2015 certified financial summary and their internals as of December 31, 2016, respectively, which show positive working capital and negative net assets. For 2015, the facility generated operating income of \$1,246,201 (positive results partially came from selling an affiliated SNF). For 2016, the facility incurred an operating loss of \$1,163,328. As a Safety-Net Hospital, Eastern Niagara previously participated in the Interim Access Assurance Fund (IAAF) program and currently participates in the Vital Access Provider Assistance Program (VAPAP).

The applicant indicated the following steps are being implemented to improve operations and mitigate losses as outlined in its Transformation Plan:

- The Hospital established a primary care residency program to address recruitment and retention of physicians. The program has been approved and is expected to be profitable. Training began July 2016 with seven residents and expectations that the program will expand to twelve residents in 2018.
- The Hospital expects to continue building ambulatory surgery volume at its Niagara Regional Surgery Center through outreach and recruiting additional surgeons.
- The Hospital has recently acquired the practice of an internal medicine provider in the community and is looking to certify and grow the site into a multi-provider primary care provider (PCP). Through a recent affiliation with Kaleida Health, the Hospital is looking to establish an additional PCP office in the market area.
- The Hospital and Kaleida Health have a telemedicine consult collaboration. It is anticipated the telemedicine agreement will help bring specialty consultation to the Hospital, while helping it retain additional appropriate admissions that would have otherwise transferred to another hospital.
- Converting the Newfane Division ER to Urgent Care is expected to save the Hospital money.
- The Hospital expects to institute internal restructuring starting in 2017 and carry over to 2018.
- The proposed project is expected to generate a positive contribution to the bottom line as seen in the above budget.
- The Hospital was awarded \$3.7 million under the Essential Health Care Provider Support Program (EHCPS) to pay off long-term debt, helping improve their net asset position.
- The Hospital is participating in the Millennium Collaborative Care DSRIP Performing Provider System. The proposed expansion will reduce or eliminate the wait time for chemical dependency treatment in Niagara County.

Recommendation

From a financial perspective, approval is recommended.

Attachments

BFA Attachment A
BFA Attachment B

Eastern Niagara Hospital, Inc. 2014- 2015 Certified Financial Statement
Eastern Niagara Hospital, Inc. December 31, 2016 Internal Financial Statement



**Project # 171267-C
F.F. Thompson Hospital**

**Program: Hospital
Purpose: Construction**

**County: Ontario
Acknowledged: April 10, 2017**

Executive Summary

Description

F.F. Thompson Hospital, a 113-bed, voluntary not-for-profit Article 28 acute care hospital located at 350 Parrish Street, Canandaigua (Ontario County), requests approval to construct a new extension clinic to be located at 335 Parrish Street, which is a parcel of land across the street from the Hospital. F.F. Thompson Hospital is a wholly owned subsidiary of F.F. Thompson Health System, Inc. (Health System). Effective August 31, 2012, the Health System, the University of Rochester Medical Center (URMC) and the University of Rochester (UR) entered into an affiliation agreement, which resulted in the UR becoming the sole member of the Health System.

The Hospital reached an agreement with Canandaigua Medical Group (CMG), a multi-specialty private medical practice, to purchase CMG's practice and employ some of its physicians, nurse practitioners and support staff. The Hospital will move the group practice to the newly constructed extension clinic building upon completion of the project.

The URMC will purchase the 335 Parrish Street parcel of land and construct a new fully compliant facility on the property. The replacement facility will consist of a two-story building with approximately 42,745 sq. ft. of program area space. Upon completion, URMC will lease the space to F.F. Thompson Hospital, who will relocate the acquired CMG practice to the newly constructed facility. The old office

structure will subsequently be demolished allowing additional parking for the practice and any future Hospital use.

**OPCHSM Recommendation
Contingent Approval**

Need Summary
Proposed services are: Medical Services- Primary Care and Medical Services- Other Medical Specialties. The number of projected visits is 86,035 in Years 1 and 93,055 in Year 3.

Program Summary
Based on the results of this review, a favorable recommendation can be made regarding the facility's current compliance pursuant to 2802-(3)(e) of the New York State Public Health Law.

Financial Summary
Project costs of \$19,850,000 will be met as follows: Equity of \$1,950,000 from F.F. Thompson Hospital and \$17,900,000 of equity via the operations of University of Rochester. The projected budget is as follows:

	<u>Year One</u>	<u>Year Three</u>
Revenues	\$12,862,536	\$14,105,950
Expenses	<u>13,157,170</u>	<u>14,091,822</u>
Gain/(Loss)	(\$294,634)	\$14,128

Recommendations

Health Systems Agency

The Finger Lakes HSA recommends approval for this project.

Office of Primary Care and Health Systems Management

Approval contingent upon:

1. Submission of a check for the amount enumerated in the approval letter, payable to the New York State Department of Health. Public Health Law Section 2802.7 states that all construction applications requiring review by the Public Health and Health Planning Council shall pay an additional fee of fifty-five hundredths of one percent of the total capital value of the project, exclusive of CON fees. A copy of the check must be uploaded into NYSECON. [PMU]
2. Submission of an executed real estate purchase agreement, acceptable to the Department of Health. [BFA]
3. Submission of an executed capital lease agreement, acceptable to the Department of Health. [BFA]
4. The submission of State Hospital Code (SHC) Drawings for review and approval, as described in BAER Drawing Submission Guidelines DSG-03. [AER]
5. The submission of Engineering (SHC) Drawings for review and approval, as described in BAER Drawing Submission Guidelines DSG-03. [AER]

Approval conditional upon:

1. The project must be completed within three years from the date of the Public Health and Health Planning Council recommendation letter. Failure to complete the project within the prescribed time shall constitute an abandonment of the application by the applicant and an expiration of the approval. [PMU]
2. Construction must start on or before July 1, 2017 and construction must be completed by December 1, 2018, presuming the Department has issued a letter deeming all contingencies have been satisfied prior to commencement. In accordance with 10 NYCRR Section 710.10(a), if construction is not started on or before the start date this shall constitute abandonment of the approval. It is the responsibility of the applicant to request prior approval for any changes to the start and completion dates. [PMU]
3. The staff of the facility must be separate and distinct from staff of other entities. [HSP]
4. The signage must clearly denote the facility is separate and distinct from other adjacent entities. [HSP]
5. The entrance to the facility must not disrupt any other entity's clinical program space. [HSP]
6. The clinical space must be used exclusively for the approved purpose. [HSP]
7. All devices producing ionizing radiation must be licensed by the New York State Department of Health -- Bureau of Environmental Radiation Protection. [HSP]
8. The submission of Final Construction Documents, as described in BAER Drawing Submission Guidelines DSG-05, is required prior to the applicant's start of construction. [AER]

Council Action Date

June 8, 2017

Need Analysis

Background and Analysis

The service area includes the city of Canandaigua and the town of Farmington, which are both centrally located in Ontario County.

F.F. Thompson is acquiring the Canandaigua Medical Group (CMG), a multi-specialty, private practice consisting of 29 providers.

The proposed clinic will offer the following services: Internal Medicine; Pediatrics, OB/GYN, lab draw, X-Ray, and Ultrasound. The hours of operation will be Monday through Friday from 8 am until 5 pm and Saturday from 8 am until 12 pm.

Areas of Ontario County are designated as a Medically Underserved Population per HRSA; specifically the Migrant Farm Workers of the Finger Lakes population.

Prevention Quality Indicators-PQIs

PQIs are rates of admission to the hospital for conditions for which good outpatient care can potentially prevent the need for hospitalization, or for which early intervention can prevent complications or more severe disease.

The table below provides information on the PQI rates for the overall PQI condition for service area and New York State. It shows that the rate for the overall PQI condition is higher for service area than the rate for New York State.

Hospital Admissions per 100,000 Adults for Overall PQIs

PQI Rates-2014	Service Area ¹	New York State
All PQIs	1,461	1,387

Source: DOH Health data, 2015

¹ Service area includes zip codes: 14424 and 14425.

The number of projected visits is 86,035 in Years 1 and 93,055 in Year 3. The applicant is committed to serving all persons in need without regard to ability to pay or source of the payment.

Conclusion

Approval of the proposed extension clinic will allow for the continuity of access for a variety of medical services for the population of Canandaigua and Farmington and the surrounding communities within Ontario County.

Recommendation

From a need perspective, approval is recommended.

Program Analysis

Project Proposal

The Canandaigua Medical Group (CMG) is a multi-specialty private medical practice consisting of 29 providers and the only practice that is delivering newborns in Ontario County. To best meet the needs of the community, the Hospital will be guiding the group through the process of becoming a Patient Centered Medical Home. As a hospital-based extension clinic, Internal Medicine, Pediatrics, OB/GYN, a lab draw station and X-ray and ultrasound services will be provided. Additionally, the clinic will see all patients, regardless of their ability to pay or source of payment.

Site

335 Parrish Street
Canandaigua, NY 14424
(Ontario County)

Services

Medical Services- Primary Care
Medical Services- Other Medical Specialties

First year staffing will consist of 91.0 FTEs and remain at that level through the third year of operation.

Compliance with Applicable Codes, Rules and Regulations

This facility has no outstanding Article 28 surveillance or enforcement actions and, based on the most recent surveillance information, is deemed to be currently operating in substantial compliance with all applicable State and Federal codes, rules and regulations. This determination was made based on a review of the files of the Department of Health, including all pertinent records and reports regarding the facility's enforcement history and the results of routine Article 28 surveys as well as investigations of reported incidents and complaints.

Conclusion

Based on the results of this review, a favorable recommendation can be made regarding the facility's current compliance pursuant to 2802-(3)(e) of the New York State Public Health Law.

Recommendation

From a programmatic perspective, approval is recommended.

Financial Analysis

Total Project Cost and Financing

Total project cost, which is for land acquisition, new construction and the acquisition of moveable equipment, is estimated at \$19,850,000, further broken down as follows:

Land Acquisition	\$4,350,000
New Construction	11,038,885
Asbestos Abatement or Removal	229,758
Design Contingency	563,432
Construction Contingency	563,432
Fixed Equipment	80,000
Architect/Engineering Fees	880,000
Construction Manager Fees	212,587
Other Fees (Consultant)	716,506
Moveable Equipment	449,033
Telecommunications	655,800
CON Fee	2,000
Additional Processing Fee	<u>108,567</u>
Total Project Cost	19,850,000

Project costs are based on a construction start date of July 1, 2017, and an 18- month construction period. The applicant submitted an MAI appraisal in support of the land acquisition cost.

The applicant's financing plan appears as follows:

Equity (F.F. Thompson)	\$ 1,950,000
Equity (University of Rochester)	\$17,900,000

Real Estate Purchase Agreement

The applicant has submitted a draft real estate purchase agreement, which is summarized below:

Premises:	The purchase of the premises located at 335 Parrish Street, City of Canandaigua, County of Ontario.
Seller:	Canandaigua Medical Group, P.C.
Purchaser:	University of Rochester
Purchase Price:	\$4,350,000
Payment of Purchase Price:	\$500,000 shall be paid on the Land Closing Date and \$3,850,000 should be paid on the Improvements Closing Date.

The purchase price will be met via equity from the University of Rochester operations.

Capital Lease Rental Agreement

The applicant has submitted a draft lease rental agreement for the site that they will occupy, which is summarized below:

Premises:	44,000 sq. ft. building (newly constructed) located at 335 Parrish Street, Canandaigua, NY
Landlord:	University of Rochester
Tenant:	Frederick Ferris Thompson Hospital
Term:	20 years
Rental:	Year 1-5: \$1,443,445 (\$32.81 per sq. ft.)
	Year 6-10: \$1,587,790 (\$36.09 per sq. ft.)
	Year 11-15: \$1,746,569 (\$39.69 per sq. ft.)
	Year 16-20: \$1,921,225 (\$43.66 per sq. ft.)
Provisions:	The tenant shall be responsible for real estate taxes, insurance, maintenance and utilities.

The lease agreement will be a non-arm's length lease arrangement. Also, the lease will be a capital lease. In accordance with Article 25 of the proposed lease agreement, on the last day of the 20-year term the Landlord will transfer to the Tenant title to the property by quitclaim deed, for no additional consideration.

Operating Budget

The applicant has submitted an operating budget, in 2017 dollars, for the projected first year and third year of operation, summarized below:

	<u>Year One</u>		<u>Year Three</u>	
	<u>Per Visit</u>	<u>Total</u>	<u>Per Visit</u>	<u>Total</u>
<u>Revenues</u>				
Medicaid Fee for Service	\$172.85	\$155,562	\$172.52	\$167,862
Medicaid Managed Care		1,928,439	\$113.07	2,080,921
Medicare Fee for Service	\$85.49	531,783	\$80.96	544,697
Medicare Managed Care	\$101.13	1,556,949	\$100.88	1,680,057
Commercial Managed Care	\$167.65	7,588,787	\$167.88	8,219,167
Private Pay	\$206.30	255,401	\$205.82	275,595
Other Revenues		<u>845,615</u>		<u>1,137,651</u>
Total Revenues		\$12,862,536		\$14,105,950
<u>Expenses</u>				
Operating	\$135.45	\$11,653,059	\$131.57	\$12,243,235
Capital	<u>17.48</u>	<u>1,504,311</u>	<u>19.86</u>	<u>1,848,587</u>
Total Expenses	\$152.93	\$13,157,170	\$151.43	\$14,091,822
Gain/(Loss)		<u>(\$294,634)</u>		<u>\$14,128</u>
Visits		86,035		93,055
Cost Per Visit		\$152.93		\$151.43

Utilization assumptions are based on the historical growth in existing practices owned by the hospital and conversations with the existing management of CMG. Expense assumptions are driven by internal F.F. Thompson Hospital assumptions (salary and benefits) and external drivers (vendors, trends, CPI). The applicant has indicated that the increase in visits will be the result of a demand in the community for primary care services.

Utilization by payor source for the projected first and third year is summarized below:

	<u>Year One</u>	<u>Year Three</u>
Medicaid FFS	1.05%	1.05%
Medicaid MC	19.78%	19.78%
Medicare FFS	7.23%	7.23%
Medicare MC	17.90%	17.90%
Commercial MC	52.61%	52.61%
Private Pay/Other	1.43%	1.43%

F.F. Thompson Hospital has provided their Financial Aid and Community Care Policy, which provides for a sliding fee application process utilizing varying discounts based on Federal Poverty levels with assistance provided up to 400% of Federal Poverty levels. Their Financial Aid Program is designed to cover medically necessary, non-elective services for uninsured and underinsured individuals as well as individuals who have exhausted their health insurance benefits. Collections are prohibited against patients known by the Health System to be eligible for Medicaid or any other state program.

Capability and Feasibility

Project costs of \$19,850,000 will be met as follows: Equity of \$1,950,000 from F.F. Thompson Hospital and \$17,900,000 of equity via the operations of University of Rochester. BFA Attachment A is the 2014-2015 certified financial statements of F.F. Thompson Hospital, which indicates the availability of sufficient funds for the equity contribution. BFA Attachment B is the June 31, 2015 and June 31, 2016 certified financial statements of University of Rochester, which indicates the availability of sufficient funds to meet the equity contribution.

The submitted budget indicates an excess of revenues over expenses of (\$294,634) and \$14,128 during the first and third years. The CFO of F.F. Thompson Hospital submitted a letter indicating that the hospital will offset the losses via operations. Revenues are based on current reimbursement methodologies. The submitted budget appears reasonable.

As shown on BFA Attachment A, F.F. Thompson Hospital had an average positive working capital position and an average positive net asset position from 2014 through 2015. Also, the entity achieved an average excess of revenues over expenses of \$2,132,870 from 2014 and 2015.

As shown on BFA Attachment B, the entity had an average positive working capital position and an average positive net asset position from July 1, 2014 through June 30, 2016. Also, the entity achieved an average excess of operating revenues over expenses of \$51,188,500 from July 1, 2014 through June 30, 2016.

Subject to the noted contingencies, it appears that the applicant has demonstrated the capability to proceed in a financially feasible manner.

Recommendation

From a financial perspective, contingent approval is recommended.

Attachments

- BFA Attachment A Financial Summary- 2014 and 2015 certified financial statements of F.F. Thompson Hospital
- BFA Attachment B Financial Summary- June 30, 2015 and June 30, 2016 certified financial statements of University of Rochester.



**Project # 171079-C
Victoria Home**

Program: Residential Health Care Facility
Purpose: Construction

County: Westchester
Acknowledged: February 9, 2017

Executive Summary

Description

Victoria Home (VH), a 49-bed, voluntary not-for-profit, Article 28 residential health care facility (RHCF) located at 25 Malcolm Street, Ossining (Westchester County), requests approval to construct a 90-bed replacement facility in the greenhouse model style. The replacement facility will consist of 45 RHCF beds (a reduction of four beds from the current general RHCF certified bed count) and 45 specialty beds for patients with neurodegenerative disease (ND), for a total of 41 net new beds. The applicant is proposing to develop a specialized ND program to care for individuals diagnosed with Huntington’s Disease (HD) and Amyotrophic Lateral Sclerosis (ALS) to meet a need for long-term care ND services in the Lower Hudson Valley Region, which includes Westchester, Putman and Rockland Counties.

The proposed project includes construction of a building with three floors of paired households similar to a small house/greenhouse model, with each household containing 15 private bedrooms. The replacement building will serve the RHCF’s current population, individuals on their waiting list, and residents with ND. VH anticipates an 18-month construction period to allow the facility to continue operations and avoid displacement of residents during construction. VH will continue to offer hospice and palliative care on an as needed basis, but will not have a dedicated household to provide the services.

The facility’s physical plant is significantly past its useful life and their endowment fund historically used to support renovations has been depleted. This replacement project addresses the financial and aging physical plant

challenges the facility faces, and proposes to address an unmet need for long-term ND services in the area.

**OPCHSM Recommendation
Contingent Approval**

Need Summary

Victoria Home is proposing to build a replacement facility and increase beds to result in 45 traditional skilled nursing beds and 45 neurodegenerative beds that will cater specifically to those with qualifying neurodegenerative diseases (for a total bed capacity of 90). The addition of the 45-bed dedicated ND program will help provide the specialized care needed by this population.

Program Summary

The replacement of Victoria Home will enable the applicant to continue its mission of providing high quality long term care for the aged through the replacement of its obsolete and non-code conforming building. The addition of a specialized program serving neurodegenerative diseases will extend Victoria Home’s quality nursing care to the benefit of these individuals.

Financial Summary

Total project costs of \$35,956,874 will be met with \$8,989,302 from endowment and fundraising contributions and a loan for \$26,967,572 at 6.25% interest for a 30-year term. Herbert J. Sims & Co. has provided a letter of interest at the stated terms. The applicant has provided an executed Victoria Home Corporate Board Resolution attesting to fund the equity contribution via the endowment and fundraising efforts.

The projected budget is as follows:

Revenues	\$12,121,900
Expenses	<u>11,968,741</u>
Gain/(Loss)	\$153,159

Recommendations

Health Systems Agency

There will be no HSA recommendation for this project.

Office of Primary Care and Health Systems Management

Approval contingent upon:

1. Submission of a check for the amount enumerated in the approval letter, payable to the New York State Department of Health. Public Health Law Section 2802.7 states that all construction applications requiring review by the Public Health and Health Planning Council shall pay an additional fee of fifty-five hundredths of one percent of the total capital value of the project, exclusive of CON fees. A copy of the check must be uploaded into NYSECON. [PMU]
2. Submission of a commitment for a permanent mortgage for a maximum term of 30 years for the project to be provided from a recognized lending institution at a prevailing rate of interest, acceptable to the Department. This is to be provided within 120 days of approval of state hospital code drawings and before the start of construction. Included with the submitted permanent mortgage commitment must be a sources and uses statement and a debt amortization schedule, for both new and refinanced debt. [BFA]
3. Submission of documentation of fundraising to be used as a source of financing acceptable to the Department of Health. [BFA]
4. Submission of an executed Victoria Home Corporate Board Resolution attesting to fund any working capital requirements or operating losses associated with the ramp-up period during year one of operations, acceptable to the Department of Health. [BFA]
5. Submission of a commitment signed by the applicant which indicates that, within two years from the date of the council approval, the percentage of all admissions who are Medicaid and Medicare/Medicaid eligible at the time of admission will be at least 75 percent of the planning area average of all Medicaid and Medicare/Medicaid admissions, subject to possible adjustment based on factors such as the number of Medicaid patient days, the facility's case mix, the length of time before private paying patients became Medicaid eligible, and the financial impact on the facility due to an increase in Medicaid admissions. [RNR]
6. Submission of a plan to continue to enhance access to Medicaid residents. At a minimum, the plan should include, but not necessarily be limited to, ways in which the facility will:
 - a. Reach out to hospital discharge planners to make them aware of the facility's Medicaid Access Program;
 - b. Communicate with local hospital discharge planners on a regular basis regarding bed availability at the nursing facility; and
 - c. Identify community resources that serve the low-income and frail elderly population who may eventually use the nursing facility, and inform them about the facility's Medicaid Access policy. [RNR]
7. Submission of a commitment, signed by the applicant, to submit annual reports to the DOH, for at least two years, demonstrating substantial progress with the implementation of the plan. These reports should include, but not be limited to:
 - a. Describing how the applicant reached out to hospital discharge planners to make them aware of the facility's Medicaid Access Program;
 - b. Indicating that the applicant communicated with local hospital discharge planners on a regular basis regarding bed availability at the nursing facility;
 - c. Identifying the community resources that serve the low-income and frail elderly population that have used, or may eventually use, the nursing facility, and confirming they were informed about the facility's Medicaid Access policy.
 - d. Documentation pertaining to the number of referrals and the number of Medicaid admissions; and
 - e. Other factors as determined by the applicant to be pertinent. [RNR]
8. Submission and programmatic review and approval of the final floor plans which incorporate the suggested design refinements and comply with CMS requirements. [LTC]

9. The submission of State Hospital Code (SHC) Drawings for review and approval, as described in BAER Drawing Submission Guidelines DSG-04. [AER]
10. The submission of Engineering (SHC) Drawings for review and approval, as described in BAER Drawing Submission Guidelines DSG-04. [AER]

Approval conditional upon:

1. The project must be completed within five years from the date of the Public Health and Health Planning Council recommendation letter. Failure to complete the project within the prescribed time shall constitute an abandonment of the application by the applicant and an expiration of the approval. [PMU]
2. Construction must start on or before January 1, 2018 and construction must be completed by June 30, 2019, presuming the Department has issued a letter deeming all contingencies have been satisfied prior to commencement. In accordance with 10 NYCRR Section 710.10(a), if construction is not started on or before the start date this shall constitute abandonment of the approval. It is the responsibility of the applicant to request prior approval for any changes to the start and completion dates. [PMU]
3. Within two years from the date of council approval, the percentage of all admissions who are Medicaid and Medicare/Medicaid eligible at the time of admission will be at least 75 percent of the planning area average as prescribed by the related contingency. Once the Medicaid patient admissions standard is reached, the facility shall not reduce its proportion of Medicaid patient admissions below the 75 percent standard unless and until the applicant, in writing, requests the approval of the Department to adjust the 75 percent standard and the Department's written approval is obtained. [RNR]
4. Submission of annual reports to the Department for at least two years demonstrating substantial progress with the implementation of the facility's Medicaid Access Plan as prescribed by the related contingency. Reports will be due within 30 days of the conclusion of each year of operation as identified by the Effective Date on the Operating Certificate issued at project completion. For example, if the Operating Certificate Effective Date is June 15, 2017, the first report is due to the Department no later than July 15, 2018. The Department reserves the right to require continued reporting beyond the two-year period. [RNR]
5. The operator shall submit a plan to maintain resident services and safety during construction to the Metropolitan Area Regional Office New Rochelle, and must receive approval for such plan prior to the commencement of construction. [LTC]
6. The submission of Final Construction Documents, as described in BAER Drawing Submission Guidelines DSG-05, is required prior to the applicant's start of construction. [AER]

Council Action Date

June 8, 2017

Need Analysis

Need Analysis

Until recently, there was only one facility in New York State, Terence Cardinal Cooke Health Center (TCC), with a dedicated unit for the neurodegenerative population, which has low turnover and consistently high utilization rates. Currently, TCC's sister facility, Ferncliff Nursing Home, in Dutchess County, is renovating an existing 40-bed unit to provide specialized services to this population, and Charles Sitrin recently opened a 32-bed unit dedicated for this population in 2016.

There is no dedicated facility or unit to serve the ND population in Westchester County. Below is a table of existing and proposed ND beds in New York State:

	County	ND Beds
Existing		
Terence Cardinal Cooke	New York	48
Ferncliff Nursing Home	Dutchess	38
Charles Sitrin	Oneida	32
Total		118
Proposed		
Victoria Home	Westchester	41
Apex Rehabilitation	Suffolk	40
Total		81

The primary residents in these facilities are diagnosed with having either Huntington's Disease (HD) or Amyotrophic Lateral Sclerosis (ALS). Life expectancy of an individual with ALS is two to five years from the time of diagnosis. More than half of all people with ALS live more than three years after diagnosis, but only 10% of people with ALS live more than 10 years. Many people diagnosed with ALS choose to go into a nursing home almost immediately so they don't become a burden to their family while others choose nursing home care due to other factors, i.e. age, sickness, employment, or location. Since ALS is a progressive neurodegenerative disease that affects nerve cells in the brain and the spinal cord, the decision for nursing home care is ultimately left up to the families.

Life expectancy of an individual with HD is 10 to 20 years after onset. The younger the onset, the more rapid the progression. There is no way to predict when long-term care services will be needed. Initial symptoms usually appear between the ages of 30 and 50, but the disease may strike those as young as two or as old as 80, and progression differs for each HD individual. Over time, the disease effects the individual's ability to reason, walk and speak. Symptoms include the development of short-term memory loss, involuntary movement of the head and limbs, and the inability to walk.

The following table shows the number of residents in New York State nursing homes with a diagnosis of HD or ALS as well as the number of new residents admitted each year that had a diagnosis of HD or ALS:

Statewide ALS and HD Residents in NHs and New Cases

Residents	2011	2012	2013	2014	2015	2016
Total HD	375	380	375	351	330	358
New HD	86	81	91	67	68	87
Total ALS	181	183	179	193	177	216
New ALS	87	95	93	85	104	114

Source: Minimum Data Set

Total HD and Total ALS columns represent residents with at least one assessment over the course of the year, not necessarily new admissions. New HD and New ALS columns represent the total number of residents having the diagnosis at time of admission during that year.

Many individuals with neurodegenerative disorders in need of skilled nursing care often seek placement out of state to access specialty care. This not only places a strain on both patients and families, but also on the NYS Medicaid System.

Between 2011 and 2016, there were between 43 and 64 Medicaid nursing home residents in other states with a diagnosis of HD or ALS. The majority of residents out-of-state have an HD diagnosis and are in specialized facilities in Massachusetts.

Out-of-State Medicaid NYS Residents

Year	Residents
2011	64
2012	56
2013	54
2014	43
2015	51
2016	47

Those with ND have a longer length of stay when compared to the typical skilled nursing resident. The average age range of geriatric residents in Victoria Home is 81-83 years old. Residents with ND tend to be younger in age and, due to lack of specialty services, are often placed in environments with elderly residents in facilities unable to accommodate their physical and psychosocial needs due to lack of specialized programming, training, and equipment. While some of these younger residents will have lower clinical complexity, they may have very high behavioral demands. These behaviors often characterized this population as “hard to place” due to their adjustment issues to a traditional nursing home and the need for more support staff to manage explosive behaviors. In discussions Victoria Home, has had with discharge planners, it was noted that ND residents are placed in environments and activities inappropriate to meet their needs. Furthermore, there were few models that display a homelike environment for those in need of skilled nursing care. Combined with elderly residents, this creates unfavorable psychosocial outcomes for the younger populations in need of this level of care.

Victoria Home was awarded \$500,000 in Vital Access Provider (VAP) funds to develop a program to care for individuals with HD and ALS, including education and training. Consistent with the recommendations from the ND workgroup, the specialty units will require enhanced training, behavioral services, and recreational therapy models suited for younger individuals. These models require enhanced staffing and specialized equipment for the safety and comfort of the residents and the staff.

Victoria Home’s staff completed six months of staff education with clinical educators from the ALS Association. The Association has considered Victoria Home their preferred, primary provider for the care of patients with ALS and has received referrals from them. Victoria Home is in the process of providing HD education and once HD education has been completed and environmental modifications are made, the facility will be able to admit patients with HD. They have three individuals with HD awaiting placement, admitted one individual with ALS (referred from the ALS Association), and have two additional ALS referrals. This does not include those individuals awaiting placement with non-qualifying ND currently such as MS and Parkinson’s Disease, as well as those individuals with no ND diagnosis awaiting placement.

Medicaid Access

Regulations indicate that the Medicaid patient admissions standard shall be 75% of the annual percentage of all Medicaid admissions for the long term care planning area in which the applicant facility is located. Such planning area percentage shall not include residential health care facilities that have an average length of stay 30 days or fewer. If there are four or fewer residential health care facilities in the planning area, the applicable standard for a planning area shall be 75% of the planning area percentage of Medicaid admissions, or of the Health Systems Agency area Medicaid admissions percentage,

whichever is less. In calculating such percentages, the Department will use the most current data which have been received and analyzed by the Department.

An applicant will be required to make appropriate adjustments in its admission policies and practices so that the proportion of its own annual Medicaid patient's admissions is at least 75% of the planning area percentage or the Health Systems Agency percentage, whichever is applicable.

Conclusion

The creation of this specialized program is designed to provide the appropriate care and placement for the ND population and prevent individuals from needing to seek care out-of-state, allowing them to remain close to their families and loved ones.

Recommendation

From a need perspective, contingent approval is recommended.

Program Analysis

Facility Information

	Existing	Proposed
Facility Name	Victoria Home	Same
Address	25 North Malcolm Street Ossining, NY 10562	Same
RHCF Capacity	49	90
ADHC Program Capacity	N/A	Same
Type of Operator	Corporation	Same
Class of Operator	Voluntary Not for Profit	Same
Operator	Victoria Home	Same

Program Review

Victoria Home is a high-quality nursing home founded in 1916 by the Daughters of the British Empire. Victoria Home is located on a 4.2-acre site overlooking the Hudson River, and consists of a circa 1888 Queen Anne wood frame home attached to a 1920 three story brick residential building. Resident areas are in the brick building, while the wood frame building is used for administrative and recreational purposes. The building is surrounded by manicured lawns and gardens creating an ambience uncommon to other nursing homes. However, the age of the buildings has rendered them functionally obsolete. The applicant has elected to demolish the buildings and construct a replacement facility, while retaining as many of the period furnishings and antiques as possible.

In planning for a replacement facility, Victoria Home recognized that the high operational cost of the current facility threatened its continued survival. The economic inefficiencies inherent to a 49-bed nursing home create an extremely high operational cost per bed, especially when compared to the industry wide average. Despite its historic high occupancy, related to the high quality of care it has provided, the significant operating deficits posed an impediment to the charitable mission of Victoria Home, noted as providing comfort, well-being and happiness for seniors. To continue operating, Victoria Home recognized the need to increase its bed complement to spread the operating costs over a larger base, while at the same time re-programming the nursing home to address a special population.

Victoria Home responded to a State initiative to provide services to individuals with neurodegenerative diseases (ND), which includes Huntington's Disease (HD) and Amyotrophic Lateral Sclerosis (ALS a/k/a Lou Gehrig's disease). Victoria Home was awarded a Vital Access Provider grant to develop a program for the care of individuals with HD and ALS, including education and training. Working with the NYSDOH ND Advisory Workgroup, Victoria Home recognized that a need existed to care for individuals with ALS. Two of the three existing ND programs, Terrence Cardinal Cooke Health Care Center in New York and

Ferncliff Nursing Home in Dutchess County, focus on HD, and the third nursing home program, Charles T. Sitrin Health Care Center, is located upstate in Utica.

Victoria Home will devote 45 of its 90 beds to the care of ND individuals. Currently, there are no regulations governing program and facility design for ND units. In addition to the ND Workgroup, Victoria Home has consulted with the Huntington's Disease Society of America, The Amyotrophic Lateral Sclerosis Association and the Columbia Health Sciences HDSA Center of Excellence. The existing ND programs exhibit certain common characteristics that are important in the care of ND residents. These include high caloric diets, particularly for HD residents, with individualized feeding, a daily routine to reduce stress, and consistent staffing with turnover kept to a minimum. Structural considerations while minimal include the general requirement of additional space to accommodate specialized equipment and to ensure the safety of staff, and soft lighting and noise deadening materials to create a favorable environment for ND individuals.

Physical Environment

The replacement Victoria Home will adopt a household design, akin to the small house/greenhouse model. The building will be configured into three floors of paired households, with the ND houses to the right and conventional long term care to the left. The neurodegenerative houses are sized slightly larger but are otherwise mirror images of the conventional houses. The ND and long term care houses are separated by a common lobby and elevator bank. Each house will consist of 15 resident rooms, all single occupancy.

The entryway for each house leads into a large, open area for dining and activities. The living room includes comfortable seating in front of a fireplace, with residents able to select books and games from the surrounding book cases. Residents are also offered the opportunity to dine with their fellow residents while sitting at a common table, enjoying meals served from the adjacent country kitchen. Residents will use the spa room located in the center of the house for bathing and personal care needs. Washers and dryers adjacent to the spa room are made available for the residents' personal laundry. Resident rooms are arrayed around the outside of the house, accessible to the services located in the center core. Each resident bedroom is sized to accommodate a sleepover guest if desired and each room includes a bathroom with European type shower.

Outside entry into the nursing home is made through the first floor lobby. The entrance lobby area connects to the two lower levels which contain resident support areas and administrative offices. A large outdoor patio area will be located to the rear of the entrance lobby, and will also connect to a wandering garden. The rehabilitation gym, administrator, nursing and finance offices, kitchen and staff lounge and lockers are located on the first sub-level. Mechanical and service functions are contained on the lower level. In response to staff suggestions, the entrance lobby will be enlarged to enable its use as a large activity/multipurpose area. Existing greenhouse nursing homes have suffered from a lack of space to accommodate large group activities, with some nursing homes opting to construct a separate activity building. The minor change to the facility design will be reviewed at the time of final plan submission.

Compliance

Victoria Home is currently in substantial compliance with all applicable codes, rules and regulations. The use of the wood frame building for residential use is not permitted by the Life Safety Code.

Quality Review

Facility	Overall	Health Inspection	Quality Measures	NYS Quintile
Victoria Home	*****	*****	*****	1

Conclusion

The replacement of Victoria Home will enable the applicant to continue its mission of providing high quality long term care for the aged through the replacement of its obsolete and non-code conforming building. The addition of a specialized program serving neurodegenerative diseases will extend Victoria

Home's quality nursing care to the benefit of these individuals. The contemporary small house design will present residents with a modern, home-like environment, while maintaining some of the character of the existing home. Long term and ND residents will enjoy a calm and comfortable setting with a care plan focusing on their needs.

Recommendation

From a programmatic perspective, contingent approval is recommended.

Financial Analysis

Total Project Cost and Financing

Total project cost is estimated at \$35,956,875, broken down as follows:

New Construction	\$24,207,584
Renovation and Demolition	\$629,152
Site Development	\$1,572,973
Temporary Utilities	\$93,938
Asbestos Abatement or Removal	\$104,375
Design Contingency	\$2,420,758
Construction Contingency	\$1,210,379
Planning Consultant Fees	\$120,031
Architect/Engineering Fees	\$663,379
Construction Manager Fees	\$704,720
Other Fees (Consultant Fees)	\$78,281
Moveable Equipment	\$913,281
Financing Costs	\$539,352
Interim Interest Expense	\$2,500,000
CON Fee	2,000
Additional Processing Fee	<u>\$196,670</u>
Total Project Cost	\$35,956,874

Project costs are based on a construction start date of January 1, 2018, and an 18-month construction period.

Based on the mid-point of construction in 2018, the Bureau of Architectural and Engineering Review has determined that the cost per bed exceeds the applicable RHCFC bed cap limitation by \$45,313 per bed. Thus, allowable project cost for reimbursement will be limited to \$31,983,045 detailed as follows:

\$352,000 per bed cap x 90 beds	\$31,680,000
Asbestos Allowance	104,375
CON Application Fee	\$2,000
CON Processing Fee	<u>\$196,670</u>
Total Reimbursable Project Cost	\$31,983,045

The applicant's financing plan is as follows:

Equity via Endowment and Fundraising	\$8,989,302
Loan (6.25% interest, 30-year term)	<u>\$26,967,572</u>
Total	\$35,956,874

Herbert J. Sims & Co. provided a letter of interest for the loan financing at the stated terms. The applicant has provided an executed Victoria Home Corporate Board Resolution attesting to provide \$6,500,000 from the Victoria Home Endowment with the remaining \$2,489,302 to be provided by a combination of either VH fundraising, additional financing and borrowing or additional endowment spending authorized to the extent that such fundraising, financing and borrowing by the time such monies are needed do not

reach the \$2,500,000 mark. The endowment account is denoted as the investment account shown on VH's balance sheet. As of December 31, 2016, the balance of that account was \$11,003,611.

Operating Budget

The applicant submitted a budget for the replacement facility, in 2017 dollars, for the first year after project completion. The budget is summarized below:

	<u>Current Year</u>		<u>Year One</u>	
	<u>Per Diem</u>	<u>Total</u>	<u>Per Diem</u>	<u>Total</u>
<u>RHCF Revenues</u>		<u>(49 beds)</u>		<u>(45 beds)</u>
Medicaid	\$281.48	\$3,613,915	\$322.46	\$3,301,000
Medicare	\$627.91	\$772,326	\$657.05	\$1,440,900
Commercial	N/A	N/A	\$322.37	\$471,300
Private/Other	\$465.76	<u>\$1,528,156</u>	\$535.02	<u>\$391,100</u>
Total RHCF Revenues		<u>\$5,914,397</u>		<u>\$5,604,300</u>
 <u>ND Specialty Revenues</u>				<u>(45 beds)</u>
Medicaid			\$437.41	\$5,437,000
Medicare			\$539.53	\$394,400
Commercial			\$437.89	\$320,100
Private/Other			\$500.82	<u>\$366,100</u>
Total ND Revenues				<u>\$6,517,600</u>
 Total Revenues				<u>\$12,121,900</u>
 Total Expenses				
Operating	\$405.34	\$7,032,596	\$310.36	\$9,076,800
Capital	<u>\$18.70</u>	<u>\$324,409</u>	<u>\$98.88</u>	<u>2,891,941</u>
Total Expenses	\$424.04	<u>\$7,357,005</u>	\$409.24	<u>\$11,968,741</u>
 Gain/(Loss)		<u>(\$1,442,608)</u>		<u>\$153,159</u>
 Utilization (RHCF)		17,350		14,623
Utilization (ND)		<u>N/A</u>		<u>14,623</u>
Total Patient Days		17,350		29,246
 Occupancy (Both Services)		97%		89%

Utilization broken down by payor source during the first year is as follows:

	<u>RHCF</u>	<u>ND</u>
Medicaid	70%	85%
Medicare	15%	5%
Commercial	10%	5%
Private Pay/Other	<u>5%</u>	<u>5%</u>
Total	100%	100%

Expense assumptions included the following:

- Salaries were projected based on current actual wages and hours paid with a 3% cost of living percentage increase.
- Benefits were based on current costs adjusted for the salary increases.
- All other expenses were calculated based on current costs inflated by 2.5% to reflect 2017 dollars.
- Personnel costs are inclusive of the additional staff to be hired with specialized experience in the care of ND patients for the new 45 bed ND RHCF unit.

Revenue and utilization assumptions were based on the following:

- Projected RHCF and ND occupancy levels by payor: During 2014 and 2015 the facility operated at 97% occupancy. They are assuming 89% occupancy for the RHCF and ND units for Year One ramping up to 97% going forward. The applicant anticipates a six-month ramp-up to achieve and

maintain full occupancy of the specialty ND unit. The proposed ramp-up will be achieved by attracting ND residents from in-state and out-of-state sources. The applicant will have engaged in outreach related to the new unit by utilizing community outreach, social media, and the internet to inform as wide of a base as possible to attract patients.

- Rates were based on current operations, regional averages, market information and increased capital reimbursement based on the increase interest expense associated with the construction project.

The budget is reasonable.

Capability and Feasibility

Total project cost of \$35,956,875 will be met with \$8,989,303 cash from the endowment and through fundraising as well as a loan of \$26,967,575 at the above stated terms.

Working capital requirements are estimated at \$442,650 based on two months of the ND specific expenses for Year One. The applicant has shown that there are significant resources available from the endowment account (Bessemer Trust) that was established for Victoria Home by its founders, The Daughters of the British Empire in the Eastern District. VH has title and ownership to the investments from this Trust. As shown on VH's balance sheet, the endowment has sufficient resources to cover the required project funding, any ramp-up/Year One operational losses, and the working capital requirement. As a contingency for approval, the Department requires an executed Victoria Home Corporate Board Resolution attesting to fund any working capital requirements or operating losses associated with the ramp-up period.

The submitted budget indicates an excess of revenues over expenses of \$153,159 the first year after project completion. The applicant anticipates that with the new building, the addition of 41 beds, and the inclusion of ND services they will be able to attract more residents than they currently do at the existing facility and become financially viable. The submitted budget is reasonable.

A transition of nursing home (NH) residents to Medicaid managed care is currently being implemented statewide. Under the managed care construct, Managed Care Organizations (MCOs) negotiate payment rates directly with the NH providers. A Department policy paper provided guidance requiring MCOs to pay the benchmark Medicaid FFS rate, or a negotiated rate acceptable to both plans and NHs, for three years after a county has been deemed mandatory (phased in) for NH population enrollment. Thus, the benchmark Medicaid FFS rate remains a reliable basis for assessing NH Medicaid revenues during the transition period.

BFA Attachment A is the 2014-2016 certified financial summary of Victoria Home. As shown, the facility had an average positive working capital position and an average positive net asset position during the period. Also, the facility incurred an average operating loss of \$1,036,841 for the period. The losses are due to both revenue constraints related to the facility's bed capacity and from higher than industry average fixed costs associated with running the aged and outdated physical plant that houses the facility. The losses have been covered by the applicant's sponsors, The Daughters of the British Empire in the Eastern District. With the construction of the new facility and the addition of the new ND beds and service the applicant is projecting to achieve a positive net income going forward without the assistance of The Daughters of the British Empire in the Eastern District.

Subject to the noted contingencies, it appears that the applicant demonstrated the capability to proceed in a financially feasible manner

Recommendation

From a financial perspective, contingent approval is recommended.

Attachments

BFA Attachment A 2014-2015 certified and 2016 internal Financial Summary for Victoria Home



**Project # 162556-E
Progressive Surgery Center, LLC**

Program: Diagnostic and Treatment Center **County:** Suffolk
Purpose: Establishment **Acknowledged:** January 25, 2017

Executive Summary

Description

Progressive Surgery Center, LLC, a New York limited liability company that operates an Article 28 freestanding ambulatory surgery center (FASC) located at 340 Broad Hollow Road in Farmingdale (Suffolk County), requests approval to transfer 82.473% ownership interest from one current member to two new members and to certify Lithotripsy services. The Center is certified as a multi-specialty FASC and began operations effective September 30, 2003. The Center performs colon and rectal surgery, endoscopy procedures, general and vascular surgery, hand and peripheral nerve surgery and plastic surgery services. Current majority owner, Verghese George, M.D., proposes to sell 30.824% of his membership interest to Integrated Medical Professionals, PLLC (IMP), a New York multi-specialty 70-physician private practice, and 51.649% of his membership interest to Broadhollow Road Group, LLC (BRG), a New York 26-physician private practice specializing in urology. All 26 members of BRG are also members of IMP. Approval of this application would enable the Center to offer a number of urology procedures, including Lithotripsy, in addition to the procedures currently being performed.

There will be no renovations or change in physical location as a result of this application. The Center will continue to be located within 5,445 square feet of an existing 12,000 square foot building, which is currently owned by 340 Broadhollow Road, LLC, a company whose membership is comprised of Dr. George and his wife, Usha George, M.D. The FASC space is leased to Progressive Surgery Center, LLC through a non-arm's length lease. Upon

approval of the change in ownership, the building will be sold to IMP, and the Center will enter into a new lease agreement with IMP for the identical space.

The current and proposed ownership of Progressive Surgery Center, LLC is as follows:

<u>Current</u>	
Verghese George, M.D.	97%
Mitchell Keschner, M.D.	3%

<u>Proposed</u>	
Verghese George, M.D.	17.0%
Mitchell Keschner, M.D.	3.0%
Integrated Medical Professionals, PLLC	29.9%
Broadhollow Road Group, LLC	50.1%

Dr. George will continue to serve as Medical Director of the Center. Only the physicians who are members of BRG will perform procedures at the Center.

OPCHSM Recommendation
Contingent Approval

Need Summary

Progressive Surgery Center, LLC, seeks approval to transfer 82.473% membership from one member to two new members and proposes to certify Lithotripsy services as an additional service to be provided. The number of projected procedures is 9,500 in Year 1 with Medicaid at 3.22% and charity care at 0.56%.

Program Summary

Based on the information reviewed, staff found nothing that would reflect adversely upon the applicants' character and competence or standing in the community.

Financial Summary

The purchase price for acquiring the membership interests is \$1,616,000 allocated as follows: \$603,980 for IMP and \$1,012,020 for BRG. The respective members of these entities will provide equity via their personal resources. Upon the closing of the sale of the membership interests, the Center will purchase certain assets (equipment) from Dr. George related to the facility operations for a purchase price of \$1,700,000. The Center will finance the purchase price via a loan with interest based on the 1-month LIBOR rate (approximately 3.05% as of 2/28/2017) for a five-year term. The proceeds of the sale will go to Dr. George.

JPMorgan Chase has provided a letter of interest. Also, the building purchase agreement for \$5,300,000 will be met via equity from the operations and members of IMP. Dr. Deepak Kapoor, CEO of IMP, has submitted an affidavit on behalf of IMP's members indicating that, if required, the IMP members will provide equity disproportionate to their ownership interests to cover equity requirements for the purchase price of the membership interest, the real property, or the costs of operation of the facility to fund any shortfall. The proposed budget is as follows:

Revenues	\$10,169,998
Expenses	<u>4,292,028</u>
Net Income	\$5,877,970

Recommendations

Health Systems Agency

There will be no HSA recommendation for this project.

Office of Primary Care and Health Systems Management

Approval contingent upon:

1. Submission of a loan commitment that is acceptable to the Department of Health. [BFA]
2. Submission of an executed purchase agreement for the acquisition of ownership interests that is acceptable to the Department of Health. [BFA]
3. Submission of an executed building purchase agreement that is acceptable to the Department of Health. [BFA]
4. Submission of an executed lease rental agreement that is acceptable to the Department of Health, [BFA]
5. Submission of a photocopy of an Operating Agreement of Progressive Surgery Center, LLC, which is acceptable to the department. [CSL]
6. Submission of a Medical Director Agreement between Progressive Surgery Center, LLC and Verghese George, M.D., which is acceptable to the department. [CSL]
7. Submission of a photocopy of the Articles of Organization of Integrated Medical Professionals, PLLC, which is acceptable to the department. [CSL]
8. Submission of a photocopy of the Operating Agreement of Integrated Medical Professionals, PLLC, which is acceptable to the department. [CSL]
9. Submission of a photocopy of the Articles of Organization of BroadHollow Road Group, LLC, which is acceptable to the department. [CSL]
10. Submission of a photocopy of the Operating Agreement of BroadHollow Road Group, LLC, which is acceptable to the department. [CSL]
11. Submission of a photocopy of the Membership Purchase Agreement between Progressive Surgery Center, LLC, Integrated Medical Professionals, PLLC, Verghese George, and BroadHollow Road Group, LLC, which is acceptable to the department. [CSL]
12. Submission of a photocopy of the Purchase and Sale Agreement between Integrated Medical Professionals, PLLC and 340 Broad Hollow Road, LLC, which is acceptable to the department. [CSL]

Approval conditional upon:

1. The project must be completed within one year from the date of the Public Health and Health Planning Council recommendation letter. Failure to complete the project within the prescribed time shall constitute an abandonment of the application by the applicant and an expiration of the approval. [PMU]
2. Transfers of membership interest within Progressive Surgery, LLC, Integrated Medical Professionals, PLLC, and BroadHollow Road Group, LLC must adhere to Public Health Law 2801-a(4). [CSL]

Council Action Date

June 8, 2017

Need Analysis

Analysis

The service area consists of Suffolk County. Suffolk County has a total of 12 freestanding ambulatory surgery centers: six multi-specialty ASCs, five single-specialty ASCs and one dual single-specialty ASC. Melville Surgery center is the only other ASC in Suffolk County to currently offer lithotripsy services. The table below shows patient visits at ambulatory surgery centers in Suffolk County for 2014 and 2015.

ASC Type	Facility Name	Total Patient Visits	
		2014	2015
Dual	Advanced Surgery Center of Long Island (opened 6/5/14)	970	6,627
Single	Digestive Health Center of Huntington, Inc.	3,103	3,458
Single	Great South Bay Endoscopy Center, LLC (opened 8/5/14)	1,542	4,565
Single	Island Digestive Health Center (opened 5/22/14)	2,732	5,044
Single	Island Endoscopy Center, LLC	9,887	8,983
Multi	Long Island Ambulatory Surgery Center	9,775	11,942
Single	Long Island Hand & Orthopedic Surgery Center, LLC	673	638
Multi	Melville Surgery Center	5,763	5,994
Multi	North Shore Surgi-Center	7,583	7,178
Multi	Progressive Surgery Center	1,356	1,112
Multi	South Shore Surgery Center	3,232	4,089
Multi	Suffolk Surgery Center	6,601	6,305
Total		53,217	65,935

Source: SPARCS

For all Suffolk County ASCs, the total number of patient visits was 53,217 in 2014 and 65,935 in 2015, a 23.9% year-to-year increase. The population of Suffolk County in 2010 was 1,493,350 with 625,791 individuals (41.9%) who are 45 and over. This is the primary population group utilizing ambulatory surgery services. Per Cornell Program on Applied Demographics (PAD) projection data, this population group is estimated to grow to 674,710 by 2025 and represent 43.7% of the projected population of 1,543,715.

Upon approval of this project, 26 new physicians will practice at the center, of which approximately 54% of their procedures are coming from the twelve hospitals at which these physicians currently practice, with no significant impact to any one hospital. The remaining procedures will be shifted from private office settings, or from other ambulatory surgery centers.

The number of projected procedures is 9,500 in Years 1 and 3, following approval. The table below shows the projected payor source utilization for Progressive Surgery Center for Years 1 and 3.

Projections-162556	Year 1 Volume	Year 1 %	Year 3 Volume	Year 3 %
Medicaid FFS	53	0.56%	53	0.56%
Medicaid MC	253	2.66%	253	2.66%
Medicare FFS	3,114	32.78%	3,114	32.78%
Medicare MC	496	5.22%	496	5.22%
Comm Ins - FFS	3,842	40.44%	3,842	40.44%
Comm Ins - MC	1,182	12.44%	1,182	12.44%
Private Pay	106	1.12%	106	1.12%
Charity Care	53	0.56%	53	0.56%
Other	401	4.22%	401	4.22%
Total	9,500	100%	9,500	100%

To serve the underinsured population, the center currently contracts with the two Medicaid Managed Care plans; United Healthcare and HIP, and is in the application process with two additional Medicaid managed care plans; Fidelity and Affinity. The center will continue to collaborate with Hudson River Healthcare's two extension clinics to educate staff and patients about the availability of services for the underinsured and to have referral arrangement in place for patients. The center does have a Financial Assistance Program available to serve those patients in need.

The facility's apparent inability to achieve the preferred two percent charity care level may be due at least in part to the decrease in uninsured individuals in Suffolk County since the implementation of the Affordable Care Act. According to the American Community Survey, the estimated number of uninsured individuals in Suffolk County has decreased from 149,396 in 2012 to 112,774 in 2014, representing a 24.5% drop in the estimated number of uninsured individuals in Suffolk County.

The following table shows how the other ASC's are performing in Suffolk County regarding Medicaid and charity care utilization. Currently, there are four ASC's still under the limited life approval process, Advanced Surgery Center, Great South Bay Endoscopy Center, Island Digestive Health Center and South Shore Surgery Center.

Name	Type	2015 ¹		2016 ²	
		Charity	Medicaid	Charity	Medicaid
Progressive Surgery Center, LLC	Multi	0.0%	0.2%	0.1%	0.1%
Advanced Surgery Center of Long Island	Gastroenterology/ Pain Management	0.3%	0.7%	0.5%	4.8%
Digestive Health Center of Huntington, Inc.	Gastroenterology	0.1%	0.0%	0.0%	0.0%
Great South Bay Endoscopy Center, LLC	Gastroenterology	0.1%	0.0%	0.4%	9.5%
Island Digestive Health Center	Gastroenterology	1.2%	18.9%	1.0%	17.8%
Island Endoscopy Center, LLC	Gastroenterology	0.0%	4.5%	0.0%	3.1%
Long Island Ambulatory Surgery Center	Multi	0.0%	17.9%	1.9%	23.9%
Long Island Hand and Orthopedic Surgery Center, LLC	Orthopedics	1.2%	3.0%	0.0%	1.3%
Melville Surgery Center	Multi (lithotripsy)	0.0%	7.6%	0.2%	5.9%
North Shore Surgi-Center	Multi	0.2%	0.1%	0.3%	0.0%
South Shore Surgery Center	Multi	0.1%	10.3%	0.2%	11.7%
Suffolk Surgery Center, LLC	Multi	0.0%	8.9%	0.0%	4.4%
Average for the County		0.3%	6.5%	0.4%	7.5%

¹2015 data from AHCF or Annual reports, except for Digestive Health Ctr and North Shore.

²2016 information is from SPARCS and not for a full year.

As shown in the table above, the majority of the ASC's in Suffolk County are having difficulty reaching the preferred two percent level for charity care. Approximately half of these ASC's are at or above five percent Medicaid utilization. Per DOH, in 2013 (the most recent yearly data provided), the population of Suffolk County was estimated to be 1,499,738 and the number of individuals enrolled in Medicaid was 224,294 or approximately 15% of the county's population.

The applicant is committed to serving all persons in need without regard to ability to pay or source of payment.

Conclusion

Approval of this project will allow for continued access to ambulatory surgery services for the communities of Suffolk County.

Recommendation

From a need perspective, approval is recommended.

Program Analysis

Character and Competence

Verghese George, M.D. and Mitchell Keschner, M.D. are the current members of Progressive Surgery Center, LLC. Dr. George has a 97% membership interest in the LLC while Dr. Keschner has a 3% membership interest. Dr. George requests to transfer 30.824% of his membership interest to Integrated Medical Professionals, PLLC (IMP), a New York multispecialty physician practice with 70 members, and 51.649% of his membership interest to BroadHollow Road Group, LLC (BRG), a New York physician practice specializing in urology with 26 members. All 26 members of BRG are members of IMP. Dr. George would continue as the medical director of the center. The proposed change of ownership will not result in any renovations or new construction.

The proposed members and ownership are noted below:

<u>Name</u>	<u>Current</u>	<u>Proposed</u>
Verghese George, M.D. Medical Director	97%	17%
Mitchell Keschner, M.D.	3%	3%
Integrated Medical Professionals, PLLC (70 MDs)	--	29.9%
BroadHollow Road Group, LLC (26 MDs)	--	50.1%
TOTAL	100%	100%

Staff from the Division of Certification & Surveillance reviewed the disclosure information submitted regarding licenses held, formal education, training in pertinent health and/or related areas, employment history, a record of legal actions, and a disclosure of the applicant's and relatives' ownership interest in other health care facilities. Licensed individuals were checked against the Office of Medicaid Management (relative to Medicaid fraud and abuse), the Office of Professional Medical Conduct, and the Education Department databases.

- Dr. Badillo disclosed two open malpractice actions and three settled claims; one case settled in 2008 for \$750,000 (failure to diagnose & treat), one settled in 2013 for \$170,000 (negligent surgical repair) and one settled in 2014 for \$312,500 (failure to culture surgical site).
- Dr. Gary Goldberg disclosed one open malpractice action and two settled claims; one case was settled in 2006 for \$250,000 (negligent removal of stone) and one settled in 2011 for \$1,200,000 (intra-operative complication resulting in patient death).
- Dr. Mitchnick disclosed two open malpractice actions and two settled claims, each for less than \$100,000.
- Dr. Polepalle disclosed one settled malpractice action, settled in 2015, for \$2.3 million (failure to provide timely treatment).
- Dr. Ricciardi disclosed five open malpractice actions.
- Dr. Trauzzi disclosed one settled malpractice action settled in 2009 for \$162,500 (failure to treat).
- Dr. Glassman disclosed three pending malpractice actions and one claim settled in 2015 for \$450,000 (failure to diagnose).
- Dr. Rechtschaffen disclosed one open malpractice action.

Conclusion

Based on the information reviewed, staff found nothing that would reflect adversely upon the applicants' character and competence or standing in the community.

Recommendation

From a programmatic perspective, approval is recommended.

Financial Analysis

Membership Purchase Agreement

The applicant has submitted a draft membership purchase agreement for the transfer of ownership interests and certain assets, which is summarized below:

Purpose:	Sale of 30.824% membership interest to Integrated Medical Professionals, PLLC and 51.649% to Broadhollow Road Group, LLC. Also, the sale of certain Center equipment.
Seller:	Vergheese George, MD.
Purchasers:	Integrated Medical Professionals, PLLC and Broadhollow Road Group, LLC
Purchase Price:	\$1,616,000 for the transferred membership interests; and \$1,700,000 for certain asset (equipment) upon closure of sale of membership interests.

The purchase price for the membership interests will be as follows: Integrated Medical Professionals, PLLC for \$603,980 and Broadhollow Road Group, LLC for \$1,012,020. The purchase price will be met via equity from the proposed new members. The purchase price for the equipment is \$1,700,000 to be financed by the Center via a loan with interest based on the 1-month LIBOR rate (approximately 3.05% as of 2/28/2017) for a five-year term (proceeds of this sale will go to Dr. George). JPMorgan Chase Bank has provided a letter of interest at the stated terms.

Building Purchase Agreement

The applicant has submitted a draft building purchase agreement, which is summarized below:

Date:	February 24, 2016
Purpose:	The sale of the real property and all improvements commonly known as 340 Broad Hollow Road, Farmingdale, New York 11735
Seller:	340 Broad Hollow Road, LLC
Purchaser:	Integrated Medical Professionals, PLLC
Purchase Price:	\$5,300,000
Payment of Purchase Price:	\$530,000 paid and held in escrow \$4,770,000 payable by bank check to Seller upon the Closing.

The purchase price for the building will be met via equity from the operations of IMP and from equity via the personal resources of the members of IMP. The realty transaction will take place simultaneously with the closing of the membership purchase agreement.

Lease Rental Agreement

The applicant has submitted a draft lease rental agreement for the site that the Center occupies, which is summarized below:

Premises:	5,445 square feet located at 340 Broad Hollow Road, Farmingdale, New York 11735
Lessor:	Integrated Medical Professionals, PLLC
Lessee:	Progressive Surgery Center, LLC
Term:	Seven Years
Rental:	\$245,025 (\$45.00 per sq. ft.)
Provisions:	Lessee shall be responsible for real estate taxes, maintenance, insurance and utilities.

The lease will be a non-arm's length lease arrangement since Integrated Medical Professionals, PLLC is one of the members of the proposed operating entity. The applicant submitted letters for two NYS licensed realtors attesting to the rent being if fair market value.

Operating Budget

The applicant has submitted an operating budget, in 2017 dollars, during the first year after the change in membership interest, summarized below:

	<u>Current Year</u>		<u>Year One</u>	
	<u>Per Proc.</u>	<u>Total</u>	<u>Per Proc.</u>	<u>Total</u>
<u>Revenues</u>				
Medicaid FFS	\$3,420	\$6,840	\$951	\$55,345
Medicaid Managed Care	\$0	0	\$920	232,825
Medicare FFS	\$723	170,630	\$994	3,032,442
Medicare Managed Care	\$0	0	\$919	455,949
Commercial FFS	\$1,383	1,056,303	\$1,147	4,587,488
Commercial Managed Care	\$0	0	\$919	1,086,518
Private Pay	\$2,772	58,213	\$1,141	155,224
Charity Care	\$0	0	\$951	48,505
Other	\$1,387	<u>147,062</u>	\$1,249	<u>515,702</u>
Total Revenues		\$1,439,048		\$10,169,998
<u>Expenses</u>				
Operating	\$1,089.86	\$1,230,450	\$386.21	\$3,669,000
Capital	<u>259.17</u>	<u>292,605</u>	<u>65.58</u>	<u>623,028</u>
Total Expenses	\$1,349.03	\$1,523,055	\$451.79	\$4,292,028
Net Income		<u>(\$84,007)</u>		<u>\$5,877,970</u>
Procedures		1,129		9,500
Cost Per Procedure		\$1,349.03		\$451.79

Utilization by payor source during the current year and first year after the change in operator is as follows:

	<u>Current Year</u>	<u>Year One</u>
Medicaid FFS	0.17%	0.56%
Medicaid Managed Care	0.00%	2.66%
Medicare FFS	20.90%	32.78%
Medicare Managed Care	0.00%	5.22%
Commercial FFS	67.67%	40.44%
Commercial Managed Care	0.00%	12.44%
Private Pay	1.86%	1.12%
Charity Care	0.00%	0.56%
Other	9.40%	4.22%

Expense and utilization assumptions are based on the historical experience of the operator and the experience of the doctors coming in as new members of the facility. The applicant has submitted letters from the participating physicians supporting the utilization assumptions. The applicant indicated that any changes in reimbursement are due to the difference in the types of cases expected if the application for a change in ownership is approved and the expected insurance coverage. The primary type of cases reflected for Current Year are hand surgeries, which are primarily more complicated than the average case that would be added to the case volume if the application is approved.

Capability and Feasibility

The purchase price for acquiring the membership interests is \$1,600,000 allocated as follows: \$603,980 for IMP and \$1,012,020 for BRG. The proposed members of these entities will provide equity via their personal resources to meet the purchase price. BFA Attachment A is the membership interest and net worth analysis of the individual members of IMP and BRG, which shows that the individual physician members have sufficient funds to meet the membership interest purchase price. Upon closure of the membership interest transfer, certain Center equipment will be sold for a purchase price of \$1,700,000 to be financed by the Center via a loan at an interest rate of 1 month LIBOR (approximately 3.05% as of 2/28/2017) for a five-year term. The proceeds of this sale will go to Dr. George. JPMorgan Chase Bank has provided a letter of interest at the stated terms. Also, the building purchase agreement of \$5,300,000 will be met via equity from the operations of IMP and from the personal resources of the members of IMP.

The realty transaction will take place simultaneously with the closing of the membership purchase agreement.

Working capital requirements are estimated at \$715,338, which is equivalent to two months of first year expenses. The working capital requirement will be met via equity from the certified financial statements of Integrated Medical Professionals, PLLC and from personal resources of the proposed members of IMG and BRG. BFA Attachment B is the 2014 and 2015 certified financial statements of Integrated Medical Professionals, PLLC, which indicates the availability of sufficient funds for the equity contribution. Dr. Deepak Kapoor, CEO of IMP, has submitted an affidavit on behalf of IMP's members indicating that, if required, the IMP members will provide equity disproportionate to their ownership interests to cover equity requirements for the purchase price of the membership interest, the real property, working capital requirements or the costs of operation of the facility in order to fund any shortfall.

The submitted budget indicates a net income of \$5,877,970 during the first year after the addition of the new members. Revenues are based on current reimbursement methodologies for ambulatory surgery procedures. The submitted budget appears reasonable.

BFA Attachment C is the 2013 through 2015 certified financial statements of Progressive Surgery Center, LLC. As shown, the entity had an average positive working capital position and an average positive net asset position from 2013 through 2015. Also, the entity incurred average net losses of \$42,005 from 2013 through 2015. The applicant indicated that the reason for the losses were the result of declining patient utilization. The Center implemented cost cutting strategies in staffing, inventory, management and supplies and renegotiated its property lease.

BFA Attachment D is the internal financial statements of Progressive Surgery Center as of September 30, 2016, which shows the entity had a positive working capital position and a positive net asset position through the period. As shown, the entity incurred a net loss of \$21,067 through September 30, 2016.

Subject to the noted contingencies, it appears that the applicant has demonstrated the capability to proceed in a financially feasible manner.

Recommendation

From a financial perspective, contingent approval is recommended.

Attachments

- | | |
|------------------|---|
| BFA Attachment A | Membership percent and net worth analysis of individual members of Integrated Medical Professionals, PLLC and Broadhollow Road Group, LLC |
| BFA Attachment B | Financial Summary - 2014 and 2015 certified financial statements of Integrated Medical Professionals, PLLC |
| BFA Attachment C | Financial Summary - 2013 through 2015 certified financial statements of Progressive Surgery Center |
| BFA Attachment D | Financial Summary - September 30, 2016 internal financial statements of Progressive Surgery Center |



Project # 171077-B
CMSC, LLC t/b/k/a CitiMed Surgery Center, LLC

Program: Diagnostic and Treatment Center **County:** Queens
Purpose: Establishment and Construction **Acknowledged:** February 8, 2017

Executive Summary

Description

CMSC, LLC, a New York limited liability company, requests approval to establish and construct an Article 28 freestanding ambulatory surgery center (FASC) to be located at 92-12 165th Street, Jamaica (Queens County). The facility will be certified as a multi-specialty FASC including orthopedic surgery and pain management services. The FASC will occupy approximately 6,658 gross square feet of leased space of a one-story building that is currently vacant. The proposed Center will consist of two class C operating rooms, three pre-op bays and six post-op bays. Upon approval, the applicant will amend their name to CitiMed Surgery Center, LLC.

The sole member of CMSC, LLC is Regina Moshe, M.D.

OPCHSM Recommendation

Contingent approval with an expiration of the operating certificate five years from the date of its issuance.

Need Summary

The number of projected procedures is 3,955 in Year 1 and 4,361 in Year 3, with Medicaid at 6%

and charity care at 2% both years. The procedures are currently being performed in office based surgical practices.

Program Summary

Based on the information reviewed, staff found nothing that would reflect adversely upon the applicant's character and competence or standing in the community.

Financial Summary

Total project costs of \$3,028,838 will be met through members' equity of \$302,885 with the remaining \$2,725,953 to be financed over ten years at 6.25% interest. Chase Bank has provided a letter of interest at the stated terms. The proposed budget is as follows:

	<u>Year One</u>	<u>Year Three</u>
Revenues	\$4,443,181	\$5,089,915
Expenses	\$3,187,464	\$3,560,433
Gain/(Loss)	\$1,255,717	\$1,529,482

Recommendations

Health Systems Agency

There will be no HSA recommendation for this project.

Office of Primary Care and Health Systems Management

Approval with an expiration of the operating certificate five years from the date of its issuance, contingent upon:

1. Submission of a check for the amount enumerated in the approval letter, payable to the New York State Department of Health. Public Health Law Section 2802.7 states that all construction applications requiring review by the Public Health and Health Planning Council shall pay an additional fee of fifty-five hundredths of one percent of the total capital value of the project, exclusive of CON fees. [PMU]
2. Submission by the governing body of the ambulatory surgery center of an Organizational Mission Statement which identifies, at a minimum, the populations and communities to be served by the center, including underserved populations (such as racial and ethnic minorities, women and handicapped persons) and the center's commitment to meet the health care needs of the community, including the provision of services to those in need regardless of ability to pay. The statement shall also include commitment to the development of policies and procedures to assure that charity care is available to those who cannot afford to pay. [RNR]
3. Submission of a statement, acceptable to the Department, that the applicant will consider creating or entering into an integrated system of care that will reduce the fragmentation of the delivery system, provide coordinated care for patients, and reduce inappropriate utilization of services. The applicant will agree to submit a report to the Department beginning in the second year of operation and each year thereafter detailing these efforts and the results. [RNR]
4. Submission of a signed agreement with an outside, independent entity, acceptable to the Department, to provide annual reports to DOH following the completion of each full year of operation. Reports will be due within 60 days of the conclusion of each year of operation as identified by the Effective Date on the Operating Certificate issued at project completion. Each report is for a full operational year and is not calendar year based. For example, if the Operating Certificate Effective Date is June 15, 2018, the first report is due to the Department no later than August 15, 2019. Reports must include:
 - a. Actual utilization including procedures;
 - b. Breakdown of visits by payor source;
 - c. Percentage of charity care provided by visits;
 - d. Number of patients who needed follow-up care in a hospital within seven days after ambulatory surgery;
 - e. Number of emergency transfers to a hospital;
 - f. Number of nosocomial infections recorded;
 - g. A brief list of all efforts made to secure charity cases; and
 - h. A brief description of the progress of contract negotiations with Medicaid managed care plans. [RNR]
5. Submission of an executed transfer and affiliation agreement, acceptable to the Department, with a local acute care hospital. [HSP]
6. Submission of an executed loan commitment, acceptable to the Department of Health. [BFA]
7. Submission of an executed working capital loan commitment, acceptable to the Department of Health. [BFA]
8. Submission of a photocopy of the applicant's fully executed Operating Agreement, acceptable to the Department. [CSL]
9. Submission of a photocopy of the applicant's executed Lease Agreement, acceptable to the Department. [CSL]
10. Submission of State Hospital Code (SHC) Drawings, acceptable to the Department, as described in BAEFP Drawing Submission Guidelines DSG-03. [AER]

11. Submission of Engineering (SHC) Drawings, acceptable to the Department, as described in BAEFP Drawing Submission Guidelines DSG-03. [AER]

Approval conditional upon:

1. The project must be completed within three years from the date of the Public Health and Health Planning Council recommendation letter. Failure to complete the project within the prescribed time shall constitute an abandonment of the application by the applicant and an expiration of the approval. [PMU]
2. Construction must start on or before January 1, 2018 and construction must be completed by August 31, 2018, presuming the Department has issued a letter deeming all contingencies have been satisfied prior to commencement. In accordance with 10 NYCRR Section 710.10(a), if construction is not started on or before the start date this shall constitute abandonment of the approval. It is the responsibility of the applicant to request prior approval for any changes to the start and completion dates. [PMU]
3. The submission of annual reports to the Department as prescribed by the related contingency, each year, for the duration of the limited life approval of the facility. [RNR]
4. The staff of the facility must be separate and distinct from staff of other entities. [HSP]
5. The signage must clearly denote the facility is separate and distinct from other adjacent entities. [HSP]
6. The entrance to the facility must not disrupt any other entity's clinical program space. [HSP]
7. The clinical space must be used exclusively for the approved purpose. [HSP]
8. The submission of Final Construction Documents, as described in BAER Drawing Submission Guidelines DSG-05, is required prior to the applicant's start of construction. [AER]

Council Action Date
June 8, 2017

Need Analysis

Background and Analysis

The service area consists of Queens County which has a total of 13 freestanding ambulatory surgery centers: seven multi-specialty ASCs and six single-specialty ASCs. The table below shows the number of patient visits at ambulatory surgery centers in New York County for 2015 and 2016.

ASC Type	Facility Name	Total Patient Visits	
		2015	2016
Multi	Choices Women's Medical Center ¹	14,593	14,785
Single	Flushing Endoscopy Center, LLC	15,116	14,662
Multi	Gramercy Surgery Center, Inc. - Queens	328	1,235
Multi	Hillside Diagnostic and Treatment Center ¹	1,632	1,405
Single	Mason Eye Surgery Ctr (opened Mar 2015)	439	1,232
Multi	New York Surgery Center Queens	3,086	3,966
Multi	North Queens Surgical Center	1,175	4,593
Multi	Physicians Choice Surgicenter	644	602
Single	Queens Boulevard ASC, LLC	9,221	9,597
Single	Queens Endoscopy ASC, LLC	12,879	12,586
Multi	Queens Surgi-Center	6,220	5,159
Single	The Endoscopy Center of Queens (opened Mar 2016) ¹	N/A	123
Single	The Mackool Eye Institute LLC	6,888	7,095
Total		72,221	77,040

Source: SPARCS

¹ Through November 2016.

For all ambulatory surgery centers in Queens County, the total number of patient visits was 72,221 in 2015 and 77,040 in 2016, a 6.7% year-to-year increase. For the Multi-Specialty ASCs in the county, the number of patient visits was 27,678 in 2015 and 31,745 in 2016, a 14.7% year-to-year increase.

The population of Queens County in 2010 was 2,230,722, with 862,706 individuals (38.7%) aged 45 and older. This is the primary population group utilizing ambulatory surgery services. Per Cornell Program on Applied Demographics (PAD) projection data, this population group is estimated to grow to 967,591 by 2025 and represent 40.7% of the projected population of 2,378,006.

The number of projected procedures is 3,955 in Year 1 and 4,361 in Year 3. These projections are based on the current practices of participating surgeons. The procedures are currently being performed in office based surgical practices. The table below shows the projected payor source utilization for Years 1 and 3.

Projections-171077	Year 1 Volume	Year 1 %	Year 3 Volume	Year 3 %
Medicaid – MC	237	6%	262	6%
Medicare – MC	1,819	46%	2,006	46%
Commercial Ins - FFS	989	25%	1,003	23%
Commercial Ins - MC	712	18%	872	20%
Self - pay	119	3%	131	3%
Charity Care	79	2%	87	2%
Total	3,955	100%	4,361	100%

The Center plans to initially obtain contracts with the following Medicaid Managed care plans: Affinity, Fidelis, Healthfirst and United Healthcare. The applicant indicated that the ASC will have administrative staff assigned as Outreach Facilitators who will be responsible for overall outreach efforts focusing on Medicaid and under-insured populations. The applicant has already reached out to two Federally Qualified Health Centers (FQHC), Joseph P Addabbo Family Health Center and Urban Health Plan, to

provide services to the underinsured once the center is operational. The center is developing a financial assistance policy with a sliding fee scale to be utilized once the center is operational.

Conclusion

Approval of this project will provide increased access to multi-specialty ambulatory surgery services in a regulated setting for the residents of Queens County.

Recommendation

From a need perspective contingent approval is recommended for a period of five years.

Program Analysis

Project Proposal

CMSC, LLC, to be renamed CitiMed Surgery Center, is requesting approval to establish and construct a multi-specialty ambulatory surgery center to be located at 92-12 165th Street in Jamaica (Queens County) which will provide orthopedics and pain management surgical services.

Proposed Operator	CMSC, LLC
To be Renamed	CitiMed Surgery Center, LLC
Site Address	92-12 165 th Street Jamaica, NY 11433 (Queens County)
Surgical Specialties	Multi-Specialty: Orthopedics and Pain Management
Operating Rooms	2 (Class C)
Procedure Rooms	0
Hours of Operation	Monday through Friday from 8:00 am to 6:00 pm; hours expanded as needed
Staffing (1 st / 3 rd Year)	10.0 FTEs / 12.2 FTEs
Medical Director	Regina Moshe, MD
Emergency, In-Patient & Backup Support Services Agreement and Distance	Expected to be provided by Jamaica Hospital 1.4 miles / 9 minutes
On-call service	Upon discharge, patients will be given both their surgeon's and the Center's off-hours contact information to connect patients to clinical staff during hours when the Center is closed.

Character and Competence

The sole (100%) member/manager of CMSC LLC is Regina Moshe, MD who will also serve as the Center's Medical Director.

Dr. Moshe is a practicing physician who is board-certified in Internal Medicine. For the last five years, she has worked in a multi-specialty clinic treating a wide variety of patients, as well as participating in quality reviews.

Staff from the Division of Certification & Surveillance reviewed the disclosure information submitted regarding licenses held, formal education, training in pertinent health and/or related areas, employment history, a record of legal actions, and a disclosure of the applicant's ownership interest in other health care facilities. Licensed individuals were checked against the Office of Medicaid Management, the Office of Professional Medical Conduct, and the Education Department databases as well as the US Department of Health and Human Services Office of the Inspector General Medicare exclusion database.

Integration with Community Resources

For patients who present requiring primary and/or other specialty services, the Center will work with Jamaica Hospital (its transfer and affiliation partner) to coordinate services. The Center will participate in community health events and local religious institutions to raise awareness of their services and relationship to the local hospital. The Applicant is committed to treating all patients on the basis of need, without discrimination, and will offer charity, reduced compensation, or uncompensated care.

The Center intends to use an electronic medical record. The Applicant has made inquiries to Jamaica Hospital to establish a mutual network relationship and will pursue all affiliations available in order to best serve the patients under the care of the Center. This includes a desire to integrate in the Regional Health Information Organization (RHIO) and/or Health Information Exchange (HIE).

Recommendation

From a programmatic perspective, contingent approval is recommended.

Financial Analysis

Lease Rental Agreement

The applicant has submitted an executed Lease Rental Agreement for the proposed site, the terms of which are summarized below:

Date:	January 1, 2017
Premises:	Approximately 5,894 sq. ft. (clinic premises) at 92-12 165 th Street, Jamaica, NY
Owner/Landlord:	92-20 165 Holdings, LLC,
Lessee/Tenant:	CMCS, LLC
Term:	10 years from Commencement Date (ending January 1, 2027)
Payment:	\$300,004.59 (\$50.90 per sq. ft.) per year with 3.5% yearly increase
Provisions:	Real estate taxes, maintenance, utilities, gas and electric, insurance charges

The applicant has provided an affidavit stating the lease is a non-arm's length agreement as there is a familial relationship between the manager/members of 92-20 165 Holdings, LLC as landlord, and CSMC LLC as tenant.

Total Project Cost and Financing

Total project costs for renovations and the acquisition of moveable equipment is estimated at \$3,028,838 broken down as follows:

Renovation & Demolition	\$1,714,435
Design Contingency	171,444
Construction Contingency	171,444
Architect/Engineering Fees	171,444
Other Fees	128,750
Moveable Equipment	519,172
Financing Costs	70,725
Interim Interest Expense	62,867
CON Application Fee	2,000
CON Processing Fee	<u>16,557</u>
Total Project Cost	\$3,028,838

Project costs are based on a start date of January 1, 2018, with an eight-month construction period.

The applicant's financing plan appears as follows:

Cash Equity (member)	\$302,885
Bank Loan (6.25% interest, 10-year term)	<u>2,725,953</u>
Total	<u>\$3,028,838</u>

Chase Bank has provided a letter of interest regarding the financing.

Operating Budget

The applicant has submitted the first and third year projected operating budgets, in 2017 dollars, summarized below:

	<u>Year One</u>		<u>Year Three</u>	
	<u>Per Proc.</u>	<u>Total</u>	<u>Per Proc.</u>	<u>Total</u>
<u>Revenues</u>				
Medicaid - MC	\$894	\$211,882	\$892	\$233,600
Medicare - MC	\$893	\$1,624,431	\$922	\$1,849,336
Commercial - FFS	\$1,785	\$1,765,686	\$1,863	\$1,868,802
Commercial - MC	\$1,562	\$1,112,382	\$1,641	\$1,430,802
Self-Pay	\$890	<u>\$105,941</u>	\$892	<u>\$116,800</u>
Total Pt Revenues		\$4,820,323		\$5,499,340
NYS Receipts Tax		(\$286,465)		(\$305,549)
Bad Debt Expense		<u>(\$90,677)</u>		<u>(\$103,876)</u>
Total Revenues		\$4,443,181		\$5,089,915
<u>Expenses</u>				
Operating	\$645.02	\$2,551,051	\$668.25	\$2,914,233
Capital	<u>160.91</u>	<u>\$636,413</u>	<u>148.18</u>	<u>\$646,200</u>
Total Expenses	\$805.93	\$3,187,464	\$816.43	\$3,560,433
Net Income (Loss)		<u>\$1,255,717</u>		<u>\$1,529,482</u>
Utilization		3,955		4,361
Cost Per Procedure		\$805.93		\$816.43

Utilization by payor source for Years One and Three is summarized below:

<u>Payor</u>	<u>Year One</u>		<u>Year Three</u>	
	<u>Procedures</u>	<u>%</u>	<u>Procedures</u>	<u>%</u>
Medicaid - MC	237	6%	262	6%
Medicare - MC	1819	46%	2006	46%
Commercial - FFS	989	25%	1003	23%
Commercial - MC	712	18%	872	20%
Self-Pay	119	3%	131	3%
Charity	<u>79</u>	<u>2%</u>	<u>87</u>	<u>2%</u>
Total	3,955	100%	4,361	100%

Utilization is based upon anticipated participating physicians' surgical volume letters. The applicant has provided letters from three physicians specializing in pain management services and three physicians specializing in orthopedics in support of the projected Year One surgical volume. The physicians have offices in New Jersey and throughout the five boroughs of New York City. The applicant indicated that the patients will originate from the physicians' office centers in the metropolitan area. Expense assumptions are based on historical costs for other surgery centers including cost assumptions for staffing levels.

Capability and Feasibility

Total project costs of \$3,028,838 will be met through member equity of \$302,885 with the remaining \$2,725,953 to be financed at 6.25% interest over ten years. Chase Bank has provided a letter of interest at the stated terms. BFA Attachment A, the proposed operator's net worth statement, indicates sufficient equity.

The working capital requirement is estimated at \$593,406 based on two months of third year expenses. The applicant will finance \$296,703 at an interest rate of 6.22% for a three-year term. Chase Bank has provided a letter of interest regarding the financing. The remaining \$296,703 will be provided as equity via the proposed member of CMSC, LLC. BFA Attachment A indicates the availability of sufficient funds for the equity contribution. BFA Attachment B is the pro forma balance sheet of CMSC, LLC as of the first day of operation, which indicates a positive net asset position of \$599,822.

The submitted budget projects a net income of \$1,255,718 and \$1,519,482 in the first and third years of operation, respectively. Revenues are based on current reimbursement methodologies for ambulatory surgery services. The budget appears reasonable.

Subject to the noted contingencies, the applicant has demonstrated the capability to proceed in a financially feasible manner.

Recommendation

From a financial perspective, contingent approval is recommended.

Supplemental Information

Surrounding Hospital Responses

The Department sent the following hospitals letters asking for information on the impact of the proposed ambulatory surgery center (ASC) in their service areas. Below are the responses received.

Montefiore Medical Center -- No Response

111 East 210th Street
Bronx, New York 10467

NYU Hospital for Joint Diseases -- No Response

301 East 17th Street
New York, New York 10003

Jamaica Hospital Medical Center -- No Response

89th Avenue & Van Wyck Expressway
Jamaica, New York 11418

Flushing Hospital Medical Center -- No Response

4500 Parsons Boulevard
Flushing, New York 11355

Queens Hospital Center

82-68 164th Street
Jamaica, New York 11432

Queens Hospital Center (QHC) submitted a letter of opposition on the basis that the proposed services are currently available at the hospital and an increase in capacity can be facilitated. The hospital stated that operational and procedural suite capacities are currently at 60 percent, with room for growth. The hospital indicates they are actively contracting with community surgeons to expand the operating room utilization and that approval of this application would hinder those efforts.

QHC believes that there are potential conflicts of interest and potential violations of their affiliation agreement with Mount Sinai School of Medicine because some of the committed surgeons have existing affiliations with QHC. Unfortunately, while our outreach included the list of surgeons committed to perform procedures at the ASC, QHC indicated they could not be certain of these conflicts without the Department once again providing the surgeons names. The list of surgeons was thus resent to QHC.

QHC also indicated that approval of the ASC would affect their ability to continue to provide charity care and fee-scaled services over all, but did not quantify any affect due to the approval of the ASC.

Supplemental Information from Applicant

The Department also requested information from the applicant related to the sources of cases and staff recruitment and retention. Below are the responses.

Source of Cases: The applicant states that all the procedures are currently being performed in the physicians' office-based surgical practices and none are coming from area hospitals.

Staff Recruitment and Retention: As the proposed operator is a physician who has been providing services in the area, individuals have already expressed an interest in applying for positions within the organization. The applicant does not intend to actively recruit staff directly from area hospitals. The applicant believes they will be able to retain skilled staff due to the working environment, salaries and benefits, and an attractive work schedule.

DOH Comment

The comment from the one responding hospital do not describe a specific adverse impact of the proposed ASC on the facility's surgical revenues or community-oriented programs. Nor does any such adverse impact seem likely, given that virtually all the procedures projected for the ASC are currently performed in office-based settings. The Department concludes that the comments from Queens Hospital Center provides no basis for reconsideration of the recommendation for approval of the proposed ASC based on public need, financial feasibility and owner/operator character and competence.

<h2>Attachments</h2>

- | | |
|------------------|---|
| BHFP Attachment | Map |
| BFA Attachment A | Personal net worth statement- Proposed member |
| BFA Attachment B | Pro Forma Balance Sheet of CMSC LLC |



Project # 171198-B
Star Suites, LLC t/b/k/a Star Surgical Suites, LLC

Program: Diagnostic and Treatment Center County: Nassau
Purpose: Establishment and Construction Acknowledged: March 27, 2017

Executive Summary

Description

Star Suites, LLC, a New York limited liability company, requests approval to establish and construct an Article 28 freestanding ambulatory surgery center (FASC). The FASC will be certified as a single-specialty FASC specializing in gastroenterology services. The facility will be housed in approximately 11,900 sq. ft. of leased space (9,618 sq. ft. of functional clinic space) on the ground floor of an existing two-story building located at 623 Stewart Avenue, Garden City (Nassau County), New York. The FASC will include four procedure rooms, four pre-op bays and eight recovery bays, along with the requisite support areas. Upon approval, the FASC will be named Star Surgical Suites, LLC.

separate practices into a single location, bringing these office-based medical practices into the regulatory environment of an Article 28 FASC, ensuring compliance with the latest standards of safe health care delivery. After the Center is established, the physicians will continue to be on call at the hospitals they currently serve, and will see patients at the hospitals with which they are affiliated. The applicant indicated that the proposed physician members will continue to perform inpatient and ambulatory procedures that are more appropriately performed in a general hospital setting at the hospitals with which they are affiliated.

This application amends and supersedes CON 161009, necessitated by a change in proposed members.

OPCHSM Recommendation
Contingent approval with an expiration of the operating certificate five years from the date of its issuance.

The proposed members of Star Suites, LLC are:

Need Summary
The procedures to be performed at the center are presently being performed in physicians' private offices. The number of projected procedures is 3,977 by Year 3, with Medicaid at 3.19% and charity care at 1.99%.

<u>Star Suites, LLC</u>		
<u>Members</u>		<u>%</u>
Sridevi Bhumi, M.D.		39%
Christopher Demetriou, M.D.		39%
Steven Rubin, M.D.		22%

The proposed physician members are all Board-Certified gastroenterologists and will be practicing physicians at the FASC. Dr. Demetriou will serve as Medical Director of the Center. All three physicians have indicated that they will transfer procedures currently being performed in their private office-based practices to the Center, which will account for the first year's utilization of 3,900 procedures. This application consolidates the physicians'

Program Summary
Based on the information reviewed, staff found nothing that would reflect adversely upon the applicant's character and competence or standing in the community.

Financial Summary

Total project costs of \$5,861,229 will be met through members' equity of \$1,716,494 with the remaining balance of \$4,144,735 to be financed through a bank loan over a five-year term at 5% interest. The proposed budget is as follows:

	<u>Year One</u>	<u>Year Three</u>
Revenues	\$3,784,882	\$3,861,666
Expenses	<u>\$2,746,047</u>	<u>\$2,709,378</u>
Net Income/(Loss)	\$1,038,835	\$1,152,288

Recommendations

Health Systems Agency

There will be no HSA recommendation for this project.

Office of Primary Care and Health Systems Management

Approval with an expiration of the operating certificate five years from the date of its issuance, contingent upon:

1. Submission of a check for the amount enumerated in the approval letter, payable to the New York State Department of Health. Public Health Law Section 2802.7 states that all construction applications requiring review by the Public Health and Health Planning Council shall pay an additional fee of fifty-five hundredths of one percent of the total capital value of the project, exclusive of CON fees. [PMU]
2. Submission by the governing body of the ambulatory surgery center of an Organizational Mission Statement which identifies, at a minimum, the populations and communities to be served by the center, including underserved populations (such as racial and ethnic minorities, women and handicapped persons) and the center's commitment to meet the health care needs of the community, including the provision of services to those in need regardless of ability to pay. The statement shall also include commitment to the development of policies and procedures to assure that charity care is available to those who cannot afford to pay. [RNR]
3. Submission of a statement, acceptable to the Department, that the applicant will consider creating or entering into an integrated system of care that will reduce the fragmentation of the delivery system, provide coordinated care for patients, and reduce inappropriate utilization of services. The applicant will agree to submit a report to the Department beginning in the second year of operation and each year thereafter detailing these efforts and the results. [RNR]
4. Submission of a signed agreement with an outside, independent entity, acceptable to the Department, to provide annual reports to DOH following the completion of each full year of operation. Reports will be due within 60 days of the conclusion of each year of operation as identified by the Effective Date on the Operating Certificate issued at project completion. Each report is for a full operational year and is not calendar year based. For example, if the Operating Certificate Effective Date is June 15, 2018, the first report is due to the Department no later than August 15, 2019. Reports must include:
 - a. Actual utilization including procedures;
 - b. Breakdown of visits by payor source;
 - c. Percentage of charity care provided by visits;
 - d. Number of patients who needed follow-up care in a hospital within seven days after ambulatory surgery;
 - e. Number of emergency transfers to a hospital;
 - f. Number of nosocomial infections recorded;
 - g. A brief list of all efforts made to secure charity cases; and
 - h. A brief description of the progress of contract negotiations with Medicaid managed care plans.[RNR]
5. Submission of an executed loan commitment, acceptable to the Department of Health. [BFA]
6. Submission of an executed working capital loan commitment, acceptable to the Department of Health. [BFA]
7. Submission of an executed copy of the applicants operating agreement, which is acceptable to the Department. [CSL]
8. Submission of State Hospital Code (SHC) Drawings, acceptable to the Department, as described in BAEFP Drawing Submission Guidelines DSG-03. [AER]
9. Submission of Engineering (SHC) Drawings, acceptable to the Department, as described in BAEFP Drawing Submission Guidelines DSG-03. [AER]

Approval conditional upon:

1. The project must be completed within three years from the date of the Public Health and Health Planning Council recommendation letter. Failure to complete the project within the prescribed time shall constitute an abandonment of the application by the applicant and an expiration of the approval. [PMU]
2. Construction must start on or before December 1, 2017 and construction must be completed by June 1, 2018, presuming the Department has issued a letter deeming all contingencies have been satisfied prior to commencement. In accordance with 10 NYCRR Section 710.10(a), if construction is not started on or before the start date this shall constitute abandonment of the approval. It is the responsibility of the applicant to request prior approval for any changes to the start and completion dates. [PMU]
3. The submission of annual reports to the Department, as prescribed by the related contingency, each year, for the duration of the limited life approval of the facility. [RNR]
4. The staff of the facility must be separate and distinct from staff of other entities. [HSP]
5. The signage must clearly denote the facility is separate and distinct from other adjacent entities. [HSP]
6. The entrance to the facility must not disrupt any other entity's clinical program space. [HSP]
7. The clinical space must be used exclusively for the approved purpose. [HSP]
8. The submission of Final Construction Documents, as described in BAER Drawing Submission Guidelines DSG-05, is required prior to the applicant's start of construction. [AER]

Council Action Date

June 8, 2017

Need Analysis

Background and Analysis

The service area consists of Nassau County which has a total of nine freestanding ambulatory surgery centers: five multi-specialty ASC's and four single-specialty ASCs. The table below shows the number of patient visits at ambulatory surgery centers in Nassau County for 2015 and 2016.

ASC Type	Facility Name	Total Patient Visits	
		2015	2016
Multi	Day OP of North Nassau Inc	957	1,138
Multi	Day-OP Center of Long Island Inc	2,903	2,605
Single	Endoscopy Center of Long Island, LLC	7,206	8,154
Multi	Garden City Surgi Center	6,101	6,728
Single	Island Eye Surgicenter LLC	10,500	10,741
Single	Long Island Center for Digestive Health, LLC	6,001	5,857
Single	Meadowbrook Endoscopy Center	8,044	8,581
Multi	Pro Health Ambulatory Surgery Center, Inc	6,503	6,001
Multi	South Shore Ambulatory Surgery Center, LLC	5,684	7,930
Total		53,899	57,735

(Source: SPARCS-2017)

Nassau County had 53,899 total ambulatory surgery visits in 2015 and 57,735 in 2016; a 7.1% year-to-year increase. For the single gastroenterology specialty ASC's, the number of patient visits was 21,251 in 2015 and 22,592 in 2016; a 6.3% year-to-year increase in the number of patients served by gastroenterology specialty ASC's in Nassau County.

The projected number of procedures is 3,900 in Year 1 and 3,977 in Year 3. These projections are based on the current practices of participating surgeons. The table below shows the projected payor source utilization for Star Suites for Year 1 and Year 3.

Projections-171198	Year 1	Year 1	Year 3	Year 3
Medicaid	125	3.21%	127	3.19%
Medicare	729	18.72%	744	18.71%
Commercial Ins	2,968	76.10%	3,027	76.11%
Charity Care	78	1.97%	79	1.99%
Total	3,900	100.00%	3,977	100.00%

To serve the underinsured population, the center intends to obtain contracts with the following Medicaid Managed Care plans: Healthfirst and Fidelis.

The center will seek to partner with local community organizations and FQHC's to establish relationships that result in referrals of uninsured patients to the center. The center will establish a formal charity care program and seek to market the center's charity care program so that those in the community are aware of this program. The applicant is committed to serving all persons in need without regard to ability to pay or source of payment.

Conclusion

Approval of this project will bring office-based surgical procedures into an Article 28 ambulatory surgery center serving the communities of Nassau County.

Recommendation

From a need perspective, contingent approval is recommended for a limited period of five years.

Program Analysis

Project Proposal

The goal of this project is to consolidate the participating physicians' three separate, office-based surgical practices into a single, regulated Article 28 location, thus ensuring compliance with the latest standards of safe health care delivery at a location that is convenient and accessible for the surrounding community.

Proposed Operator	Star Suites, LLC
To Be Renamed	Star Surgical Suites, LLC
Site Address	623 Stewart Avenue Garden City New York 11530 (Nassau County)
Surgical Specialties	Single Specialty: Gastroenterology
Operating Rooms	0
Procedure Rooms	4 (Class A)
Hours of Operation	Monday through Friday from 7:00 a.m. to 5:00 p.m. (Weekend and/or evening procedures will be available, if needed, to accommodate patient scheduling issues.)
Staffing (1 st Year / 3 rd Year)	17.5 FTEs / 17.5 FTEs
Medical Director(s)	Chris Andrew Demetriou, M.D.
Emergency, In-Patient and Backup Support Services Agreement and Distance	Will be provided by South Nassau Communities Hospital 6.2 miles / 20 minutes
On-call service	24/7 service to immediately refer the patient to the Center's on-call physician.

Character and Competence

The members of the LLC are:

<u>Name</u>	<u>Membership</u>
Sridevi Bhumi, M.D.	39.0%
Chris Andrew Demetriou, M.D., <i>Medical Director</i>	39.0%
Steven Rubin, M.D.	22.0%

Each of the three individual physician members are practicing surgeons who are board-certified in gastroenterology and will perform procedures at the center.

Staff from the Division of Certification & Surveillance reviewed the disclosure information submitted regarding licenses held, formal education, training in pertinent health and/or related areas, employment history, a record of legal actions, and a disclosure of the applicant's ownership interest in other health care facilities. Licensed individuals were checked against the Office of Medicaid Management, the Office of Professional Medical Conduct, and the Education Department databases as well as the US Department of Health and Human Services Office of the Inspector General Medicare exclusion database.

Integration with Community Resources

The Center plans to work closely with its patients to educate them on the availability of primary care services offered by local providers, including the broad array of services offered by South Nassau Communities Hospital (the Center's back-up hospital). A formal outreach program will be developed to inform members of the local community, including local physicians, of the services available and benefits derived from outpatient gastroenterology treatment.

The Center plans on utilizing an electronic medical record (EMR) and to fully integrate and exchange information with an established Regional Health Information Organization (RHIO) with the capability for clinical referral and event notification. In addition, patients will be treated on the basis of need for gastroenterology procedures, without discrimination due to ability to pay. The Center will use a sliding fee scale and is committed to providing care for those who are uninsured or unable to pay.

Conclusion

Based on the information reviewed, staff found nothing that would reflect adversely upon the applicant's character and competence or standing in the community.

Recommendation

From a programmatic perspective, approval is recommended.

Financial Analysis

Lease Rental Agreement

The applicant submitted an executed lease for the proposed site, as summarized below:

Date:	July 14, 2016
Premises:	Approximately 11,900 gross square feet, ground floor, in an existing building located at 623 Stewart Avenue, Garden City (Nassau County), NY
Landlord:	SiriShield, LLC.
Lessee:	Star Suites, LLC.
Term:	15 years with two (2) five- year renewal options
Rental:	\$357,000 annually (\$29,750 /month or \$30 per sq. ft.) with a 3% annual rate increase
Provisions:	Triple Net Lease, lessee pays all fees associated with the leased asset

SiriShield, LLC is owned by the three proposed Star Suites, LLC members—Dr. Christopher Demetriou (33.34%), Dr. Sridevi Bhumi (33.33%) and Dr. Steven Rubin (33.33%). The applicant provided an affidavit stating that, in terms of economic relationship, the lease will be treated as an arm's length arrangement. However, the Department deems the lease agreement to be non-arm's length. The applicant submitted letters from two NYS licensed realtors attesting to the rent being of fair market value.

Total Project Cost and Financing

Total project costs, estimated at \$5,861,229, are broken down as follows:

Renovation & Demolition	\$3,120,000
Design Contingency	\$312,000
Construction Contingency	\$312,000
Architect/Engineering Fees	104,000
Construction Manager Fees	52,000
Other Fees	\$440,831
Movable Equipment	1,400,000
Interim Interest Expense	86,349
CON Application Fee	2,000
CON Processing Fee	<u>32,049</u>
Total Project Cost	\$5,861,229

Project costs are based on a construction start date of December 1, 2017, with a six-month construction period.

The applicant's financing plan appears as follows:

Cash Equity (Applicant)	\$1,716,494
Bank Loan (5% interest, 5-year term)	<u>\$4,144,735</u>
Total	<u>\$5,861,229</u>

JP Morgan Chase Bank has provided a letter of interest for the loan at the stated terms.

Operating Budget

The applicant has submitted their first and third year operating budgets, in 2017 dollars, as summarized below:

	<u>Year One</u>		<u>Year Three</u>	
	<u>Per Procedure</u>	<u>Total</u>	<u>Per Procedure</u>	<u>Total</u>
<u>Revenues</u>				
Medicaid	\$698.00	\$87,250	\$700.74	\$88,994
Medicare	\$803.21	\$586,344	\$803.86	\$598,071
Commercial	\$1,048.28	<u>\$3,111,288</u>	\$1,048.76	<u>\$3,174,601</u>
Total Revenues		<u>\$3,784,882</u>		<u>\$3,861,666</u>
<u>Expenses</u>				
Operating	\$404.83	\$1,578,834	\$408.70	\$1,625,391
Capital	<u>\$299.29</u>	<u>\$1,167,213</u>	<u>\$272.56</u>	<u>\$1,083,987</u>
Total Expenses	\$704.11	\$2,746,047	\$681.26	\$2,709,378
Net Income or (Loss)		<u>\$1,038,835</u>		<u>\$1,152,288</u>
Utilization (procedures)		3,900		3,977

Utilization by payor source for the first and third years is anticipated as follows:

	<u>Year One</u>	<u>Year Three</u>
Medicaid	3.21%	3.19%
Medicare	18.72%	18.71%
Commercial	76.10%	76.11%
Charity	<u>1.97%</u>	<u>1.99%</u>
Total	100.00%	100.00%

The following is noted with respect to the submitted budget:

- Revenue assumptions are based on current and projected Federal and State government reimbursement rates, with commercial payor rates reflecting adjustments based on experience in the region.
- Utilization projections are based on the current caseloads of Drs. Bhumi, Demetriou and Rubin who are Board-Certified gastroenterologists. The applicant indicated that none of the projected procedures would come from any hospital. The procedures are currently being performed in the physicians' private office-based practices, which are in the same community that the FASC will serve. Each physician has submitted letters in support of their utilization projections.
- Expense assumptions are based upon staffing, operating and capital costs as determined based on the experience of the participating physicians, as well as the experience of other FASCs in New York State in providing similar service patient care.
- Breakeven is approximately 72.56% of the projected utilization or 2,830 procedures in Year One, and 70.18% or 2,791 procedures in Year Three.

The budgets are reasonable.

Capability and Feasibility

The total project cost of \$5,861,229 will be satisfied by the proposed members' equity contribution of \$1,716,494 with the balance of \$4,144,735 to be financed at the above stated terms.

The working capital requirement is estimated at \$451,563 based on two months of third year expenses. The applicant will finance \$219,040 via a working capital loan for a 5-year term at an estimated 4% interest rate. JP Morgan Chase has provided a letter of interest. The remaining \$232,523 will be provided from the proposed members' own financial resources. BFA Attachment A is the net worth statements of the applicant members, which indicates sufficient liquid resources to meet the equity needs for the construction and working capital requirements. BFA Attachment B is Star Suites, LLC's pro-forma balance sheet that shows operations will start with \$1,949,017 in equity.

Star Suites, LLC projects net income of \$1,038,835 and \$1,152,288 in the first and third years, respectively. Revenues for Medicare and Medicaid are based on current and projected reimbursement rates for the respective payors. The payment rates for commercial payors were estimated at 150% of the Medicaid case rate. The budgets are reasonable.

The applicant recognizes the need to address the eventual change over to Managed Care Organizations. They are not yet able to execute and negotiate contracts or letters of intent with MCOs now, but plan on contracting with Affinity Health Plans and Healthfirst, upon approval of this application.

The applicant has demonstrated the capability to proceed in a financially feasible manner.

Recommendation

From a financial perspective, contingent approval is recommended.

Supplemental Information

Surrounding Hospital Responses

Below are presented summaries of responses by hospitals to letters from the Department asking for information on the impact of the proposed ambulatory surgery center (ASC) in their service areas. There follows a summary of the applicant's response to DOH's request for information on the proposed facility's volume of surgical cases, the sources of those cases, and on how staff will be recruited and retained by the ASC.

Winthrop-University Hospital -- **No Response**
259 First Street
Mineola, New York 11501

Mercy Medical Center -- **No Response**
1000 North Village Avenue
Rockville Centre, New York 11570

Nassau University Medical Center -- **No Response**
2201 Hempstead Turnpike
East Meadow, New York 11554

DOH Comment

In the absence of comments from hospitals near the ASC, the Department finds no basis for reversal or modification of the recommendation for approval of this application based on public need, financial feasibility and owner/operator character and competence.

Attachments

BHFP Attachment Map
BFA Attachment A Personal Net Worth Statement of Proposed Members of Star Suites, LLC
BFA Attachment B Pro Forma Balance Sheet of Star Suites, LLC



**Project # 162112-E
Hudson Valley Center for Digestive Health**

Program: Diagnostic and Treatment Center **County:** Westchester
Purpose: Establishment **Acknowledged:** August 15, 2016

Executive Summary

Description

Hudson Valley Center for Digestive Health, LLC (HVCDH), an existing proprietary Article 28 diagnostic and treatment center (D&TC) located at 1978 Crompond Road, Cortland Manor (Westchester County), is requesting indefinite life status. The D&TC is certified as a single specialty freestanding ambulatory surgery center (FASC) specializing in gastroenterology services. The Center obtained Public Health Council approval with a five-year limited life under CON 111502 and began operations effective July 11, 2012. The FASC continues to operate under the original lease submitted under CON 111502, which expires in June 2022. The lease has two additional five-year extensions that can be applied. The facility consists of two procedure rooms and preoperative and recovery areas. There will be no change in services provided.

**OPCHSM Recommendation
Approval**

Need Summary

Submission of data by the applicant, required as a contingency for the approval of CON 111502, has been completed.

Based on CON 111502, Hudson Valley center for Digestive Health, LLC, Medicaid procedures were projected at 3.20 percent and charity care was projected at 1.99 percent for Year 3, and per the Annual Reports submitted by the applicant, actual charity care in Year 3 (2015) was 1.40 percent and Medicaid was 10.71 percent.

Program Summary

Based on the results of this review, a favorable recommendation can be made regarding the facility's current compliance pursuant to 2802-(3)(e) of the New York State Public Health Law.

Financial Summary

There are no project costs associated with this application. Their budget is as follows:

Revenues	\$3,397,512
Expenses	<u>\$1,842,535</u>
Net Income	<u>\$1,554,977</u>

Recommendations

Health Systems Agency

There will be no HSA recommendation for this project.

Office of Primary Care and Health Systems Management

Approval

Council Action Date

June 8, 2017

Need Analysis

Project Description

Hudson Valley Center for Digestive Health projects 3,365 procedures in Year 3 following approval of indefinite life, with Medicaid at 10.17 percent and charity care at 1.40 percent. There will be no changes in services.

Analysis

The primary service area is Westchester County. Table 1 provides a comparison of projections from the initial CON application (CON 111502) and actual utilization for Year 1 (2013, first full year) and Year 3 (2015).

Table 1: Hudson Valley Center for Digestive Health Procedures - CON 111502			
Projections		Actual	
Year 1	Year 3	Year 1	Year 3
3,828	4,220	3,240	3,275

Table 2 below provides Year 3 utilization, projections and actual, by payor, for CON 111502, and projections for the first and third years following approval.

Table 2: CON 111502 and CON 162112 comparison			
Payor	CON 111502 Projected Year 3 (2015)	Actual Year 3 (2015)	CON 162112 Projections Years 1 & 3
Medicaid FFS	1.00%	0.27%	0.51%
Medicaid MC	2.20%	10.44%	9.66%
Medicare FFS	15.40%	21.07%	21.81%
Medicare MC	3.39%	7.57%	5.82%
Commercial FFS	17.61%	58.38%	59.91%
Commercial MC	58.41%	0%	0 %
Charity Care	1.99%	1.40%	1.40%
Other	0%	.87%	.89%
Total	100%	100%	100%

The center has stated it currently has Medicaid Managed Care contracts with the following health plans: Affinity, Amida Care, Fidelis, Emblem Health, Hudson, MVP, Wellcare and United Health Community Plan. The center has become a New York State Cancer Services Provider as a Colonoscopy Screening Center and participates in a number of community outreach activities. The center has established referral agreements with the following FQHCs: Hudson River Health Care and Open Door Family Medical Center. The center has been providing ongoing outreach efforts in order to educate the public regarding cancer awareness.

Hudson Valley Center for Digestive Health, LLC, is committed to serving individuals needing care regardless of the source of payment or the ability to pay.

Conclusion

Approval of the proposed project will provide for the continued access to gastroenterology ambulatory surgery services for the communities of Westchester County.

Recommendation

From a need perspective, approval is recommended.

Program Analysis

Program Description

The Center is not proposing to add any services, expand or renovate the facility or change anything about the Center. Staffing is expected to remain at 8.0 FTEs and Eric Teitel, M.D. and Herman Kleinbaum, M.D. will continue to serve as the Center's Medical Directors.

Compliance with Applicable Codes, Rules and Regulations

The medical staff will continue to ensure that procedures performed at the facility conform to generally accepted standards of practice and that privileges granted are within the physician's scope of practice and/or expertise. The facility's admissions policy will include anti-discrimination regarding age, race, creed, color, national origin, marital status, sex, sexual orientation, religion, disability, or source of payment. All procedures will be performed in accordance with all applicable federal and state codes, rules and regulations, including standards for credentialing, anesthesiology services, nursing, patient admission and discharge, a medical records system, emergency care, quality assurance and data requirements.

This facility has no outstanding Article 28 surveillance or enforcement actions and, based on the most recent surveillance information, is deemed to be currently operating in substantial compliance with all applicable State and Federal codes, rules and regulations. This determination was made based on a review of the files of the Department of Health, including all pertinent records and reports regarding the facility's enforcement history and the results of routine Article 28 surveys as well as investigations of reported incidents and complaints.

Conclusion

Based on the information reviewed, staff found nothing that would reflect adversely upon the applicant's character and competence or standing in the community.

Recommendation

From a programmatic perspective, approval is recommended.

Financial Analysis

Operating Budget

The applicant has submitted the current year (2015) operating budget and first year budget, in 2017 dollars, subsequent to receiving indefinite life operating certification, as summarized below:

	Current Year (2015)		Year One	
Revenues	Per Proc.	Total	Per Proc.	Total
Medicaid MC	\$495.74	\$169,544	\$499.02	\$162,182
Medicaid FFS	\$553.44	\$4,981	\$536.53	\$9,121
Medicare MC	\$732.50	\$181,661	\$766.47	\$150,228
Medicare FFS	\$400.91	\$276,630	\$402.59	\$295,498
Commercial	\$1,003.72	\$1,919,116	\$1,001.22	\$2,018,461
Private Pay / All Other	\$584.11	\$16,355	\$583.50	\$17,505
Other Operating Revenue		<u>\$744,517</u>		<u>\$744,517</u>
Total Revenues		\$3,312,804		\$3,397,512
Expenses				
Operating	\$422.23	\$1,382,796	\$422.16	\$1,420,557
Capital	<u>\$128.85</u>	<u>\$421,978</u>	<u>\$125.40</u>	<u>\$421,978</u>
Total Expenses (Cost/Proc.)	\$551.08	\$1,804,774	547.56	\$1,842,535
Net Income or (Loss)		<u>\$1,508,214</u>		<u>\$1,554,977</u>
Utilization (Procedures)		3,275		3,365

Revenue, expense and utilization assumptions are projected based upon a continuation of the Center's current operations. Other operating revenue of \$744,517 is comprised of the Center's anesthesia services.

Capability and Feasibility

There are no project costs associated with this application.

HVCDH projects an operating excess of \$1,454,502 in the first year. Revenues are based on current and projected federal and state governmental reimbursement methodologies, while commercial payers are based on experience. The budget appears reasonable.

BFA Attachments A is the 2014 and 2015 certified and the internal financial statements for Hudson Valley Center for Digestive Health, LLC as of December 31, 2016, which shows the facility maintained positive working capital, positive equity, and positive average net income of \$1,587,181 for the period 2014-2015 and a positive net income of \$1,480,191 for 2016.

The applicant has demonstrated the capability to proceed in a financially feasible manner.

Recommendation

From a financial perspective, approval is recommended.

Attachments

BFA Attachment A 2014 and 2015 certified and 2016 internal financial statements for Hudson Valley Center for Digestive Health, LLC



Project # 171110-E
University Gastroenterology at the Philip G. Holtzapple
Endoscopy Center

Program: Diagnostic and Treatment Center **County:** Onondaga
Purpose: Establishment **Acknowledged:** February 16, 2017

Executive Summary

Description

Upstate Gastroenterology, LLC d/b/a University Gastroenterology at the Philip G. Holtzapple Endoscopy Center, a proprietary Article 28 diagnostic and treatment center (D&TC) is requesting approval for indefinite life. The center obtained Public Health Council approval with a five-year limited life under CON 111362 and began operations effective August 9, 2012.

The facility, located at 1000 East Genesee Street, Suite 206, Syracuse (Onondaga County), continues to operate under the original sublease which expires in April 2025. The facility consists of four procedure rooms and preoperative and recovery areas. There will be no change in services provided.

The sole member of Upstate Gastroenterology, LLC is the Department of Medicine Medical Service Group at the SUNY Health Science Center at Syracuse, Inc. (DOM), which is an existing NYS not-for-profit corporation affiliated with the SUNY Upstate Medical University (University). DOM is a member of Clinical Practice Management Plan of the University, which is a medical practice management plan established for the faculty of the College of Medicine (educational unit) of the University.

OPCHSM Recommendation
Approval

Need Summary

Data submission by the applicant, as a contingency of CON 111362, is completed. There will be no changes in services. The facility has met its Medicaid projections. While the facility has not met its charity care projections it has made a sustained, good-faith effort to serve the uninsured population.

Program Summary

Based on the results of this review, a favorable recommendation can be made regarding the facility's current compliance pursuant to 2802-(3)(e) of the New York State Public Health Law.

Financial Summary

There are no project costs associated with this application. The projected budget is as follows:

Revenues	\$1,329,939
Expenses	<u>\$1,935,223</u>
Net Income	(\$605,284)

Matthew Hutz, Chief Administrator of DOM, has provided a letter acknowledging the FASC's projected operating losses during the first three years after indefinite life, and has attested that DOM will fund the operating losses of the facility.

Recommendations

Health Systems Agency

There will be no HSA recommendation for this project.

Office of Primary Care and Health Systems Management

Approval

Council Action Date

June 8, 2017

Need Analysis

Background and Analysis

The primary service area is Onondaga County.

The table below provides information on projections and utilization for Year 1 (2013 - 1st full year) and Year 3 (2015) based on CON 111362.

CON 111362 - Procedures	Year 1		Year 3	
University Gastroenterology	Projected	Actual	Projected	Actual
Total	2,060	1,168	2,207	1,947

Data submission by the applicant, as a contingency of CON 111362, is completed. The table below provides Year 3 utilization, projected and actual, by payor, for CON 111362, and projections for Year 1 following approval.

Payor	CON 111362		CON 171110
	Projected Year 3 (2015)	Actual Year 3 (2015)	Projected Year 1
Medicaid	10%	16.02%	23.00%
Medicare	37%	44.07%	41.73%
Commercial	50%	27.94%	26.88%
Charity Care	2%	0.00%	0.00%
All Other*	1%	11.97%	8.38%
Total	100%	100%	100%

**All Other includes NYSDOH Cancer Services Program, Government Insurance, and Tricare*

As for the center's efforts to provide service to the underinsured of Onondaga County, the following information was provided to DOH.

- The center has contracts with the following Medicaid managed care plans: Fidelis, Total Care/Today's Options, United Healthcare (UHCD) and Excellus Blue Cross/Blue Shield.
- The center has been receiving referrals from Syracuse Community Health Center (SCHC), an FQHC, since inception. SCHC confirmed for DOH staff that year-to-date 2017 they have made approximately 400 gastroenterology referrals to Upstate Gastroenterology. In addition, Syracuse Community Health Center owns Total Care, a Medicaid HMO, in which the center has been participating since June 2013. The applicant states that approximately 8% of its total volume is derived from Total Care.
- The center has been participating in the NYSDOH Cancer Services Program since February 2013. The center indicates that there were 46 procedures billed for patients that have been referred to the ASC through the Cancer Services Program since the center opened.
- In August 2016, the center also set up a referral process with Upstate Cancer Center's "We Matter" program to serve the under-insured.
- The center has a financial assistance policy with a sliding fee scale.

In spite of the efforts outlined above, there are some mitigating factors as to why this facility hasn't reached the projected 2% charity care level, including the reduction in the number of uninsured in Onondaga County and the Center's efforts to ensure eligible patients are enrolled in the appropriate program or insurance system.

The staff at the ASC, as well as the GI clinic, focus on resolving the coverage issues to ensure that the patient has coverage for all their medical care. In fact, the applicant believes that it is due to the success of its staff in identifying patients with no insurance and taking steps to ensure that the patients receive coverage, which has led to this center's experience in having minimal charity care. The center works closely with several agencies/departments, both internal and external to SUNY, to make this happen.

During the initial visit to the physician at the GI clinic, if a patient has no insurance, the following steps are taken by office staff:

1. A call is made to the NYSDOH Cancer Services Program to determine eligibility for coverage under this program. Staff states that three or four times during 2016 the NYSDOH Cancer Service Program was contacted for coverage for an uninsured patient. No data is available for these types of inquires prior to 2016.
2. A call is made to the Patient Financial Services at University Hospital regarding Medicaid coverage. If the need for a procedure is urgent, the directive is to go ahead and schedule the case. If the need for a procedure is not urgent, the patient will be screened for possible coverage. If the patient is eligible, staff will assist them in getting Medicaid coverage within a few days. If the patient is not eligible for Medicaid, a Fee Reduction application is provided to the patient for consideration. The applicant states that once every few months, the center reaches out to University Hospital for assistance for an uninsured patient.
3. A call is made to the ASC billing clerk who meets with the self-pay patient to work out a payment plan for services. Since 2013, there have been only 4 self-pay patients.
4. A call is made to the ASC billing clerk to process a patient for charity care. There have been no requests for charity care.

As mentioned, there are fewer uninsured individuals in Onondaga County than at the time the Center was approved. Per the American Community Survey (ACS) the estimated number of uninsured people in Onondaga County has decreased from 32,236 in 2012 to 25,102 in 2014. This represents an almost 22% drop in the estimated number of uninsured individuals in Onondaga County. In 2013, the latest year for data, 98,249 (21.0% of individuals in Onondaga County) were enrolled in Medicaid.

The table below shows how the other ASC's are performing in Onondaga County regarding Medicaid and charity care utilization. Currently, Syracuse Surgery Center is the only other ASC still operating under limited life approval.

Name	Type	2015 ¹		2016 ²	
		Charity	Medicaid	Charity	Medicaid
Univ. Gastroenterology	Gastroenterology	0.0%	16.0%	0.1%	26.8%
Camillus Surgery Center	Multi	0.0%	4.5%	0.2%	12.8%
Digestive Disease Center of Central NY ²	Gastroenterology	0.4%	26.0%	0.0%	12.9%
Endoscopic Procedure Center	Gastroenterology	0.0%	8.0%	0.3%	6.1%
Endoscopy Center of Central New York	Gastroenterology	0.4%	4.3%	0.4%	0.4%
Heritage One Day Surgery	Pain Management	0.3%	14.3%	0.1%	14.2%
Specialists' One-Day Surgery Center, LLC	Orthopedics	1.3%	9.1%	0.3%	12.0%
Specialty Surgery Center of Central NY	Multi	0.0%	0.3%	0.2%	5.1%
Syracuse Endoscopy Associates, LLC	Gastroenterology	0.0%	9.4%	0.3%	3.0%
Syracuse Surgery Center	Ophthalmology	0.0%	0.2%	0.0%	2.0%
Upstate Orthopedics Ambulatory Surg Ctr	Orthopedics	1.4%	15.5%	0.4%	15.7%
Average for the County		0.4%	9.8%	0.2%	10.1%

¹Data from AHCF reports, except as noted by note 2.

²Data from SPARCS

Conclusion

Although University Gastroenterology's charity care utilization is less than its original 2% projection, it has made reasonable and sustained efforts to provide service to the uninsured and under-insured in Onondaga County. The center firmly believes that part of its core mission is to provide comprehensive care via referrals to whatever resources the patient will need, including both financial assistance and clinical services.

Recommendation

From a need perspective, approval is recommended.

Program Analysis

Program Proposal

The Center is not proposing to add any services. Dr. Ronald D. Szykowski will continue to serve as the Center's Medical Director and staffing is expected to increase by 3.14 FTEs by Year Three post (indefinite life) approval.

Compliance with Applicable Codes, Rules and Regulations

The medical staff will continue to ensure that procedures performed at the facility conform to generally accepted standards of practice and that privileges granted are within the physician's scope of practice and/or expertise. The facility's admissions policy will include anti-discrimination regarding age, race, creed, color, national origin, marital status, sex, sexual orientation, religion, disability, or source of payment. All procedures will be performed in accordance with all applicable federal and state codes, rules and regulations, including standards for credentialing, anesthesiology services, nursing, patient admission and discharge, a medical records system, emergency care, quality assurance and data requirements.

This facility has no outstanding Article 28 surveillance or enforcement actions and, based on the most recent surveillance information, is deemed to be currently operating in substantial compliance with all applicable State and Federal codes, rules and regulations. This determination was made based on a review of the files of the Department of Health, including all pertinent records and reports regarding the facility's enforcement history and the results of routine Article 28 surveys as well as investigations of reported incidents and complaints.

Conclusion

Based on the results of this review, a favorable recommendation can be made regarding the facility's current compliance pursuant to 2802-(3)(e) of the New York State Public Health Law.

Recommendation

From a programmatic perspective, approval is recommended.

Financial Analysis

Financial Analysis

The applicant submitted their first and third year operating budget, in 2017 dollars, after receiving indefinite life operating certification, as summarized below:

<u>Revenues</u>	<u>Current Year (2015)</u>		<u>Year One</u>		<u>Year Three</u>	
	<u>Per Proc.</u>	<u>Total</u>	<u>Per Proc.</u>	<u>Total</u>	<u>Per Proc.</u>	<u>Total</u>
Medicaid FFS	\$1,645.61	\$97,091	\$1,645.62	\$128,358	\$1,645.61	\$144,814
Medicaid MC	\$294.05	\$74,395	\$294.05	\$152,907	\$294.05	\$173,490
Medicare FFS	\$151.27	\$109,067	\$151.27	\$134,178	\$151.27	\$152,179
Medicare MC	\$328.55	\$45,012	\$328.56	\$65,054	\$328.56	\$73,925
Commercial FFS	\$708.19	\$247,867	\$708.19	\$338,516	\$708.19	\$383,840
Commercial MC	\$641.53	\$124,457	\$641.53	\$141,778	\$641.53	\$161,024
Private Pay/Other	\$912.88	\$212,702	\$956.70	\$208,560	\$955.10	\$234,954
Other Revenue		<u>\$5,713</u>		<u>\$5,713</u>		<u>\$5,713</u>
Total Revenues		\$916,304		\$1,175,064		\$1,329,939
<u>Expenses</u>						
Operating	\$639.00	\$1,244,139	\$574.22	\$1,492,967	\$542.49	\$1,599,266
Capital	<u>\$172.55</u>	<u>\$335,957</u>	<u>\$129.21</u>	<u>\$335,957</u>	<u>\$113.96</u>	<u>\$355,957</u>
Total Expenses	\$811.55	\$1,580,096	\$703.43	\$1,828,924	\$656.45	\$1,935,223
Net Income (Loss)		<u>(\$663,792)</u>		<u>(\$653,860)</u>		<u>(\$605,284)</u>
Procedures		1,947		2,600		2,948

Revenue, expense and utilization assumptions are based upon a continuation of the Center's current operations.

Capability and Feasibility

There are no project costs associated with this application. The Center projects an operating loss of \$653,860 and \$605,284 in the first and third years. Revenues are based on current and projected federal and state governmental reimbursement methodologies, while commercial payers are based on experience. The budget appears reasonable. DOM has provided a letter attesting to cover the ongoing operating losses of the facility.

BFA Attachment A is the 2014 and 2015 certified financial statements for Clinical Practice Management Plan of the State of New York Upstate Medical University and the 2016 internal financial statements for DOM and Upstate Gastroenterology, LLC. As shown, the Plan had an average positive net asset position, an average positive working capital position and generated an average net income of \$4,761,886 for the 2014-2015 period. For 2016, DOM had both positive working capital and net asset positions and generated a net loss of \$176,145. The loss will be covered by the Plan. For 2016, Upstate Gastroenterology, LLC had both negative working capital and net asset positions and generated a net loss of \$467,332. The negative working capital position and the loss will be covered by the Plan.

The applicant demonstrated the capability to proceed in a financially feasible manner with the funding guarantee of DOM and Clinical Practice Management Plan of the State of New York Upstate Medical University

Recommendation

From a financial perspective, approval is recommended.

Attachments

- BFA Attachment A 2014 and 2015 certified for Clinical Practice Management Plan of SUNY Upstate Medical University and 2016 internal financial statement for Department of Medicine Medical Service Group at the SUNY Health Science Center at Syracuse, Inc. and Upstate Gastroenterology, LLC
- BFA Attachment B Organization Chart



Project # 161355-B
**Freedom Center of Newark, LLC d/b/a Fresenius Kidney
Care - Newark**

Program: Diagnostic and Treatment Center **County:** Wayne
Purpose: Establishment and Construction **Acknowledged:** May 25, 2016

Executive Summary

Description

Freedom Center of Newark, LLC d/b/a Fresenius Kidney Care-Newark, a New York limited liability company, requests approval to become the new operator of FMS-Southern Manhattan Dialysis Center - Wayne County, a 14-station, Article 28 chronic renal dialysis center located at 305 West Shore Boulevard, Newark (Wayne County) and to increase the number of certified stations to 17.

The facility is currently operated by New York Dialysis Services, Inc. as an extension clinic location. New York Dialysis Services, Inc. is a wholly-owned subsidiary of Fresenius Medical Care Holdings, Inc., which operates outpatient dialysis clinics at various locations in New York State. The proposed members of Freedom Center of Newark, LLC are comprised of New York Dialysis Services, Inc. (87.5%) and Rehspal, LLC (12.5%). Rehspal, LLC members are Mohammed S. Rehmani, M.D. (80%) and Lorraine Spalding (20%).

The facility was originally constructed under CON 121230 to accommodate space for 17 dialysis chairs, but was approved to operate only 14 stations. At the time CON 121230 was submitted, a competing application (CON 121106) was filed to establish and construct a separate 14-station dialysis center in Wayne County. As the Department's Need methodology for dialysis services indicated a need for 28 total dialysis stations in Wayne County, the certified stations for FMS-Southern Manhattan Dialysis Center - Wayne

County was limited to 14. Per this CON, the applicant requests approval to license the three additional chairs that were not approved under CON 121230.

OPCHSM Recommendation
Contingent Approval

Need Summary

Through this project Freedom Center of Newark will operate a 17 station facility in Wayne County. Currently, there is a need for the additional stations and these net new stations will increase access to ESRD services in Wayne County.

Program Summary

Based on the information reviewed, staff found nothing that would reflect adversely upon the applicant's character and competence or standing in the community.

Financial Summary

The project costs of \$134,928 associated with this application will be financed from proposed members' equity. The proposed budget is as follows:

Revenues	\$3,223,690
Expenses	<u>2,414,080</u>
Gain	\$809,611

Recommendations

Health Systems Agency

The HSA recommends approval of this project.

Office of Primary Care and Health Systems Management

Approval contingent upon:

1. Submission of a check for the amount enumerated in the approval letter, payable to the New York State Department of Health. Public Health Law Section 2802.7 states that all construction applications requiring review by the Public Health and Health Planning Council shall pay an additional fee of fifty-five hundredths of one percent of the total capital value of the project, exclusive of CON fees. [PMU]
2. Submission of an executed Lease Assignment Agreement, acceptable to the Department of Health. [BFA]
3. Submission of the executed Amended and Restated Limited Administrative Services Agreement, acceptable to the Department of Health. [BFA]
4. Submission of an executed Administrative Services Agreement, acceptable to the Department. [HSP]
5. Submission of an executed transfer and affiliation agreement, acceptable to the Department, with a local acute care hospital. [HSP]
6. Submission of photocopy of the applicant's dated and executed First Amendment to Lease Agreement, acceptable to the Department. [CSL]
7. Submission of a photocopy of the applicants executed First Amendment to the Operating Agreement, acceptable to the Department. [CSL]
8. Submission of a photocopy of the applicant's executed Certificate of Amendment of the Articles of Organization, acceptable to the Department. [CSL]
9. Submission of the applicant's fully executed Amended and Restated Limited Administrative Services Agreement, acceptable to the Department. [CSL]
10. Submission of a photocopy of the applicant's executed Assignment of Lease, acceptable to the Department. [CSL]
11. Submission of a photocopy of the applicant's dated and signed Anti-Kickback letter, acceptable to the Department. [CSL]

Approval conditional upon:

1. The project must be completed within three years from the date of the Public Health and Health Planning Council recommendation letter. Failure to complete the project within the prescribed time shall constitute an abandonment of the application by the applicant and an expiration of the approval. [PMU]
2. The applicant is required to submit Final Construction Documents, as described in BAER Drawing Submission Guidelines DSG-05, prior to the applicant's start of construction for record purposes. [AES]

Council Action Date

June 8, 2017

Need Analysis

Analysis

The primary service area for the new facility will be Wayne County, which had a population estimate of 91,446 for 2015. The percentage of the population aged 65 and over was 17.0%. The nonwhite population percentage was 6.4%. These are the two population groups that are most in need of end stage renal dialysis service. Comparisons between Wayne County and New York State are shown below.

	<u>Wayne County</u>	<u>New York State</u>
Ages 65 and Over:	17.0%	15.0%
Nonwhite:	6.4%	29.9%
<i>Source: U.S. Census 2015</i>		

Capacity

The Department's methodology to estimate capacity for chronic dialysis stations is as follows:

- One free standing station represents 702 treatments per year. This is based on the expectation that the center will operate 2.5 patient shifts per day at 6 days per week, which is 15 patients per week, per station [(2.5 x 6) x 52 weeks] equals 780 treatments per year. Assuming a 90% utilization rate based on the expected number of annual treatments (780), the annual treatments per free standing station is 702. The estimated average number of dialysis procedures each patient receives from a free standing station per year is 156.
- Per Department policy, hospital-based stations can treat fewer patients per year. Statewide, the majority of dialysis stations are free standing, as are the majority of applications for new stations. As such, when calculating the need for additional stations, the Department bases the projected need on establishing additional free standing stations and excludes hospital-based stations from calculations.

There are currently 28 free-standing chronic dialysis stations operating in Wayne County and 0 in pipeline for a total of 28. Based upon DOH methodology, the 28 existing free standing stations in Wayne County could treat a total of 126 patients annually.

Need Projections

		Actual		Projected	
		2014	2016	2019	
Wayne County Residents					
Need projected 5 years out from most current IPRO data available for Patients Treated in County		Total Patients Treated in County	Total County Residents in Treatment	Total Patients Treated in County¹	Total County Residents in Treatment¹
		96	159	112	174
Free-Standing Dialysis Stations		2014	2016	2019	
A	Stations Required to Treat ²	22	36	25	39
B	Existing Stations	28	28	28	28
C	Stations In Pipeline	0	0	0	0
D	Stations Requested this CON	3	3	3	3
E	w/Approval of This CON (B+C+D)	31	31	31	31
F	Unmet Need With Approval (A-E)	-9	5	-6	8

¹ Based upon an estimated 3% accrued annual increase

² Based upon DOH methodology (total patients/4.5)

Estimates for need are provided for 2019 because it is expected that this facility will be fully utilized by that time.

Conclusion

The addition of three stations will expand access to dialysis services for the people of Wayne County.

Recommendation

From a need perspective, approval is recommended.

Program Analysis

Character and Competence

The proposed members of Freedom Center of Newark, LLC are comprised of New York Dialysis Services, Inc. (87.5%) and Rehspal, LLC (12.5%). Rehspal, LLC members are Mohammed S. Rehmani, M.D. (80%) and Lorraine Spalding (20%). Fresenius is the parent company of New York Dialysis Services, Inc.

<u>Name</u>	<u>Membership Interest</u>
New York Dialysis Services, Inc.	87.50%
William Valle	
Ronald Kuebitz	
Joseph Ruma	
Mark Fawcett	
Karen Gledhill	
Thomas Brouillard	
 Rehspal, LLC	 12.50%
Mohammed S. Rehmani, M.D (80%)	
<i>Medical Director</i>	
Lorraine Spalding (20%)	

The proposed managers of Freedom Center of Newark, LLC are:

- Michael Sloma
- Susan Weber
- Judith Moran
- Mohammad Rehmani, M.D.
- Lorraine Spalding

Dr. Rehmani, who will serve as the facility’s Medical Director, is a board-certified Internist with board sub-certification in Nephrology. He has over 20 years of experience as a Nephrologist.

Staff from the Division of Certification & Surveillance reviewed the disclosure information submitted regarding licenses held, formal education, training in pertinent health and/or related areas, employment history, a record of legal actions, and a disclosure of the applicant’s ownership interest in other health care facilities. Licensed individuals were checked against the Office of Medicaid Management, the Office of Professional Medical Conduct, and the Education Department databases as well as the US Department of Health and Human Services Office of the Inspector General Medicare exclusion database.

Additionally, the staff from the Division of Certification & Surveillance reviewed the ten-year surveillance history of all associated facilities. Sources of information included the files, records, and reports found in the Department of Health. Included in the review were the results of any incident and/or complaint investigations, independent professional reviews, and/or comprehensive/focused inspections. The review found that any citations were properly corrected with appropriate remedial action.

Fresenius Medical Care Holdings (FMCH) disclosed several lawsuits and investigations, several of which have been dismissed or concluded in FMCH’s favor or without any action taken against FMCH or its

subsidiaries. The following matters remain open and FMCH reported it is cooperating with the investigations:

- FMCH's corporate parent (Fresenius Medical Care AG & Co. KGaA) received communications alleging conduct in countries outside the U.S. which may have violated the U.S. Foreign Corrupt Practices Act or other anti-bribery laws. The company voluntarily advised the U.S. Securities and Exchange Commission and the U.S. Department of Justice. Investigations and dialogue are ongoing, however, as a result, the company is implementing enhancements to its anti-corruption compliance program.
- On February 15, 2011, a Whistleblower Action under the False Claims Act against FMCH was unsealed. The allegations in the action related to the company seeking and receiving reimbursement from government payors for medications and laboratory tests that were medically unnecessary.
- In July 2015, the Attorney General for Hawaii issued a civil complaint under the Hawaii False Claims Act alleging that subsidiaries of FMCH conspired to overbill Hawaii Medicaid for Epogen administrations between 2006 to 2010 (prior to FMCH's acquisition of the subsidiaries).
- On August 31 and November 25, 2015, respectively, FMCH received subpoenas from the U.S. Attorneys for the District of Colorado and the Eastern District of New York inquiring into FMCH's participation in and management of dialysis facility joint ventures in which physicians are partners.
- On October 6, 2015, The Office of Inspector General of the U.S. Department of Health and Human Services (OIG) issued a subpoena to FMCH seeking information about utilization and invoicing by Fresenius Vascular Care facilities.
- On June 30, 2016, FMCH received a subpoena from the U.S. Attorney for the Northern District of Texas (Dallas) seeking information about the use and management of the pharmaceutical Velphoro and FMCH's interactions with DaVita Healthcare Partners, Inc.

The Department has taken the following enforcement action against Fresenius-affiliated facilities:

- On December 6, 2016, the Department issued a Stipulation and Order and \$10,000 fine to FMS Living Center for an Immediate Jeopardy (IJ) situation identified at the dialysis center on March 16, 2016. The IJ involved the failure of the facility to ensure that staff were appropriately trained on the water system and that they could demonstrate competency related to water testing.
- On April 19, 2017, the Department issued a Stipulation and Order and \$8,000 fine to FMS-Soundshore Dialysis Center for an Immediate Jeopardy situation identified during an inspection on March 18, 2016. The center was cited in the following areas: Codes and Standards, Organization and Administration, Medical Director and Operating Policies and Procedures. Specifically, the center did not appropriately identify or isolate a patient who tested positive for the Hepatitis B virus. Subsequently, the patient received two hemodialysis treatments without required isolation and seven patients were identified as potentially exposed to the virus.

The Department has taken the following enforcement action against a dialysis facility for which Mr. Sloma has disclosed an affiliation/ownership interest:

- On July 31, 2006, the Department issued a Stipulation and Order and \$2,000 fine to Niagara Renal Center for constructing an end-stage renal dialysis center without receiving final approval of a Certificate of Need application.

Star Ratings - Dialysis Facility Compare (DFC)

The Centers for Medicare and Medicaid Services (CMS) and the University of Michigan Kidney Epidemiology and Cost Center have developed a methodology for rating each dialysis facility which may be found on the Dialysis Facility Compare website as a "Star Rating." The method produces a final score that is based on quality measures currently reported on the DFC website and ranges from 1 to 5 stars. A facility with a 5-star rating has quality of care that is considered 'much above average' compared to other dialysis facilities. A 1- or 2- star rating does not mean that a facility provides poor care. It only indicates that measured outcomes were below average compared to other facilities. Star ratings on DFC are updated annually to align with the annual updates of the standardized measures.

The DFC website currently reports on 9 measures of quality of care for facilities. The measures used in the star rating are grouped into three domains by using a statistical method known as Factor Analysis.

Each domain contains measures that are most correlated. This allows CMS to weight the domains rather than individual measures in the final score, limiting the possibility of overweighting quality measures that assess similar qualities of facility care.

To calculate the star rating for a facility, each domain score between 0 and 100 by averaging the normalized scores for measures within that domain. A final score between 0 and 100 is obtained by averaging the three domain scores (or two domain scores for peritoneal dialysis-only facilities). Finally, to recognize high and low performances, facilities receive stars in the following way:

- Facilities with the top 10% final scores were given a star rating of 5.
- Facilities with the next 20% highest final scores were given 4 stars.
- Facilities within the middle 40% of final scores were given 3 stars.
- Facilities with the next 20% lowest final scores were given 2 stars.
- Facilities with the bottom 10% final scores were given 1 star.

Fresenius operates over 2,000 dialysis centers (more than 35 which are located in New York State). A comprehensive list of the Star Ratings for all Fresenius-affiliated facilities located in New York State is provided in **HSP Attachment A**.

Recommendation

From a programmatic perspective, contingent approval is recommended.

<h2>Financial Analysis</h2>

Asset Purchase Agreement

The applicant has submitted an executed asset purchase agreement (APA) for the operating interests of the dialysis center. The agreement will become effectuated upon Public Health and Health Planning Council (PHHPC) approval of this CON application. The terms of the agreement are summarized below:

Date:	April 1, 2014
Purchaser:	Freedom Center of Newark, LLC
Seller:	New York Dialysis Services, Inc.
Purchased Assets:	All assets used in the operation of the facility. Facilities; equipment; supplies and inventory; prepaid expenses; documents and records; assignable leases, contracts, licenses and permits; telephone numbers, fax numbers and all logos; accounts and notes receivable; cash, deposits and cash equivalents.
Excluded Assets:	Any security, vendor, utility or other deposits with any Governmental Entity; any refunds, debtor claims, third-party retroactive adjustments and related documents prior to closing, third-party software that is not assignable.
Assumed Liabilities:	Any liability arising on or after the closing date of this agreement.
Purchase Price:	\$25,225.16 and the cost of usable inventory of disposable dialysis supplies and pharmaceuticals of \$53,883 for a total purchase price of \$79,108.16. There is no lease deposit paid by seller and therefore will not be part of the purchase price.
Payment of Purchase Price:	\$79,108.16 Cash at closing.

The purchase price for the operations will be satisfied via the proposed members' equity.

The applicant has provided an original affidavit, which is acceptable to the Department, in which the applicant agrees, notwithstanding any agreement, arrangement or understanding between the applicant and the transferor to the contrary, to be liable and responsible for any Medicaid overpayments made to the facility and/or surcharges, assessments or fees due from the transferor pursuant to Article 28 of the

Public Health Law with respect to the period of time prior to the applicant acquiring its interest, without releasing the transferor of its liability and responsibility.

Amended and Restated Limited Administrative Services Agreement

The change in operational ownership will be effectuated in accordance with a proposed amended and restated limited administrative services agreement, the terms of which are summarized below:

Business:	New York Dialysis Services, Inc.
Master Services Provider:	Freedom Center of Newark, LLC
Services rendered:	Consulting and administrative services, selection of equipment, billing and collection, accounting and financial services, provide policy and procedure manuals, participation in the ultra-care program, negotiate and maintain service contracts, provide project development services, quality and utilization, home dialysis business and software systems.
Term:	20 years.
Compensation:	\$213,864 annually (\$17,822/month) with a 3% increase each year following. A 7% development fee of total project costs does not apply since the facility is already constructed and operational.

Upon PHHPC approval, the master services provider plans to acquire and become the owner of the business at which time the master services agreement will be terminated and Freedom Center of Newark, LLC will be the operator.

The original administrative services agreement between Freedom Center of Newark, LLC and New York Dialysis Services, Inc. will terminate upon approval of Freedom Center of Newark, LLC as the new operator of the facility. It is contemplated that New York Dialysis Services, Inc., as an affiliate of Fresenius Management Services, Inc., shall provide administrative services to Freedom Center of Newark, LLC.

Lease Agreement

The applicant will lease space on the first floor under the terms of the executed lease agreement summarized below:

Date:	December 28, 2012
Premises:	8,000 sq. ft. at Newark Industrial Park, 8 West Shore Blvd., Newark, N. Y.
Landlord:	Wayne County Dialysis Properties, LLC
Tenant:	New York Dialysis Services, Inc.
Rent:	Years 1-5: \$123,999.96 (\$10,333.33/month) (\$16.61/sq. ft.) Years 6-10: \$136,400.04 (\$11,366.67/month) (\$15.22/sq. ft.)
Terms:	10 years with three consecutive options to extend for five year terms.

The applicant has provided an executed Commencement Date Certificate from the landlord and tenant dated August 19, 2013, which indicates the corrected square footage (7,464 square feet) and corrected address of the facility (305 West Shore Blvd., Newark, New York), which is the same address reflected on the proposed assignment of lease.

There is a relationship between landlord and tenant. Dr. Mohammed Rehmani and Lorraine Spaulding own 100% membership interest in Wayne County Dialysis Properties, LLC (landlord) and 100% membership interest in Rehspal, LLC (12.5% operations member and tenant).

Assignment of Lease

The terms of the proposed lease assignment agreement for the site is summarized below:

Assignor:	New York Dialysis Services, Inc.
Assignee:	Freedom Center of Newark, LLC
Premises:	7,464 sq. ft. located at 305 West Shore Blvd., Newark, New York
Consideration:	\$1.00 and other good and valuable consideration paid by Assignee to Assignor for all its right, title and interest in and to the lease entered into by and between assignor and the landlord.

The applicant has provided two rent reasonableness letters from area brokers attesting to square footage rental for the area.

Total Project Costs

Total project costs for renovations and movable equipment is estimated at \$134,928, detailed as follows:

Renovation & Demolition	\$71,440
Design Contingency	472
Construction Contingency	7,418
Architect/Engineering Fees	4,721
Moveable Equipment	48,150
CON Application Fee	2,000
CON Additional Processing Fees	<u>727</u>
Total Project Cost	\$134,928

Total project costs are based on a construction start date of May 1, 2017, and completion date of a June 30, 2017. The applicant will be financing total project costs through equity.

Operating Budget

The applicant has submitted first and third year operating budgets, in 2016 dollars, summarized below:

	<u>First Year</u>		<u>Three Year</u>	
	<u>Per Treatment</u>	<u>Total</u>	<u>Per Treatment</u>	<u>Total</u>
<u>Revenues</u>				
Commercial FFS	\$747.85	\$1,016,329	\$747.77	\$1,040,149
Medicare FFS	\$240.39	1,070,917	\$240.48	1,096,377
Medicaid FFS	\$328.71	1,117,934	\$348.25	1,212,264
Bad Debt		<u>(119,735)</u>		<u>(125,100)</u>
Total Revenues		\$3,085,445		\$3,223,690
<u>Expense</u>				
Operating	\$225.12	\$2,074,738	\$229.67	\$2,166,248
Depreciation and Rent	<u>24.41</u>	<u>224,978</u>	<u>26.28</u>	<u>247,832</u>
Total Expenses	\$249.53	\$2,299,716	\$255.95	\$2,414,080
Excess Income over Expenses		<u>\$785,729</u>		<u>\$809,611</u>
Utilization (Treatments)		9,216		9,432
Cost per Treatment		\$249.53		\$255.95

Utilization by payor source for the first and third years is as follows:

	<u>Year One and Three</u>
Commercial FFS	14.75%
Medicare FFS	48.34%
Medicaid FFS	36.91%

The following is noted regarding the first and third year budgets:

- There is no incremental revenue in the first year budget because the applicant is projecting no increase in patient visits or projected payor rates in Year One.
- Year Three cost per treatment increases are due to projected annual salary merit increases of 2.5%, which will result in an increased employee benefit.
- Expense and utilization assumptions are based on the historical experience of the existing dialysis center and extension clinic.
- The 2015 Medicaid APG rate for renal dialysis is reflected in the first and third year budgets. The APG rate is the base rate for New York Dialysis Services, Inc. plus additional investment and two-year phase-in capital.

Capability and Feasibility

The project costs of \$134,928 associated with this application will be financed from proposed members' equity.

The working capital requirement is estimated at \$383,286 based on two months of first year expenses. Working capital will be provided through proposed members' equity. BFA Attachments A and B, Financial Summary of New York Dialysis Services, Inc. and Rehspal, LLC, respectively, indicate sufficient funds available for estimated working capital. BFA Attachment C is the pro forma balance sheet of Freedom Center of Newark, LLC as of the first day of operations.

The submitted budget projects a net income of \$785,729 and \$809,611 during the first and third years, respectively. Revenues are based on prevailing reimbursement methodologies and contracted rates for dialysis services. The budget appears reasonable.

As shown on BFA Attachment B, Financial Summary of New York Dialysis Services, Inc. has maintained a positive working capital position (less liabilities due to related party) and has experienced a negative stockholder's position in 2015 and as of December 31, 2016. The negative working capital and stockholder's position is due to operating losses sustained in prior years. However, New York Dialysis Services, Inc. has maintained net income from operations of \$3,698,970 and \$32,617,416 in 2015 and as of December 31, 2016, respectively. Fresenius, a publically traded company, is the parent company of New York Dialysis, Inc. who will provide the needed capital, if necessary. BFA Attachment D is the 2015 consolidated financials of Fresenius, which shows sufficient capital.

Based on the preceding, and subject to the noted contingencies, the applicant has demonstrated the capability to proceed in a financially feasible manner.

Recommendation

From a financial perspective, contingent approval is recommended.

Attachments

BFA Attachment A	Net worth statement for Rehspal, LLC
BFA Attachment B	Financial Summary of New York Dialysis Services, Inc.-2015 and as of December 31, 2016
BFA Attachment C	Pro Forma Balance Sheet
BFA Attachment D	2015 Consolidated Financials of Fresenius
HSP Attachment A	Star Rating Profile for all Fresenius-affiliated facilities in New York State



Project # 162601-B

**The Rogosin Institute at Methodist Home for Nursing and
Rehabilitation, LLC**

Program: Diagnostic and Treatment Center **County:** Bronx
Purpose: Establishment and Construction **Acknowledged:** January 4, 2017

Executive Summary

Description

The Rogosin Institute at Methodist Home for Nursing and Rehabilitation, LLC, a to-be-formed, not-for-profit New York limited liability company, requests approval to establish and construct a 16-station Article 28 chronic renal dialysis center to be located on-site at the Methodist Home for Nursing and Rehabilitation, a 120-bed Article 28 residential health care facility (RHCF) located at 4499 Manhattan College Parkway, Bronx (Bronx County), New York. The RHCF is operated by Methodist Church Home for the Aged, Inc., a not-for-profit 501(c)(3) corporation. The primary service area for the Center will be Bronx County.

The proposed operator of the Center consists of two members, Methodist Church Home for the Aged, Inc. d/b/a Methodist Home for Nursing and Rehabilitation (49%) and The Rogosin Institute, Inc. (51%), an existing not-for-profit 501(c)(3) corporation that specializes in the treatment of kidney diseases. On December 21, 2016, the parties entered into a Collaboration Agreement to form a limited liability company to carry out the joint dialysis center venture. The Rogosin Institute is an experienced operator of dialysis centers in metropolitan New York City, is affiliated with the New York Presbyterian Hospital and Weill Cornell Medicine, and is a member of the Presbyterian Health Network.

The Methodist Home for Nursing and Rehabilitation was awarded \$2,800,000 in grant funds through the New York State Department of Health Capital Restructuring Financing Program (CRFP) to implement "The Medical

Village at Methodist" project, of which \$1,800,000 is dedicated to the proposed dialysis center. The award was made following a competitive review process performed in accordance with the procedures and criteria set forth in Section 2825 of the Public Health Law and Section 1680-r of the Public Authorities Law, and the Request for Applications (RFA) #14-10100351. A financial feasibility analysis was part of the review process for this RFA, including consideration of the availability of matching funds to be provided by the grant applicant. Funding for this project will be provided through the CRFP grant funds, equity from the two members, and through an equipment lease.

The proposed Center will be located in leased space on the first floor at Methodist Home for Nursing and Rehabilitation. The Rogosin Institute at Methodist Home for Nursing and Rehabilitation, LLC will be the lessee. The fit-out and renovation of the Center's interior space will be done by Methodist Home for Nursing and Rehabilitation in accordance with current standards of patient care to bring it into compliance with 10 NYCRR.

The Center will have back-up and transplant service agreements with New York Presbyterian Hospital- Columbia Medical Center. New York Presbyterian Hospital-Columbia Medical Center is located 1.9 miles or 17 minutes from the site of the proposed Center.

OPCHSM Recommendation
Contingent Approval

Need Summary

Public need was assessed within the grant review process for the Capital Restructuring Financing Program. By virtue of being a grant awardee, this project was deemed to fill a need in the community.

By the planning year 2020, there will be an unmet need for 62 additional dialysis stations in Bronx County. This proposal will partially address it.

Program Summary

Based on the information reviewed, staff found nothing that would reflect adversely upon the applicant's character and competence or standing in the community.

Financial Summary

Total project costs of \$3,076,607 will be met with \$662,207 equity from the proposed members, \$1,800,000 from the CRFP grant award, and an equipment lease of \$614,400 at an interest rate of 1.917% for a 60-month term.

Revenues	\$4,835,997
Expenses	<u>4,060,686</u>
Net Income	\$775,311

Recommendations

Health Systems Agency

There will be no HSA recommendation for this project.

Office of Primary Care and Health Systems Management

Approval contingent upon:

1. Submission of a check for the amount enumerated in the approval letter, payable to the New York State Department of Health. Public Health Law Section 2802.7 states that all construction applications requiring review by the Public Health and Health Planning Council shall pay an additional fee of fifty-five hundredths of one percent of the total capital value of the project, exclusive of CON fees. [PMU]
2. Submission of an equipment financing commitment, acceptable to the Department of Health. [BFA]
3. Submission of an executed Building Lease Agreement, acceptable to the Department of Health. [BFA]
4. Submission of an executed Administrative Services Agreement, acceptable to the Department of Health. [BFA]
5. Submission of documentation confirming final approval of an executed Capital Restructuring and Financing Program grant contract, acceptable to Department of Health. [BFA]
6. Submission of an executed transfer and affiliation agreement, acceptable to the Department, with a local acute care hospital. [HSP]
7. The submission of State Hospital Code (SHC) Drawings for review and approval, as described in BAER Drawing Submission Guidelines DSG-03. [AER]
8. The submission of Engineering (SHC) Drawings for review and approval as described in BAER Drawing Submission Guidelines DSG-03. [AER]
9. Submission of a photocopy of the Certificate of Amendment of the Articles of Organization of The Rogosin at Methodist Home, LLC, acceptable to the Department. [CSL]
10. Submission of a photocopy of the applicant's executed Administrative Service Agreement, acceptable to the Department. [CSL]
11. Submission of a photocopy of the Certificate of Amendment to the Certificate of Incorporation of the Methodist Home for the Aged in the City of New York, acceptable to the Department. [CSL]
12. Submission of a photocopy of the executed and amended Operating Agreement of the Rogosin Institute at Methodist Church Home for Nursing and Rehabilitation, LLC, acceptable to the Department. [CSL]
13. Submission of a photocopy of the amended Bylaws of the Methodist Church Home for the Aged in the City of New York, acceptable to the Department. [CSL]
14. Submission of a photocopy of the amended bylaws of The Rogosin Institute, Inc., acceptable to the Department. [CSL]

Approval conditional upon:

1. The project must be completed within three years from the date of the Public Health and Health Planning Council recommendation letter. Failure to complete the project within the prescribed time shall constitute an abandonment of the application by the applicant and an expiration of the approval. [PMU]
2. Construction must start on or before August 1, 2017 and construction must be completed by February 28, 2018 presuming the Department has issued a letter deeming all contingencies have been satisfied prior to commencement. In accordance with 10 NYCRR Section 710.10(a), if construction is not started on or before the start date this shall constitute abandonment of the approval. It is the responsibility of the applicant to request prior approval for any changes to the start and completion dates. [PMU]
3. The submission of Final Construction Documents, as described in BAER Drawing Submission Guidelines DSG-05, is required prior to the applicant's start of construction. [AER]

Council Action Date

June 8, 2017

Need Analysis

Analysis

The primary service area for the new facility will be Bronx County, which had a population estimate of 1,455,444 for 2015. From 2010 to 2015, the population of the county increased by 5.1% compared to the State's 2.2%.

	Bronx County	New York State
Ages 65 and Over:	11.4%	15.0%
Nonwhite:	54.6%	29.9%

Source: U.S. Census Bureau 2015 Population Estimates

- One free standing station represents 702 projected treatments per year. This is based on the expectation that the center will operate 2.5 patient shifts per day at 6 days per week, which is 15 patients per week, per station [(2.5 x 6) x 52 weeks] equals 780 treatments per year. Assuming a 90% utilization rate based on the expected number of annual treatments (780), the projected number of annual treatments per free standing station is 702.
- One hospital based station represents 499.2 projected treatments per year. This is based on the expectation that the hospital will operate 2.0 patient shifts per day at 6 days per week, which is 12 patients per week, per station [(2 x 6) x 52 weeks] equals 624 treatments per year. Assuming an 80% utilization rate based on the expected number of annual treatments (624), the projected number of annual treatments per hospital station is 499.2.
- Per Department policy, hospital-based stations can treat fewer patients per year. Statewide, the majority of stations are free standing, as are the majority of applications for new stations. As such, when calculating the need for additional stations, the Department bases the projected need on establishing additional free standing stations. The estimated average number of dialysis procedures each patient receives from a free standing station per year is 156.
- There are currently 468 free-standing chronic dialysis stations operating in Bronx County and 216 in pipeline for a total of 684. There are 37 hospital-based stations in Bronx County and 0 in pipeline for a total of 37.
- Based upon DOH methodology, the 468 existing free-standing and 37 existing hospital-based stations in Bronx County could treat a total of 2,224 patients annually. Including the additional 216 pipeline stations, the county could treat a total of 3,196 patients annually.

Need Projections

		Actual		Projected	
		2015	2016	2020	
Bronx County Residents					
Need projected 5 years out from most current IPRO data available for Patients Treated in County		Total Patients Treated in County	Total County Residents in Treatment	Total Patients Treated in County¹	Total County Residents in Treatment¹
		3,007	3,086	3,486	3,474
Dialysis Stations		2015	2016	2020	
A	Stations Required to Treat ²	669	686	775	772
B	Free-Standing Stations	468	468	468	468
C	Hospital Stations	37	37	37	37
D	Total Existing Stations (B+C) ^{3,4}	494	494	494	494
E	Stations in Pipeline ³	216	216	216	216
F	Free-standing Stations Requested	16	16	16	16
G	w/Approval of This CON (D+E+F) ⁴	726	726	726	726
H	Unmet Need with Approval (A-G)	-57	-40	49	46

¹Based upon a 3% accrued annual increase

²Based upon DOH methodology (total patients/4.5)

³Each Hospital-based station counts as .71 stations

⁴Due to Rounding, individual conditions may not sum to total

The applicant estimates that the facility will provide 3,588 chronic renal dialysis treatments in Year 1 and 15,180 in Year 3 of operations.

The applicant has stated it will operate the dialysis program at the new clinic in compliance with all State and Federal codes and regulations. The dialysis clinic will be operated during convenient hours that will permit patients who are healthy enough to work to continue their employment. Services will be available to all patients who satisfy the admissions criteria, without regard to age, race, sex, sexual orientation, creed, religion, and source of payment or any other personal characteristic.

Conclusion

This project will increase the number of approved dialysis stations in Bronx County from 710 to 726.

Recommendation

From a need perspective, approval is recommended.

Program Analysis

Character and Competence

The two members of The Rogosin Institute at Methodist Home for Nursing and Rehabilitation, LLC are The Rogosin Institute, Inc. (21-member board) which has 51% ownership and Methodist Church Home for the Aged, Inc. (17-member board) which has 49% ownership.

Dr. Maya K. Rao, who will serve as the facility's Medical Director, is a board-certified Internist with board sub-certification in Nephrology. She has been on the staff of New York Presbyterian since 2009.

Staff from the Division of Certification & Surveillance reviewed the disclosure information submitted regarding licenses held, formal education, training in pertinent health and/or related areas, employment history, a record of legal actions, and a disclosure of the applicant's ownership interest in other health care facilities. Licensed individuals were checked against the Office of Medicaid Management, the Office of Professional Medical Conduct, and the Education Department databases as well as the US Department of Health and Human Services Office of the Inspector General Medicare exclusion database.

Additionally, the staff from the Division of Certification & Surveillance reviewed the ten-year surveillance history of all associated facilities. Sources of information included the files, records, and reports found in the Department of Health. Included in the review were the results of any incident and/or complaint investigations, independent professional reviews, and/or comprehensive/focused inspections. The review found that any citations were properly corrected with appropriate remedial action.

In December of 2011, the Rogosin Institute received a subpoena duces tecum from the U.S. Department of Health and Human Services Office of Inspector General in connection with a False Claims Act Investigation by the U.S. Attorney's office for the Eastern District of New York and the New York Attorney General's Office involving certain Medicaid prescription reimbursement issues. This issue remains pending.

Star Ratings - Dialysis Facility Compare (DFC)

The Centers for Medicare and Medicaid Services (CMS) and the University of Michigan Kidney Epidemiology and Cost Center have developed a methodology for rating each dialysis facility which may be found on the Dialysis Facility Compare website as a "Star Rating." The method produces a final score that is based on quality measures currently reported on the DFC website and ranges from 1 to 5 stars. A facility with a 5-star rating has quality of care that is considered 'much above average' compared to other dialysis facilities. A 1- or 2- star rating does not mean that a facility provides poor care. It only indicates that measured outcomes were below average compared to other facilities. Star ratings on DFC are updated annually to align with the annual updates of the standardized measures.

The DFC website currently reports on 9 measures of quality of care for facilities. The measures used in the star rating are grouped into three domains by using a statistical method known as Factor Analysis. Each domain contains measures that are most correlated. This allows CMS to weight the domains rather than individual measures in the final score, limiting the possibility of overweighting quality measures that assess similar qualities of facility care.

To calculate the star rating for a facility, each domain score between 0 and 100 by averaging the normalized scores for measures within that domain. A final score between 0 and 100 is obtained by averaging the three domain scores (or two domain scores for peritoneal dialysis-only facilities). Finally, to recognize high and low performances, facilities receive stars in the following way:

- Facilities with the top 10% final scores were given a star rating of 5.
- Facilities with the next 20% highest final scores were given 4 stars.
- Facilities within the middle 40% of final scores were given 3 stars.
- Facilities with the next 20% lowest final scores were given 2 stars.
- Facilities with the bottom 10% final scores were given 1 star.

The Rogosin Institute operates seven (7) dialysis centers in New York State. A comprehensive list of the Star Ratings for all Rogosin Institute-affiliated facilities located in New York State is provided in **HSP Attachment A**.

Recommendation

From a programmatic perspective, approval is recommended.

Financial Analysis

Collaboration Agreement

On December 21, 2016, Methodist Church Home for the Aged, Inc. d/b/a Methodist Home for Nursing and Rehabilitation and The Rogosin Institute, Inc. entered into a collaboration agreement to form a New York limited liability company under the name "The Rogosin Institute at Methodist Home for Nursing and Rehabilitation, LLC." The purpose of the agreement is to sponsor and form a separate legal entity to develop and operate a diagnostic and treatment center to provide end stage renal disease (ESRD) services, utilizing the CRFP funds awarded to Methodist Home for "The Medical Village at Methodist" project. The CRFP project for which funding was awarded included construction of the 16-station dialysis clinic at the RHCF.

Administrative Services Agreement

The Rogosin Institute at Methodist Home for Nursing and Rehabilitation, LLC will enter into an Administrative Services Agreement with The Rogosin Institute, Inc. The consultant will provide certain professional business and administrative services to the dialysis center relating to the operation of the facility. The applicant has submitted a draft agreement, which is summarized below:

Facility:	The Rogosin Institute at Methodist Home for Nursing and Rehabilitation, LLC
Contractor:	The Rogosin Institute, Inc.
Administrative Term:	6 Years, with option to renew for additional terms of 2-year periods.
Compensation:	\$75,000 for the startup Period with \$75,000 per annum (\$6,250/month) for the first and second years and \$350,000 each year thereafter for administrative services. Billing and collection fees are \$35,000/year for the first and second year and \$200,000/year for years 3-5.
Contractor's Duties:	Financial Management Services, Strategic Planning and Development, Policies and Procedures, Contracting Services, Personnel, Supplies, Insurance, Operating Licenses and Regulatory matters and Billing and Collection services.

While The Rogosin Institute, Inc. will be providing all of the above services, the Facility retains ultimate control in all of the final decisions associated with the services.

The applicant has submitted an executed attestation stating that the applicant understands and acknowledges that there are powers that must not be delegated, the applicant will not willfully engage in any illegal delegation and understands that the Department will hold the applicant accountable.

Lease Agreement

The applicant has submitted a draft lease agreement, the terms of which are summarized below:

Premises:	4,125 sq. ft. located on the first floor at 4499 Manhattan College Parkway, Riverdale, NY
Lessor:	Methodist Home for Nursing & Rehabilitation
Lessee:	The Rogosin Institute at Methodist Home for Nursing and Rehabilitation, LLC
Term:	Five Years with two additional five year renewals.
Rental:	Year One - \$110,000 (\$26.67 per sq. ft.) with a 2.5% increase each year thereafter.
Provisions:	The lessee shall be responsible for general liability insurance and certain utilities.

The applicant has submitted letters from real estate brokers attesting to the reasonableness of the per square foot rental and has indicated that the lease arrangement will be a non-arm's length (common membership with landlord) lease arrangement.

Total Project Cost and Financing

Total project cost, which is for renovations and the acquisition of moveable equipment, is estimated at \$3,076,607, further broken down as follows:

Renovation and Demolition	\$1,783,168
Design Contingency	178,317
Construction Contingency	178,317
Architect/Engineering Fees	239,639
Other Fees (Consultant)	33,948
Moveable Equipment	644,400
CON Fee	2,000
Additional Processing Fee	<u>16,818</u>
Total Project Cost	\$3,076,607

Project costs are based on a construction start date of August 1, 2017, and a seven-month construction period.

The applicant's financing plan appears as follows:

Equity	\$ 662,207
Governmental Grant-CRFP	1,800,000
Equipment Lease (1.917% interest for 60 months)	<u>614,400</u>
Total	\$3,076,607

The applicant has submitted a letter of interest from M&T Bank regarding the financing for the equipment lease. The Methodist Home for Nursing and Rehabilitation, a proposed member of The Rogosin Institute at Methodist Home for Nursing and Rehabilitation, LLC, has received an award letter from the Department of Health for the CRFP Grant funding.

Operating Budget

The applicant submitted an operating budget, in 2017 dollars, during the first and third years, summarized below:

	<u>Year One</u>	<u>Year Three</u>
<u>Revenues</u>		
Commercial Fee for Service	\$106,510	\$477,736
Medicare Fee for Service	592,543	2,550,693
Medicare Managed Care	298,629	1,270,322
Medicaid Fee for Service	62,810	265,600
Medicaid Managed Care	61,576	271,646
Total Revenues	\$1,122,068	\$4,835,997
<u>Expenses</u>		
Operating	\$1,442,478	\$3,872,915
Capital	<u>187,771</u>	<u>187,771</u>
Total Expenses	\$1,630,249	\$4,060,686
Net Income (Loss)	<u>(\$508,181)</u>	<u>\$775,311</u>
Utilization (Treatments)	3,588	15,180
Cost Per Treatment	\$454.36	\$267.50

Utilization broken down by payor source during the first and third years is as follows:

Commercial Fee for Service	4.0%
Medicare Fee for Service	60.0%
Medicare Managed Care	22.0%
Medicaid Fee for Service	9.0%
Medicaid Managed Care	<u>5.0%</u>
Total	100.0%

Methodist Home for Nursing and Rehabilitation has submitted a letter from the CEO stating they are willing to absorb the first year losses until such time that the Center begins to generate a net positive operating margin. Methodist Home for Nursing and Rehabilitation will be reimbursed for the deficit funding on a priority basis.

Expenses and utilization assumptions are based on the historical experience of The Rogosin Institute's other dialysis facilities within the service area of New York, Queens and Kings Counties.

Capability and Feasibility

Project costs of \$3,076,607, will be met with equity of \$662,207 from the proposed members, \$1,800,000 from a CRFP grant award, and an equipment lease of \$614,400 at an interest rate of 1.917% for a 60-month term.

Working capital requirements are estimated at \$676,781, which is equivalent to two months of third year expenses. The working capital will be provided as equity via the proposed members of The Rogosin Institute at Methodist Home for Nursing and Rehabilitation, LLC.

BFA Attachments A and B are the financial statements of Methodist Home for Nursing and Rehabilitation and The Rogosin Institute, Inc. and Subsidiaries, respectively, which indicates the availability of sufficient funds for the equity contribution to meet the total project cost and the working capital requirements. BFA Attachment C is the pro-forma balance sheet of The Rogosin Institute at Methodist Home for Nursing and Rehabilitation, LLC as of the first day of operation, which indicates a positive net asset position of \$3,493,282.

The submitted budget indicates a net loss of \$508,181 and net income of \$775,311 during the first and third years, respectively. Revenues are based on current reimbursement methodologies for dialysis services. The submitted budget appears reasonable.

BFA Attachment A shows the Methodist Home for Nursing and Rehabilitation had a positive working capital position and a positive net asset position through December 31, 2015, and as of October 31, 2016. Also, the entity achieved a net income of \$1,409,115 through December 31, 2015, and \$985,608 as of October 31, 2016.

BFA Attachment B shows the Rogosin Institute, Inc. had a positive working capital position and a positive net asset position through December 31, 2015, and as of November 30, 2016. Also, the entity experienced a net loss of \$2,158,000 through December 31, 2015, and a net loss of \$6,902,000 as of November 30, 2016. The operating loss was due to the reduction in contracted revenue from the Ohio-based Macrobead project. The Rogosin Institute made a commitment to continue funding the Macrobead project through its own internal operating resources in 2016.

Subject to the noted contingencies, the applicant has demonstrated the capability to proceed in a financially feasible manner.

Recommendation

From a financial perspective, contingent approval is recommended.

Attachments

BFA Attachment A	Financial Statements of Methodist Home for Nursing and Rehabilitation for 2015 and as of October 31, 2016
BFA Attachment B	Financial Statements of Rogosin Institute, Inc. for 2015 and as of November 30, 2016
BFA Attachment C	Pro-forma Balance Sheet
HSP Attachment A	Star Rating Profile for all Rogosin Institute-affiliated facilities in New York State



Project # 171122-E
Freedom Center of Syosset, LLC

Program: Diagnostic and Treatment Center
Purpose: Establishment
County: Nassau
Acknowledged: February 21, 2017

Executive Summary

Description

Freedom Center of Syosset, LLC, a New York limited liability company, requests approval to be established as the new operator of FMS-Hicksville Dialysis Center, a 14-station, Article 28 chronic renal dialysis center located in leased space at 760 Broadway, Hicksville (Nassau County), and to add Home Hemodialysis Training services. The Center is currently operated as an extension clinic of FMS-Southern Manhattan Dialysis Center, which is operated by New York Dialysis Services, Inc., a New York proprietary corporation. New York Dialysis Services, Inc. is a wholly owned subsidiary of Fresenius Medical Care Holdings, Inc. d/b/a Fresenius Medical Care North America. On July 14, 2014, administrative approval was granted to add the Hicksville location as an extension clinic of FMS-Southern Manhattan Dialysis Center (CON 141170). The facility became operational May 19, 2016, and was certified to provide in-center renal dialysis and home peritoneal dialysis training and support services. There will be no disruption in services.

On August 31, 2016, New York Dialysis Service, Inc. entered into an Asset Purchase Agreement (APA) with Freedom Center of Syosset, LLC for the transfer of all rights, title, interests in, and assets and properties used in and for the benefit of the FMS-Hicksville Dialysis Center. The purchase price for the operations is \$24,109 plus a \$67,000 adjustment for the estimated value of inventory and prepaid assets.

Pursuant to the operating agreement of Freedom Center of Syosset, LLC, LIKC Dialysis Hicksville, LLC (Mohsen Pahlavan) has already

paid \$1,464,287 as a capital contribution in return for a 49% membership interest.

Ownership before and after the requested change in ownership is as follows:

Table with 2 columns: Operator/Shareholders and Percentage. Includes Current Operator: New York Dialysis Services, Inc. and Shareholders: Fresenius Medical Care Holdings, Inc. (100%).

Table with 2 columns: Operator/Members and Percentage. Includes Proposed Operator: Freedom Center of Syosset, LLC and Members: New York Dialysis Services, Inc. (51%), Fresenius Medical Care Holdings, Inc. (100%), LIKC Dialysis Hicksville, LLC (49%), Mohsen Pahlavan, M.D. (100%).

OPCHSM Recommendation
Contingent Approval

Need Summary

This change in ownership will not impact the need for dialysis stations in the region, while the expansion of services to include Home Hemodialysis Training and Support will improve access to home dialysis services for residents of Nassau County.

Program Summary

Based on the information reviewed, staff found nothing that would reflect adversely upon the applicant's character and competence or standing in the community.

Financial Summary

The purchase price of \$24,109 plus a \$67,000 adjustment for the value of inventory will be provided from the liquid assets of Fresenius Medical Care Holdings, Inc. d/b/a Fresenius Medical Care North America. There are no project costs associated with this application. The proposed budget is as follows:

	<u>Year One</u>
Revenues	\$3,928,477
Expenses	<u>\$2,539,731</u>
Net Income	\$1,388,746

Recommendations

Health Systems Agency

There will be no HSA recommendation for this project.

Office of Primary Care and Health Systems Management

Approval contingent upon:

1. Submission of an executed assignment and assumption of the building lease, acceptable to the Department of Health. [BFA]
2. Submission of an executed transfer and affiliation agreement, acceptable to the Department, with a local acute care hospital. [HSP]
3. Submission of a photocopy of the applicant's Amended Articles of Organization, acceptable to the Department. [CSL]
4. Submission of a photocopy of the applicant's amended Master Administrative Services agreement, acceptable to the Department. [CSL]
5. Submission of the applicants amended Limited Administrative Services Agreement, acceptable to the Department. [CSL]
6. Submission of a photocopy of an executed copy of the applicant's Assignment of Lease, acceptable to the Department. [CSL]
7. Submission of a photocopy of the applicants amended Operating Agreement, acceptable to the Department. [CSL]
8. Submission of a photocopy of the Amended Articles of Organization of LIKC Dialysis Hicksville LLC, acceptable to the Department. [CSL]

Approval conditional upon:

1. The project must be completed within one year from the date of the Public Health and Health Planning Council recommendation letter. Failure to complete the project within the prescribed time shall constitute an abandonment of the application by the applicant and an expiration of the approval. [PMU]

Council Action Date

June 8, 2017

Need Analysis

Background

FMS – Hicksville Dialysis Center (the Center) is a 14-station freestanding dialysis clinic located at 760 Broadway, Hicksville, NY 11801, in Nassau County.

The applicant will add home hemodialysis services and operate this facility in compliance with all state and federal laws and regulations. Services will be provided to patients without regard for ability to pay. The Center will operate Monday, Wednesday and Friday 5am – 8pm, and Tuesday, Thursday and Saturday 5am – 3pm, which the applicant believes will provide services at patient-preferred times and for patients who wish to continue employment.

Conclusion

This proposal will ensure the continued delivery of dialysis services to the residents of Nassau, and to the existing patients of FMS – Hicksville Dialysis Center. The extended hours and the addition of Home Hemodialysis Training and Support will improve access to dialysis and provide patients with convenient treatment options.

Recommendation

From a need perspective, approval is recommended.

Program Analysis

Project Proposal

Staffing is expected to increase by 2.7 FTEs in Year One and increase 9.3 FTEs by Year Three following approval.

Character and Competence

The proposed members of Freedom Center of Syosset, are comprised of New York Dialysis Services, Inc. (51%), and LIKC Dialysis Hicksville, LLC (49%) whose sole member is Moshen Pahlavan, M.D. Fresenius is the parent company of New York Dialysis Services, Inc.

<u>Name/Title</u>	<u>Membership</u>
New York Dialysis Services, Inc.	51.0%
William Valle	
Ronald Kuebitz, <i>Exec. Vice President</i>	
Joseph Ruma, <i>Vice President</i>	
Mark Fawcett, <i>Treasurer</i>	
Karen Gledhill, <i>Secretary</i>	
Thomas Brouillard, <i>Asst. Treasurer</i>	
LIKC Dialysis Hicksville, LLC	49.0%
Moshen Pahlavan, MD, <i>Medical Director</i>	

The proposed managers of Freedom Center of Syosset, LLC are Teresa Ramos, Scott Yerger, Mark Kehoe, and Moshen Pahlavan, M.D.

Dr. Pahlavan, who will serve as the facility's Medical Director, completed a nephrology fellowship and is a board-certified Internist with board sub-certification in Nephrology. He has over 15 years of experience in the field.

Staff from the Division of Certification & Surveillance reviewed the disclosure information submitted regarding licenses held, formal education, training in pertinent health and/or related areas, employment history, a record of legal actions, and a disclosure of the applicant's ownership interest in other health care facilities. Licensed individuals were checked against the Office of Medicaid Management, the Office of Professional Medical Conduct, and the Education Department databases as well as the US Department of Health and Human Services Office of the Inspector General Medicare exclusion database.

Additionally, the staff from the Division of Certification & Surveillance reviewed the ten-year surveillance history of all associated facilities. Sources of information included the files, records, and reports found in the Department of Health. Included in the review were the results of any incident and/or complaint investigations, independent professional reviews, and/or comprehensive/focused inspections. The review found that any citations were properly corrected with appropriate remedial action.

Fresenius Medical Care Holdings (FMCH) disclosed several lawsuits and investigations, several of which have been dismissed or concluded in FMCH's favor or without any action taken against FMCH or its subsidiaries. The following matters remain open and FMCH reported it is cooperating with the investigations:

- FMCH's corporate parent (Fresenius Medical Care AG & Co. KGaA) received communications alleging conduct in countries outside the U.S. which may have violated the U.S. Foreign Corrupt Practices Act or other anti-bribery laws. The company voluntarily advised the U.S. Securities and Exchange Commission and the U.S. Department of Justice. Investigations and dialogue are ongoing, however, as a result, the company is implementing enhancements to its anti-corruption compliance program.
- On February 15, 2011, a Whistleblower Action under the False Claims Act against FMCH was unsealed. The allegations in the action related to the company seeking and receiving reimbursement from government payors for medications and laboratory tests that were medically unnecessary.
- In July 2015, the Attorney General for Hawaii issued a civil complaint under the Hawaii False Claims Act alleging that subsidiaries of FMCH conspired to overbill Hawaii Medicaid for Epogen administrations between 2006 to 2010 (prior to FMCH's acquisition of the subsidiaries).
- On August 31 and November 25, 2015, respectively, FMCH received subpoenas from the U.S. Attorneys for the District of Colorado and the Eastern District of New York inquiring into FMCH's participation in and management of dialysis facility joint ventures in which physicians are partners.
- On October 6, 2015, The Office of Inspector General of the U.S. Department of Health and Human Services (OIG) issued a subpoena to FMCH seeking information about utilization and invoicing by Fresenius Vascular Care facilities.
- On June 30, 2016, FMCH received a subpoena from the U.S. Attorney for the Northern District of Texas (Dallas) seeking information about the use and management of the pharmaceutical Velphoro and FMCH's interactions with DaVita Healthcare Partners, Inc.

The Department has taken the following enforcement action against Fresenius-affiliated facilities:

- On December 6, 2016, the Department issued a Stipulation and Order and \$10,000 fine to FMS - Living Center for an Immediate Jeopardy (IJ) situation identified during an inspection that concluded on March 17, 2016. The IJ involved the failure of the facility to ensure that staff were appropriately trained on the water system and that they could demonstrate competency related to water testing.
- On April 19, 2017, the Department issued a Stipulation and Order and \$8,000 fine to FMS-Soundshore Dialysis Center for an Immediate Jeopardy situation identified during an inspection on March 18, 2016. The center was cited in the following areas: Codes and Standards, Organization and Administration, Medical Director and Operating Policies and Procedures. Specifically, the center did not appropriately identify or isolate a patient who tested positive for the Hepatitis B virus. Subsequently, the patient received two hemodialysis treatments without required isolation and seven patients were identified as potentially exposed to the virus.

Star Ratings - Dialysis Facility Compare (DFC)

The Centers for Medicare and Medicaid Services (CMS) and the University of Michigan Kidney Epidemiology and Cost Center have developed a methodology for rating each dialysis facility which may be found on the Dialysis Facility Compare website as a "Star Rating." The method produces a final score that is based on quality measures currently reported on the DFC website and ranges from 1 to 5 stars. A facility with a 5-star rating has quality of care that is considered 'much above average' compared to other dialysis facilities. A 1- or 2- star rating does not mean that a facility provides poor care. It only indicates that measured outcomes were below average compared to other facilities. Star ratings on DFC are updated annually to align with the annual updates of the standardized measures.

The DFC website currently reports on 9 measures of quality of care for facilities. The measures used in the star rating are grouped into three domains by using a statistical method known as Factor Analysis. Each domain contains measures that are most correlated. This allows CMS to weight the domains rather than individual measures in the final score, limiting the possibility of overweighting quality measures that assess similar qualities of facility care.

To calculate the star rating for a facility, each domain score between 0 and 100 by averaging the normalized scores for measures within that domain. A final score between 0 and 100 is obtained by averaging the three domain scores (or two domain scores for peritoneal dialysis-only facilities). Finally, to recognize high and low performances, facilities receive stars in the following way:

- Facilities with the top 10% final scores were given a star rating of 5.
- Facilities with the next 20% highest final scores were given 4 stars.
- Facilities within the middle 40% of final scores were given 3 stars.
- Facilities with the next 20% lowest final scores were given 2 stars.
- Facilities with the bottom 10% final scores were given 1 star.

Fresenius operates over 2,000 dialysis centers (more than 35 which are located in New York State). A comprehensive list of the Star Ratings for all Fresenius-affiliated facilities located in New York State is provided in **HSP Attachment A**.

Recommendation

From a programmatic perspective, contingent approval is recommended.

Financial Analysis

Asset Purchase Agreement

The applicant has submitted an executed Article 28 Asset Purchase Agreement which will become effective upon PHHPC approval of this CON. The terms of the agreement are summarized below:

Date:	August 31, 2016
Company:	Freedom Center of Syosset, LLC
Seller:	New York Dialysis Services, Inc.
Business:	Chronic Outpatient Dialysis Center located at 762 and 764 South Broadway St., Hicksville, New York 11801
Transferred Assets:	All assets, rights and properties of the Seller used or useable exclusively in connection with the Business, including cash and cash equivalents; A/R; patient lists, appointment books & other medical records.
Excluded Assets:	Contracts that are not assumable; software that is not assignable to the company; income tax refunds and deposits; minute books and tax returns of the seller; insurance policies; and assets not used exclusively in the business.
Assumed Liabilities:	Obligations under assumed contracts

Purchase Price	\$24,109 adjusted for the company's purchase of certain inventory, prepaid assets and other assets; the company's obligations arising under or related to deferred rent and other liabilities; and reimbursement of employment costs.
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The applicant estimates that the purchase price will be \$24,109 plus \$67,000 adjustment for inventory totaling \$91,109. The purchase price will be funded from the existing cash reserve of Fresenius Medical Care North America.

Pursuant to the operating agreement of Freedom Center of Syosset, LLC, LIKC Dialysis Hicksville, LLC has already contributed \$1,464,287 as a capital contribution in return for the 49% membership interest.

The applicant has submitted an affidavit, which is acceptable to the Department, in which the applicant agrees, notwithstanding, any agreement, arrangement or understanding between the applicant and transferor to the contrary, to be liable and for any Medicaid overpayments, made to the facility and/or surcharges, assessments, or fees due from the Seller pursuant to Article 28 of the Public Health Law with respect to the period of time prior to the applicant acquiring its interest, without releasing the Seller of its ability and responsibility. Currently, the facility has no outstanding Medicaid audit liabilities or assessments.

Master Administrative Services Agreement

The applicant submitted an executed Master Administrative Services Agreement, summarized as follows:

Effective Date:	August 31, 2016
Business:	Chronic outpatient dialysis center located at 762 and 764 South Broadway Street., Hicksville, New York 11801
Company:	Freedom Center of Syosset, LLC
Owner:	New York Dialysis Services, Inc.
Subcontractor:	Fresenius Management Services, Inc., subject to the limited administrative services agreement
Term:	20-years unless terminated sooner per agreement
Services	Subcontractor will provide certain administrative and non-physician services including assisting with functions relating to: billing/collections, accounts payable, vendor and contract negotiations, maintaining records, manage information and business systems, verify patients' insurance eligibility plus respond to inquiries. Receipts will be deposited into owner's lockbox for payment of expenses. Assist in preparing Medicare and Medicaid cost reports and other reporting requirements. Assist or arrange for accounting and financial services including: budgeting, monthly and YTD comparative financial statements. Provide standard policy manuals that the business can adopt and opportunity to participate in the FMS UltraCare Program and the patient safety organization program conducted by Fresenius Medical Care PSO, LLC. Make available project development services, perform medical audits and utilization reviews assisting handling business insurance requirements.
Compensation:	\$11,274 per month (1 st 12 months), adjusted annually, plus applicable direct expenses.

Limited Administrative Services Agreement:

The applicant submitted an executed Limited Administrative Services Agreement, summarized as follows:

Effective Date:	August 31, 2016
Business:	Chronic outpatient dialysis center located at 762 and 764 South Broadway St., Hicksville, New York 11801
Company:	Freedom Center of Syosset, LLC
Subcontractor:	Fresenius Management Services, Inc.
Term:	10 years
Services:	All administrative services as identified in the master services agreement, plus if requested, provide full-time and part-time personnel necessary to operate the non-physician aspects of the business
Compensation to Sub-Contractor:	\$8,849 per month, adjusted annually, plus applicable direct expenses. When applicable 5% development fee on total project costs.

Although Fresenius Management Services, Inc. will be performing the above services, Freedom Center of Syosset, LLC will retain ultimate authority, responsibility, and control in all of the final decisions associated with the services.

Upon PHHPC approval of the change in ownership, the master administrative service agreement will be replaced by the limited administrative service agreement (ASA). Common ownership exists between the limited ASA provider (Fresenius Management Services, Inc.) and a member of the applicant (Fresenius Medical Care Holdings, Inc.).

Lease Rental Agreement

The applicant submitted an executed Lease Rental Agreement for the proposed site, the terms of which are summarized below:

Date:	April 9, 2014
Lessor:	South Broadway Holdings, LLC
Lessee:	New York Dialysis Services, Inc.
Premises:	8,006 sq. ft. located at 762-764 South Broadway Street, Hicksville, NY
Term:	12 Years, Option to renew for additional two 5-year terms.
Payment:	\$161,319.24 per year (\$13,443.27 per month) for 1-5 years plus CAM expenses. \$174,529.14 per year (14,544.10 per month) for 6-10 years plus CAM expenses \$189,060.03 per Year (15,755.00 per month) for 11-12 years Plus CAM expenses Rent for option term will be adjusted to an amount equal to 95% of the FMV of rent for the leased premises.
Provisions:	Tenant is responsible for maintenance, utilities and real estate taxes, insurance.

Assignment and Assumption of Lease Agreement

The applicant submitted a draft Assignment and Assumption Agreement for the assignment of the lease associated with this project, as shown below:

Assignor:	New York Dialysis Services, Inc.
Assignee:	Freedom Center of Syosset, LLC
Lessee Assigned:	Lease associated with premises located at 762-764 South Broadway Street, Hicksville, NY.
Lease Terms/Payments and Provisions:	No change

The applicant has provided an affidavit stating the lease is an arm's length transaction. The applicant has submitted letters from NYS licensed realtors attesting to the reasonableness of the per square foot rental rate.

Operating Budget

The applicant submitted the facility's year one and three operating budgets, in 2017 dollars, as shown below:

Revenue	Year One		Year Three	
	Per Visit	Total	Per Visit	Total
Medicaid	\$316.85	\$954,670	\$316.88	\$964,898
Medicare	\$275.50	\$1,119,645	\$275.52	\$1,639,649
Commercial & Other	\$1,639.40	<u>\$1,854,162</u>	\$1,638.80	<u>\$2,366,432</u>
Total Revenues		\$3,928,477		\$4,970,979
Expenses				
Operating	\$259.42	\$2,129,309	\$250.63	\$2,616,629
Capital	<u>\$50.00</u>	<u>410,422</u>	<u>\$41.36</u>	<u>431,778</u>
Total Expenses	\$309.42	\$2,539,731	\$291.99	\$3,048,407
Net Income (Loss)		<u>\$1,388,746</u>		<u>\$1,922,572</u>
Treatments		8,208		10,440

The Hicksville facility became operational effective May 19, 2016. Partial year operating results are not expected to be representative of the future operations. Revenues are projected based on the current rates of reimbursement for the facility. Utilization and expenses assumptions are based on the proposed members' extensive experience in the local dialysis markets where they operate several facilities. The assumptions appear reasonable.

Utilization by payor for years one and three subsequent the ownership change, are summarized below:

Payor	Year One		Year Three	
	Visits	%	Visits	%
Medicaid	3,013	36.7%	3,045	29.2%
Medicare	4,064	49.5%	5,951	57.0%
Commercial & Other	<u>1,131</u>	<u>13.8%</u>	<u>1,444</u>	<u>13.8%</u>
Total	8,208	100%	10,440	100%

Breakeven utilization is expected at 64.46% or 5,306 visits in the first year.

Capability and Feasibility

The facility's purchase price of \$24,109 plus \$67,000 adjustment for inventory and prepaid expenses will be paid by Fresenius Medical Care North America. There are no project costs associated with this application.

Working capital requirements are estimated at \$423,289 based upon two months of Year One expenses, and will be funded with the member entities' liquid resources. BFA Attachments B, C and D are the 2014-2016 Financial Summary and 2015-2016 certified financial statements of Fresenius Medical Care Holdings, Inc. and the 2014-2016 Consolidated Financial Summary of New York Dialysis Services, Inc., respectively. Review of the above financial summaries shows the members have sufficient liquid resources to meet the equity and working capital requirements of this project. New York Dialysis Services Inc. and Mohsen Pahlavan have provided affidavits attesting that they will contribute resources to fund additional working capital, if needed.

BFA Attachment E is the internal financial statements of NYDS Hicksville as of December 31, 2016, which shows the entity generated a net operational loss of \$382,593.

BFA Attachment F is Freedom Center of Syosset, LLC's Pro Forma Balance Sheet which shows operations will start off with negative \$402,088 in equity.

BFA Attachment D, the 2014 - 2016 financial summary for New York Dialysis Services, Inc., shows the entity had a negative working capital position, negative net asset position and positive operating surpluses. The negative net asset position is due to related party transactions including the amount due to Fresenius Medical Care for services performed and products purchased between affiliates. Review of Fresenius Medical Care North America's Financial Summary and 2015 certified financial statements (BFA Attachments B and C, respectively) indicates that during this period Fresenius Medical Care maintained a positive working capital and net asset position, and in 2016 generated operating income of \$2,637,523,000.

The applicant has demonstrated the capability to proceed in a financially feasible manner.

Recommendation

From a financial perspective, contingent approval is recommended.

Attachments

HSP Attachment A	Star Rating Profile for all Fresenius-affiliated facilities in New York State
BFA Attachment A	Post-Closing Organizational Chart
BFA Attachment B	Financial Summary of Fresenius Medical Care North America and Subsidiaries.
BFA Attachment C	2016 Financial Statements of Fresenius Medical Care North America and Subsidiaries
BFA Attachment D	Financial Summary and 2016- Certified Financial Statements of New York Dialysis Services, Inc.
BFA Attachment E	NYDS-Hicksville's Internal Financial Statements as of December 31, 2016
BFA Attachment F	Pro-Forma Balance Sheet



**Project # 162451-E
Hospice Care in Westchester and Putnam, Inc.**

**Program: Hospice
Purpose: Establishment**

**County: Westchester
Acknowledged: December 6, 2016**

Executive Summary

Description

Northwell Healthcare, Inc. (Northwell), a not-for-profit corporation located in Nassau County, requests approval to be established as the active parent, at the grandparent level, of Hospice Care in Westchester and Putnam, Inc. (HCWP), a voluntary not-for-profit, Article 40 Hospice located at 540 White Plains Road, Tarrytown (Westchester County), New York. Visiting Nurse Association of Hudson Valley (VNA-HV), a voluntary not-for-profit, Article 36 Certified Home Health Agency located at the same address, will remain the active parent and sole corporate member of HCWP. This request is in conjunction with two related applications, concurrently under review, to establish Northwell as the active parent and sole member of VNA-HV (CON 162447) and the active grandparent of VNA Home Health Services, Inc. (CON 162459), a Licensed Home Care Service Agency affiliated with VNA-HV.

HCWP is authorized to serve the residents of Putnam and Westchester counties. There will be no change in authorized services or population served as a result of approval of this project. The Hospice will remain a separate voluntary not-for-profit corporation licensed under Article 40 of the Public Health Law, maintaining its separate operating certificate following completion of the project.

Northwell will oversee the Board of VNA-HV, but will not be granted any specific rights, powers or authorities with respect to HCWP, and may not undertake any action that is reserved for the consent of the Board of VNA-HV.

Northwell Healthcare, Inc., whose sole corporate member is Northwell Health, Inc., is a comprehensive, integrated health care delivery system that is comprised of 21 hospitals across the New York metropolitan area, as well as physician practices and providers of subacute care including home care, long-term care, and hospice services. The stated purpose of this transaction is to enable Northwell and HCWP to improve the wellness of the communities served; deliver value to patients and payors; increase operational efficiencies; support a long-term financial commitment to HCWP; and advance clinical best practices, efficient and effective governance, and stewardship of community assets.

**OPCHSM Recommendation
Contingent Approval**

Need Summary
There will be no change in services, population or counties served as a result of this application.

Program Summary
A review of all personal qualifying information indicates there is nothing in the background of the board members of Northwell Healthcare, Inc., or Northwell Health, Inc., to adversely affect their positions on the boards. The applicant has the appropriate character and competence under Article 40 of the Public Health Law.

Financial Summary
There are no project costs or budgets associated with this application.

Recommendations

Health Systems Agency

There will be no HSA recommendation for this project.

Office of Primary Care and Health Systems Management

Approval contingent upon:

1. Submission of a photocopy of the executed copy of the "Agreement Between North Shore-Long Island Jewish Healthcare, Inc. and the Visiting Nurse Association of Hudson Valley," acceptable to the Department. [CSL]
2. Submission of a photocopy of the executed and amended Bylaws of Hospice Care in Westchester and Putnam, Inc., acceptable to the Department. [CSL]
3. Submission of a photocopy of the executed Certificate of Amendment to the Certificate of Incorporation of Hospice Care in Northern Westchester and Putnam, Inc., acceptable to the Department. [CSL]

Approval conditional upon:

1. The project must be completed within one year from the date of the Public Health and Health Planning Council recommendation letter. Failure to complete the project within the prescribed time shall constitute an abandonment of the application by the applicant and an expiration of the approval. [PMU]

Council Action Date

June 8, 2017

Need Analysis

Background

The services currently offered by the applicant are listed below. This proposal would have no impact on these services. The applicant will continue to be licensed to operate in Putnam and Westchester Counties.

Audiology	Nutritional
Baseline Services - Hospice	Pastoral Care
Bereavement	Personal Care
Clinical Laboratory Service	Pharmaceutical Service
Home Health Aide	Physician Services
Homemaker	Psychology
Housekeeper	Therapy - Occupational
Inpatient Services	Therapy - Physical
Medical Social Services	Therapy - Respiratory
Medical Supplies Equipment and Appliances	Therapy - Speech Language Pathology
Nursing	

The applicant is committed to providing charity care equal to at least two percent of projected annual operating costs.

Conclusion

There will not be any change in services, population or counties served as a result of this application.

Recommendation

From a need perspective, approval is recommended.

Program Analysis

Review Summary

This proposal seeks to establish Northwell Healthcare, Inc., a not-for-profit corporation, as the new sole member (parent) corporation of Visiting Nurse Association of Hudson Valley, a not-for-profit Article 36 Certified Home Health Agency (CHHA) which will remain the member (parent) corporation of both the applicant, Hospice Care in Westchester and Putnam, Inc., a not-for-profit Article 40 Hospice, and VNA Home Health Services, Inc., a not-for-profit Article 36 Licensed Home Care Services Agency (LHCSA). The sole member (parent) corporation of Northwell Healthcare, Inc., is Northwell Health, Inc., a not-for-profit corporation.

In addition to becoming the sole member corporation of the applicant Visiting Nurse Association of Hudson Valley, Northwell Healthcare, Inc. is also the sole member corporation of the following not-for-profit health care corporations and divisions:

- Staten Island University Hospital and Staten Island University Hospital University Hospice,
- Lenox Hill Hospital and Lenox Hill Greenwich Village
- Peconic Bay Medical Center, Peconic Bay Skilled Nursing Facility, and Peconic Bay Home Health Services (CHHA),
- North Shore University Hospital, North Shore Home Care (CHHA), and North Shore Home Care (LTHHCP),
- Syosset Hospital,
- Northwell Health Stern Family Center for Rehabilitation,
- Northern Westchester Hospital,

- Phelps Hospital and Phelps Hospice,
- Plainview Hospital,
- Southside Hospital,
- Glencove Hospital,
- Huntington Hospital,
- Long Island Jewish Medical Center, Long Island Jewish Medical Center Home Care (CHHA), Long Island Jewish Hospital Forest Hills and Long Island Jewish Hospital Valley Stream,
- Orzac Center for Extended Care and Rehabilitation.

Northwell Health, Inc., the sole member corporation of Northwell Healthcare, Inc., is also the sole member corporation of the following health care corporations:

- The Long Island Home d/b/a Broadlawn Manor Nursing and Rehabilitation Center and d/b/a South Oaks Hospital,
- Northwell Health Laboratories,
- Hospice Care Network d/b/a Hospice Care of Long Island, Queens, South Shore,
- RegionCare, Inc. (LHCSA).

All of the above-named health care facilities and providers in the Northwell Healthcare, Inc., and Northwell Health, Inc., corporate structure are affiliations for each board member named below.

The governing bodies of Northwell Healthcare, Inc. (the new member corporation of Visiting Nurse Association of Hudson Valley), and of Northwell Health, Inc. (the new ultimate member corporation of Visiting Nurse Association of Hudson Valley) are identical, and consist of the following Board of Trustees members:

Mark L. Claster, Esq (Chairperson): Retired, FINRA Securities Broker, President, Carl Marks and Company, Inc. (Investment Banking)

Ralph A. Nappi, Esq (Executive Vice-Chairperson): Executive Vice Chairman, Northwell Health, Inc., Northwell Healthcare, Inc.

William L. Mack: Chairman and Founder, Mack Real Estate Group (Real Estate)

Barry Rubenstein (Vice-Chairperson): Managing Partner, Wheatley Partners (Venture Capital Partnership)

Donald Zucker (Secretary): Real Estate Broker, Board Chairman, Donald Zucker Company (Real Estate Development)

Alan I. Greene (Treasurer): FINRA Securities Broker / Investment Adviser, Managing Director, Neuberger Berman, LLC (Investment Management)

Richard D. Goldstein, Esq. (Immediate Past Chairman): Chairman and CEO, AEP Capital, LLC (Merchant and Investment Banking)

Michael J. Dowling (President and CEO): President and CEO, Northwell Health, Inc., Northwell Healthcare, Inc.

Frank J. Besignano: Manager of Business Development, Signature Bank (Banking), Additional Affiliation 1991 - present: Visiting Nurse Association of Staten Island (CHHA and LTHHCP)

Roger A. Blumencranz: Insurance Broker / Insurance Agent (NY, CT, FL, NC, NJ, OH, PA, TX, WI), Managing Director, BWD Group, LLC (Insurance Brokerage Firm)

Robert W. Chasanoff: Partner, Chasanoff Properties (Commercial Building Development)

Michael A. Epstein, Esq: Partner, Weil Gotshal and Manges, LLP (Law Firm), Additional Affiliation 2002 - present: Jewish Board of Family and Children Services (OMH-licensed Mental Health Provider)

Michael E. Feldman, Esq: Retired

Catherine C. Foster: Faculty, Columbia University (Higher Education)

William H. Frazier: FINRA Securities Broker, Managing Partner, Gates Capital Corporation (Securities)

Lloyd M. Goldman: Insurance Licensure (CT-expired 1999), President, BLDG Management Company

Paul B. Guenther: Retired

William O. Hiltz: FINRA Securities Broker, Senior Managing Director, Evercore Partners (Investment Banking)

Nancy J. Karch: Retired

Saul B. Katz: CPA, President and COO, Sterling Equities, Inc. (Investments), Additional Affiliation: The Feinstein Institute for Medical Research (Research Institute)

Cary A. Kravet, Esq: Retired, President, Kravet, Inc. (Home Textiles Wholesaler)

Jeffrey B. Lane: Chairman, Casa Columbia (Behavioral Health Research and Education), Former Chairman, Lebenthal Holdings, LLC (Financial Services)

Seth B. Lipsay, Esq.: Inactive (PA), Executive Managing Director, New World Realty Management, LLC (Real Estate), Executive Managing Director, Galaxy Fund Management, LLC (Real Estate), Additional Affiliation: The Feinstein Institute for Medical Research (Research Institute)

Francis J. McCarthy: Real Estate Broker, President, Site Selection Advisory Group, Inc. (Real Estate), Additional Affiliation 2000 - present: Catholic Charities, Hicksville (Charitable Organization)

Patrick F. McDermott: Financial Planner, FINRA Securities Broker / Investment Adviser, Insurance Agent (expired 1999), Partner, McDermott and Thomas Associates (Financial Planning / Employee Benefits), Additional Affiliation 2010 - present: Albert Einstein College of Medicine (Medical Education)

Richard B. Nye: President, Baker Nye Advisors (Investment Management)

Sharon Patterson: Real Estate Broker, Edwin Fishel Tuccio Real Estate (Real Estate)

Lewis S. Ranieri: FINRA Securities Broker (expired 2008), Chairman / Senior Managing Partner, Ranieri Partners Management, LLC (Investment Management), Chairman / CEO / Managing Director, Ranieri and Company, Inc. (Investment Management)

Robert D. Rosenthal, Esq: FINRA Securities Broker, Chairman and CEO, First Long Island Investors, LLC (Wealth Management)

Richard J. Sinni: President and CEO, Veras Management (Consulting Firm)

Roy J. Zuckerberg: Self-Employed (Private Investor)

A search of all the above-named board members, employers, and affiliations revealed no matches on either the Medicaid Disqualified Provider List or the Office of the Inspector General's Provider Exclusion List.

The applicant has provided the attached list of legal actions involving Northwell Healthcare, Inc., Northwell Health, Inc., and/or their affiliated health care providers identified above. (see Programmatic Attachment A – Northwell Legal Actions)

The NYS Education Department's Office of the Professions, NYS Department of State Occupational Licensing, NYS Unified Court System, NYS Department of Financial Services Insurance Licensing, Wisconsin Office of the Commissioner of Insurance, Connecticut Insurance Department, Florida Department of Financial Services, North Carolina Department of Insurance, New Jersey Department of Banking and Insurance, Ohio Department of Insurance, Pennsylvania Insurance Department, Texas Department of Insurance, FINRA Securities Broker / Investment Adviser Licensing, and the Disciplinary Board of the Supreme Court of Pennsylvania have all indicated that there are no adverse findings, or disciplinary actions or issues, recorded in regard to the licensure of the health professionals and other licensed professionals associated with this application. In addition, we have received current Certificates of Good Standing for all the attorneys listed above, except for Mr. Lipsay, as his Pennsylvania attorney license is inactive. Mr. Blumencranz does disclose that the NYS Insurance Department (now known as the NYS Department of Financial Services) did take disciplinary action against his NYS Insurance Agent license 21 years ago (in 1996) for failure to renew his personal and corporate Insurance Agent licenses in a timely manner, by imposing a \$1600 penalty.

The NYS Department of Health Division of Hospitals and Diagnostic and Treatment Centers has reviewed the compliance histories of the affiliated Hospitals for the period 2010 through 2017, and reported that during that period, the following enforcement actions were taken:

- An enforcement action was taken against Syosset Hospital in 2010 based on a June 2009 survey citing violations pertaining to the care provided to a child having an adenotonsillectomy. It was determined that the patient was improperly cleared for surgery and that despite multiple comorbidities was not kept for observation post-operatively. The patient subsequently expired following discharge. This enforcement action was resolved with a \$42,000 civil penalty.

- An enforcement action was taken against Northern Westchester Hospital in 2016 based on an April, 2016 survey citing violations involving the calling of a code team in a timely way for a newborn baby. Hospital staff were not trained in the code policy and as such did not initiate the code via the proper procedure. The baby ultimately expired. This enforcement action was resolved with a \$10,000 civil penalty.
- An enforcement action was taken against Long Island Jewish Medical Center in 2016 based on a July, 2016 survey citing violations that, upon observation of 12 of the 21 running operating rooms, a total of 24 individual staff members were observed not following acceptable standards of practice for Infection Control Practices in the Surgical Areas, specifically regarding the use of proper attire and exposure of hair during procedures. This enforcement action was resolved with a \$4,000 civil penalty.
- An enforcement action was taken against Plainview Hospital in 2017 based on a June, 2016 survey citing violations regarding a pattern of infection control practices which were not consistent with accepted Infection Control Standards. This enforcement action was resolved with a \$4,000 civil penalty.

The NYS Department of Health Division of Hospitals and Diagnostic and Treatment Centers reports that the remaining Hospitals had no enforcement actions taken for the period 2010 through 2017.

The NYS Department of Health Division of Nursing Homes and Intermediate Care Facilities/IID reviewed the compliance histories of all affiliated Nursing Homes for the period 2010 to 2017, and reported that during that period, the following enforcement actions were taken:

- An enforcement action was taken against Broadlawn Manor Nursing and Rehabilitation Center in 2014 based on a December, 2011 survey citing violations in Quality of Care: Accidents / Supervision; Administration; and Quality Assurance. This enforcement action was resolved with a \$6,000 civil penalty. In addition, a federal Civil Monetary Penalty of \$15,307.50 was imposed.
- An enforcement action was taken against Broadlawn Manor Nursing and Rehabilitation Center in 2016 based on an April, 2014 survey citing violations in Quality of Care: Accident Free Environment; Administration; Administration: Medical Director; and Administration: Quality Assessment and Assurance. This enforcement action was resolved with a \$8,000 civil penalty. Despite similar code citations, the actual incidents resulting in the violations were not the same as the incidents cited in the previous enforcement noted above, and were therefore not considered repeat violations.
- An enforcement action was taken against Broadlawn Manor Nursing and Rehabilitation Center in 2016 based on an October, 2015 survey citing violations in Quality of Care: Highest Practical Potential. This enforcement action was resolved with a \$10,000 civil penalty.

The NYS Department of Health Division of Nursing Homes and Intermediate Care Facilities/IID reports that the remaining Nursing Homes had no enforcement actions taken for the period 2010 through 2017.

The Division of Home and Community Based Services reviewed the compliance histories of all affiliated Certified Home Health Agencies, Long Term Home Health Care Programs, Licensed Home Care Services Agencies, and Hospices, for the time period 2010 to 2017, and reported that during that time period, the affiliated Certified Home Health Agencies, Long Term Home Health Care Programs, Licensed Home Care Services Agencies, and Hospices have all remained in compliance with no history of enforcement action taken.

The NYS Department of Health Wadsworth Center's Clinical Laboratory Evaluation Program has reviewed the compliance history of the affiliated Clinical Laboratory for the period 2010 through 2017, and reported that during that period, the affiliated Clinical Laboratory has remained in compliance with no history of enforcement action taken.

The NYS Office of Mental Health, Bureau of Inspection and Certification, has reviewed the compliance histories of the two affiliated Mental Health Providers licensed pursuant to Article 31 of the Mental Health Law, for the period 2010 through 2017, and reported that the two affiliated Mental Health Providers are currently in compliance with no history of enforcement actions being taken by NYS Office of Mental Health for the period 2010 through 2017. In addition, Northwell Healthcare, Inc., Board of Trustees

member Michael Epstein (identified above) does disclose that his affiliated Mental Health Provider, Jewish Board of Family and Children Services, has recently entered into a settlement with the NYS Office of Medicaid Inspector General.

The NYS Office of Alcoholism and Substance Abuse Services (OASAS), Program Review Unit, has reviewed the compliance history of the affiliated Article 32 OASAS-licensed provider, for the period 2010 through 2017, and reported that the affiliated Article 32 OASAS-licensed provider is currently in compliance with no history of enforcement actions being taken by NYS Office of Alcoholism and Substance Abuse Services for the period 2010 through 2017.

CHHA Quality of Patient Care Star Ratings	
New York Average: 3 out of 5 stars National Average: 3 out of 5 stars	
CHHA Name	Quality of Care Rating
Long Island Jewish Medical Center Home Care	3.5 out of 5 stars
North Shore Home Care	3.5 out of 5 stars
Peconic Bay Home Health Services	2.5 out of 5 stars
Visiting Nurse Association of Hudson Valley	2.5 out of 5 stars
Visiting Nurse Association of Staten Island	3 out of 5 stars

A review of all personal qualifying information indicates there is nothing in the background of the board members of Northwell Healthcare, Inc., or Northwell Health, Inc., to adversely affect their positions on the boards. The applicant has the appropriate character and competence under Article 36 of the Public Health Law.

Recommendation

From a programmatic perspective, approval is recommended.

Financial Analysis

Financial Analysis

There are no projected changes in the utilization, revenues or expenses of Hospice Care in Westchester and Putnam, Inc. as a direct result of this project.

Capability and Feasibility

There are no project costs or budgets associated with this application.

BFA Attachment B is the 2014-2015 certified financial statements of Northwell Health Inc. and their internal financial statements as of September 30, 2016. As shown, the entity maintained a positive working capital position and a net asset position in 2014-2015 and as of September 30, 2016. Northwell Health, Inc. also achieved an average net operating income of \$88,605,500 in 2014-2015 and \$84,084,000 as of September 30, 2016.

BFA Attachment C is the 2014-2015 certified financial statements of Visiting Nurse Association of Hudson Valley and Affiliates and their internal financial statements as of December 31, 2016. In 2015, VNA-HV maintained a positive working capital position, a net asset position and experienced an average operating loss of \$115,752. As of December 31, 2016, VNA-HV maintained a positive working capital position and a net asset position, and experienced a net loss of \$671,493 resulting from two factors:

- Deteriorating payor and case mix;
- Increased proportion of Medicare cases with low visit utilization, resulting in lower payments per episode.

Management is and will continue to be focused on increasing the number of referrals in conjunction with joining the Northwell network and on controlling costs and increasing efficiencies of clinical and administrative processes.

BFA Attachment D is the internal financial statements of Hospice Care in Westchester and Putnam, Inc. as of October 31, 2016. HCWP maintained a positive working capital position, net asset position and net operating revenues of \$1,121,392.

The applicant has demonstrated the capability to proceed in a financially feasible manner, and approval is recommended.

Recommendation

From a financial perspective, approval is recommended.

Attachments

BFA Attachment A	Northwell Health, Inc. – Current and proposed organizational chart
BFA Attachment B	Northwell Health, Inc. – 2014-2015 certified financial statements and internal financial statements as of September 30, 2016
BFA Attachment C	Visiting Nurse Association of Hudson Valley and Affiliates – 2014-2015 certified financial statements and internal financial statements as of December 31, 2016
BFA Attachment D	Hospice Care in Westchester and Putnam, Inc. – Internal financial statements as of October 31, 2016
CHA Attachment A	Northwell Legal Actions



Project # 162385-E

Yonkers Gardens, LLC d/b/a Yonkers Gardens Center for
Nursing and Rehabilitation

Program: Residential Health Care Facility
Purpose: Establishment

County: Westchester
Acknowledged: December 5, 2016

Executive Summary

Description

Yonkers Gardens, LLC, a New York limited liability company, requests approval to be established as the new operator of St. Joseph's Hospital Nursing Home of Yonkers NY Inc., a 200-bed, voluntary not-for-profit, Article 28 residential health care facility (RHCF) located at 115 South Broadway, Yonkers (Westchester County). The RHCF operates a 48-slot Adult Day Health Care Program (ADHCP) offsite at 81 South Broadway in Yonkers that will be part of the sale. A Long Term Home Health Care Program (LTHHCP) operated by the facility voluntarily closed effective March 31, 2016, and therefore is not included in the sale agreement. Upon approval, the facility will be known as Yonkers Gardens Center for Nursing and Rehabilitation.

St. Joseph's Hospital Nursing Home of Yonkers New York, Inc. (St. Joseph's) is the current RHCF operator and realty owner. On May 16, 2016, St. Joseph's entered into an Asset Purchase Agreement (APA) with Yonkers Gardens, LLC for the sale and acquisition of the operating interest of the facility upon approval by the Public Health and Health Planning Council (PHHPC). In conjunction with the APA, St. Joseph's entered into a Land Sale Contract (LSC) with Adamah, LLC for the sale and acquisition of the RHCF's real property. The transactions contemplated by the APA and LSC will close simultaneously. The applicant will lease the premises from Adamah, LLC. There is a relationship between Yonkers Gardens, LLC and Adamah, LLC in that the entities have common membership.

St. Joseph's determined that it would be in its best interest to sell the RHCF operation rather than continuing to operate it considering the nursing home's losses over the past several years and decreased reimbursement due to Medicaid's transformation from a fee-for-service (FFS) model to a value-based payment (VBP) model. The transformation from FFS to mandatory enrollment in Medicaid Managed Care will continue to expand in scope over the next few years to include VBP models. This transformation will require the nursing home to make significant financial investments in information technology, including implementing electronic health records, updating billing and claims management systems and retaining experts in the field of managed care. The nursing home does not have the financial resources to pay for the substantial costs associated with these changes. Additionally, Saint Joseph's Medical Center has been subsidizing the nursing home operation over the past several years, which has put a financial drain on the Hospital.

Once the decision to sell was made, Loeb & Troper (L&T) was engaged to market the sale. L&T did an extensive, publicized marketing process to identify potential bidders with a bid deadline of February 25, 2014. The proposed operator was selected based on purchase price offer and Michael Melnicke's experience as a nursing home operator in the New York metropolitan area.

The RHCF is current with all its creditors and any existing amounts owed to creditors will be paid out of the sale proceeds. Any remaining proceeds will be distributed to the Hospital to be used to provide medical care for the aged. There are no restrictions on the use of property, and the Seller has advised that there is a commitment to operate the facility as a nursing home for a period of ten years after PHHPC approval.

The current and proposed ownership of St. Joseph's Hospital Nursing Home is as follows:

<u>Current</u>	
St. Joseph's Hospital Nursing Home of Yonkers New York Inc.	

<u>Proposed</u>	
Yonkers Gardens, LLC	
<u>Members</u>	<u>%</u>
Michael Melnicke	68%
Leopold Friedman	20%
Brenda Melnicke	2%
Bella Rubinfeld	2%
Israel Melnicke	2%
Mathew Melnicke	2%
Tzvi Melnicke	2%
Moshe Melnicke	2%

Adamah, LLC, the proposed realty owner, is owned by Michael Melnicke (80%) and Leopold Friedman (20%), majority members of the proposed operator.

OPCHSM Recommendation
Contingent Approval

Need Summary

There will be no change to beds or services at this facility. Current occupancy, as of March 22, 2017 is 90.5%

Program Summary

No negative information has been received concerning the character and competence of the proposed applicants. All health care facilities are in substantial compliance with all rules and regulations. The individual background review indicates the applicants have met the standard for approval as set forth in Public Health Law §2801-a(3).

Financial Summary

The purchase price for the operations is \$4,000,000 (paid, held in escrow) plus the Receivables Payment (determined per Section 3.2(c) of the APA) estimated at \$836,742 based on the December 31, 2015 certified financial statements. The purchase price for the real estate is \$24,000,000 to be financed via a bank loan for \$24,000,000 at 4.5% interest for a five-year term with a five-year borrower's option to renew and a 25-year amortization period. Sterling National Bank has provided a letter of interest at the stated terms. Below is the projected budget:

Revenues	\$26,443,401
Expenses	<u>25,645,707</u>
Net Income	\$797,694

Recommendations

Health Systems Agency

There will be no HSA recommendation for this project.

Office of Primary Care and Health Systems Management

Approval contingent upon:

1. Submission of a commitment signed by the applicant which indicates that, within two years from the date of the council approval, the percentage of all admissions who are Medicaid and Medicare/Medicaid eligible at the time of admission will be at least 75 percent of the planning area average of all Medicaid and Medicare/Medicaid admissions, subject to possible adjustment based on factors such as the number of Medicaid patient days, the facility's case mix, the length of time before private paying patients became Medicaid eligible, and the financial impact on the facility due to an increase in Medicaid admissions. [RNR]
2. Submission of a plan to continue to enhance access to Medicaid residents. At a minimum, the plan should include, but not necessarily be limited to, ways in which the facility will:
 - a. Reach out to hospital discharge planners to make them aware of the facility's Medicaid Access Program;
 - b. Communicate with local hospital discharge planners on a regular basis regarding bed availability at the nursing facility; and
 - c. Identify community resources that serve the low-income and frail elderly population who may eventually use the nursing facility, and inform them about the facility's Medicaid Access policy. [RNR]
3. Submission of a commitment, signed by the applicant, to submit annual reports to the DOH, for at least two years, demonstrating substantial progress with the implementation of the plan. These reports should include, but not be limited to:
 - a. Describing how the applicant reached out to hospital discharge planners to make them aware of the facility's Medicaid Access Program;
 - b. Indicating that the applicant communicated with local hospital discharge planners on a regular basis regarding bed availability at the nursing facility;
 - c. Identifying the community resources that serve the low-income and frail elderly population that have used, or may eventually use, the nursing facility, and confirming they were informed about the facility's Medicaid Access policy.
 - d. Documentation pertaining to the number of referrals and the number of Medicaid admissions; and
 - e. Other factors as determined by the applicant to be pertinent. [RNR]
4. Submission of an executed lease rental agreement, acceptable to the Department of Health. [BFA]
5. Submission of an executed bank loan commitment for the real property, acceptable to the Department of Health. [BFA]
6. Submission of an executed working capital loan commitment, acceptable to the Department of Health. [BFA]
7. Submission of a photocopy of the amended and executed Operating Agreement of Yonkers Gardens LLC, acceptable to the Department. [CSL]
8. Submission of the applicant's amended and executed lease agreement, acceptable to the Department. [CSL]

Approval conditional upon:

1. The project must be completed within three years from the date of the Public Health and Health Planning Council recommendation letter. Failure to complete the project within the prescribed time shall constitute an abandonment of the application by the applicant and an expiration of the approval. [PMU]
2. Within two years from the date of council approval, the percentage of all admissions who are Medicaid and Medicare/Medicaid eligible at the time of admission will be at least 75 percent of the planning area average as prescribed by the related contingency. Once the Medicaid patient admissions standard is reached, the facility shall not reduce its proportion of Medicaid patient admissions below the 75 percent standard unless and until the applicant, in writing, requests the approval of the Department to adjust the 75 percent standard and the Department's written approval is obtained. [RNR]
3. Submission of annual reports to the Department for at least two years demonstrating substantial progress with the implementation of the facility's Medicaid Access Plan as prescribed by the related contingency. Reports will be due within 30 days of the conclusion of each year of operation as identified by the Effective Date on the Operating Certificate issued at project completion. For example, if the Operating Certificate Effective Date is June 15, 2017, the first report is due to the Department no later than July 15, 2018. The Department reserves the right to require continued reporting beyond the two-year period. [RNR]

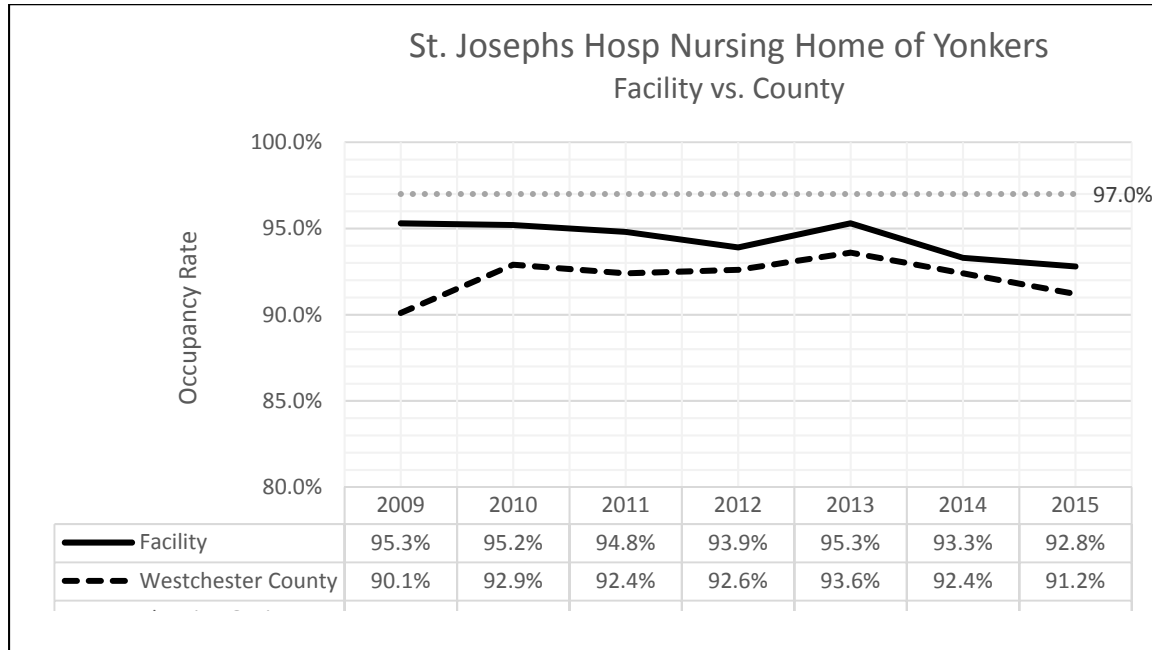
Council Action Date
June 8, 2017

Need Analysis

Background and Analysis

RHCF Need – Westchester County

2016 Projected Need	6,716
Current Beds	6,062
Beds Under Construction	152
Total Resources	6,214
Unmet Need	502



Facility	Beds	Distance / Time	2014	2015	2016 ¹	Recent	Date
St Joseph's Hosp	200	0 mi/ 0 mins	93.3%	92.8%	85.7%	90.5%	3/22/17
Regency Extended	315	0.8 mi/ 2.8 mins	98.0%	97.8%	94.8%	94.9%	3/1/17
Sans Souci Rehab	120	1.3 mi/ 4.7 mins	93.3%	93.9%	94.5%	95.0%	3/1/17
Park Gardens Rehab (B)	200	1.5 mi/ 4.7 mins	98.2%	97.1%	96.7%	98.0%	2/15/17
Hebrew Home (B)	555	2.0 mi/ 6.8 mins	97.7%	95.7%	92.4%	87.4%	3/1/17
Methodist Home (B)	120	3.1 mi/ 10 mins	94.9%	93.1%	92.9%	95.8%	3/1/17
Adira at Riverside	112	3.3 mi/ 8.5 mins	90.8%	89.3%	N/A	98.2%	3/1/17
Hudson Pointe (B)	159	3.8 mi/ 9.1 mins	91.6%	90.9%	93.5%	99.4%	3/1/17
Manhattanville (B)	200	4.0 mi/ 11.6 mins	97.7%	99.0%	98.5%	100.0%	2/22/17
Schervier Nursing (B)	364	4.0 mi/ 9.4 mins	93.7%	94.8%	97.4%	94.5%	3/1/17
Riverdale Nursing (B)	146	4.0 mi/ 9.6 mins	91.6%	95.7%	91.7%	90.4%	12/14/16
Andrus On Hudson	197	4.0 mi/ 12.2 mins	96.9%	96.2%	95.1%	93.4%	3/8/17
Fieldston Lodge (B)	190	4.2 mi/ 9.7 mins	90.6%	91.7%	N/A	100.0%	2/15/17
St Patrick's Home (B)	264	4.3 mi/ 10 mins	93.8%	N/A	92.1%	91.3%	3/1/17
Bainbridge Nursing (B)	200	4.5 mi/ 11.9 mins	96.2%	91.7%	98.5%	91.0%	3/1/17
Wayne Center (B)	225	4.6 mi/ 11.9 mins	93.9%	91.3%	94.7%	96.1%	3/1/17
Bronx Park Rehab (B)	240	4.7 mi/ 16.4 mins	94.1%	94.3%	95.4%	98.3%	3/1/17
The Citadel Rehab (B)	385	4.9 mi/ 11.8 mins	93.7%	98.2%	98.3%	96.4%	1/11/17
	4192		94.9%	93.7%	92.8%	94.3%	

¹ Unaudited data; based on facility reporting

The occupancy rate in 2015 for Westchester was 91.2%. The facilities within a five-mile radius (including those RHCFS in Bronx County, denoted by (B)) demonstrate relative high occupancy rates. As the table above indicates, most of these facilities have occupancy rates near or above the 97% optimum. St. Joseph's Hospital Nursing Home's utilization was 95.3% in 2013, 93.3% in 2014, and 92.8% in 2015.

Occupancy for 2016 was 85.7%, however, as of March 22, 2017 occupancy is 90.5%. The applicant attributes the lower occupancy to operational deficiencies due to an aging facility. The current operator has completed required renovations and upgrades to the fire sprinkler system, repaired heating, ventilation and air conditioning units, repaired leaking roof system, deficiencies cited by area office, and the fact that the operations of the nursing home are secondary to the operations of the hospital.

To increase occupancy, the applicant plans to:

- Work in a collaborative effort with Regency Care, located within one mile of St. Joseph's Hospital Nursing Home, to maximize occupancy.
- Develop working partnerships with local hospitals to ensure prompt discharge of hospital patients to RHCFS care when appropriate.
- Reach out to work with Managed Long Term Care (MLTC) plans such as: Archcare Community Life, fidelis Care at Home, Home First, and Prime Health Choice.
- Seek to integrate palliative care to increase access to services for residents with serious illnesses.

Access

Regulations indicate that the Medicaid patient admissions standard shall be 75% of the annual percentage of all Medicaid admissions for the long-term care planning area in which the applicant facility is located. Such planning area percentage shall not include residential health care facilities that have an average length of stay 30 days or fewer. If there are four or fewer residential health care facilities in the planning area, the applicable standard for a planning area shall be 75% of the planning area percentage of Medicaid admissions, or of the Health Systems Agency area Medicaid admissions percentage, whichever is less. In calculating such percentages, the Department will use the most current data which have been received and analyzed by the Department. An applicant will be required to make appropriate adjustments in its admission policies and practices so that the proportion of its own annual Medicaid patient's admissions is at least 75% of the planning area percentage or the Health Systems Agency percentage, whichever is applicable.

St. Joseph's Hospital Nursing Home's Medicaid admissions of 71.9% in 2014 and 76.9% in 2015 exceeded Westchester County's 75% threshold rates in 2014 and 2015 of 18.8% and 21.2%, respectively.

Conclusion

Contingent approval of this application is recommended to maintain a needed resource for the residents of Westchester County.

Recommendation

From a need perspective, contingent approval is recommended.

Program Analysis

Facility Information

	Existing	Proposed
Facility Name	St. Joseph's Hospital Nursing Home of Yonkers NY, Inc.	Yonkers Gardens Center for Nursing and Rehabilitation
Address	127 South Broadway Yonkers, NY	Same
RHCF Capacity	200	200
ADHC Program Capacity	48 (off-site)	Same
Type of Operator	Voluntary	Limited Liability Company
Class of Operator	NFP	Proprietary
Operator	St. Joseph's Hospital Nursing Home of Yonkers New York, Inc.	Yonkers Gardens, LLC <u>Members</u> Michael Melnicke 68% Leopold Friedman 20% Brenda Melnicke 2% Bella Lubinfeld 2% Israel Melnicke 2% Matthew Melnicke 2% Tzvi Melnicke 2% Moshe Melnicke 2%

Character and Competence - Background

Facilities Reviewed

Nursing Homes

Brooklyn Gardens Nursing and Rehabilitation Center	09/2014 to present
Bronx Gardens Rehabilitation & Nursing Center	11/2016 to present
Caton Park Nursing Home	03/2007 to present
Hempstead Park Nursing Home	03/2007 to present
Hendon Gardens d/b/a Beach Gardens	11/2014 to present
Hudson Pointe at Riverdale	06/2016 to present
Long Beach Nursing & Rehabilitation Center	11/2014 to present
Park Nursing Home	03/2007 to present
Peninsula Center for Extended Care and Rehabilitation	01/2013 to present
Plaza Rehab & Nursing Center	09/2016 to present
Regency Extended Care Center	03/2007 to present
Rockaway Care Center	03/2007 to present
The Citadel Rehab and Nursing at Kingsbridge (receiver)	02/2015 to present
Ross Center for Nursing & Rehab	06/2016 to present

LCHSA

Ultimate Care (LHCSA)	02/2010 to present
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Diagnostic and Treatment Centers

Cassena Care Dialysis at Peninsula	11/2016 to present
Regency Dialysis Center	06/2015 to present
Upper East Side Rehabilitation & Nursing Center	06/2015 to present

Individual Background Review

Michael Melnicke is the owner/operator of Peninsula Center for Extended Care and Rehabilitation. Mr. Melnicke discloses the following health facility ownership interests:

Park Nursing Home (99%)	01/1987 to present
Rockaway Care Center (99%)	01/1992 to present
Regency Extended Care Center (100%)	01/1993 to present
Caton Park Nursing Home (100%)	01/1994 to present
Hempstead Park Nursing Home (90%)	01/1998 to present
Peninsula Center for Extended Care & Rehabilitation (37.5%)	01/2013 to present
Brooklyn Gardens Nursing and Rehabilitation Center (voluntary)	04/2014 to present
Long Beach Nursing Home (25%)	11/2014 to present
Hendon Gardens d/b/a Beach Gardens (80%)	11/2014 to present
Regency Dialysis Center	06/2015 to present
Cassena Care Dialysis at Peninsula (23.75%)	11/2016 to present

Mr. Melnicke has received Public Health and Health Planning Council approval to operate Brooklyn Gardens Dialysis Center and Hempstead Park Dialysis which have not closed.

Leopold Friedman discloses he is the Chief Executive Officer of Advanced Care Staffing, Inc., a healthcare staffing agency, since 2006. Mr. Friedman discloses the following health facility ownership interests:

Peninsula Center for Extended Care & Rehabilitation (25%)	01/2013 to present
Upper Eastside Rehabilitation & Nursing Center (3%)	07/2015 to present
Brooklyn Gardens Nursing & Rehabilitation Center (voluntary)	09/2014 to present
Beach Gardens Rehab and Nursing Center (20%)	11/2014 to present
The Citadel Rehab and Nursing at Kingsbridge (50%)	02/2015 to present
Long Beach Center Nursing & Rehabilitation Center (25%)	08/2016 to present
Hudson Pointe at Riverdale (25%)	06/2016 to present
Bronx Gardens (50%)	11/2016 to present
Plaza Rehab & Nursing Center (25%)	09/2016 to present
Ross Center for Nursing & Rehab (5%)	06/2016 to present
Ultimate Care, Inc. (33.33%)	02/2010 to present
Cassena Care Dialysis at Peninsula (23.75%)	11/2016 to present

Mr. Friedman has received Public Health and Health Planning Council approval to operate Brooklyn Gardens Dialysis Center (D&TC). The applicant has not closed on this purchase.

Israel Melnicke is a Licensed Nursing Home Administrator and a Paramedic in New York State with licenses in good standing. He is currently the Administrator of Record at Hempstead Park Nursing Home, and has been in this position since 2013. Mr. Melnicke discloses the following nursing home interest:

Brooklyn Gardens Nursing and Rehabilitation Center (voluntary)	9/2014 to present
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Matthew Melnicke is an EMT in New York State with license in good standing. Mr. Melnicke is the owner of Advanced Care Staffing, a healthcare staffing agency, since 2005. He discloses the following officer/ownership interests:

Ultimate Care, Inc. (50%)	02/2014 to present
Brooklyn Gardens Nursing & Rehabilitation Center	09/2014 to present

Brenda (Briendy) Melnicke is a New York State Attorney at Law and is the Executive Director of the Ner Michael Foundation and the Tenenbaum Family Foundation. Ms. Melnicke also serves as the Managing Trustee for both The Michael and Pola Tenenbaum Charitable Trust and The Michael and Pola Tenenbaum Trust u/a 1989. She discloses no health facility ownership interest.

Bella Rubinfeld is self-employed as a licensed speech therapist in NYS. She discloses no health facility ownership interest.

Tzvi Melnicke is an owner of M2 Management Company, which is a purchasing group established by his father Michael Melnicke. He discloses no health facility ownership interest.

Moshe Melnicke is currently a student. He discloses no health facility ownership interest.

Character and Competence - Analysis

A review of the Hempstead Park Nursing Home for the period identified above reveals the following:

- The facility was fined \$10,000 pursuant to Stipulation and Order NH 12-001 for surveillance findings on January 9, 2009. Deficiencies were found under 10 NYCRR 415.12 — Quality of Care.
- The facility was fined \$8,000 pursuant to Stipulation and Order 11-066 for surveillance findings on September 28, 2011. Deficiencies were found under 10 NYCRR 415.4(b) – Mistreatment/Neglect, Policies and Procedures; 10 NYCRR 415.4(b)(1)(ii) – Investigate/Report, Allegations; 10 NYCRR 415.5(g)(1)(i–xv) – Medically Related Social Services; and 10 NYCRR 415.26 – Administration.
- The nursing home paid a CMP of \$1300 for Immediate Jeopardy on April 11, 2008.
- The facility incurred a \$48,680 CMP related to an Immediate Jeopardy from 10/7/10-11-26-10. The action is currently under appeal.

An assessment of the underlying causes of the above enforcements determined that they were unique and non-recurrent in nature, and that the operator investigated the circumstances surrounding each violation and undertook appropriate steps that a reasonably prudent operator would have taken to prevent a repeat of the violation.

A review of operations for Park Nursing Home for the period identified above reveals the following:

- The facility was fined \$6,000 pursuant to a Stipulation and Order for surveillance findings on May 14, 2008. Deficiencies were found under 10 NYCRR 415.12 Quality of Care, 10 NYCRR 415.15(b)(1)(i)&(ii) Medical Services: Physician Services; and 10 NYCRR 415.18(a) Pharmacy Services.
- The nursing home paid a Civil Monetary Penalty (CMP) of \$5,550 for an Immediate Jeopardy on April 9, 2013 which did not receive a corresponding state enforcement.

A review of operations for The Citadel Rehabilitation & Nursing Center at Kingsbridge for the period identified above reveals the following:

- The facility was fined \$4,000 pursuant to Stipulation and Order 16-0-205 for surveillance findings on August 1, 2016. Deficiencies were found under 10 NYCRR 415.12(h)(1) Quality of Care Accident Free Environment and 10 NYCRR 415.26 Administration.

A review of operations for Brooklyn Gardens Nursing & Rehabilitation Center, Caton Park Nursing Home, Beach Gardens Nursing and Rehab Center, Rockaway Care Center, Peninsula Center for Extended Care and Rehabilitation, Upper East Side Rehabilitation & Nursing Center, Long Beach Nursing & Rehabilitation Center, Regency Extended Care, Hudson Pointe at Riverdale, Bronx Gardens Rehabilitation & Nursing Center, Plaza Rehabilitation & Nursing Center and Ross Center for Nursing & Rehabilitation for the periods identified above reveals there were no enforcements.

A review of operations for Regency Dialysis Center (D&TC) Cassena Care Dialysis at Peninsula (D&TC) for the periods identified above, reveals there were no enforcements.

A review of Ultimate Care LLC (LHCSA) for the periods identified earlier, reveals there were no enforcements.

Quality Review

Provider name	Overall	Health Inspection	Quality Measures	NYS Quintile
Rockaway Care Center LLC	*	**	****	5
Park Nursing Home	***	***	***	5
Regency Extended Care Center	***	***	****	3
Caton Park Nursing Home	*****	*****	*****	2
Hempstead Park Nursing Home	***	***	*****	3
Peninsula Nursing and Rehabilitation Center	*	**	****	5
Brooklyn Gardens Nursing & Rehabilitation Center	**	**	*****	3
Beach Gardens Rehab and Nursing Center	****	***	*****	3
Long Beach Nursing and Rehabilitation Center	***	**	*****	5
Upper East Side Rehabilitation and Nursing Center	*****	****	*****	3
Hudson Pointe at Riverdale Ctr for Nursing and Rehab	****	***	*****	4
The Plaza Rehab and Nursing Center	*****	*****	*****	1
Ross Center for Nursing and Rehabilitation	***	***	*****	3
Bronx Gardens Rehabilitation & Nursing Center	****	**	*****	3
The Citadel Rehab & Nursing Ctr At Kingsbridge	*	*	****	2

Project Review

It is noted that one of the proposed operators owns a staffing agency. The applicant has indicated that if a staffing agency is needed they will utilize the one that bests fits the program of the nursing home. They also indicate they intend to reduce staffing.

The proposed operator was asked to explain any low ratings and plans to correct the issues identified. The operator has stated that they have implemented new training programs for staff. They also have been doing significant renovations on facilities, which they expect to lower deficiencies.

Conclusion

No negative information has been received concerning the character and competence of the proposed applicants. All health care facilities are in substantial compliance with all rules and regulations. The individual background review indicates the applicants have met the standard for approval as set forth in Public Health Law §2801-a(3).

Recommendation

From a programmatic perspective, approval is recommended.

Financial Analysis

Asset Transfer Agreement

The applicant has submitted an executed APA for the transfer of the operations:

Date:	May 16, 2016
Premises:	The RHCN located at 115 South Broadway, Yonkers, New York
Seller:	St. Joseph's Hospital Nursing Home of Yonkers, New York, Inc.
Purchaser:	Yonkers Gardens, LLC
Assets Acquired:	All tangible assets used in the Business, including all equipment, inventory, instruments, tools, vehicles, furniture and fixtures and leasehold improvements, all of Seller's right, title and interest under manufacturers and vendors warranties in connection with the assets being transferred, all of Seller's right, title and interest in agreements to provide services, equipment and real estate leases, trade names, service marks and trademarks used in connection with the operation of the Business, all of Seller's books and records exclusively relating to the operation of the Business, the Seller's Medicare and Medicaid provider numbers, all resident funds held in trust by Seller in connection with the Nursing Home, goodwill and going concern value of the Business and all accounts receivable relating to periods prior to the Closing Date.
Excluded Assets:	All cash, cash equivalents, bank deposits or similar cash items of the Seller, all rights and claims under any agreements other than the Assigned Contracts, any rights to refunds, settlements and retroactive adjustments in whole or in part to periods ending on or before the Effective Date arising in connection with the Seller's Medicare and Medicaid provider numbers, all insurance policies of the Seller, any right to receive or expectancy of the Seller in any charitable gift, grant, bequest or legacy and any claim, right or interest of the Seller in or to any refund, rebate, abatement or other recovery for taxes arising prior to the Effective Date.
Assumed Liabilities:	All liabilities of Seller under each Assigned Contract arising from and at the Closing Date, all liabilities and obligations (including accounts payable) relating to or arising out of the operation of the Business from and after the Closing Date, all vendor liabilities and trade accounts payable from the operations of the Business before the Effective Date and all liabilities under any arising from violations of federal, state and local taxes and employment laws, rules and regulations from and after the Closing Date with respect to the Business.
Purchase Price	\$4,000,000 plus the Receivables Payment per APA Section 3.2(c) (estimated at \$836,742 at December 31, 2015, latest certified financial data). *
Payment of Purchase Price:	\$4,000,000 paid, held in escrow; \$836,742 (estimated) due at Closing

* *Receivables Payment is calculated based on the difference between the accounts receivables of the Seller due from Medicare, Medicaid and Blue Cross Blue Shield (aged < 90 days at 100%, 90 plus days at 15%) and accounts payables as of the effective date of the agreement.*

The payment of the purchase price will be met as follows:

Equity via members (held in escrow)	\$4,000,000
Receivables Payment- Additional Equity via members	836,742

The applicant submitted an affidavit, acceptable to the Department, in which the applicant agrees, notwithstanding any agreement, arrangement or understanding between the applicant and the transferor to the contrary, to be liable and responsible for any Medicaid overpayments made to the facility and/or surcharges, assessments or fees due from the transferor pursuant to Article 28 of the Public Health Law with respect to the period of time prior to the applicant acquiring its interest, without releasing the transferor of its liability and responsibility. As of February 15, 2017, the facility had \$2,416,565 in outstanding Medicaid overpayment liabilities.

Real Estate Purchase Agreement

The applicant has submitted an executed real estate purchase agreement, summarized below:

Date:	May 16, 2016 (date entered into, effective for May 15, 2016)
Premises:	The RHC located at 115 South Broadway, Yonkers, New York.
Seller:	St. Joseph's Hospital Nursing Home at Yonkers, New York.
Purchaser:	Adamah, LLC
Purchase Price:	\$24,000,000
Payment of Purchase Price:	Cash at Closing

Adamah, LLC will finance the \$24,000,000 purchase price via a bank loan at 4.5% interest for a five-year term, with a five-year borrower's option to renew, and 25-year amortization period. Sterling National Bank has provided a letter of interest at the stated terms. It is noted that the proposed realty members do not currently have sufficient liquid resources to fund the \$17,438,035 balloon payment (assuming 10-year term per renewal option). Assessment of the annual rent payments due the landlord over the ten-year term indicates that the payments will exceed the cumulative total annual debt service due on the loan by \$14,512,020. This excess would enable the landlord to establish a sinking fund to finance the balloon payment. Given the excess rent over debt service requirements, the profitability of the other nursing home operations of the proposed realty members, and the realty members' current liquid assets per their personal net worth statements available to date, it appears that the realty entity will have sufficient funds for the balloon payment should acceptable financing terms not be available at the time of refinancing.

Lease Rental Agreement

The applicant has submitted a draft lease rental agreement:

Premises:	A 200-bed nursing home located at 115 South Broadway, Yonkers, New York
Lessor:	Adamah, LLC
Lessee:	Yonkers Gardens, LLC
Term:	12 years
Rental:	Year One - \$2,800,000; Year Two - \$2,856,000; Year Three - \$2,912,000; Year Four - \$2,968,000; Year Five - \$3,024,000, Year Six- \$3,080,000, Year Seven \$3,136,000, Year Eight- \$3,192,000, Year Nine- \$3,248,000, Year Ten- \$3,304,000, Year Eleven \$3,360,000 and Year Twelve \$3,416,000.
Provisions:	The lessee shall be responsible for real estate taxes, insurance, maintenance and utilities.

The lease agreement will be a non-arm's length lease agreement in that the parties have common ownership. The applicant has submitted an affidavit attesting to the relationship between the landlord and the operating entity.

Operating Budget

The applicant has submitted an operating budget, in 2017 dollars, during the first year after the change in operator, summarized as follows:

	<u>Current Year (2015)</u>		<u>Year One</u>	
	<u>Per Diem</u>	<u>Total</u>	<u>Per Diem</u>	<u>Total</u>
<u>Revenues</u>				
Medicaid FFS	\$256.28	\$14,154,684	\$0	\$0
Medicaid MC	\$0	\$0	\$273.18	15,088,800
Medicare FFS	\$736.79	\$5,029,344	\$0	\$0
Medicare MC	\$0	\$0	\$704.34	6,982,200
Commercial FFS	\$617.11	1,763,081	\$472.80	1,674,200
Private Pay	\$480.50	391,608	\$504.89	1,072,401
Other		3,744,452		\$0
ADHCP revenues		1,625,600		1,625,800
LTHHC Program		<u>5,180,955</u>		<u>\$0</u>
Total Revenues		\$30,264,124		\$26,443,401

<u>Expenses</u>		
Operating	\$33,166,795	\$21,919,900
Capital	<u>904,989</u>	<u>3,725,807</u>
Total Expenses	\$34,071,784	\$25,645,707
Net Income	<u>(\$3,807,660)</u>	<u>\$797,694</u>
Utilization (patient days)	67,765	70,810
Occupancy	92.83%	97.00%
Breakeven Occupancy		93.67%

The following is noted with respect to the submitted RHCF operating budget:

- Included in the historical costs were \$6,238,642 transferred from St. Joseph's Hospital. These items represent allocated overhead, which will not be applicable to the facility under proprietary ownership. The historical costs also included expenses from the home health care program, which was not included in the sale. These expenses totaling \$3,802,504 were omitted from the projections.
- The increase in capital expenses is the result of the lease payments.
- Included in the historical revenues were \$3,744,452, which corresponded to activity between the current operator and related entities (includes St. Joseph's Hospital). The historical revenues also include revenues from the LTHHCP, which was closed and not included in the sale. These revenues totaling \$5,180,955 were omitted from the application.
- An increase in occupancy is anticipated after the change in ownership with the implementation of several planned changes.
- Medicaid rates were projected based on current reimbursement methodology for proprietary operating facility in the freestanding less than 300 bed peer group. Since the current operator is a hospital based not-for-profit, the rate was decreased.
- Medicare and Private Insurance rates were projected based on an analysis of comparable facilities.
- The Year One Medicaid and Medicare utilization was projected using benchmark data from the proposed buyers' other nursing home operations, as well as other freestanding proprietary nursing home operators in the region.

Utilization by payor source for the current year and the first year after the change in operator is summarized below:

	<u>Current Year</u>	<u>Year One</u>
Medicaid FFS	84.51%	0.00%
Medicaid MC	0.00%	78.00%
Medicare FFS	10.07%	0.00%
Medicare MC	0.00%	14.00%
Commercial FFS	4.21%	5.00%
Private Pay	1.21%	3.00%

Capability and Feasibility

The purchase price for the operations is \$4,000,000 plus the Receivables Payment estimated at \$836,742 as of December 31, 2015 (latest available certified financial data). The proposed members have been paid in full the \$4,000,000 (held in escrow). The remaining estimated \$836,742 will be provided as equity by the proposed members at Closing. The purchase price for the real estate is \$24,000,000 and will be met via a bank loan for \$24,000,000 at 4.5% interest for a five-year term, five-year borrower's option to renew, and 25-year amortization period. Sterling National Bank has provided a letter of interest at the stated terms. As previously note, the proposed realty members do not currently have sufficient liquid resources to fund the balloon payment, but assessment of the annual rent payments due the landlord over the ten-year term indicates that the payments will exceed the cumulative total annual debt service due on the loan by \$14,512,020. This excess would enable the landlord to establish a sinking fund to finance the balloon payment. Given the excess rent over debt service requirements, the profitability of the proposed realty members other nursing home operations, and the realty members' current liquid assets per their personal net worth statements available to date, it appears that the realty entity will have sufficient funds for the balloon payment should acceptable financing terms not be available at the time of refinancing.

Working capital requirements are estimated at \$4,274,285, which is equivalent to two months of first year expenses. The applicant will finance \$400,000 at an interest rate of 6% for a five-year term. The applicant will assume \$3,500,000 in accounts receivable and the remaining \$374,285 will be provided as equity. BFA Attachment A is the personal net worth statements of the proposed members of Yonkers Gardens, LLC, which indicates the availability of sufficient funds for the equity contribution. Michael Melnicke has submitted an affidavit indicating that he will provide equity disproportionate to his ownership interests. BFA Attachment D is the pro forma balance sheet of the proposed operating entity as of the first day of operation, which indicates a positive net asset position of \$5,211,227.

The submitted budget projects \$797,694 of net income in Year One after the change in ownership. The submitted budget appears reasonable. BFA Attachment G is the budgeted sensitivity analysis based on the 2015 utilization of 92.83%, which shows the budgeted revenues would decrease by \$1,067,682 resulting in a loss of \$269,986.

BFA Attachment B is the financial summary of St. Joseph's Hospital Nursing Home of Yonkers, New York. As shown, the facility had an average negative working capital position and an average negative net asset position from 2013 through 2015. Also, the facility incurred average net losses of \$2,557,984 from 2013 through 2015. The applicant has indicated that the reason for the losses were because of low census and overstaffing. The current operator implemented the following steps to improve operations: reduced clerical, housekeeping and food service staffing; implemented new payment systems including working towards a bundle payment system; increased census via short term aggressive admissions and discharges (orthopedic rehab) and working to reduce hospitalizations; and increased the Medicaid CMI to 1.28.

BFA Attachment C is the internal financial statements of St. Joseph's Hospital Nursing Home of Yonkers as of September 30, 2016. As shown, the entity achieved a net income of \$1,537,747 through September 30, 2016.

BFA Attachment E is a financial summary of the other nursing homes that the proposed members have ownership interests in. As shown, all of the nursing homes had an average positive working capital position except for Hempstead Park. All of the entities had average positive net asset positions except for Hempstead Park and achieved average net incomes during the period shown.

BFA Attachment F is the percentage ownership of the other nursing homes that Michael Melnicke and Leopold Friedman own.

Subject to the noted contingencies, the applicant has demonstrated the capability to proceed in a financially feasible manner.

Recommendation

From a financial perspective, contingent approval is recommended.

Attachments

BFA Attachment A	Net Worth Statement- Proposed Members
BFA Attachment B	Financial Summary- St. Joseph's Hospital Nursing Home.
BFA Attachment C	Financial summary- September 30, 2016 internal financial statements of St. Joseph's Hospital Nursing Home.
BFA Attachment D	Pro Forma Balance Sheet
BFA Attachment E	Financial summary- Other nursing homes that the proposed members own
BFA Attachment F	List of nursing homes and ownership percentages of the nursing homes that Michael Melnicke and Leopold Friedman owns
BFA Attachment G	Yonkers Budget Sensitivity Analysis



Project # 171017-E
Massapequa Center LLC d/b/a Massapequa Center
Rehabilitation and Nursing

Program: Residential Health Care Facility
Purpose: Establishment

County: Suffolk
Acknowledged: January 10, 2017

Executive Summary

Description

Massapequa Center, LLC d/b/a Massapequa Center Rehabilitation & Nursing (Massapequa), a New York limited liability company, requests approval to be established as the new operator of Broadlawn Manor Nursing & Rehab Center (Broadlawn), a 320-bed, voluntary not-for-profit, Article 28 residential health care facility (RHCF) located at 399 County Line Road, Amityville (Suffolk County). The facility also operates an onsite 55-slot Adult Day Health Care Program (ADHCP). A separate entity, 399 County Realty, LLC, will acquire the real property. There will be no change in beds or services provided.

On November 23, 2016, The Long Island Home, Inc., the current RHCF operator, entered into an Asset Purchase Agreement (APA) with Massapequa Center, LLC for the sale and acquisition of the RHCF operating interests for \$43,000,000. Concurrently, The Long Island Home, Inc., the current realty owner, entered into a Real Estate Purchase Agreement (REPA) with 399 County Realty, LLC for the sale and acquisition of the real property for \$15,000,000. The APA and REPA will close at the same time upon CON approval by the Public Health and Health Planning Council (PHHPC). There is a relationship between Massapequa Center, LLC and 399 County Realty, LLC in that the members are identical. The applicant will lease the premises from 399 County Realty, LLC.

Broadlawn was acquired by Northwell Health, Inc. (Northwell) in 2012 as a part of its acquisition of the Long Island Home, a not-for-profit entity that operates the skilled nursing

facility and an acute psychiatric hospital, South Oaks Hospital. The acquisition was driven by Northwell's strategic focus on behavioral health. Northwell owned skilled nursing facilities are co-located with acute care hospitals and focus on providing sub-acute and rehabilitation services to enhance a continuum of care. Northwell indicated that the reason for the proposed sale is that Broadlawn is primarily a long-term care facility and does not fit into their post-acute strategic focus. Northwell went through a confidential request for proposal process to identify potential buyers. They received nine initial bids and selected three top candidates to interview utilizing criteria that included financial stability, a willingness to accept long-term care patients, collaboration with South Oaks Hospital and a commitment to provide quality care. The final bidder was chosen based on their commitment to maintain a positive relationship with Northwell, quality precedent at existing facilities, and fair/reasonable pricing terms. The proceeds of the sale will be used, in part, to pay off the existing mortgage. Long Island Home will reinvest the remaining proceeds in its continued operations to better its services to the community. A deed restriction will be placed on the sale of the RHCF's real property, providing that use of the property will be restricted to that of a nursing facility that does not provide services primarily to individuals with mental illness or developmental disabilities or individuals in need of substance abuse services.

Ownership of the operations before and after the requested change is as follows:

<u>Current Operator</u>	
The Long Island Home, Inc.	
Northwell Health, Inc.	100%

<u>Proposed Operator</u>	
Massapequa Center, LLC	
<u>Members</u>	
Joel Edelstein	14%
Bernard Fuchs	14%
Gerald Fuchs	14%
Tova Fuchs	14%
Israel Freund	14%
Avraham Weits	10%
Esther Farkovits	10%
Aharon Bleier	5%
Leah Sod	5%
	100%

OPCHSM Recommendation
Contingent Approval

Need Summary

This change in ownership will not result in any changes to beds in the area. The facility is currently treating approximately 298 patients in Suffolk County. Continued operation will keep a resource in the county for area families.

Program Summary

No negative information has been received concerning the character and competence of the proposed applicants. All health care facilities are in substantial compliance with all rules and regulations. No administrative services or consulting agreements are proposed in this application. The individual background review indicates the applicants have met the standard for approval as set forth in Public Health Law §2801-a(3).

Financial Summary

There are no project costs associated with this application. Massapequa Center, LLC will acquire the RHCF operations for \$43,000,000 to be funded by \$4,300,000 in members' equity and a 30-year loan for \$38,700,000 at 5% interest, amortized over 30 years. 399 County Realty LLC will purchase the real property for \$15,000,000 funded by \$1,500,000 in members' equity and a 30-year loan for \$13,500,000 at 5% interest, amortized over 30 years. Greystone Funding Corporation has provided letters of interest for the operation and realty loans at the stated terms. Below is the projected budget:

	<u>Year One</u>
Revenues	\$42,882,340
Expenses	<u>\$42,177,243</u>
Net Income	\$705,097

Recommendations

Health Systems Agency

There will be no HSA recommendation for this project.

Office of Primary Care and Health Systems Management

Approval contingent upon:

1. Submission of a commitment signed by the applicant which indicates that, within two years from the date of the council approval, the percentage of all admissions who are Medicaid and Medicare/Medicaid eligible at the time of admission will be at least 75 percent of the planning area average of all Medicaid and Medicare/Medicaid admissions, subject to possible adjustment based on factors such as the number of Medicaid patient days, the facility's case mix, the length of time before private paying patients became Medicaid eligible, and the financial impact on the facility due to an increase in Medicaid admissions. [RNR]
2. Submission of a plan to continue to enhance access to Medicaid residents. At a minimum, the plan should include, but not necessarily be limited to, ways in which the facility will:
 - a. Reach out to hospital discharge planners to make them aware of the facility's Medicaid Access Program;
 - b. Communicate with local hospital discharge planners on a regular basis regarding bed availability at the nursing facility; and
 - c. Identify community resources that serve the low-income and frail elderly population who may eventually use the nursing facility, and inform them about the facility's Medicaid Access policy. [RNR]
3. Submission of a commitment, signed by the applicant, to submit annual reports to the DOH, for at least two years, demonstrating substantial progress with the implementation of the plan. These reports should include, but not be limited to:
 - a. Describing how the applicant reached out to hospital discharge planners to make them aware of the facility's Medicaid Access Program;
 - b. Indicating that the applicant communicated with local hospital discharge planners on a regular basis regarding bed availability at the nursing facility;
 - c. Identifying the community resources that serve the low-income and frail elderly population that have used, or may eventually use, the nursing facility, and confirming they were informed about the facility's Medicaid Access policy.
 - d. Documentation pertaining to the number of referrals and the number of Medicaid admissions; and
 - e. Other factors as determined by the applicant to be pertinent. [RNR]
4. Submission of an executed loan commitment for the purchase of the operations, acceptable to the Department of Health. [BFA]
5. Submission of an executed loan commitment for the purchase of the real property, acceptable to the Department of Health. [BFA]
6. Submission of an executed lease agreement, acceptable to the Department of Health. [BFA]
7. Submission of an executed working capital loan commitment, acceptable to the Department of Health. [BFA]
8. Submission of a photocopy of the applicant's Amended and Restated Articles of Organization, acceptable to the Department. [CSL]
9. Submission of a photocopy of the applicant's executed Lease Agreement, acceptable to the Department. [CSL]
10. Submission of a photocopy of the applicant's amended and executed Operating Agreement, acceptable to the Department. [CSL]
11. Submission of a photocopy of the Certificate of Amendment to the Certificate of Incorporation or, alternatively, the Certificate of Dissolution of Long Island Home, Inc., acceptable to the Department. [CSL]

Approval conditional upon:

1. The project must be completed within two years from the date of the Public Health and Health Planning Council recommendation letter. Failure to complete the project within the prescribed time shall constitute an abandonment of the application by the applicant and an expiration of the approval. [PMU]
2. Within two years from the date of council approval, the percentage of all admissions who are Medicaid and Medicare/Medicaid eligible at the time of admission will be at least 75 percent of the planning area average as prescribed by the related contingency. Once the Medicaid patient admissions standard is reached, the facility shall not reduce its proportion of Medicaid patient admissions below the 75 percent standard unless and until the applicant, in writing, requests the approval of the Department to adjust the 75 percent standard and the Department's written approval is obtained. [RNR]
3. Submission of annual reports to the Department for at least two years demonstrating substantial progress with the implementation of the facility's Medicaid Access Plan as prescribed by the related contingency. Reports will be due within 30 days of the conclusion of each year of operation as identified by the Effective Date on the Operating Certificate issued at project completion. For example, if the Operating Certificate Effective Date is June 15, 2017, the first report is due to the Department no later than July 15, 2018. The Department reserves the right to require continued reporting beyond the two-year period. [RNR]

Council Action Date
June 8, 2017

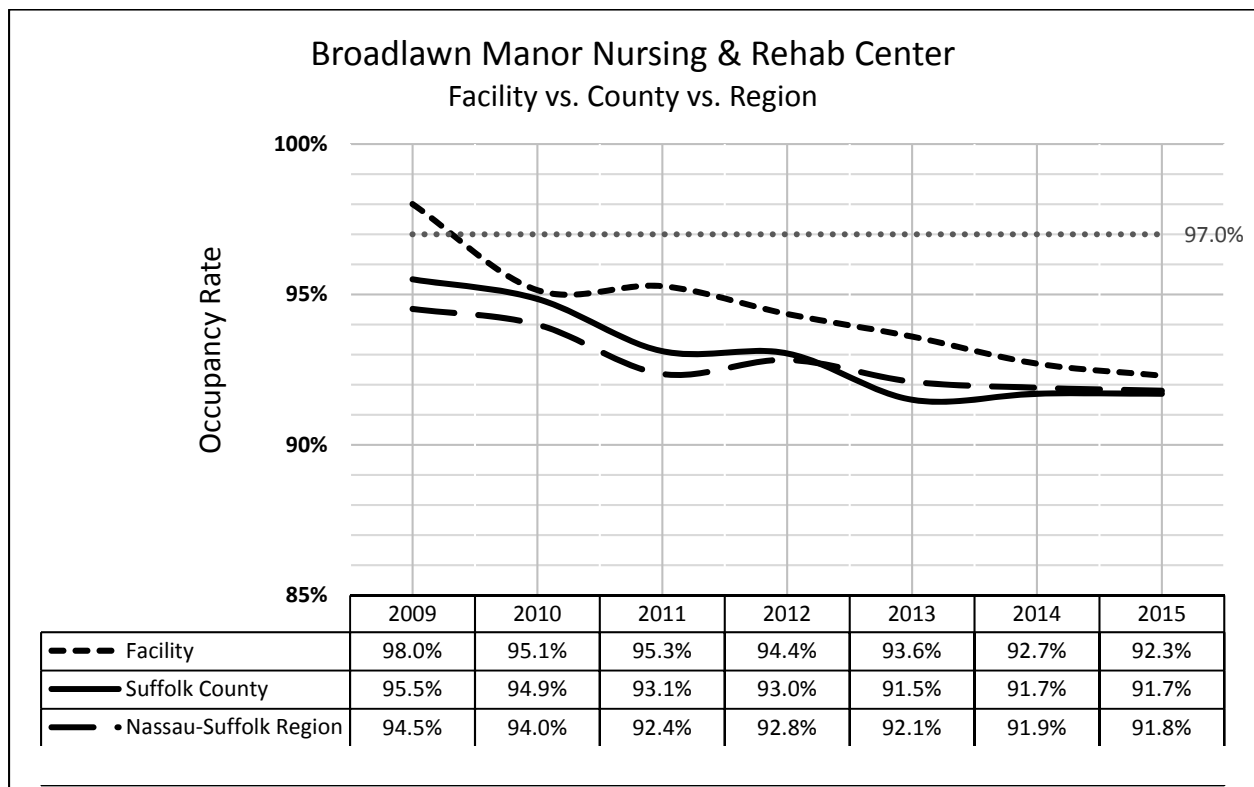
Need Analysis

Background and Analysis

Suffolk County's population was 1,492,583 in 2016 according to the US Census. In 2015, the 65 and older population made up 13.5 percent of the county's population which is 0.5 percent higher than the state average. Per the need methodology there is a need for 1,853 additional beds in the Long Island Region.

RHCF Need – Long Island Region

2016 Projected Need	16,962
Current Beds	15,299
Beds Under Construction	-190
Total Resources	15,109
Unmet Need	1,853



The occupancy for Suffolk County was 91.7% for 2015. Broadlawn Manor Nursing & Rehab Center's (Broadlawn) utilization was 93.6% in 2013, 92.7% in 2014, and 92.3% in 2015. In 2016, the facility's overall utilization is 93.2%.

Access

Broadlawn's Medicaid admissions for 2014 (11.9%) did not exceed Suffolk County's threshold of 16.7%. In 2015 Broadlawn saw 26.4% Medicaid admissions, which exceeded the County's threshold of 18.4%.

Regulations indicate that the Medicaid patient admissions standard shall be 75% of the annual percentage of all Medicaid admissions for the long term care planning area in which the applicant facility is located. Such planning area percentage shall not include residential health care facilities that have an average length of stay 30 days or fewer. If there are four or fewer residential health care facilities in the planning area, the applicable standard for a planning area shall be 75% of the planning area percentage of Medicaid admissions, or of the Health Systems Agency area Medicaid admissions percentage,

whichever is less. In calculating such percentages, the Department will use the most current data which have been received and analyzed by the Department.

An applicant will be required to make appropriate adjustments in its admission policies and practices so that the proportion of its own annual Medicaid patient's admissions is at least 75% of the planning area percentage or the Health Systems Agency percentage, whichever is applicable.

Conclusion

There will be no change in beds in Suffolk County. This change in ownership will have no impact on existing need or resources in the planning region.

Recommendation

From a need perspective, contingent approval is recommended.

Program Analysis

Facility Information

	Existing	Proposed
Facility Name	Broadlawn Manor Nursing & Rehab Center	Massapequa Center Rehabilitation and Nursing
Address	399 County Line Road Amityville, NY 11701	Same
RHCF Capacity	320	Same
ADHC Program Capacity	55	Same
Type of Operator	Voluntary	Proprietary
Class of Operator	Not-for-Profit	Limited Liability Company
Operator		Massapequa Center LLC <u>Members</u> *Joel Edelstein 14% Israel Freund 14% Bernard Fuchs 14% Gerald Fuchs 14% Tova Fuchs 14% Esther Farkovits 10% Avraham Weits 10% Aharon Bleier 5% Leah Sod 5% *Managing Member

Character and Competence – Background

Facilities Reviewed

Nursing Homes

Bensonhurst Center for Rehabilitation and Healthcare	01/2012 to present
Bronx Gardens Rehabilitation and Nursing Center	11/2016 to present
Cold Spring Hills Center for Nursing and Rehabilitation	6/2016 to present
Greene Meadows Nursing and Rehabilitation Center	12/2015 to present
Hopkins Center for Rehabilitation and Healthcare	03/2011 to present
Hudson Pointe at Riverdale Center for Nursing and Rehab	01/2006 to 08/2010
Little Neck Care Center	04/2011 to 1/2013
Nassau Extended Care Facility	06/2006 to present
Park Avenue Extended Care Facility	06/2006 to present
Seagate Rehabilitation and Nursing Center	12/2014 to present

South Shore Rehabilitation and Nursing Center	04/2014 to present
The Citadel Rehab and Nursing Center at Kingsbridge	08/2015 to present
The Pavilion at Queens for Rehabilitation and Nursing	01/2015 to present
The Plaza Rehab and Nursing Center	9/2016 to present
The Villages of Orleans Health and Rehabilitation Center	01/2015 to present
Throgs Neck Extended Care Facility	06/2006 to present
Townhouse Extended Care Center	06/2006 to present
White Plains Center for Nursing	06/2006 to present
Riverside Nursing and Rehabilitation Center (NJ)	4/2012 to present
Friendship Ridge (PA)	03/2014 to present
Delmar Nursing and Rehabilitation Center (DE)	5/2015 to present
Grandview Nursing and Rehab (KY)	11/2016 to present
Hilltop Manor Residential Care (KY)	11/2016 to present
Letcher Manor Nursing and Rehabilitation (KY)	11/2016 to present
Martin County Health Care (KY)	11/2016 to present
Maysville Nursing and Rehabilitation (KY)	11/2016 to present
Middlesboro Nursing and Rehabilitation (KY)	11/2016 to present
Oakmont Manor (KY)	11/2016 to present
Ridgeway Nursing and Rehabilitation (KY)	11/2016 to present
Robertson County Health Care (KY)	11/2016 to present
Somerset Nursing and Rehabilitation (KY)	11/2016 to present
Terrace Nursing and Rehab (KY)	11/2016 to present
The Heritage Nursing and Rehabilitation (KY)	11/2016 to present
Woodland Oaks Healthcare Facility (KY)	11/2016 to present
 <u>Licensed Home Care Services Agency (LHCSA)</u>	
Pella Care, LLC	06/2006 to present
Parent Care Home Care, LLC	06/2006 to present

Individual Background Review

Joel Edelstein is the Chief Financial Officer of The Pavilion at Queens Rehabilitation and Nursing and the Director of Operations at Tiferes Investors LLC, an investment fund located in Lawrence, NY. Mr. Edelstein has a BS degree from Touro College and discloses the following health facility interests:

Friendship Ridge (PA) (5%)	03/2014 to present
Grandview Nursing and Rehab (KY) (3%)	11/2016 to present
Hilltop Manor Residential Care (KY) (3%)	11/2016 to present
Letcher Manor Nursing and Rehabilitation (KY) (3%)	11/2016 to present
Martin County Health Care (KY) (3%)	11/2016 to present
Maysville Nursing and Rehabilitation (KY) (3%)	11/2016 to present
Middlesboro Nursing and Rehabilitation (KY) (3%)	11/2016 to present
Oakmont Manor (KY) (3%)	11/2016 to present
Ridgeway Nursing and Rehabilitation (KY) (3%)	11/2016 to present
Robertson County Health Care (KY) (3%)	11/2016 to present
Somerset Nursing and Rehabilitation (KY) (3%)	11/2016 to present
Terrace Nursing and Rehab (KY) (3%)	11/2016 to present
The Heritage Nursing and Rehab (KY) (3%)	11/2016 to present
Woodland Oaks Healthcare Facility (KY) (3%)	11/2016 to present

Israel Freund is currently employed as the controller at the Pavilion of Queens Rehabilitation and Nursing. Mr. Freund has a diploma from Yeshivah Mevor Chaim and is a licensed notary public. Mr. Freund discloses the following health facility ownership interests:

Friendship Ridge (PA) (5%)	03/2014 to present
Grandview Nursing and Rehab (KY) (3%)	11/2016 to present
Hilltop Manor Residential Care (KY) (3%)	11/2016 to present
Letcher Manor Nursing and Rehabilitation (KY) (3%)	11/2016 to present
Martin County Health Care (KY) (3%)	11/2016 to present
Maysville Nursing and Rehabilitation (KY) (3%)	11/2016 to present
Middlesboro Nursing and Rehabilitation (KY) (3%)	11/2016 to present

Oakmont Manor (KY) (3%)	11/2016 to present
Ridgeway Nursing and Rehabilitation (KY) (3%)	11/2016 to present
Robertson County Health Care (KY) (3%)	11/2016 to present
Somerset Nursing and Rehabilitation (KY) (3%)	11/2016 to present
Terrace Nursing and Rehab (KY) (3%)	11/2016 to present
The Heritage Nursing and Rehab (KY) (3%)	11/2016 to present
Woodland Oaks Healthcare Facility (KY) (3%)	11/2016 to present

Esther Farkovits is currently employed as a teacher in Mdreshet Torah V'Chesed in Israel. Ms. Farkovits has a BS degree from Touro College and discloses the following ownership health facility ownership interests:

Bronx Gardens Rehabilitation and Nursing Center (25%)	11/2016 to present
Cold Spring Hills Center for Nursing and Rehabilitation (25%)	6/2016 to present
Little Neck Care Center (50%)	04/2011 to 1/2013
Nassau Extended Care Facility (7%)	07/2004 to present
Park Avenue Extended Care Facility (7%)	07/2004 to present
Seagate Rehabilitation and Nursing Center (10%)	12/2014 to present
South Shore Rehabilitation and Nursing Center (45%)	04/2014 to present
The Citadel Rehab and Nursing Center at Kingsbridge (25%)	08/2015 to present
Throgs Neck Extended Care Facility (7.125%)	07/2004 to present
Townhouse Extended Care Center (7.125%)	07/2004 to present
White Plains Center for Nursing (12%)	07/2011 to present
Riverside Nursing and Rehabilitation Center (NJ) (3.645%)	4/2012 to present

Avraham Weits is the Controller of Hopkins Center for Rehabilitation in Brooklyn and the Controller at Beach Terrace Care Center. Mr. Weits has a BS degree from Rabbinical College in Jerusalem, Israel. Mr. Weits discloses no health facility ownership interests. Mr. Weits has pending approvals to become an owner of Beach Terrace Care Center, Grandell Rehabilitation and Nursing Center, and Oceanside Care Center.

Bernard Fuchs is the principal in Platinum Management LLC, an investment fund located in New York, NY, and the Chief Executive Officer of Kennedy Management LLC, a healthcare management company. Mr. Fuchs discloses has a degree from Torah Vodaath Talmudic Seminary, and discloses the following health facility ownership interests:

Bensonhurst Center for Rehabilitation and Healthcare (5%)	01/2012 to present
Greene Meadows Nursing and Rehabilitation Center (45%)	12/2015 to present
Hopkins Center for Rehabilitation and Healthcare (3%)	03/2011 to present
Hudson Pointe at Riverdale Center (50%)	01/2006 to 08/2010
The Pavilion at Queens for Rehabilitation and Nursing (50%)	01/2015 to present
The Plaza Rehab and Nursing Center (15%)	9/2016 to present
The Villages of Orleans Health and Rehabilitation Center (100%)	01/2015 to present
Delmar Nursing and Rehabilitation Center (DE) (19%)	5/2015 to present
Friendship Ridge (PA) (4%)	03/2014 to present
Grandview Nursing and Rehab (KY) (3%)	11/2016 to present
Hilltop Manor Residential Care (KY) (3%)	11/2016 to present
Letcher Manor Nursing and Rehabilitation (KY) (3%)	11/2016 to present
Martin County Health Care (KY) (3%)	11/2016 to present
Maysville Nursing and Rehabilitation (KY) (3%)	11/2016 to present
Middlesboro Nursing and Rehabilitation (KY) (3%)	11/2016 to present
Oakmont Manor (KY) (3%)	11/2016 to present
Ridgeway Nursing and Rehabilitation (KY) (3%)	11/2016 to present
Robertson County Health Care (KY) (3%)	11/2016 to present
Somerset Nursing and Rehabilitation (KY) (3%)	11/2016 to present
Terrace Nursing and Rehab (KY) (3%)	11/2016 to present
The Heritage Nursing and Rehab (KY) (3%)	11/2016 to present
Woodland Oaks Healthcare Facility (KY) (3%)	11/2016 to present

Gerald Fuchs is the Chief Operating Officer of The Pavilion at Queens Rehabilitation and Nursing. Mr. Fuchs is a licensed nursing home administrator with license in good standing, and has a BS degree from Touro College. Mr. Fuchs discloses the following health facility ownership interests:

Bensonhurst Center for Rehabilitation and Healthcare (5% member)	01/2012 to present
Hopkins Center for Rehabilitation and Healthcare (3% member)	03/2011 to present
Friendship Ridge (PA) (5% member)	03/2014 to present
Grandview Nursing and Rehab (KY) (3%)	11/2016 to present
Hilltop Manor Residential Care (KY) (3%)	11/2016 to present
Letcher Manor Nursing and Rehabilitation (KY) (3%)	11/2016 to present
Martin County Health Care (KY) (3%)	11/2016 to present
Maysville Nursing and Rehabilitation (KY) (3%)	11/2016 to present
Middlesboro Nursing and Rehabilitation (KY) (3%)	11/2016 to present
Oakmont Manor (KY) (3%)	11/2016 to present
Ridgeway Nursing and Rehabilitation (KY) (3%)	11/2016 to present
Robertson County Health Care (KY) (3%)	11/2016 to present
Somerset Nursing and Rehabilitation (KY) (3%)	11/2016 to present
Terrace Nursing and Rehab (KY) (3%)	11/2016 to present
The Heritage Nursing and Rehab (KY) (3%)	11/2016 to present
Woodland Oaks Healthcare Facility (KY) (3%)	11/2016 to present

Tova Fuchs is retired and has a Masters degree from Adelphi University. Ms. Fuchs discloses the following health facility ownership interests:

Bensonhurst Center for Rehabilitation and Healthcare (5%)	01/2012 to present
Hopkins Center for Rehabilitation and Healthcare (3%)	03/2011 to present
Friendship Ridge (PA) (5% member)	03/2014 to present
Grandview Nursing and Rehab (KY) (3%)	11/2016 to present
Hilltop Manor Residential Care (KY) (3%)	11/2016 to present
Letcher Manor Nursing and Rehabilitation (KY) (3%)	11/2016 to present
Martin County Health Care (KY) (3%)	11/2016 to present
Maysville Nursing and Rehabilitation (KY) (3%)	11/2016 to present
Middlesboro Nursing and Rehabilitation (KY) (3%)	11/2016 to present
Oakmont Manor (KY) (3%)	11/2016 to present
Ridgeway Nursing and Rehabilitation (KY) (3%)	11/2016 to present
Robertson County Health Care (KY) (3%)	11/2016 to present
Somerset Nursing and Rehabilitation (KY) (3%)	11/2016 to present
Terrace Nursing and Rehab (KY) (3%)	11/2016 to present
The Heritage Nursing and Rehab (KY) (3%)	11/2016 to present
Woodland Oaks Healthcare Facility (KY) (3%)	11/2016 to present

Aharon Bleier is employed by Highfield Gardens Care Center as the accounts payable/purchasing liason and has a First Rabbinic degree from Tiferes Yisrael Rabbinical College in Jerusalem. Mr. Bleier discloses no health facility ownership interests.

Leah Sod works in real estate and has a Bachelor's degree from Queens College. Ms. Sod discloses no health facility ownership interests.

Character and Competence - Analysis

No negative information has been received concerning the character and competence of the applicants.

A review of Hopkins Center for Nursing and Healthcare for the period identified above reveals the following:

- The facility was fined \$4,000 pursuant to a Stipulation and Order NH-12-037 issued August 24, 2012 for surveillance findings on August 24, 2011. Deficiencies were found under 10 NYCRR 415.4(b) Prohibit Abuse/Neglect/Mistreatment, 10 NYCRR 415.5(a) Dignity and 10 NYCRR 415.26 Administration.

- The facility was fined \$10,000 pursuant to a Stipulation and Order NH-15-006 issued July 2, 2015 for surveillance findings on February 29, 2012. Deficiencies were found under 10 NYCRR 415.3(c)(l)(ii) – Right to Refuse; Formulate Advanced Directives.

An assessment of the underlying causes of the above enforcements determined that they were not recurrent in nature and the operator investigated the circumstances surrounding the violation, and took steps which a reasonably prudent operator would take to prevent the recurrence of the violation.

A review of Nassau Rehabilitation and Nursing Center for the period identified above reveals the following:

- The facility was fined \$6,000 pursuant to a Stipulation and Order NH-14-007 issued August 24, 2012 for surveillance findings on April 11, 2011. Deficiencies were found under 10 NYCRR 415.12(c)(1) Quality of Care Pressure Sores.
- The facility was fined \$2,000 pursuant to a Stipulation and Order NH-16-030 issued January 19, 2016 for surveillance findings on October 15, 2012. Deficiencies were found under 10 NYCRR 415.12(h)(1)(2) Quality of Care Accidents and 10 NYCRR 415.26 Administration.

An assessment of the underlying causes of the above enforcements determined that they were not recurrent in nature and the operator investigated the circumstances surrounding the violation, and took steps which a reasonably prudent operator would take to prevent the recurrence of the violation.

A review of The Citadel Rehab and Nursing Center at Kingsbridge for the period identified above reveals the following:

- The facility was fined \$4,000 pursuant to a Stipulation and Order NH-16-205 issued November 29, 2016 for surveillance findings on August 1, 2016. Deficiencies were found under 10 NYCRR 415.12(h)(1) Quality of Care-Accident Free Environment and 10 NYCRR 415.26 Administration.

Since there were no other enforcements, the requirements for approval have been met as set forth in Public Health Law §2801-1(3).

A review of Townhouse Center for Rehabilitation and Nursing for the period identified above reveals the following:

- The facility was fined \$4,000 pursuant to a Stipulation and Order NH-16-041 issued December 22, 2016 for surveillance findings on July 18, 2016. Deficiencies were found under 10 NYCRR 415.12(h)(1) Quality of Care-Accident Free Environment and 10 NYCRR 415.26 Administration.
- The facility was fined \$2,000 pursuant to a Stipulation an Order for surveillance findings on January 10, 2017. Deficiencies were found under 10 NYCRR 415.4(a)(2-7) Physical Restraints-Resident Behavior and Facility practice.

An assessment of the underlying causes of the above enforcements determined that they were not recurrent in nature and the operator investigated the circumstances surrounding the violation, and took steps which a reasonably prudent operator would take to prevent the recurrence of the violation.

A review of Greene Meadows Nursing and Rehabilitation Center for the period identified above reveals the following:

- The facility was fined \$10,000 pursuant to a Stipulation and Order for surveillance findings on July 21, 2016. Deficiencies were found under 10 NYCRR 415.12 Quality of Care Highest Practicable Potential.

Since there were no other enforcements, the requirements for approval have been met as set forth in Public Health Law §2801-1(3).

A review of Bensonhurst Center for Rehabilitation and Healthcare, Bronx Gardens Rehabilitation and Nursing Center, Chautauqua Nursing and Rehabilitation, Cold Spring Hills Center for Nursing and Rehabilitation, Hudson Pointe at Riverdale Center for Nursing and Rehabilitation, Little Neck Care Center, Park Avenue Extended Care Facility, Sapphire Center of Central Queens, Seagate Rehabilitation and Nursing Center, South Shore Rehabilitation and Nursing Center, The Pavilion at Queens for

Rehabilitation and Nursing, The Plaza Rehabilitation and Nursing Center, The Villages of Orleans Health and Rehabilitation Center, Throgs Neck Extended Care Facility, White Plains Center for Nursing, Friendship Ridge (PA), Delmar Nursing & Rehabilitation Center (DE), Riverside Nursing and Rehabilitation Center(NJ), Hilltop Manor Residential Care(KY), Letcher Manor Nursing and Rehabilitation (KY), Martin County Health Care(KY), Maysville Nursing and Rehabilitation(KY), Middlesboro Nursing and Rehabilitation(KY), Oakmount Manor(KY), Ridgeway Nursing & Rehabilitation (KY), Robertson County Health Care(KY), Somerset Nursing and Rehabilitation (KY), Terrace Nursing and Rehabilitation (KY), The Heritage Nursing and Rehabilitation(KY), Woodland Oaks Healthcare Facility (KY) and The Grandview Nursing and Rehabilitation (KY) for the time period identified above reveals no enforcements.

A review of the licensed home care services agencies Pella Care, LLC and Parent Care Home Care, LLC for the time periods identified above reveals that there were no enforcements.

Quality Review

Provider Name	Overall	Health Inspection	Quality Measures	NYS Quintile
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NY

Bronx Gardens Rehabilitation & Nursing Center	****	**	*****	3
Cold Springs Hills Ctr for Nursing and Rehab	**	*	*****	2
The Citadel Rehab & Nursing Ctr at Kingsbridge	*	*	****	2
Little Neck Care Center	****	****	*****	3
Nassau Rehabilitation & Nursing Center	****	****	*****	4
Park Avenue Extended Care Facility	****	****	*****	1
Seagate Rehabilitation and Nursing Center	****	****	*****	4
Throgs Neck Rehabilitation & Nursing Center	*****	*****	*****	2
Townhouse Center for Rehabilitation & Nursing	*	*	**	5
White Plains Center for Nursing Care LLC	*****	***	*****	5
South Shore Rehabilitation and Nursing Center	****	***	*****	2
Hopkins Center for Rehabilitation and Healthcare	***	***	****	5
Bensonhurst Center for Rehab and Healthcare	*****	*****	*****	5
The Pavilion at Queens for Rehabilitation & Nursing	***	***	***	4
The Villages of Orleans Health and Rehab Ctr	*	*	**	5
Hudson Pointe at Riverdale Ctr For Nrsg And Rehab	****	***	*****	4
Greene Meadows Nursing & Rehabilitation Center	*	**	*	5
Beach Terrace Care Center	***	**	*****	2
Grandell Rehabilitation and Nursing Center	*****	*****	*****	3
Oceanside Care Center Inc	**	***	****	5
The Plaza Rehab and Nursing Center	*****	*****	*****	1

DE

Delmar Nursing & Rehabilitation Center	**	*	***	
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Provider Name	Overall	Health Inspection	Quality Measures	NYS Quintile
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KY

Martin County Health Care Facility	****	****	**
Maysville Nursing and Rehabilitation Facility	**	**	****
Middlesboro Nursing and Rehabilitation Facility	***	****	*
Oakmont Manor	*****	*****	****
Robertson County Health Care Facility	****	****	***
Letcher Manor	*****	*****	*****
The Heritage	*****	***	*****
Somerset Nursing and Rehabilitation Facility	***	****	*
Ridgeway Nursing & Rehabilitation Facility	*	**	*
The Terrace Nursing and Rehabilitation Center	*****	****	*****
The Grandview Nursing and Rehabilitation Facility	***	****	*
Woodland Oaks	*****	*****	**

PA

Brighton Rehabilitation and Wellness Center	*	**	***
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NJ

Riverside Nursing and Rehabilitation Center	*	*	****
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The proposed operator was asked about the low quality ratings evidenced at some of the currently owned facilities and to describe their quality improvement plans, responding to the poor performance. The applicant stated that some of the facilities with low ratings were purchased within the last year and one was purchased out of bankruptcy two years ago. To improve quality the applicant indicates that changes have been made to the leadership team and solid nursing systems have been implemented to monitor and improve quality of care. For those facilities owned for a longer period, the applicant responds that quality areas that are poor and in need of improvement are identified, and best practice clinical programs are developed for them. Programs are then re-built as necessary and staff is educated to run the new programs.

Project Review

No administrative services or consulting agreements are proposed in this application.

Conclusion

No negative information has been received concerning the character and competence of the proposed applicants. All health care facilities are in substantial compliance with all rules and regulations. The individual background review indicates the applicant has met the standard for approval as set forth in Public Health Law §2801-a(3).

Recommendation

From a programmatic perspective, approval is recommended.

Financial Analysis

Asset Purchase Agreement

The applicant has submitted an executed APA to acquire the RHCF's operating interests, which will become effective upon PHHPC approval. The terms are summarized below:

Date:	November 23, 2016
Seller:	The Long Island Home, Inc.
Buyer:	Massapequa Center, LLC
Asset Acquired:	All rights, title and interest in the business and operation of the Facility including the ADHCP; furniture, fixtures and equipment; instruments; tools; vehicles; inventory, supplies; leasehold improvements; transferable contracts, agreements, leases & undertakings; all warranties; all licenses, agreements, provider numbers, approvals, accreditation, orders and authorizations issued by or required by governmental entity; all intellectual property and other intangible rights, privileges or interests; security deposits and prepayments; manuals/computer software; resident/patient records; Goodwill; all books and records relating to the Facility; licenses and permits; Medicare & Medicaid provider numbers; rate increases and/or lump sum or other payments, resulting from rate appeals, audits or otherwise; patient claims accounts receivable on and after Closing Date; leases; and assets of Seller relating to the Facility.
Excluded Assets:	Seller's cash, money market accounts, cash equivalents and short term investments, all bank accounts, accounts receivables; any claims, lawsuits, liabilities, obligations, contracts, agreements or debts of seller; real property; any taxes or other obligations or liability of seller prior to closing date.
Service Agreement:	5-year term service agreement between Seller and Buyer. Seller shall provide to the buyer services described in the Exhibit 1 of the service agreement including meals, usage of loading dock, utilities, campus securities, waste station. Within two years of the closing date, buyer shall build its own kitchen within the premises as defined in lease agreement.
Assumption of Liabilities:	Liabilities and obligations arising with respect to the operation of the facility on and after the closing date.
Purchase Price:	\$43,000,000
Payment of Purchase Price:	\$2,900,000 Escrow Deposit (paid at the time of Signing). If the closing has not occurred by the defined closing date (13.5 months from contract date), Buyer shall deposit an additional \$1,450,000. If closing has not occurred by the extended closing date (18 months from contract date), then another \$1,450,000 additional deposit shall be made. Balance due at closing.

The purchase price of the operations is proposed to be satisfied as follows:

Equity – Massapequa Center, LLC's Members	\$4,300,000
Loan (30 years, 30-year amortization, 5% interest)	<u>\$38,700,000</u>
	\$43,000,000

Greystone Funding Corporation has provided a letter of interest.

BFA Attachment A is the net worth summary of the members of Massapequa Center, LLC which reveals sufficient resources to meet the equity requirement.

The applicant has submitted an original affidavit, which is acceptable to the Department, in which the applicant agrees, notwithstanding any agreement, arrangement or understanding between the applicant and the transferor to the contrary, to be liable and responsible for any Medicaid overpayments made to the facility and/or surcharges, assessments or fees due from the transferor pursuant to Article 28 of the Public Health Law with respect to the period of time prior to the applicant acquiring its interest, without releasing the transferor of its liability and responsibility. As of February 6, 2017, the facility had no outstanding Medicaid liabilities.

Purchase and Sale Agreement for the Real Property

The applicant has submitted an executed REPA to acquire the real property. The agreement will close concurrent with the APA upon PHHPC approval of this CON. The terms are summarized below:

Date:	November 23, 2016
Seller:	The Long Island Home, Inc.
Buyer:	399 County Realty, LLC
Asset Transferred:	Real Property Located at 399 County Line Rd, Amityville, NY
Purchase Price:	\$15,000,000
Payment of Purchase Price:	\$15,000,000 Due at Closing

The purchase price of the real property is proposed to be satisfied as follows:

Equity – 399 County Realty, LLC Members	\$ 1,500,000
Loan (30 years, 30-year amortization, 5% interest)	<u>13,500,000</u>
	\$15,000,000

Greystone Funding Corporation has provided a letter of interest.

BFA Attachment A is the net worth summary for the proposed members of 399 County Realty, LLC. Review of the net worth statements reveals sufficient resources to meet the equity requirements. It is noted that liquid resources may not be available in proportion to the proposed ownership interest in the proposed operating and realty entities. Bernard Fuchs, a member of Massapequa Center, LLC and 399 County Realty, LLC, has provided an affidavit stating he is willing to contribute resources disproportionate to his membership interest in the operating and realty entities to make up any member's equity shortfall in contributing to the purchase price and/or working capital needs.

Lease Agreement

The applicant submitted a draft lease agreement, the terms of which are summarized below:

Date:	January 1, 2017
Premises:	RHCF located at 399 County Rd, Amityville, NY 11701
Landlord:	399 County Realty, LLC
Lessee:	Massapequa Center, LLC
Term:	35 years
Rental:	Annual rent equal to sum of lessor's debt service on real property mortgage (estimated at \$869,651 for year one) plus \$2,000,000 supplemental rent if lessee has available cash flow.
Provisions:	Triple Net.

The lease arrangement is a non-arm's length agreement. The applicant has submitted an affidavit attesting to the relationship between the landlord and the operating entity.

Operating Budget

The applicant has provided the current year results and the first and third year operating budget subsequent to the change in ownership, in 2017 dollars, summarized as follows:

	<u>Current Year</u>		<u>Year One</u>		<u>Year Three</u>	
	<u>Per Diem</u>	<u>Total</u>	<u>Per Diem</u>	<u>Total</u>	<u>Per Diem</u>	<u>Total</u>
<u>Revenues</u>						
Medicaid-FFS	\$295.21	\$23,504,075	\$292.33	\$23,700,365	\$300.16	\$23,583,496
Medicaid-MC	\$295.21	\$1,694,192	\$287.45	\$1,733,601	\$309.30	\$1,710,137
Medicare-FFS	\$676.88	\$8,192,234	\$620.01	\$7,887,813	\$625.02	\$9,100,855
Medicare-MC	\$676.88	\$3,954,312	\$619.99	\$3,807,371	\$624.97	\$4,392,895
Private Pay/HMO	\$570.68	\$2,578,918	\$525.02	\$2,621,430	\$530.00	\$4,218,800
Other Income *		<u>\$45,760</u>		<u>\$275,000</u>		<u>\$285,000</u>
Total Revenue		\$39,969,491		\$40,025,580		\$43,291,183

<u>Expenses</u>						
Operating	\$418.39	\$45,111,361	\$322.56	\$35,791,076	\$312.33	\$35,496,060
Capital	<u>\$12.43</u>	<u>\$1,340,693</u>	<u>\$40.49</u>	<u>\$4,493,133</u>	<u>\$39.19</u>	<u>\$4,453,703</u>
Total Expenses	\$430.82	\$46,452,054	\$363.05	\$40,284,209	\$351.52	\$39,949,763
RHCF Income		<u>(\$6,482,563)</u>		<u>(\$258,629)</u>		<u>\$3,341,420</u>
ADHCP-Revenue	\$181.47	\$2,903,082	\$178.32	\$2,856,760	\$178.32	\$2,856,760
ADHCP Expenses	\$116.05	<u>\$1,856,606</u>	\$118.17	<u>\$1,893,034</u>	\$120.07	<u>\$1,923,534</u>
ADHCP Income		<u>\$1,046,476</u>		<u>\$963,726</u>		<u>\$933,226</u>
Net Income (Loss)		<u>(\$5,436,087)</u>		<u>\$705,097</u>		<u>\$4,274,646</u>
RHCF Patient Days		107,822		110,960		113,650
Utilization		92%		95%		97%
ADHCP Visits		15,998		16,020		16,020

* Other income: Includes Part B Medicare revenue (\$150,000 in year one) from physical therapy, occupational therapy and other services and other revenue (\$125,000 in year one) from cafeteria, vending machines, purchase discount and interest income.

The following is noted with respect to the submitted RHCF operating budget:

- The current year reflects the facility's 2015 revenues and expenses.
- Medicaid revenue is based on the facility's current 2016 Medicaid Regional Pricing rate and the 2016 Medicaid rate sheet for the facility's ADHCP. The current year Medicare and Private pay rates are the actual daily rate experienced by the facility during 2015 and then adjusted for slight increase in Year One and Year Three.
- Expense and staffing assumptions are based on the applicant's experience in operating another skilled nursing facilities. Currently, the facility shows negative operating income and one of the reasons offered is the high ratio of staff to patients (approximately 1.6:1). The applicant plans on trimming some cost through reducing the ratio of staff to patients (to approximately 1.4:1) along with anticipated reductions in overall supply costs through favorable contracts with vendors.
- The facility's projected utilization for Year One is 95% and 97.3% for Year Three. It is noted that utilization for the past three years has averaged around 92.87% and current occupancy was 93.1% as of February 15, 2017. To facilitate a continued growth in utilization, the applicant plans to take the following steps:
 - Upgrading and reconfiguring the physical plant to improve the overall resident experience;
 - Hire marketers to form relationship with diverse hospitals in Nassau and Suffolk counties;
 - Foster ongoing relationships with community primary care physicians and surgeons; and
 - Enable the facility to treat more complex patients by increasing the skill level of the facility's staff.
- The breakeven utilization for the RHCF is projected at 95.61% for the first year.
- Utilization by payer source for the first year after the change in ownership is summarized below:

Payor	Current Year		Year One		Year Three	
	Pt. Days	%	Pt. Days	%	Pt. Days	%
Medicaid-FFS	79,619	73.85%	81,073	73.06%	78,571	69.15%
Medicaid-MC	5,739	5.32%	6,031	5.44%	5,529	4.86%
Medicare-FFS	12,103	11.22%	12,722	11.47%	14,561	12.81%
Medicare-MC	5,842	5.42%	6,141	5.53%	7,029	6.18%
Private Pay/HMO	<u>4,519</u>	<u>4.19%</u>	<u>4,993</u>	<u>4.50%</u>	<u>7,960</u>	<u>7.00%</u>
Total	107,822	100%	110,960	100%	113,650	100%

Capability and Feasibility

Massapequa Center, LLC will acquire the RHCF's operations for \$43,000,000 to be funded by \$4,300,000 in members' equity and a \$38,700,000 loan at the above stated terms. 399 County Realty, LLC will acquire the real property for \$15,000,000 funded by \$1,500,000 in members' equity and a \$13,500,000 loan at the above stated terms. Greystone Funding Corporation has provided letters of interest. There are no project costs associated with this application.

The working capital requirement is estimated at \$7,029,540 based on two months of first year expenses. The applicant will provide \$3,829,540 from the members' equity with the remaining \$3,200,000 satisfied through a five-year loan at 5% interest rate. Greystone Funding Corporation has provided a letter of interest. BFA Attachment A, proposed members' net worth summaries, reveals sufficient resources overall to meet equity requirements for the operation, realty and working capital equity requirements. As previously stated, liquid resources may not be available in proportion to the proposed ownership interest in operating and realty entities. Bernard Fuchs, a member of Massapequa Center, LLC and 399 County Realty, LLC, has provided an affidavit stating he is willing to contribute resources disproportionate to his membership interest in the operating and realty entities (covering the purchase price and working capital equity).

The submitted budget projects \$705,097 of net income in Year One after the change in ownership. Revenues are estimated to increase by approximately \$9,767. Overall expenses are expected to decrease by \$6,131,417 mostly from staff reductions, employee benefits and non-essential expenses. BFA Attachment C is Massapequa Center Rehabilitation & Nursing's pro forma balance sheets for the operation and realty, which show the operating entity will start with \$8,679,540 in members' equity and the realty entity will start with \$1,500,000 in members' equity. Massapequa's assets include goodwill of \$39,873,000, which is not a liquid resource nor is it recognized for Medicaid reimbursement. If goodwill were eliminated from the equation, the total net assets would be a negative \$31,193,460 for the operations. The budget appears reasonable.

A transition of nursing home (NH) residents to Medicaid managed care is currently being implemented statewide. Under the managed care construct, Managed Care Organizations (MCOs) will negotiate payment rates directly with NH providers. A Department policy paper provided guidance requiring MCOs to pay the benchmark Medicaid FFS rate, or a negotiated rate acceptable to both plans and NH, for three years after a county has been deemed mandatory for NH population enrollment. As a result, the benchmark FFS rate remains a viable basis for assessing Medicaid NH revenues through the transition period.

BFA Attachment D is the Financial Summary of The Long Island Home, Inc. (Consolidated) for 2013 through 2015. As shown, the RHCf had an average positive working capital position of \$5,303,730, average positive net assets of \$9,005,984, and average negative net income of \$6,084,568 for the period. BFA Attachment E is the Internal Income Statement for The Long Island Home Inc. d/b/a Broadlawn Manor as of December 31, 2016, which shows an operating loss of \$6,816,846. The facility is owned by Northwell Health, Inc., which has absorbed the RHCf's operating losses. The negative operating income during this period is due to an excessive amount of operating expenses, which the applicant plans to reduce as stated above.

BFA Attachment G is the proposed members' percent interest in affiliated RHCfs.

BFA Attachment F, Financial Summary of the proposed members' affiliated RHCfs, shows the facilities have maintained positive net assets position, positive working capital position and positive income from operations for the periods shown except for the following;

- South Shore Rehab & Nursing is showing net operating losses in 2015 and as of November 30, 2016. The losses are attributed to low utilization. The facility also shows negative working capital as of November 30, 2016, due to higher than usual accounts payable.
- Throg's Neck Extended is showing negative working capital in year 2015, due to a Medicaid retroactive rate adjustment, which has since been paid. As of September 30, 2016, the facility had positive working capital and has been generating positive operating income.
- White Plains Center for Nursing had a negative working capital position in year 2014 due to high level of accounts payable which have since been paid. The facility had positive working capital in 2015 and 2016.
- The Village of Orleans shows negative working capital as of October 30, 2016 due to high level of accounts payable. The facility was acquired in 2015 and expects working capital to turn positive in 2017.

Based on the preceding, the applicant has demonstrated the capability to proceed in a financially feasible manner.

Recommendation

From a financial perspective, contingent approval is recommended.

Attachments

BFA Attachment A	Net Worth of Proposed Members of Massapequa Center, LLC and 399 County Realty, LLC
BFA Attachment B	Current and Proposed Real Property Owners
BFA Attachment C	Pro Forma Balance Sheet of Operation & Realty
BFA Attachment D	Financial Summary and 2015 Certified Financial Statement of The Long Island Home Inc.
BFA Attachment E	2016 Internal Income Statement of The Long Island Home, Inc. d/b/a Broadlawn Manor
BFA Attachment F	Financial Summary of Proposed Member's affiliated RHCFS
BFA Attachment G	Proposed members' interest in affiliated RHCFS



**Project # 162220-E
Prime Home Health Services, LLC**

**Program: Certified Home Health Agency
Purpose: Establishment**

**County: Dutchess
Acknowledged: September 21, 2016**

Executive Summary

Description

Prime Home Health Services, LLC (Prime), a proprietary Article 36 certified home health agency (CHHA) with business offices located at 3125 Emmons Avenue, Brooklyn (Kings County), requests approval to acquire TLCN Home Care (TLCN), a voluntary not-for-profit CHHA located at 965 Dutchess Turnpike, Poughkeepsie (Dutchess County), and to add Personal Care service. Prime is currently authorized to serve Kings, Queens, Bronx, Nassau, New York, Richmond and Westchester Counties. TLCN is authorized to serve Dutchess and Suffolk Counties. Upon approval of this application, the counties of Dutchess and Suffolk will be added to Prime’s service area and Personal Care service will be added to Prime’s operating certificate.

Prime has entered into an Asset Purchase Agreement (APA) with Lutheran Center at Poughkeepsie, Inc. (Lutheran), the operator of TLCN, to acquire the CHHA for \$275,000. Prime has also entered into an Interim Consultative and Management Agreement with Lutheran, which was approved by the New York State Department of Health Bureau of Home Care Licensure and Certification on September 12, 2016, whereby Prime will manage the CHHA until the proposed acquisition has been approved by the Public Health and Health Planning Council (PHHPC). Upon PHHPC approval of the acquisition, the operations of TLCN will be consolidated with the operations of Prime. Prime will lease TLCN’s office located at 965 Dutchess Turnpike in Poughkeepsie to establish a branch office in Dutchess County. Prime will relocate TLCN’s branch office in Kings

Park (Suffolk County) to Prime’s main offices at 3125 Emmons Avenue in Brooklyn.

**OPCHSM Recommendation
Contingent Approval**

Need Summary

The applicant currently provides charity care equal to 2% of its annual operating cost and will continue to provide no less than 2% charity care. As an existing CHHA, the applicant complies with Federal and State data reporting requirements.

Program Summary

A review of all personal qualifying information indicates there is nothing in the background of the members and managers of Prime Home Health Services, LLC, to adversely affect their positions in the organization. The applicant has the appropriate character and competence under Article 36 of the New York State Public Health Law.

Financial Summary

There are no project costs associated with this application. The CHHA will be purchased for \$275,000 in cash. The projected budget is as follows:

Revenues	\$8,946,134
Expenses	<u>6,183,219</u>
Gain	\$2,762,915

Recommendations

Health Systems Agency

There will be no HSA recommendation for this project.

Office of Primary Care and Health Systems Management

Approval contingent upon:

1. Submission of an executed lease agreement, acceptable to the Department of Health. [BFA]
2. Submission of a photocopy of an executed and completed facility lease agreement, acceptable to the Department. [CSL]
3. Submission of a photocopy of the applicant's amended and completed operating agreement, which is acceptable to the Department. [CSL]

Approval conditional upon:

1. The project must be completed within two years from the date of the Public Health and Health Planning Council recommendation letter. Failure to complete the project within the prescribed time shall constitute an abandonment of the application by the applicant and an expiration of the approval. [PMU]

Council Action Date

Need Analysis

Background

Prime Home Health Services, LLC is an existing Certified Home Health Agency (CHHA) located at 3125 Emmons Avenue, Brooklyn, Kings County. The applicant is requesting CON approval to acquire TLCN Home Care, a CHHA located at 965 Dutchess Turnpike, Poughkeepsie, Dutchess County.

Analysis

The services currently offered by the Applicant are listed below. This proposal would add Dutchess and Suffolk Counties to the operating certificate of the applicant. Additionally, the applicant would become certified to provide Personal Care within Dutchess and Suffolk Counties.

- Baseline Services - CHHA
- Home Health Aide
- Medical Social Services
- Medical Supplies Equipment and Appliances
- Nursing
- Nutritional
- Therapy - Occupational
- Therapy - Physical
- Therapy - Speech Language Pathology

Conclusion

This proposal to consolidate TLCN Home Care into Prime Home Health will allow the applicant to realize operational and cost efficiencies while allowing for the continuation of service to patients in TLCN's care.

Recommendation

From a need perspective, approval is recommended.

Program Analysis

Program Description

Prime Home Health Services, LLC is currently approved to serve Bronx, Kings, New York, Queens, Richmond, Nassau, and Westchester Counties, and is authorized for the services of Home Health Aide, Medical Social Service, Medical Supplies/Equipment/Appliances, Nursing, Nutrition, Therapy-Occupational, Therapy-Physical, and Therapy-Speech Language Pathology. Lutheran Center at Poughkeepsie, Inc. d/b/a TLCN Home Care CHHA is currently approved to serve Dutchess and Suffolk Counties, and is authorized for the services of Home Health Aide, Medical Social Service, Medical Supplies/Equipment/Appliances, Nursing, Nutrition, Personal Care, Therapy-Occupational, Therapy-Physical, and Therapy-Speech Language Pathology. As a result of the proposed acquisition and merger, Prime Home Health Services, LLC will be adding Dutchess and Suffolk Counties to its approved geographic service area, and will be adding Personal Care to its authorized services. Accordingly, upon acquisition and merger, TLCN Home Care will officially close, surrender its operating certificate, and terminate its Home Health Agency Medicare Provider Number.

Prime Home Health serves its current seven-county geographic service area from its sole CHHA practice location office at 3125 Emmons Avenue, Brooklyn, which will remain the main parent office practice location. The current main parent office practice location office of TLCN Home Care, located at 965 Dutchess Turnpike, Poughkeepsie, Dutchess County, will become a new branch office for Prime Home Health Services, from which it will serve its new Dutchess County patients. The current branch office for TLCN Home Care, located at 116 Wartburg Court, Community Building, Kings Park, Suffolk County, will close upon completion of the acquisition, and Prime Home Health will serve its new Suffolk County patients from its current main location in Brooklyn.

The members of Prime Home Health Services, LLC, and the percentage of their ownership in the LLC, are as follows:

Boris Mendel (30%) - Operator/LLC Member, Central Assisted Living, LLC (ACF/ALP), Central Assisted Living, LLC, d/b/a Central Home Care (LHCSA)

Affiliations: Metrostar Home Care, LLC – 2015 to present only (LHCSA), Prime Health Choice, LLC (MLTCP)

Alexander Rovt, PhD, P.I. (20%) - Owner/President, IBE Trade Corporation (Real Estate)

Affiliations: Brookdale University Hospital and Medical Center (Hospital), Maimonides Medical Center Hospital – 2010 to present only (Hospital)

Azriel (Azy) Reckess (12.5%) - Co-Owner/President, Paz Healthcare Management, Inc. (Health Care Facility Management)

Affiliations: Dutchess Care (ACF/ALP), Crestview Manor (ACF/ALP), Avalon Assisted Living and Wellness Center (ACF/ALP), Golden Care Licensed Home Care Services Agency (LHCSA)

Leon Hofman (10.417%) - Operator/LLC Member/Administrator, Hofgur LLC, d/b/a Queens Adult Care Center (ACF/ALP)

Affiliations: New Brookhaven Town House for Adults (ACF), Hedgewood Home for Adults, LLC (ACF/ALP), Gefen ACF, LLC, d/b/a Brooklyn Adult Care Center (ACF/ALP), Oceanview Manor Home for Adults, Inc. – 2014 to present only (ACF/ALP), MZL Home Care Agency, LLC (LHCSA), QACC ALP Home Care Agency, LLC (LHCSA), Mountainview Limited Home Care Agency (Limited LHCSA), Mountainview Home Care Agency (LHCSA), Prime Health Choice, LLC – 2014 to present only (MLTCP)

Martin Hofman, R.Ph. (10.417%) - Operator/LLC Member/Administrator, New Brookhaven Town House for Adults (ACF)

Affiliations: Hofgur LLC, d/b/a Queens Adult Care Center (ACF/ALP), Gefen ACF, LLC, d/b/a Brooklyn Adult Care Center (ACF/ALP), Oceanview Manor Home for Adults, Inc. – 2014 to present only (ACF/ALP), MZL Home Care Agency, LLC (LHCSA), QACC ALP Home Care Agency, LLC (LHCSA), Prime Health Choice, LLC – 2014 to present only (MLTCP)

Zvi (Harry) Gurevich (10.416%) - Operator/LLC Member/Administrator, Hedgewood Home for Adults, LLC (ACF/ALP)

Affiliations: Hofgur LLC, d/b/a Queens Adult Care Center (ACF/ALP), Gefen ACF, LLC, d/b/a Brooklyn Adult Care Center (ACF/ALP), New Brookhaven Town House for Adults (ACF), Oceanview Manor Home for Adults, Inc. – 2014 to present only (ACF/ALP), Mountainview Limited Home Care Agency (Limited LHCSA), Mountainview Home Care Agency (LHCSA), MZL Home Care Agency, LLC (LHCSA), QACC ALP Home Care Agency, LLC (LHCSA), Prime Health Choice, LLC – 2014 to present only (MLTCP)

Eric Mendel (6.25%) - Operator/LLC Member, Central Assisted Living, LLC (ACF/ALP), Central Assisted Living, LLC, d/b/a Central Home Care (LHCSA)

Affiliations: Metrostar Home Care, LLC – 2015 to present only (LHCSA), Prime Health Choice, LLC (MLTCP)

The managers of Prime Home Health are Boris Mendel (designated alternate, Eric Mendel) and Leon Hofman (designated alternate, Martin Hofman).

A search of all of the above named members, managers, employers, and affiliations revealed no matches on either the Medicaid Disqualified Provider List or the Office of the Inspector General's Provider Exclusion List.

The New York State Education Department, Office of the Professions, and the New York State Department of State, Division of Licensing Services, indicate no issues with the professional licenses of the individuals associated with this application.

The NYS Department of Health Division of Hospitals and Diagnostic and Treatment Centers has reviewed the compliance histories of the affiliated Hospitals for the period 2010 through 2017, or for the period of the individual's affiliation, whichever applied, and reported that during the applicable time periods, the affiliated Hospitals have remained in compliance with no history of any enforcement actions being taken.

The NYS Department of Health Division of Home and Community Based Services reviewed the compliance histories of the affiliated Certified Home Health Agency and Licensed Home Care Services Agencies, for the period 2010 to 2017, or for the time period of the individual's affiliation, whichever applied, and reported that during the applicable time period, the affiliated Certified Home Health Agency and Licensed Home Care Services Agencies have all remained in compliance with no history of any enforcement actions being taken.

The NYS Department of Health Division of Adult Care Facilities and Assisted Living has reviewed the compliance histories of all the affiliated Adult Care Facilities and Assisted Living Programs for the period 2010 through 2017, or for the time period of the individual's affiliation, whichever applied, and reported that during the applicable time period, the affiliated Adult Care Facilities and Assisted Living Programs have all remained in compliance with no history of any enforcement actions being taken.

The NYS Department of Health Office of Health Insurance Programs, Bureau of Managed Long Term Care, has reviewed the compliance history of the affiliated Managed Long Term Care Plan for the period 2010 through 2017, or for the period of the individual's affiliation, whichever applied, and has reported that during the applicable period, the plan has been in substantial compliance with no history of any enforcement actions being taken.

CHHA Quality of Patient Care Star Ratings	
New York Average: 3 out of 5 stars National Average: 3 out of 5 stars	
CHHA Name	Quality of Care Rating
TLCN Home Care	Not Available*
Prime Home Health Services	3.5 out of 5 stars

** per Medicare Compare website – patient population and/or patient episodes too small to report*

Conclusion

A review of all personal qualifying information indicates there is nothing in the background of the members and managers of Prime Home Health Services, LLC, to adversely affect their positions in the organization. The applicant has the appropriate character and competence under Article 36 of the New York State Public Health Law.

Recommendation

From a programmatic perspective, approval is recommended.

Financial Analysis

Asset Purchase Agreement

The change in operational ownership of the CHHA will be effectuated in accordance with an executed APA). The agreement will become effective upon PHHPC approval of this CON. The terms of the agreement are summarized below:

Date:	May 3, 2016
Purchaser:	Prime Home Health Services, LLC
Seller:	Lutheran Center At Poughkeepsie, Inc.
Purchased Assets:	All rights, title and interests of seller of all assets used in the operation of the agency.

Excluded Assets:	Seller is required to retain in its possession, and any rights to operate a long term home health care program.
Purchase Price:	\$275,000.
Payment of Purchase Price:	\$137,500 cash paid upon execution and held in escrow \$137,500 balance remaining to be paid via cash at closing.

The applicant has submitted an original affidavit, which is acceptable to the Department, in which the applicant agrees, notwithstanding any agreement, arrangement or understanding between the applicant and the transferor to the contrary, to be liable and responsible for any Medicaid overpayments made to the facility and/or surcharges, assessments or fees due from the Lutheran Center at Poughkeepsie, Inc. pursuant to Article 36 of the Public Health Law with respect to the period of time prior to the Prime Home Health Services, LLC acquiring its interest, without releasing the Lutheran Center at Poughkeepsie, Inc. of its liability and responsibility. Currently, there are no outstanding Medicaid overpayment liabilities.

Interim Consultative and Management Agreement

On May 3, 2016, in accordance with the APA, Lutheran Center at Poughkeepsie, Inc. (Seller) and Prime Home Health Services, LLC (Buyer) entered into an Interim Consultative and Management Agreement authorizing Prime Home Health Services, LLC (Buyer) to manage the operations of the CHHA prior to DOH approval and closing of the APA. The services to be provided by Prime consist of hiring/recruiting personnel to ensure adequate operation of the CHHA, assistance in the development of policies and procedures, budget development, accounting system and billing/collection oversight, and negotiation of agreements necessary for services, utilities and supplies. Prime will be paid a management fee in the amount equal to the income earned by the CHHA after September 12, 2016. This agreement has a three-year term, but upon approval of the acquisition, TLCN Home Care will be consolidated with the operations of Prime's existing CHHA and the Interim Consultative and Management Agreement will cease.

Lease Agreement

CHHA occupancy is subject to a draft lease agreement, the terms of which are summarized as follows:

Premises:	137.5 square feet, identified as Room C-219, located at 965 Dutchess Turnpike, Poughkeepsie, New York 12603
Landlord:	Lutheran Center at Poughkeepsie, Inc.
Tenant:	Prime Home Health Services, LLC
Terms:	36 months commencing on execution of the lease with two 5-year options to renew
Rental:	\$3,369.00 annual (\$280.75/month), increasing by 3% every year on the anniversary of the lease start date.
Provisions:	Insurance

Operating Budget

The applicant has provided an incremental operating budget, in 2016 dollars, for the first and third year subsequent to the change of ownership of TLCN. The budget is summarized below:

	<u>Per Visit</u>	<u>Year One</u>	<u>Per Visit</u>	<u>Year Three</u>
<u>Revenues</u>				
Medicaid - MC	\$142.70	\$492,316	\$142.71	\$569,542
Medicare - FFS	\$191.78	3,054,842	\$191.78	7,808,977
Commercial - MC	\$176.65	<u>406,292</u>	\$176.66	<u>567,615</u>
Total Revenues		\$3,953,450		\$8,946,134
<u>Expenses</u>				
Operating	\$265.80	\$2,947,427	\$162.88	\$6,174,009
Rent/Space Occupancy		<u>6,969</u>		<u>9,210</u>
Total Expenses		\$2,954,396		\$6,183,219
Net Income		<u>\$999,054</u>		<u>\$2,762,915</u>

Visits

22,186

49,039

The following is noted with respect to the submitted budget:

- The number of visits is projected to increase from Year One to Year Three as a result of the increase in caseload and visits from acquiring TLCN and expanding into Dutchess and Suffolk counties and adding Personal Care Service.
- A substantial shift from Medicaid to Medicare is expected due to the Statewide transition of long term home health care program (LTHHCP) patients to managed long term care (MLTC) programs. Prime does not anticipate that the MLTC will seek many home health services from the CHHA after the acquisition of TLCN. The shift of utilization to Medicare by year three reflects Prime's anticipated ramp up of services to primarily Medicare patients in need of CHHA services through marketing and outreach to area Hospitals and community-based providers.
- Utilization by payor source is as follows:

<u>Payor</u>	<u>Year One</u>	<u>Year Three</u>
Medicaid - MC	15.5%	6.6%
Medicare - FFS	71.8%	83.0%
Commercial - MC	10.4%	8.1%
Charity Care	<u>2.3%</u>	<u>2.3%</u>
	100.0%	100.0%

Capability and Feasibility

There are no project costs associated with this application. The purchase price of \$275,000 will be paid via cash. As shown in BFA Attachment B, Prime Home Health Services, LLC has sufficient accumulated funds.

The working capital requirement of \$1,030,536, based on two months of the third year's expenses, will be satisfied from existing funds of Prime. As of July 31, 2016, Prime's balance sheet (accrual basis) shows cash of \$617,240 plus accounts receivables of \$5,140,525 minus accounts payable of \$1,904,440 for a balance of \$3,853,325 available to support working capital needs. BFA Attachment D is the pro-forma balance sheet as of the first day of operation, which indicates a positive members' equity of \$7,686,937 for the operation.

BFA Attachments B and C are a summary of Prime Home Health Services, LLC's 2015 certified financial statements and internal financial statements as of July 31, 2016, respectively. As shown, Prime experienced a positive working capital position, a net asset position and an operating loss of \$449,574 in 2015. As of July 31, 2016, Prime experienced a positive working capital position, a net asset position and a net income of \$740,834. The 2015 net operating loss was due to an increase in expenses of \$328,000 in startup costs for the Managed Long Term Care program owned by Prime and the remaining loss of \$121,574 was due to a 30% decrease in Medicaid caseload.

BFA Attachments E is a summary of the 2015 certified financial statements of Lutheran Center at Poughkeepsie, Inc. and their internal financial statements as of April 30, 2016. As shown, Lutheran Center at Poughkeepsie, Inc. maintained a positive working capital position and experienced a negative net asset position in 2015 and as of April 30, 2016, respectively. A net operating loss of \$241,311 was experienced in 2015 due to a low patient caseload from the loss of its LTHHCP patients as a result of the statewide transition of LTHHCP patients to managed long term care programs. This loss contributed to their decision to sell the CHHA to Prime.

The applicant has demonstrated the capability to proceed in a financially feasible manner.

From a financial perspective, contingent approval is recommended.

Attachments

- BFA Attachment A Organizational Chart before and after change of ownership
- BFA Attachment B Prime Home Health Services, LLC – 2015 Certified Financial Statements
- BFA Attachment C Prime Home Health Services, LLC - Internal Financial Statements as of July 31, 2016
- BFA Attachment D Prime Home Health Services, LLC - Pro Forma Balance Sheet
- BFA Attachment E Lutheran Center at Poughkeepsie, Inc. – 2015 Certified Financial Statements
- BFA Attachment F Lutheran Center at Poughkeepsie, Inc. – Internal Financial Statements as of April 30, 2016



Project # 162447-E
Visiting Nurse Association of Hudson Valley

Program: Certified Home Health Agency
Purpose: Establishment

County: Westchester
Acknowledged: December 5, 2016

Executive Summary

Description

Northwell Healthcare, Inc. (Northwell), a not-for-profit corporation is requesting to be established as the active parent and sole member of Visiting Nurse Association of Hudson Valley (VNA-HV), a voluntary not-for-profit Article 36 Certified Home Health Agency (CHHA) located at 540 White Plains Road, Tarrytown (Westchester County).

As the active parent, Northwell will have the rights, powers and authorities with respect to VNA-HV to:

- Appoint and remove any and all members of Board of VNA-HV;
- Remove the President and CEO of VNA-HV;
- Approve the annual capital and operating budgets of the VNA-HV entities;
- Approve VNA-HV quality improvement and patient safety matters; and
- Appoint all members of the Board Committees of the VNA-HV entities.

VNA-HV is authorized to serve Putman and Westchester counties in the Hudson Valley region and controls, either directly or indirectly, certain subsidiaries and affiliates, including VNA Home Health Services, Inc. and Hospice Care in Westchester and Putnam, Inc. There will be no change in authorized services or population served as a result of approval of this project. Also, there are no projected changes in the utilization, revenues or expenses as a direct result of this project. The CHHA will remain a separate not-for-profit corporation licensed under Article 36 of the Public Health Law, maintaining its separate operating certificate

following completion of the project. VNA-HV will not be a part of the Northwell Obligated Group.

Northwell, whose sole corporate member is Northwell Health, Inc., is a comprehensive, integrated health care delivery system that is comprised of 21 hospitals across the New York metropolitan area, as well as physician practices and providers of subacute care including home care, long-term care, and hospice services. The purpose of this transaction is to enable Northwell and VNA HV to improve the wellness of the communities served; deliver value to patients and payors; increase operational efficiencies; support a long-term financial commitment to VNA-HV; and advance clinical best practices, efficient and effective governance, and stewardship of community assets.

Concurrently under review, Northwell is requesting approval to become the active parent, at the grandparent level, of Hospice Care in Westchester and Putnam, Inc. (CON 162451) and VNA Home Health Services, Inc., a Licensed Home Care Service Agency (CON 162459), which are subsidiary entities of VNA-HV.

BFA Attachment A is the pre- and post-closing organizational charts of Northwell Healthcare, Inc.

OPCHSM Recommendation
Contingent Approval

Need Summary

There will be no change to services, population or counties served as a result of this application.

Program Summary

A review of all personal qualifying information indicates there is nothing in the background of the board members of Northwell Healthcare, Inc., or Northwell Health, Inc., to adversely affect their positions on the boards. The applicant has the appropriate character and competence under Article 36 of the Public Health Law.

Financial Summary

There are no project costs or budgets associated with this application.

Recommendations

Health Systems Agency

There will be no HSA recommendation for this project.

Office of Primary Care and Health Systems Management

Approval contingent upon:

1. Submission of a photocopy of an agreement between the Visiting Nurse Association of Hudson Valley and Northwell Healthcare, Inc., to have Northwell Healthcare, Inc., become sole member-active parent of the Visiting Nurse Association of Hudson Valley, which is acceptable to the Department [CSL]
2. Submission of a photocopy of the By-laws of Northwell Healthcare, Inc., which is acceptable to the Department. [CSL]
3. Submission of a photocopy of the Certificate of Incorporation of Northwel Healthcare, Inc., which is acceptable to the Department. [CSL]

Approval conditional upon:

1. The project must be completed within one year from the date of the Public Health and Health Planning Council recommendation letter. Failure to complete the project within the prescribed time shall constitute an abandonment of the application by the applicant and an expiration of the approval. [PMU]

Council Action Date

June 8, 2017

Need Analysis

Analysis

The services currently offered by the Applicant are listed below. This proposal would have no impact on these services. The Applicant will continue to be licensed to operate in Putnam and Westchester Counties.

- Baseline Services - CHHA
- Home Health Aide
- Medical Social Services
- Medical Supplies Equipment and Appliances
- Nursing
- Therapy - Occupational
- Therapy - Physical
- Therapy - Speech Language Pathology

The applicant is committed to providing charity care equal to at least two percent of projected annual operating costs.

Conclusion

There will be no change in services, population or counties served as a result of this application.

Recommendation

From a need perspective, approval is recommended.

Program Analysis

Review Summary

This proposal seeks to establish Northwell Healthcare, Inc., a not-for-profit corporation, as the new sole member (parent) corporation of the applicant, Visiting Nurse Association of Hudson Valley, a not-for-profit Article 36 Certified Home Health Agency (CHHA), which will remain the member (parent) corporation of both Hospice Care in Westchester and Putnam, Inc., a not-for-profit Article 40 Hospice, and VNA Home Health Services, Inc., a not-for-profit Article 36 Licensed Home Care Services Agency (LHCSA). The sole member (parent) corporation of Northwell Healthcare, Inc., is Northwell Health, Inc., a not-for-profit corporation.

In addition to becoming the sole member corporation of the applicant Visiting Nurse Association of Hudson Valley, Northwell Healthcare, Inc. is also the sole member corporation of the following not-for-profit health care corporations and divisions:

- Staten Island University Hospital and Staten Island University Hospital University Hospice,
- Lenox Hill Hospital and Lenox Hill Greenwich Village
- Peconic Bay Medical Center, Peconic Bay Skilled Nursing Facility, and Peconic Bay Home Health Services (CHHA),
- North Shore University Hospital, North Shore Home Care (CHHA), and North Shore Home Care (LTHHCP),
- Syosset Hospital,
- Northwell Health Stern Family Center for Rehabilitation,
- Northern Westchester Hospital,
- Phelps Hospital and Phelps Hospice,
- Plainview Hospital,
- Southside Hospital,
- Glencove Hospital,

- Huntington Hospital,
- Long Island Jewish Medical Center, Long Island Jewish Medical Center Home Care (CHHA), Long Island Jewish Hospital Forest Hills and Long Island Jewish Hospital Valley Stream,
- Orzac Center for Extended Care and Rehabilitation.

Northwell Health, Inc., the sole member corporation of Northwell Healthcare, Inc., is also the sole member corporation of the following health care corporations:

- The Long Island Home d/b/a Broadlawn Manor Nursing and Rehabilitation Center and d/b/a South Oaks Hospital,
- Northwell Health Laboratories,
- Hospice Care Network d/b/a Hospice Care of Long Island, Queens, South Shore,
- RegionCare, Inc. (LHCSA).

All of the above-named health care facilities and providers in the Northwell Healthcare, Inc., and Northwell Health, Inc., corporate structure are affiliations for each board member named below.

The governing bodies of Northwell Healthcare, Inc. (the new member corporation of Visiting Nurse Association of Hudson Valley), and of Northwell Health, Inc. (the new ultimate member corporation of Visiting Nurse Association of Hudson Valley) are identical, and consist of the following Board of Trustees members:

Mark L. Claster, Esq (Chairperson): Retired, FINRA Securities Broker, President, Carl Marks and Company, Inc. (Investment Banking)

Ralph A. Nappi, Esq (Executive Vice-Chairperson): Executive Vice Chairman, Northwell Health, Inc., Northwell Healthcare, Inc.

William L. Mack : Chairman and Founder, Mack Real Estate Group (Real Estate)

Barry Rubenstein (Vice-Chairperson): Managing Partner, Wheatley Partners (Venture Capital Partnership)

Donald Zucker (Secretary): Real Estate Broker, Board Chairman, Donald Zucker Company (Real Estate Development)

Alan I. Greene (Treasurer): FINRA Securities Broker / Investment Adviser, Managing Director, Neuberger Berman, LLC (Investment Management)

Richard D. Goldstein, Esq. (Immediate Past Chairman): Chairman and CEO, AEP Capital, LLC (Merchant and Investment Banking)

Michael J. Dowling (President and CEO): President and CEO, Northwell Health, Inc., Northwell Healthcare, Inc.

Frank J. Besignano: Manager of Business Development, Signature Bank (Banking), Additional Affiliation 1991 - present: Visiting Nurse Association of Staten Island (CHHA and LTHHCP)

Roger A. Blumencranz: Insurance Broker / Insurance Agent (NY, CT, FL, NC, NJ, OH, PA, TX, WI), Managing Director, BWD Group, LLC (Insurance Brokerage Firm)

Robert W. Chasanoff: Partner, Chasanoff Properties (Commercial Building Development)

Michael A. Epstein, Esq: Partner, Weil Gotshal and Manges, LLP (Law Firm), Additional Affiliation 2002 - present: Jewish Board of Family and Children Services (OMH-licensed Mental Health Provider)

Michael E. Feldman, Esq: Retired

Catherine C. Foster: Faculty, Columbia University (Higher Education)

William H. Frazier: FINRA Securities Broker, Managing Partner, Gates Capital Corporation (Securities)

Lloyd M. Goldman: Insurance Licensure (CT-expired 1999), President, BLDG Management Company

Paul B. Guenther: Retired

William O. Hiltz: FINRA Securities Broker, Senior Managing Director, Evercore Partners (Investment Banking)

Nancy J. Karch: Retired

Saul B. Katz: CPA, President and COO, Sterling Equities, Inc. (Investments), Additional Affiliation: The Feinstein Institute for Medical Research (Research Institute)

Cary A. Kravet, Esq: Retired, President, Kravet, Inc. (Home Textiles Wholesaler)

Jeffrey B. Lane: Chairman, Casa Columbia (Behavioral Health Research and Education), Former Chairman, Lebenthal Holdings, LLC (Financial Services)

Seth B. Lipsay, Esq.: Inactive (PA), Executive Managing Director, New World Realty Management, LLC (Real Estate), Executive Managing Director, Galaxy Fund Management, LLC (Real Estate), Additional Affiliation: The Feinstein Institute for Medical Research (Research Institute)

Francis J. McCarthy: Real Estate Broker, President, Site Selection Advisory Group, Inc. (Real Estate), Additional Affiliation 2000 - present: Catholic Charities, Hicksville (Charitable Organization)

Patrick F. McDermott: Financial Planner, FINRA Securities Broker / Investment Adviser, Insurance Agent (expired 1999), Partner, McDermott and Thomas Associates (Financial Planning / Employee Benefits), Additional Affiliation 2010 - present: Albert Einstein College of Medicine (Medical Education)

Richard B. Nye: President, Baker Nye Advisors (Investment Management)

Sharon Patterson: Real Estate Broker, Edwin Fishel Tuccio Real Estate (Real Estate)

Lewis S. Ranieri: FINRA Securities Broker (expired 2008), Chairman / Senior Managing Partner, Ranieri Partners Management, LLC (Investment Management), Chairman / CEO / Managing Director, Ranieri and Company, Inc. (Investment Management)

Robert D. Rosenthal, Esq.: FINRA Securities Broker, Chairman and CEO, First Long Island Investors, LLC (Wealth Management)

Richard J. Sinni: President and CEO, Veras Management (Consulting Firm)

Roy J. Zuckerberg: Self-Employed (Private Investor)

A search of all the above-named board members, employers, and affiliations revealed no matches on either the Medicaid Disqualified Provider List or the Office of the Inspector General's Provider Exclusion List.

The applicant has provided the attached list of legal actions involving Northwell Healthcare, Inc., Northwell Health, Inc., and/or their affiliated health care providers identified above. (see Programmatic Attachment A – Northwell Legal Actions)

The NYS Education Department's Office of the Professions, NYS Department of State Occupational Licensing, NYS Unified Court System, NYS Department of Financial Services Insurance Licensing, Wisconsin Office of the Commissioner of Insurance, Connecticut Insurance Department, Florida Department of Financial Services, North Carolina Department of Insurance, New Jersey Department of Banking and Insurance, Ohio Department of Insurance, Pennsylvania Insurance Department, Texas Department of Insurance, FINRA Securities Broker / Investment Adviser Licensing, and the Disciplinary Board of the Supreme Court of Pennsylvania have all indicated that there are no adverse findings, or disciplinary actions or issues, recorded in regard to the licensure of the health professionals and other licensed professionals associated with this application. In addition, we have received current Certificates of Good Standing for all the attorneys listed above, except for Mr. Lipsay, as his Pennsylvania attorney license is inactive. Mr. Blumencranz does disclose that the NYS Insurance Department (now known as the NYS Department of Financial Services) did take disciplinary action against his NYS Insurance Agent license 21 years ago (in 1996) for failure to renew his personal and corporate Insurance Agent licenses in a timely manner, by imposing a \$1600 penalty.

The NYS Department of Health Division of Hospitals and Diagnostic and Treatment Centers has reviewed the compliance histories of the affiliated Hospitals for the period 2010 through 2017, and reported that during that period, the following enforcement actions were taken:

- An enforcement action was taken against Syosset Hospital in 2010 based on a June 2009 survey citing violations pertaining to the care provided to a child having an adenotonsillectomy. It was determined that the patient was improperly cleared for surgery and that despite multiple comorbidities was not kept for observation post-operatively. The patient subsequently expired following discharge. This enforcement action was resolved with a \$42,000 civil penalty.
- An enforcement action was taken against Northern Westchester Hospital in 2016 based on an April, 2016 survey citing violations involving the calling of a code team in a timely way for a newborn baby. Hospital staff were not trained in the code policy and as such did not initiate the code via the proper procedure. The baby ultimately expired. This enforcement action was resolved with a \$10,000 civil penalty.

- An enforcement action was taken against Long Island Jewish Medical Center in 2016 based on a July, 2016 survey citing violations that, upon observation of 12 of the 21 running operating rooms, a total of 24 individual staff members were observed not following acceptable standards of practice for Infection Control Practices in the Surgical Areas, specifically regarding the use of proper attire and exposure of hair during procedures. This enforcement action was resolved with a \$4,000 civil penalty.
- An enforcement action was taken against Plainview Hospital in 2017 based on a June, 2016 survey citing violations regarding a pattern of infection control practices which were not consistent with accepted Infection Control Standards. This enforcement action was resolved with a \$4,000 civil penalty.

The NYS Department of Health Division of Hospitals and Diagnostic and Treatment Centers reports that the remaining Hospitals had no enforcement actions taken for the period 2010 through 2017.

The NYS Department of Health Division of Nursing Homes and Intermediate Care Facilities/IID reviewed the compliance histories of all affiliated Nursing Homes for the period 2010 to 2017, and reported that during that period, the following enforcement actions were taken:

- An enforcement action was taken against Broadlawn Manor Nursing and Rehabilitation Center in 2014 based on a December, 2011 survey citing violations in Quality of Care: Accidents / Supervision; Administration; and Quality Assurance. This enforcement action was resolved with a \$6,000 civil penalty. In addition, a federal Civil Monetary Penalty of \$15,307.50 was imposed.
- An enforcement action was taken against Broadlawn Manor Nursing and Rehabilitation Center in 2016 based on an April, 2014 survey citing violations in Quality of Care: Accident Free Environment; Administration; Administration: Medical Director; and Administration: Quality Assessment and Assurance. This enforcement action was resolved with a \$8,000 civil penalty. Despite similar code citations, the actual incidents resulting in the violations were not the same as the incidents cited in the previous enforcement noted above, and were therefore not considered repeat violations.
- An enforcement action was taken against Broadlawn Manor Nursing and Rehabilitation Center in 2016 based on an October, 2015 survey citing violations in Quality of Care: Highest Practical Potential. This enforcement action was resolved with a \$10,000 civil penalty.

The NYS Department of Health Division of Nursing Homes and Intermediate Care Facilities/IID reports that the remaining Nursing Homes had no enforcement actions taken for the period 2010 through 2017.

The Division of Home and Community Based Services reviewed the compliance histories of all affiliated Certified Home Health Agencies, Long Term Home Health Care Programs, Licensed Home Care Services Agencies, and Hospices, for the time period 2010 to 2017, and reported that during that time period, the affiliated Certified Home Health Agencies, Long Term Home Health Care Programs, Licensed Home Care Services Agencies, and Hospices have all remained in compliance with no history of enforcement action taken.

The NYS Department of Health Wadsworth Center's Clinical Laboratory Evaluation Program has reviewed the compliance history of the affiliated Clinical Laboratory for the period 2010 through 2017, and reported that during that period, the affiliated Clinical Laboratory has remained in compliance with no history of enforcement action taken.

The NYS Office of Mental Health, Bureau of Inspection and Certification, has reviewed the compliance histories of the two affiliated Mental Health Providers licensed pursuant to Article 31 of the Mental Health Law, for the period 2010 through 2017, and reported that the two affiliated Mental Health Providers are currently in compliance with no history of enforcement actions being taken by NYS Office of Mental Health for the period 2010 through 2017. In addition, Northwell Healthcare, Inc., Board of Trustees member Michael Epstein (identified above) does disclose that his affiliated Mental Health Provider, Jewish Board of Family and Children Services, has recently entered into a settlement with the NYS Office of Medicaid Inspector General.

The NYS Office of Alcoholism and Substance Abuse Services (OASAS), Program Review Unit, has reviewed the compliance history of the affiliated Article 32 OASAS-licensed provider, for the period 2010 through 2017, and reported that the affiliated Article 32 OASAS-licensed provider is currently in compliance with no history of enforcement actions being taken by NYS Office of Alcoholism and Substance Abuse Services for the period 2010 through 2017.

CHHA Quality of Patient Care Star Ratings	
New York Average: 3 out of 5 stars National Average: 3 out of 5 stars	
CHHA Name	Quality of Care Rating
Long Island Jewish Medical Center Home Care	3.5 out of 5 stars
North Shore Home Care	3.5 out of 5 stars
Peconic Bay Home Health Services	2.5 out of 5 stars
Visiting Nurse Association of Hudson Valley	2.5 out of 5 stars
Visiting Nurse Association of Staten Island	3 out of 5 stars

A review of all personal qualifying information indicates there is nothing in the background of the board members of Northwell Healthcare, Inc., or Northwell Health, Inc., to adversely affect their positions on the boards. The applicant has the appropriate character and competence under Article 36 of the Public Health Law.

Recommendation

From a programmatic perspective, approval is recommended.

Financial Analysis

Financial Analysis

There are no projected changes in the utilization, revenues or expenses of Visiting Nurse Association of Hudson Valley as a direct result of this project.

Capability and Feasibility

There are no issues of capability or feasibility, as there are no project costs or budgets associated with this application.

BFA Attachment B is a summary of Northwell Health, Inc.'s 2014-2015 certified financial statements and their internal financial statements as of September 30, 2016. As shown, the entity had an average positive working capital position, average positive net asset position, and average positive operating income from 2014 through September 30, 2016.

BFA Attachment C is a summary of Visiting Nurse Association of Hudson Valley and Affiliates' 2015 certified financial information and their internal financial statements as of December 31, 2016. As shown, the entity had an average positive working capital position and an average positive net asset position from 2015 through December 31, 2016. However, the entity had an average net loss from operations from 2015 through December 31, 2016. The applicant indicated that the reason for the loss was due to a decrease in admissions. Northwell believes that it can achieve a positive net income through improving operational efficiencies, and will provide support to ensure the long-term financial security of VNA-HV.

The applicant has demonstrated the capability to proceed in a financially feasible manner.

Recommendation

From a financial perspective, approval is recommended.

Attachments

BFA Attachment A	Organizational Charts
BFA Attachment B	2014-September 30, 2016 Northwell, Inc. Financial Summary
BFA Attachment C	2015-December 31, 2016 Visiting Nurse Association of Hudson Valley and Affiliates Financial Summary
LTCHC Attachment A	Northwell Legal Actions



**Project # 171041-E
Shining Star Home Health Care**

Program: Certified Home Health Agency
Purpose: Establishment

County: Kings
Acknowledged: January 19, 2017

Executive Summary

Description

Shining Star Home Care, LLC (Shining Star), a proprietary Article 36 certified home health agency (CHHA), requests approval for a three-year extension to its limited life operating certification. The agency was established as a special pilot program, special needs population CHHA, certified to serve individuals at higher risk for hospitalization due to heart disease, stroke and diabetes. The agency is authorized to serve individuals in Bronx, Kings, New York and Queens Counties. The CHHA was approved by the Public Health and Health Planning Council (PHHPC) under CON 072094 with a conditional five-year limited life. The applicant notified the Department before their limited life expiration requesting a three-year extension. The CHHA currently operates from leased office space located at 5922 18th Avenue, Brooklyn (Kings County), New York.

Shining Star's services are limited to the special pilot program population authorized under its initial operating certificate. The CHHA is certified for the following services: home health aides, medical social services, medical supplies equipment and appliances, nursing, nutrition, occupational therapy, physical therapy, and speech language pathology

The current membership of Shining Star Home Care, LLC consists of Yechiel Landau (80%) and Yvette Henriquez (20%).

OPCHSM Recommendation

Contingent Approval of a three-year extension of the operating certificate from the date of the Public Health and Health Planning Council recommendation letter.

Need Summary

The applicant reports Emergency Department visits for their patients far below the statewide averages in 2014 and 2015 as well as hospital readmission rates considerably lower than those in the counties they serve over the same period. However, the applicant has not yet been able to serve the volume of patients projected and become financially feasible.

Program Summary

All patients served by the applicant have been identified as meeting the special population criteria. Shining Star has remained in compliance with no history of enforcement actions taken.

Financial Summary

There are no project costs associated with this application. The proposed budget is as follows:

	<u>Year One</u>	<u>Year Three</u>
Revenue	\$641,252	\$1,710,220
Expenses	<u>\$1,248,800</u>	<u>\$1,677,300</u>
Gain/(Loss)	(\$607,548)	\$32,920

Recommendations

Health Systems Agency

There will be no HSA recommendation for this project.

Office of Primary Care and Health Systems Management

Approval of a three-year extension of the operating certificate from the date of the Public Health and Health Planning Council recommendation letter, contingent upon:

1. Submission of a photocopy of the Operating Agreement of Shining Star Home Health Care, LLC, which is acceptable to the Department. [CSL]

Approval conditional upon:

1. The provision of CHHA services is limited to the special pilot program population of individuals in Bronx, Kings, New York, and Queens Counties identified as being at higher risk for hospitalization due to heart disease, stroke, and diabetes, with the understanding that the New York State Department of Health will monitor the utilization statistics for ongoing compliance with this condition. [CHA]

Council Action Date

June 8, 2017

Need Analysis

Background

The service area for this facility is New York, Queens, Bronx and Kings Counties.

Analysis

The applicant believes that they have achieved their primary goal of reducing the number of Emergency Department visits and hospital readmissions for patients who have diabetes, heart disease, and stroke. The applicant reports that 3.4% and 3.7% of their patients visited an Emergency Department in 2014 and 2015, as compared to the statewide rates of 23.53% and 23.13% in 2014 and 2015, respectively. The applicant also reported that 3.4% and 3.7% of its patients were re-admitted to the hospital in 2014 and 2015, as compared to the potentially preventable hospital readmission rate for Bronx, Kings, Queens and New York Counties ranging from 6.1% to 7.54% for both 2014 and 2015, respectively. However, the applicant has not yet been able to serve the volume of patients projected and become financially feasible.

Conclusion

Approval of this project will allow for continued access for home care of services for the special pilot program population of those individuals at risk for hospitalization due to heart disease, stroke and diabetes in the communities within Kings, Queens, Bronx and New York Counties. From a need perspective, an additional three years will allow the applicant more time to address the low volume of patients.

Recommendation

From a need perspective, approval of a three-year extension is recommended.

Program Analysis

Program Description

This special needs population CHHA will continue to operate from its sole practice location in leased office space located at 5922 18th Avenue, Brooklyn, New York 12204, will continue to serve the approved special pilot program population of individuals identified as being at higher risk for hospitalization due to heart disease, stroke, and diabetes, will continue to serve the approved geographic service area of Bronx County, Kings County, New York County, and Queens County, and will continue to offer the approved services of home health aide, medical social services, medical supplies/equipment/appliances, nursing, nutritional services, occupational therapy, physical therapy, and speech language pathology.

As required in the PHHPC conditional approval, annual reports by an outside independent agency have been submitted to NYSDOH for years 2012/2013, 2014, and 2015. The 2016 annual report is not yet available.

In its establishment application, Shining Star cited the NYSDOH Prevention Quality Indicators that reports that low income minority neighborhoods located in the four above named counties have up to two to three times more hospital admissions and readmissions due to heart disease, stroke, and diabetes than the statewide average. In its five years of operation, the CHHA reports that it has demonstrated that it has achieved its goal of reducing the number of such Emergency Department visits, hospital admissions, and hospital readmissions. In 2015 (the most recent year for which the CHHA's statistical reports are available), only 3.7% of Shining Star's 214 patients visited an Emergency Department, compared to a statewide average that year of 23.53% per 100,000 people, and only 3.7 % of Shining Star's 214 patients were readmitted to a hospital, compared to a potentially preventable hospital readmission rate that year for Bronx, Kings, New York, and Queens Counties ranging from 6.1% to 7.54%. Only one of those

Shining Star patients was readmitted due to diabetes, and none were readmitted due to heart disease or stroke. In 2014, only 3.4% of Shining Star's 205 patients visited an Emergency Department, compared to a statewide average that year of 23.13% per 100,000 people, and only 3.4% of Shining Star's 205 patients were readmitted to a hospital, compared to a potentially preventable hospital readmission rate that year for Bronx, Kings, New York, and Queens Counties again ranging from 6.1% to 7.54%. None of those Shining Star patients was readmitted due to diabetes, heart disease, or stroke. In 2013 and 2012, only one of Shining Star's 24 patients in 2013 and three patients in 2012 visited an Emergency Department, and only two of Shining Star's 24 patients in 2013 and three patients in 2012 were readmitted to a hospital. None of those Shining Star patients was readmitted due to diabetes, heart disease, or stroke. The statewide averages for Emergency Department visits, and potentially preventable hospital readmission rates for Bronx, Kings, New York, and Queens Counties, for years 2013 and 2012, were unreported.

In addition, the applicant reports that 161 of the 214 patients served in 2015, 168 of the 205 patients served in 2014, 18 of the 24 patients served in 2013, and three of the three patients served in 2012 had diagnoses that identified the patient as being at higher risk for hospitalization due to heart disease, stroke, or diabetes. All the remaining patients had diagnoses that identified the patient as being at higher risk for hospitalization due to other chronic diseases, most notably chronic obstructive pulmonary disease. Accordingly, all patients served by Shining Star had diagnoses that identified the patient as being at higher risk for hospitalization due to heart disease, stroke, diabetes, chronic obstructive pulmonary disease, or other chronic diseases.

CHHA Quality of Patient Care Star Ratings	
New York Average: 3 out of 5 stars National Average: 3 out of 5 stars	
CHHA Name	Quality of Care Rating
Shining Star Home Health Care	2 out of 5 stars

Shining Star has remained in compliance with no history of any enforcement actions taken.

Recommendation

From a programmatic perspective, approval is recommended.

Financial Analysis

Operating Budget

The applicant submitted their current year (2015) operating budget, and their first and third year operating budgets after approval, in 2017 dollars, as shown below:

	<u>Current Year</u>	<u>Year One</u>	<u>Year Three</u>
<u>Revenues</u>			
Medicare	\$381,835	\$402,705	\$1,073,900
Medicaid	\$78,189	\$82,082	\$218,880
All Other	<u>\$148,302</u>	<u>\$156,465</u>	<u>\$417,440</u>
Total Revenues	<u>\$608,326</u>	<u>\$641,252</u>	<u>\$1,710,220</u>
<u>Expenses</u>			
Operating	\$1,235,456	\$1,245,500	\$1,674,000
Capital	<u>\$3,058</u>	<u>\$3,300</u>	<u>\$3,300</u>
Total Expenses	\$1,238,514	\$1,248,800	\$1,677,300
Net Income or (Loss)	<u>(\$630,188)</u>	<u>(\$607,548)</u>	<u>\$32,920</u>
Utilization (visits)	6,679	6,750	18,000

- The applicant based their projected Year One and Year Three operating expenses on Shining Star's current operating expenses, increased in accordance with a projected increase in utilization.
- The applicant based their projected Year One and Year Three operating revenues to be \$95 per visit, an increase from their 2015 per visit average of approximately \$91.
- All other revenue represents revenues from other insurance payors, including United Health Care, Fidelis, MetroPlus, HealthFirst, GuildNet, and MagnaCare.
- The applicant projected utilization based on anticipated increases associated with increased referrals from Managed Care Organizations with whom they are establishing relationships.
- The applicant will continue to work with local Department of Health including the New York City Department of Health and Mental Hygiene.
- Utilization by payor source to the submitted operating budget is as follows:

<u>Payor</u>	<u>Current Year</u>	<u>Year One and Three</u>
Medicare	62.82%	38%
Medicaid	12.85%	60%
Charity	0.00%	2%
All Other	<u>24.33%</u>	<u>0%</u>
Total	100.00%	100%

In their establishment application, the applicant committed to 2% Charity Care and 67% Medicaid utilization in Year One, and 2% Charity Care and 54% Medicaid utilization in Year Three. The applicant acknowledges that they did not fulfill that commitment in Year Three (2015). The decline in Medicaid utilization is attributed to an increase in the number Medicare post-discharge hospital patients served by the agency. Based on the information available, the applicant believes that the 2016 results will be similar to those in 2015.

To address the utilization issues and the financial results shown above, the applicant has identified Mr. Ari Goldberger as a potential new member. Mr. Goldberger possesses home care experience and will begin informally advising the operator regarding day-to-day operations and developing relationships with local hospitals and several Managed Care Organizations. The applicant anticipates entering into a Consulting Agreement with Mr. Goldberger in the near future, and expects that Mr. Goldberger will become a majority owner. Subsequent to an approval of this application, a Certificate of Need application will be submitted in regards to an ownership change.

Capability and Feasibility

There are no project costs associated with this application. The applicant is seeking a three-year extension of limited life. To the extent necessary, the applicant members will provide equity from their personal resources to fund working capital.

The budget demonstrates a \$607,548 loss in Year One and \$32,920 net income in Year Three. The applicant anticipates a 1.1% increase in utilization between the Current Year and Year One and a 169.5% increase in utilization between the Current Year and Year Three. Concurrent with the projected increase in utilization, the applicant projects increased revenue per visit of approximately 4.2% in both Year One and Year Three. As a result of the projected increased revenue per visit and projected increase in utilization, the budget demonstrates additional revenue of \$32,926 and \$1,101,894 in Year One and Year Three, respectively. The above referenced increase in revenue is offset by additional expenses of \$10,286 (1%) and \$438,786 (35.6%), in Year One and Year Three, respectively. While expenses increase, the cost per visit declines by .1% and 49.7%, in Year One and Year Three, respectively. Incorporating the above, the applicant projects a positive effect on net income of \$22,640 and \$663,108, in Year One and Year Three leading to the nominal net income anticipated as of Year Three.

Working capital is estimated at \$208,134 based on two months of Year One expenses. However, as shown on BFA Attachments A and B, Shining Star's certified 2015 and internal 2016 financial statements, the CHHA has been sustaining ongoing operating losses and is projecting a loss from operations of \$607,548 for Year One that must be funded. The applicant has provided a letter of interest from New Capital Ventures, LLC expressing willingness to provide a personal loan to Mr. Yechiel Landau, a majority

member of the applicant, in the amount of \$1,200,000 to be used to fund the agency's working capital needs. The letter states that this would be a personal loan between friends, with no interest charged and repayment of the principal amount to be provided whenever funds become available. Capital One bank statements for New Capital Ventures, LLC for the period ending March 31, 2017, indicates sufficient resources are available to fund this transaction. Going forward, Shining Star intends to cover any operating losses with the proceeds of this personal loan, as well as with the personal liquid assets of Mr. Yechiel Landau. The applicant indicated that during its limited life, Mr. Landau has funded operating losses with his personal liquid assets, as well as from the proceeds of other personal loans provided to him from Hiram Capital, LLC (an entity related to New Capital Ventures, LLC).

BFA Attachment A is the 2015 certified financial statements of Shining Star Home Care, LLC. As shown, the entity had a negative working capital position and a negative net asset position in 2015. Also, the entity demonstrated a net loss of \$666,069. BFA Attachment B is the internal financial statements of Shining Star Home Care, LLC as of December 31, 2016. As shown, the entity had a negative working capital position and a negative net asset position and achieved a net loss of \$458,559 for the period shown. The applicant attributes the 2015 and 2016 results to low utilization. The applicant did not provide a reason for their low utilization and related negative results, other than asserting that their focus was on providing services to patients who required specialized services and, while they did not meet their utilization targets and their financial statements demonstrate the negative results referenced above, the applicant believes it achieved its primary mission of serving individuals at high-risk of Emergency Department visits and hospital readmission due to heart disease, stroke, and diabetes.

To address the financial condition of the facility, the facility has obtained the informal assistance of Ari Goldberger, who the applicant indicated has home care experience and working relationships with Managed Care Organizations, including HealthFirst. The applicant anticipates that Mr. Goldberger will become a member of the operator, at a future date. In the interim, the applicant indicated they are receiving patient referrals based on Mr. Goldberger's relationships with health care providers and have begun improving operations.

The applicant has demonstrated the capability to proceed in a financially feasible manner.

Recommendation

From a financial perspective, approval is recommended.

Attachments

BFA Attachment A	2015 Certified financial statement of Shining Star Home Care, LLC
BFA Attachment B	2016 Internal financial statement of Shining Star Home Care, LLC

Licensed Home Care Services Agency
Character and Competence Staff Review

Name of Agency: Friends & Family Home Care Services, LLC
Address: New York
County: New York
Structure: Limited Liability Company
Application Number: 2368L

Description of Project:

Friends & Family Home Care Services, LLC, a limited liability company, requests approval to obtain licensure as a home care services agency under Article 36 of the Public Health Law.

The membership of Friends & Family Home Care Services, LLC comprises the following individuals:

Yelena Schmidt, Esq. (FKA Yelena Klurfeld) – 45%
Manager, Friends & Family Home Care Services, LLC (consulting/management company)
Associate, Law Offices of Albert Feinstein
Director, Finsider

Diana Klurfeld – 45%
President, 76 Manhattan, Inc.

Philip Kuszel, Esq. – 10%
Senior Partner, Law Office of Philip Kuszel, PC
Litigation Associate/Bronx Office Manager, Sanders, Sanders, Block, Woycik, Viener & Grossman, PC
United States Army Reserve, Judge Advocate General Corps

Affiliation:

Cuatro, LLC d/b/a Access Medicare (Medicare Advantage Plan)

A search of the individuals named above revealed no matches on either the Medicaid Disqualified Provider List or the OIG Exclusion List.

The applicant proposes to serve the residents of the following counties from an office located at 4186 Broadway, New York, New York 10033:

New York	Bronx	Kings
Queens	Richmond	Westchester

The applicant proposes to provide the following health care services:

Nursing	Home Health Aide	Personal Care
Physical Therapy	Occupational Therapy	Nutrition
Homemaker	Housekeeper	

Certificates of Good Standing were received for all Attorneys associated with this application.

Review of the Personal Qualifying Information indicates that the applicant has the required character and competence to operate a licensed home care services agency.

Contingency

Submission of any and all information requested by the Division of Legal Affairs, in a form and manner acceptable to the Department.

Recommendation: Contingent Approval
Date: April 7, 2017

Licensed Home Care Services Agency
Character and Competence Staff Review

Name of Agency: N and J Home Care, Inc.
Address: Rego Park
County: Queens
Structure: For-Profit Corporation
Application Number: 2402L

Description of Project:

N and J Home Care, Inc., a business corporation, requests approval to obtain licensure as a home care services agency under Article 36 of the Public Health Law.

N and J Home Care, Inc. has authorized 200 shares which are owned solely by Nadya Izik, RN.

The Board of Directors of N and J Home Care, Inc. is comprised of the following individual:

Nadya Izik, RN, RRT
RN, Operating Room-Roosevelt Hospital

A search of the individual named above revealed no matches on either the Medicaid Disqualified Provider List or the OIG Exclusion List.

The Office of the Professions of the State Education Department indicates no issues with the licenses of the health care professional associated with this application.

The applicant proposes to serve the residents of the following counties from an office located at 63-44 Saunders Street, Rego Park, New York 11374:

Queens	Kings	Richmond
New York	Bronx	

The applicant proposes to provide the following health care services:

Nursing	Home Health Aide	Personal Care
Physical Therapy	Occupational Therapy	Respiratory Therapy
Speech-Language Pathology	Audiology	Medical Social Services
Nutrition	Homemaker	Housekeeper

Review of the Personal Qualifying Information indicates that the applicant has the required character and competence to operate a licensed home care services agency.

Contingency

Submission of any and all information requested by the Division of Legal Affairs, in a form and manner acceptable to the Department.

Recommendation: Contingent Approval
Date: April 25, 2017

Licensed Home Care Services Agency
Character and Competence Staff Review

Name of Agency: Beth Hahesed Home Care Inc.
Address: Brooklyn
County: Kings
Structure: For-Profit Corporation
Application Number: 2410L

Description of Project:

Beth Hahesed Home Care Inc., a business corporation, requests approval to obtain licensure as a home care services agency under Article 36 of the Public Health Law.

The applicant has authorized 200 shares of stock, which are solely owned by Lyubov Kofman.

The Board of Directors of Beth Hahesed Home Care Inc. comprises the following individual:

Lyubov Kofman, RN, President/Secretary
Homecare Field Nurse, Elder Serve Health MLTC
Homecare Field Nurse, New Millennium Home Care
Homecare Field Nurse, Welcome Care, Inc.

A search of the individual named above revealed no matches on either the Medicaid Disqualified Provider List or the OIG Exclusion List.

The Office of the Professions of the State Education Department indicates no issues with the licenses of the healthcare professionals associated with this application.

The applicant proposes to serve the residents of the following counties from an office located at 1802 Ocean Parkway, #F7, Brooklyn, New York 11223:

Kings	Queens	Bronx
New York	Richmond	Nassau

The applicant proposes to provide the following health care services:

Nursing	Home Health Aide	Personal Care
Homemaker	Housekeeper	

Review of the Personal Qualifying Information indicates that the applicant has the required character and competence to operate a licensed home care services agency.

Contingency

Submission of any and all information requested by the Division of Legal Affairs, in a form and manner acceptable to the Department.

Recommendation: Contingent Approval
Date: April 11, 2017

Licensed Home Care Services Agency
Character and Competence Staff Review

Name of Agency: Manach LLC d/b/a Lach Home Care Services
Address: Yonkers
County: Westchester
Structure: Limited Liability Company
Application Number: 2417L

Description of Project:

Manach LLC d/b/a Lach Home Care Services, a limited liability company, requests approval to obtain licensure as a home care services agency under Article 36 of the Public Health Law.

The members of Manach LLC d/b/a Lach Home Care Services comprise the following individuals:

Churchill Egone – 75% Special Education Classroom Teacher, New York City Department of Education	Uzeme Atunuwa, RN – 25% Intake Nurse Liaison, Revival Home Health Care
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A search of the individuals named above revealed no matches on either the Medicaid Disqualified Provider List or the OIG Exclusion List.

The Office of Professions of the State Education Department indicates no issues with the license of the health care professional associated with this application.

The applicant proposes to serve the residents of the following counties from an office located at 95-117 Ravine Avenue, Suite 6AVC, Yonkers, New York 10701:

Westchester	Bronx
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The applicant proposes to provide the following health care services:

Nursing	Home Health Aide	Personal Care
Physical Therapy	Respiratory Therapy	Occupational Therapy
Speech-Language Pathology	Audiology	Medical Social Services
Nutrition	Homemaker	Housekeeper

Review of the Personal Qualifying Information indicates that the applicant has the required character and competence to operate a licensed home care services agency.

Contingency

Submission of any and all information requested by the Division of Legal Affairs, in a form and manner acceptable to the Department.

Recommendation: Contingent Approval
Date: April 13, 2017

Licensed Home Care Services Agency
Character and Competence Staff Review

Name of Agency: St. Xavier Home Care Services, Inc.
Address: Forest Hills
County: Queens
Structure: For-Profit Corporation
Application Number: 2435L

Description of Project:

St. Xavier Home Care Services, Inc., a business corporation, requests approval to obtain licensure as a home care services agency under Article 36 of the Public Health Law.

The applicant has authorized 200 shares of stock which are solely owned by Christabella Cochran.

The Board of Directors of St. Xavier Home Care Services, Inc. comprises the following individuals:

Christabella Cochran, President/CEO
Executive Director, Mercy Drive, Inc. (OPWDD)

Anthony Caplinay, Secretary
Senior Administrative Officer (Human Resources), Mercy Drive, Inc. (OPWDD)

Alfred Mitchell, Treasurer
Director of Finance & Operations, Mercy Drive, Inc. (OPWDD)

A search of the individuals named above revealed no matches on either the Medicaid Disqualified Provider List or the OIG Exclusion List.

The applicant proposes to serve the residents of the following counties from an office located at 72-35 112th Street, PR-1, Forest Hills, New York 11375:

Queens	Kings	New York
Bronx	Richmond	Nassau

The applicant proposes to provide the following health care services:

Nursing	Home Health Aide	Personal Care
Physical Therapy	Occupational Therapy	Speech-Language Pathology
Medical Social Services	Nutrition	Homemaker
Housekeeper		

Review of the Personal Qualifying Information indicates that the applicant has the required character and competence to operate a licensed home care services agency.

Contingency

Submission of any and all information requested by the Division of Legal Affairs, in a form and manner acceptable to the Department.

Recommendation: Contingent Approval
Date: April 28, 2017

Licensed Home Care Services Agency
Character and Competence Staff Review

Name of Agency: Long Island Home Care Services, Inc.
Address: Deer Park
County: Suffolk
Structure: For-Profit Corporation
Application Number: 2455L

Description of Project:

Long Island Home Care Services, Inc., a business corporation, requests approval to obtain licensure as a home care services agency under Article 36 of the Public Health Law.

The applicant has authorized 200 shares of stock which are owned as follows: John L. Kutzma owns 100 shares and Leslie A. Greenfield owns 100 shares.

The Board of Directors of Long Island Home Care Services, Inc. comprises the following individuals:

John L. Kutzma, President
Respiratory Therapist (License expired)
Owner/Operator, American Vital Care Company d/b/a American Oxygen Company (DME Provider)

Leslie A. Greenfield, Treasurer/Secretary
Owner/Operator, American Vital Care Company d/b/a American Oxygen Company (DME Provider)

The applicant proposes to serve the residents of the following counties from an office located at 1013 Grand Boulevard, Deer Park, New York 11729:

Suffolk	Nassau	Queens
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The applicant proposes to provide the following health care services:

Nursing	Personal Care	Homemaker
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A search of the individuals named above revealed no matches on either the Medicaid Disqualified Provider List or the OIG Exclusion List.

American Vital Care Company was excluded from the Medical Assistance (Medicaid Program) under 18 NYCRR 515.7(c) from July 20, 1996 through February 9, 1999 for furnishing or billing for medical care, services or supplies.

The Office of the Professions of the State Education Department indicates the following issues with the license of the healthcare professional associated with this application:

John L. Kutzma: Respiratory Therapist License Number 004012 was suspended for one (1) year on July 18, 1997. The execution of suspension stayed, probation for one (1) year and a one thousand dollar (\$1,000.00) fine. Having been convicted of the unauthorized dispensing of a drug and knowingly failing to disclose a criminal conviction before licensure on his application for licensure.

Review of the Personal Qualifying Information indicates that the applicant has the required character and competence to operate a licensed home care services agency.

Contingency

Submission of any and all information requested by the Division of Legal Affairs, in a form and manner acceptable to the Department.

Recommendation: Contingent Approval
Date: April 11, 2017

Licensed Home Care Services Agency
Character and Competence Staff Review

Name of Agency: Phoenix's United Agency Inc. d/b/a Star One Staffing Agency
Address: Bronx
County: Bronx
Structure: For-Profit Corporation
Application Number: 2472L

Description of Project:

Phoenix's United Agency Inc. d/b/a Star One Staffing Agency, a business corporation, requests approval to obtain licensure as a home care services agency under Article 36 of the Public Health Law.

The applicant has authorized 200 shares of stock, which are solely owned by Patricia Coffie, RN.

The Board of Directors of Phoenix's United Agency Inc. d/b/a Star One Staffing Agency comprises the following individuals:

Patricia Coffie, RN, Chairperson/President
Director/Administrator, Phoenix Nurse Aide Training Center

Nina Agyemang, Vice President/Treasurer
Salesperson, George Ofari - Adoni Magazine

Tiannis Coffie, HHA, CNA, Secretary
Secretary, Patricia Asari

A search of the individuals named above revealed no matches on either the Medicaid Disqualified Provider List or the OIG Exclusion List.

The Office of the Professions of the State Education Department indicates no issues with the license of the healthcare professional associated with this application.

The New York State Home Care Registry indicates no issues with the certification of the healthcare professional associated with this application.

The New York State Nurse Aide Registry indicates no issues with the certification of the healthcare professional associated with this application.

The applicant proposes to serve the residents of the following counties from an office located at 540 East 180th Street, Suite 201, Bronx, New York 10457:

Bronx	New York	Kings
Queens	Richmond	Westchester

The applicant proposes to provide the following health care services:

Nursing	Home Health Aide	Personal Care
Physical Therapy	Respiratory Therapy	Medical Social Services
Nutrition	Homemaker	Housekeeper

Review of the Personal Qualifying Information indicates that the applicant has the required character and competence to operate a licensed home care services agency.

Contingency

Submission of any and all information requested by the Division of Legal Affairs, in a form and manner acceptable to the Department.

Recommendation: Contingent Approval
Date: April 21, 2017

Licensed Home Care Services Agency
Character and Competence Staff Review

Name of Agency: Millennium Children Home Care, LLC
Address: Clifton Park
County: Saratoga
Structure: Limited Liability Company
Application Number: 2478L

Description of Project:

Millennium Children Home Care, LLC, a limited liability company, requests approval to obtain licensure as a home care services agency under Article 36 of the Public Health Law.

The sole member of Millennium Children Home Care, LLC is:

Neda Azadivatan-Le, DDS – 100%
Owner, Precision Periodontics & Dental Implants

A search of the individual named above revealed no matches on either the Medicaid Disqualified Provider List or the OIG Exclusion List.

The Office of Professions of the State Education Department indicates no issues with the license of the healthcare professional associated with this application.

The applicant proposes to serve the residents of the following counties from an office located at 1426 Vischer Ferry Road, Clifton Park, New York 12065:

Saratoga	Albany	Dutchess
Columbia		

The applicant proposes to provide the following health care services:

Nursing	Nutrition
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Review of the Personal Qualifying Information indicates that the applicant has the required character and competence to operate a licensed home care services agency.

Contingency

Submission of any, and all information requested by the Division of Legal Affairs, in a form and manner acceptable to the Department.

Recommendation: Contingent Approval
Date: April 4, 2017

Licensed Home Care Services Agency
Character and Competence Staff Review

Name of Agency: Serenity Care Agency, LLC
Address: Ridgewood
County: Queens
Structure: Limited Liability Company
Application Number: 2500L

Description of Project:

Serenity Care Agency, LLC, a limited liability company, requests approval to obtain licensure as a home care services agency under Article 36 of the Public Health Law.

The membership of Serenity Care Agency, LLC comprises the following individual:

Sonny Pham, HHA – 100%
Director of Global Operations, Informa Global Markets

A search of the individual named above revealed no matches on either the Medicaid Disqualified Provider List or the OIG Exclusion List.

The New York State Home Care Registry indicates no issues with the certification of the healthcare professional associated with this application.

The applicant proposes to serve the residents of the following counties from an office located at 60-85 Myrtle Avenue, Ridgewood, New York 11385:

Queens	New York	Kings
Bronx	Richmond	Nassau

The applicant proposes to provide the following health care services:

Nursing	Home Health Aide	Personal Care
Physical Therapy	Occupational Therapy	Respiratory Therapy
Speech-Language Pathology	Audiology	Medical Social Services
Nutrition	Homemaker	Housekeeper

Review of the Personal Qualifying Information indicates that the applicant has the required character and competence to operate a licensed home care services agency.

Contingency

Submission of any and all information requested by the Division of Legal Affairs, in a form and manner acceptable to the Department.

Recommendation: Contingent Approval
Date: April 11, 2017

Licensed Home Care Services Agency
Character and Competence Staff Review

Name of Agency: Igvara Home Care Services, LLC d/b/a Comfort Keepers
Address: Centereach
County: Suffolk
Structure: Limited Liability Company
Application Number: 2529L

Description of Project:

Igvara Home Care Services, LLC d/b/a Comfort Keepers, a limited liability company, requests approval to obtain licensure as a home care services agency under Article 36 of the Public Health Law.

Igvara Home Care Services, LLC has proposed to operate as a franchise of CK Franchising, Inc.

The membership of Igvara Home Care Services, LLC d/b/a Comfort Keepers comprises the following individuals:

Gisella Rivera, Esq. – 90%
Principal, G Rivera Law Office, PLLC

Donna Rizzo-Hay – 5%
Director of Client Care, Igvara Home Care Services d/b/a Comfort Keepers (companion care)

Georgina Avagliano – 2.5%
Kindergarten Teacher, Hicksville Union Free School District

Carmine Avagliano – 2.5%
Facility Manager, Pederson-Krag Center

A search of the individuals named above revealed no matches on either the Medicaid Disqualified Provider List or the OIG Exclusion List.

A Certificate of Good Standing has been received for the attorney named above.

The applicant proposes to serve the residents of the following counties from an office located at 2297 Middle Country Road, Suite D, Centereach, New York 11720:

Suffolk Nassau

The applicant proposes to provide the following health care services:

Nursing Personal Care Homemaker

Review of the Personal Qualifying Information indicates that the applicant has the required character and competence to operate a licensed home care services agency.

Contingency

Submission of any and all information requested by the Division of Legal Affairs, in a form and manner acceptable to the Department.

Recommendation: Contingent Approval
Date: April 7, 2017

Licensed Home Care Services Agency
Character and Competence Staff Review

Name of Agency: One Stop Home Care Agency, LLC
Address: Fresh Meadows
County: Queens
Structure: Limited Liability Company
Application Number: 2544L

Description of Project:

One Stop Home Care Agency, LLC, a limited liability company, requests approval to obtain licensure as a home care services agency under Article 36 of the Public Health Law.

The members of One Stop Home Care Agency, LLC comprise the following individuals:

Elionora Zavlanova, HHA, PCA – 51% Secretary Coordinator, New Millenium NY, Inc. Home Health Aide, Association for Services for the Aged, Inc.	Eduard Zavlanov – 49% President Self-employed, Taxi Owner/Driver
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A search of the individuals named above revealed no matches on either the Medicaid Disqualified Provider List or the OIG Exclusion List.

A search of the individual named above on the New York State Home Care Registry revealed that the individual is certified as a PCA and HHA, is currently employed as a HHA, and has no convictions or findings.

Eduard Zavlanov disclosed that during the period of January 1, 2008 to October 1, 2008 he received medical assistance/family health plan benefits in the amount of \$36,135 related to an illness and subsequent hospitalization for which he was allegedly not entitled. The matter was settled with the New York City Human Services Administration with no admission of wrongdoing on the part of Eduard Zavlanov. Mr. Zavlanov agreed to repay the full amount of incorrectly received benefits and he was not required to pay any fines or penalties.

The applicant proposes to serve the residents of Queens County from an office located at 6922 173rd Street, Fresh Meadows, New York 11365.

The applicant proposes to provide the following health care services:

Nursing	Home Health Aide	Personal Care
Physical Therapy	Nutrition	Occupational Therapy
Speech-Language Pathology	Housekeeper	Medical Social Services
Homemaker		

Review of the Personal Qualifying Information indicates that the applicant has the required character and competence to operate a licensed home care services agency.

Contingency

Submission of any and all information requested by the Division of Legal Affairs, in a form and manner acceptable to the Department.

Recommendation: Contingent Approval
Date: April 11, 2017

Licensed Home Care Services Agency
Character and Competence Staff Review

Name of Agency: Expert Home Care, Inc.
Address: Brooklyn
County: Kings
Structure: For-Profit Corporation
Application Number: 2549L

Description of Project:

Expert Home Care, Inc., a business corporation, requests approval to obtain licensure as a home care services agency under Article 36 of the Public Health Law.

The applicant has authorized 200 shares of common stock which are owned as follows:

Habib Muhammed – 100 Shares
Susan Smith (fka Shahnoza Yuldasheva), HHA – 100 Shares

The Board of Directors of Expert Home Care, Inc. comprises the following individuals:

Habib Muhammed – President, Chairman
Social Work, Group Family Day Care Center
Susan Smith (fka Shahnoza Yuldasheva), HHA –
Vice President/ Secretary/Treasurer
Head Teacher, Group Family Day Care Center

A search of the individuals named above revealed no matches on either the Medicaid Disqualified Provider List or the OIG Exclusion List.

A search of the name Shahnoza Yuldasheva (Susan Smith's former name) on the New York State Home Care Registry revealed that Shahnoza Yuldasheva is certified as a HHA and has no convictions or findings.

The applicant proposes to serve the residents of the following counties from an office located at 2370 Ocean Avenue, Apt 3M, Brooklyn, New York 11229:

Bronx Kings New York Queens Richmond

The applicant proposes to provide the following health care services:

Nursing Home Health Aide Personal Care Homemaker

Review of the Personal Qualifying Information indicates that the applicant has the required character and competence to operate a licensed home care services agency.

Contingency

Submission of any and all information requested by the Division of Legal Affairs, in a form and manner acceptable to the Department.

Recommendation: Contingent Approval
Date: April 20, 2017

Licensed Home Care Services Agency
Character and Competence Staff Review

Name of Agency: Royal Home Care
Address: Johnstown
County: Fulton
Structure: Partnership
Application Number: 2559L

Description of Project:

Royal Home Care, a partnership, requests approval to obtain licensure as a home care services agency under Article 36 of the Public Health Law.

The partners of Royal Home Care comprise the following individuals:

Salvatore A. Leo – 75%
President/CFO/Co-Founder, Royal Consulting & Marketing, Inc.

Kathleen M. Hawley, RN (FKA Kathleen M. Leo, RN)– 25%
Director of Nursing, Top Quality Home Care

A search of the individuals named above revealed no matches on either the Medicaid Disqualified Provider List or the OIG Exclusion List.

The Office of the Professions of the State Education Department indicates that on February 10, 2009 Kathleen Marie Leo's license was sanctioned by an agreed upon consent order: 1 month actual suspension; 23 month stayed suspension; 2 years probation and a \$500 fine. Licensee admitted to charges of having committed an act constituting the crime of Offering a False Instrument for Filing in the 2nd Degree and of having falsified records for controlled substances.

The applicant proposes to serve the residents of the following counties from an office located at 506 North Market Street, Johnstown, New York 12095:

Fulton	Montgomery	Hamilton
Saratoga	Warren	Herkimer
Schoharie		

The applicant proposes to provide the following health care services:

Nursing	Home Health Aide	Personal Care
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Review of the Personal Qualifying Information indicates that the applicant has the required character and competence to operate a licensed home care services agency.

Contingency

Submission of any and all information requested by the Division of Legal Affairs, in a form and manner acceptable to the Department.

Recommendation: Contingent Approval
Date: March 17, 2017

Licensed Home Care Services Agency
Character and Competence Staff Review

Name of Agency: Always An Angel Licensed Homecare, LLC
d/b/a Always An Angel Licensed Homecare
Address: Putnam Valley
County: Putnam
Structure: Limited Liability Company
Application Number: 2561L

Description of Project:

Always An Angel Licensed Homecare, LLC d/b/a Always An Angel Licensed Homecare, a limited liability company, requests approval to obtain licensure as a home care services agency under Article 36 of the Public Health Law.

The membership of Always An Angel Licensed Homecare, LLC d/b/a Always An Angel Licensed Homecare comprises the following individuals:

Steven K. Velichko – 50%
Owner/Operator, Living Waters USA, Inc. d/b/a Always An Angel Homecare (companion care)

Roberta L. Velichko (FKA Roberta L. Haertel) – 50%
Owner/Operator, Living Waters USA, Inc. d/b/a Always An Angel Homecare (companion care)

A search of the individuals named above revealed no matches on either the Medicaid Disqualified Provider List or the OIG Exclusion List.

The applicant proposes to serve the residents of the following counties from an office located at 11 Peekskill Hollow Road, Putnam Valley, New York 10579:

Putnam	Westchester	Rockland
Dutchess	Orange	Bronx

The applicant proposes to provide the following health care services:

Nursing	Home Health Aide	Personal Care
Physical Therapy	Occupational Therapy	Medical Social Services
Nutrition	Homemaker	Housekeeper

Review of the Personal Qualifying Information indicates that the applicant has the required character and competence to operate a licensed home care services agency.

Contingency

Submission of any and all information requested by the Division of Legal Affairs, in a form and manner acceptable to the Department.

Recommendation: Contingent Approval
Date: April 24, 2017

Licensed Home Care Services Agency
Character and Competence Staff Review

Name of Agency: CitiCare, LLC
Address: Brooklyn
County: Kings
Structure: Limited Liability Company
Application Number: 2563L

Description of Project:

CitiCare, LLC, a limited liability company, requests approval to obtain licensure as a home care services agency under Article 36 of the Public Health Law.

The sole member of CitiCare, LLC is the following individual:

Marina Shraga, DDS
DEA Controlled Substance Registration Certificate
President/Principal, CitiDental of Woodhaven PC
President/Principal, Renaissance Dental PC d/b/a Albany County Dental Associates

A search of the individual named above revealed no matches on either the Medicaid Disqualified Provider List or the OIG Exclusion List.

The Office of the Professions of the State Education Department indicates no issues with the license of the healthcare professional associated with this application.

The applicant proposes to serve the residents of the following counties from an office located at 3000 Ocean Parkway, 12M, Brooklyn, New York 11235:

Kings	New York	Bronx
Queens	Richmond	Nassau

The applicant proposes to provide the following health care services:

Nursing	Home Health Aide	Personal Care
Physical Therapy	Occupational Therapy	Respiratory Therapy
Speech-Language Pathology	Audiology	Medical Social Services
Nutrition	Homemaker	Housekeeper

Review of the Personal Qualifying Information indicates that the applicant has the required character and competence to operate a licensed home care services agency.

Contingency

Submission of any and all information requested by the Division of Legal Affairs, in a form and manner acceptable to the Department.

Recommendation: Contingent Approval
Date: April 27, 2017

Licensed Home Care Services Agency
Character and Competence Staff Review

Name of Agency: L.A.M. Care, Inc. d/b/a Comfort Keepers
Address: New York
County: New York
Structure: For-Profit Corporation
Application Number: 2575L

Description of Project:

L.A.M. Care, Inc., d/b/a Comfort Keepers, a business corporation, requests approval to obtain licensure as a home care services agency under Article 36 of the Public Health Law.

L.A.M. Care, Inc. has proposed to operate as a Franchise of CK Franchising, Inc.

L.A.M. Care, Inc., d/b/a Comfort Keepers has authorized 200 shares of stock which are owned as follows: Lisa A. McNee owns 1 share and the remaining 199 shares are unissued.

The Board of Directors of L.A.M. Care, Inc., d/b/a Comfort Keepers is comprised of the following individual:

Lisa A. McNee – President
President/Owner, L.A.M. Care, Inc. d/b/a Comfort Keepers (Companion Care)

A search of the individual named above revealed no matches on either the Medicaid Disqualified Provider List or the OIG Exclusion List.

The applicant proposes to serve the residents of the following counties from an office located at 1501 Broadway, 12th Floor, New York, New York 10036:

Bronx Kings New York Queens Richmond

The applicant proposes to provide the following health care services:

Nursing Personal Care Homemaker

Review of the Personal Qualifying Information indicates that the applicant has the required character and competence to operate a licensed home care services agency.

Contingency

Submission of any and all information requested by the Division of Legal Affairs, in a form and manner acceptable to the Department.

Recommendation: Contingent Approval
Date: April 11, 2017

Licensed Home Care Services Agency
Character and Competence Staff Review

Name of Agency: Divinity Care at Home, Inc.
Address: New York
County: New York
Structure: For-Profit Corporation
Application Number: 2578L

Description of Project:

Divinity Care at Home, Inc., a business corporation, requests approval to obtain licensure as a home care services agency under Article 36 of the Public Health Law.

Divinity Care at Home, Inc. has authorized 5,000,000 shares of stock which are owned solely by Marc Farina.

The Board of Directors of Divinity Care at Home, Inc. is comprised of the following individual:

Marc Farina – President
Healthcare Management Consultant, The Thomas Healthcare Group, LLC

A search of the individual named above revealed no matches on either the Medicaid Disqualified Provider List or the OIG Exclusion List.

The applicant proposes to serve the residents of the following counties from an office located at 75 East End Avenue, Suite 11H, New York, New York 10028:

Bronx	Kings	New York
Queens	Richmond	Westchester

The applicant proposes to provide the following health care services:

Nursing	Home Health Aide	Personal Care
Physical Therapy	Occupational Therapy	Medical Social Services
Speech-Language Pathology	Homemaker	Housekeeper
Nutrition		

Review of the Personal Qualifying Information indicates that the applicant has the required character and competence to operate a licensed home care services agency.

Contingency

Submission of any and all information requested by the Division of Legal Affairs, in a form and manner acceptable to the Department.

Recommendation: Contingent Approval
Date: April 26, 2017

Licensed Home Care Services Agency
Character and Competence Staff Review

Name of Agency: Rosetta Care, Inc.
Address: Brooklyn
County: Kings
Structure: For-Profit Corporation
Application Number: 2584L

Description of Project:

Rosetta Care, Inc., a business corporation, requests approval to obtain licensure as a home care services agency under Article 36 of the Public Health Law.

The applicant has authorized 100 shares of stock with all 100 shares issued to Marianne Wong as the sole shareholder.

The Board of Directors of Rosetta Care, Inc. is comprised of the following individual:

Marianne Wong
President/General Manager, Rosetta Care, Inc.
(companion care company)

A search of the individual and entity named above revealed no matches on either the Medicaid Disqualified Provider List or the OIG Exclusion List.

The applicant proposes to serve the residents of the following counties from an office located at 223 Jay Street, Unite 308, Brooklyn, New York 11201:

Bronx Kings New York Richmond Queens

The applicant proposes to provide the following health care services:

Nursing Home Health Aide Personal Care Homemaker Housekeeper

Review of the Personal Qualifying Information indicates that the applicant has the required character and competence to operate a licensed home care services agency.

Contingency

Submission of any and all information requested by the Division of Legal Affairs, in a form and manner acceptable to the Department.

Recommendation: Contingent Approval
Date: April 18, 2017

Licensed Home Care Services Agency
Character and Competence Staff Review

Name of Agency: Covenant Home Health Care Services Inc.
Address: Jamaica
County: Queens
Structure: For-Profit Corporation
Application Number: 2602L

Description of Project:

Covenant Home Health Care Services Inc., a business corporation, requests approval to obtain licensure as a home care services agency under Article 36 of the Public Health Law.

The applicant has authorized 20,000 shares of stock which are owned as follows: Marie Nicole Cadet-Alerte owns 14,000 shares and Michelle Alerte owns 6,000 shares.

The Board of Directors of Covenant Home Health Care Services, Inc. comprises the following individuals:

Marie Nicole Cadet-Alerte, MD, President
Physician in Charge, New York City Department of Health and Mental Hygiene, Bureau of STD

Michelle Alerte, Secretary
Patient Coordinator, City Health Home Care
Contributing Writer/Weekend Editor, Madame Noire
Contributing Writer, Short And Sweet
Contributing Writer, Cuisine Noir

A search of the individuals named above revealed no matches on either the Medicaid Disqualified Provider List or the OIG Exclusion List.

The Office of the Professions of the State Education Department indicates no issues with the licenses of the healthcare professionals associated with this application.

The applicant proposes to serve the residents of the following counties from an office located at 17620 Henley Road, Jamaica, New York 11432:

Queens	Kings	Bronx
New York	Richmond	Nassau

The applicant proposes to provide the following health care services:

Nursing	Home Health Aide	Personal Care
Physical Therapy	Occupational Therapy	Speech-Language Pathology
Medical Social Services	Homemaker	Housekeeper

The applicant has confirmed that the proposed financial/referral structure has been assessed in light of anti-kickback and self-referral laws, with the consultation of legal counsel, and it is concluded that the proceeding with the proposal is appropriate.

Review of the Personal Qualifying Information indicates that the applicant has the required character and competence to operate a licensed home care services agency.

Contingency

Submission of any and all information requested by the Division of Legal Affairs, in a form and manner acceptable to the Department.

Recommendation: Contingent Approval
Date: April 11, 2017

Licensed Home Care Services Agency
Character and Competence Staff Review

Name of Agency: Triple J and A Corporation d/b/a Right at Home South Shore Long Island
Address: Farmingdale
County: Nassau
Structure: For-Profit Corporation
Application Number: 2614L

Description of Project:

Triple J and A Corporation d/b/a Right at Home South Shore Long Island, a business corporation, requests approval to obtain licensure as a home care services agency under Article 36 of the Public Health Law.

Triple J and A Corporation has proposed to operate as a Franchisee of Right at Home, Inc.

The applicant has authorized 200 shares of stock which are solely owned by Anthony J. Gagliano.

The Board of Directors of Triple J and A Corporation d/b/a Right at Home South Shore Long Island comprises the following individual:

Anthony J. Gagliano, President
FINRA Series 7, 55 (Unregistered)
Owner/President, Triple J and A Corporation d/b/a Right at Home South Shore Long Island
(Companion Care)

A search of the individual named above revealed no matches on either the Medicaid Disqualified Provider List or the OIG Exclusion List.

The applicant proposes to serve the residents of the following counties from an office located at 1111 Route 110, Suite 212, Farmingdale, New York 11735:

Nassau Suffolk

The applicant proposes to provide the following health care services:

Nursing Home Health Aide Personal Care Homemaker

Review of the Personal Qualifying Information indicates that the applicant has the required character and competence to operate a licensed home care services agency.

Contingency

Submission of any and all information requested by the Division of Legal Affairs, in a form and manner acceptable to the Department.

Recommendation: Contingent Approval
Date: April 18, 2017

Licensed Home Care Services Agency
Character and Competence Staff Review

Name of Agency: GSNY Home Care Services, Inc.
Address: Astoria
County: Queens
Structure: For-Profit Corporation
Application Number: 2632L

Description of Project:

GSNY Home Care Services, Inc., a business corporation, requests approval to obtain licensure as a home care services agency under Article 36 of the Public Health Law.

GSNY Home Care Services, Inc. has authorized 200 shares of stock which are owned as follows:
Elena Sevastyanova – 98 shares and Alfia Gimadeeva – 102 shares.

The Board of Directors of GSNY Home Care Services, Inc. is comprised of the following individuals:

Elena Sevastyanova, RN – Chairperson, Secretary
Chief Executive Officer/Chief Compliance Officer, GSNY Home Care Services, Inc. (CDPAP Fiscal Intermediary)

Alfia Gimadeeva, HHA – Treasurer
Administrator/Chief Financial Officer, GSNY Home Care Services, Inc. (CDPAP Fiscal Intermediary)

A search of the individuals named above revealed no matches on either the Medicaid Disqualified Provider List or the OIG Exclusion List.

The Office of Professions of the State Education Department indicates no issues with the licensure of the health care professional associated with this application.

A search of the individual named above on the New York State Home Care Registry revealed that the individual is certified as a HHA and has no convictions or findings.

The applicant proposes to serve the residents of the following counties from an office located at 2512 14th Place, Astoria, New York 11102:

Bronx	Kings	New York
Queens	Richmond	Westchester

The applicant proposes to provide the following health care services:

Nursing	Home Health Aide	Personal Care
Physical Therapy	Occupational Therapy	Respiratory Therapy
Speech-Language Pathology	Audiology	Medical Social Services
Nutrition	Homemaker	Housekeeper
Medical Equipment, Supplies & Appliances		

Review of the Personal Qualifying Information indicates that the applicant has the required character and competence to operate a licensed home care services agency.

Contingency

Submission of any and all information requested by the Division of Legal Affairs, in a form and manner acceptable to the Department.

Recommendation: Contingent Approval
Date: April 17, 2017

Licensed Home Care Services Agency
Character and Competence Staff Review

Name of Agency: ABJ Home Care Inc
Address: Bayside
County: Queens
Structure: For-Profit Corporation
Application Number: 151286

Description of Project:

ABJ Home Care Inc, a business corporation, requests approval to obtain licensure as a home care services agency under Article 36 of the Public Health Law.

The applicant has authorized 200 shares of stock which are owned as follows: Yanyi Yuan owns 68 shares, Jun Lin owns 66 shares and Siukuen Wong owns 66 shares.

The Board of Directors of ABJ Home Care Inc comprises the following individuals:

Yanyi Yuan, RN, BSN – President RN, Nursing Personnel Homecare, Inc.	Jun Lin – Vice-President Secretary, HK Pharmacy
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Siukuen Wong - Secretary/Treasurer
Customer Service Representative,
Wellcare Health Plan

A search of the individuals named above revealed no matches on either the Medicaid Disqualified Provider List or the OIG Exclusion List.

The Office of Professions of the State Education Department indicates no issues with the license of the health care professional associated with this application.

The applicant proposes to serve the residents of the following counties from an office located at 204-27 45 Road, 2nd Floor, Bayside, New York 11361:

Queens	Bronx	New York
Kings	Richmond	Nassau

The applicant proposes to provide the following health care services:

Nursing	Home Health Aide	Personal Care
Physical Therapy	Speech-Language Pathology	Audiology
Medical Social Services	Nutrition	Homemaker
Housekeeper		

Review of the Personal Qualifying Information indicates that the applicant has the required character and competence to operate a licensed home care services agency.

Contingency

Submission of any and all information requested by the Division of Legal Affairs, in a form and manner acceptable to the Department.

Recommendation: Contingent Approval
Date: April 13, 2017

Licensed Home Care Services Agency
Character and Competence Staff Review

Name of Agency: Caring Family Home Care Inc.
Address: Suffern
County: Rockland
Structure: For-Profit Corporation
Application Number: 151306

Description of Project:

Caring Family Home Care Inc, a business corporation, requests approval to obtain licensure as a home care services agency under Article 36 of the Public Health Law.

Caring Family Home Care Inc. has authorized 200 shares of stock which are owned solely by Veronica Jones.

The Board of Directors of Caring Family Home Care Inc. is comprised of the following individuals:

Veronica Jones, RN – President
Allied Health Clinical Instructor, The College of Westchester
Certified Adult Education Allied Health Instructor, Rockland County BOCES

John Hochheim – Vice-President
Diesel Mechanic, Tuxedo Park Department of Public Works

A search of the individuals named above revealed no matches on either the Medicaid Disqualified Provider List or the OIG Exclusion List.

The Office of Professions of the State Education Department indicates no issues with the license of the health care professional associated with this application.

The applicant proposes to serve the residents of the following counties from an office located at 141 Wayne Avenue, Suffern, New York 10901:

Rockland	Orange	Putnam
Westchester	Bronx	

The applicant proposes to provide the following health care services:

Nursing	Home Health Aide	Personal Care
Physical Therapy	Respiratory Therapy	Occupational Therapy
Speech-Language Pathology	Audiology	Medical Social Services
Nutrition	Homemaker	Housekeeper

Review of the Personal Qualifying Information indicates that the applicant has the required character and competence to operate a licensed home care services agency.

Contingency

Submission of any and all information requested by the Division of Legal Affairs, in a form and manner acceptable to the Department.

Recommendation: Contingent Approval
Date: April 10, 2017

Licensed Home Care Services Agency
Character and Competence Staff Review

Name of Agency: Brooklyn Care LLC d/b/a ComForCare
Address: Brooklyn
County: Kings
Structure: Limited Liability Company
Application Number: 151318

Description of Project:

Brooklyn Care LLC d/b/a ComForCare, a limited liability company, requests approval to obtain licensure as a home care services agency under Article 36 of the Public Health Law.

Brooklyn Care LLC proposes to operate as a Franchisee of ComForcare Health Care Holdings, Inc.

The membership of Brooklyn Care LLC d/b/a ComForCare comprises the following individuals:

Alan Wasser – 50%
Owner Operator/Managing Member, Brooklyn Care LLC d/b/a ComForCare (companion care)
President, Alan Wasser Associates, LLC

Dmitry Karpov, HHA – 50%
Owner Operator/Managing Member, Brooklyn Care LLC d/b/a ComForCare (companion care)

A search of the individuals named above revealed no matches on either the Medicaid Disqualified Provider List or the OIG Exclusion List.

The New York State Home Care Registry indicates no issues with the certification of the health care professional associated with this application.

The applicant proposes to serve the residents of the following counties from an office located at 2467 Ocean Avenue, Suite C, Brooklyn New York 11229:

Kings	Queens	New York
Bronx	Richmond	Nassau

The applicant proposes to provide the following health care services:

Nursing	Home Health Aide	Personal Care
Homemaker	Housekeeper	

Review of the Personal Qualifying Information indicates that the applicant has the required character and competence to operate a licensed home care services agency.

Contingency

Submission of any and all information requested by the Division of Legal Affairs, in a form and manner acceptable to the Department.

Recommendation: Contingent Approval
Date: April 10, 2017

Licensed Home Care Services Agency
Character and Competence Staff Review

Name of Agency: Enriched Home Care Agency, Inc.
Address: Brooklyn
County: Kings
Structure: For-Profit Corporation
Application Number: 151346

Description of Project:

Enriched Home Care Agency, Inc., a business corporation, requests approval to obtain licensure as a home care services agency under Article 36 of the Public Health Law.

Enriched Home Care Agency, Inc. has authorized 200 shares of stock which are solely owned by Zinovy Kerzhner.

The Board of Directors of Enriched Home Care Agency, Inc. is comprised of the following individuals:

Klara Kerzhner, HHA– President
HHA, BNV Home Care Agency, Inc.

Zinovy Kerzhner – Vice-President
Vice-President/Secretary/Treasurer,
Enriched Adult Day Care Services, Inc. (Social Adult Day Care)

A search of the individuals named above revealed no matches on either the Medicaid Disqualified Provider List or the OIG Exclusion List.

A search of the individual named above on the New York State Home Care Registry revealed that the individual is certified as a HHA, currently employed as a HHA, and has no convictions or findings.

The applicant proposes to serve the residents of the following counties from an office located at 7712 New Utrecht Avenue, Brooklyn, New York 11214:

Bronx	Kings	New York
Queens	Richmond	Nassau

The applicant proposes to provide the following health care services:

Nursing	Home Health Aide	Personal Care
Physical Therapy	Respiratory Therapy	Occupational Therapy
Speech-Language Pathology	Audiology	Medical Social Services
Nutrition	Homemaker	Housekeeper

Review of the Personal Qualifying Information indicates that the applicant has the required character and competence to operate a licensed home care services agency.

Contingency

Submission of any and all information requested by the Division of Legal Affairs, in a form and manner acceptable to the Department.

Recommendation: Contingent Approval
Date: April 18, 2017

Licensed Home Care Services Agency
Character and Competence Staff Review

Name of Agency: Family and Child Service of Schenectady, Inc.
 Address: Schenectady
 County: Schenectady
 Structure: Not-For-Profit Corporation
 Application Number: 152037

Description of Project:

Family and Child Service of Schenectady, Inc., a not-for-profit corporation, requests approval to obtain licensure as a home care services agency under Article 36 of the Public Health Law.

Family and Child Service of Schenectady, Inc. currently provides services under the auspices of New York State Office for People with Developmental Disabilities (OPWDD). Family and Child Service of Schenectady, Inc. has a contract with NYS through OPWDD to provide reimbursement grants to individuals with disabilities.

The Board of Directors of Family and Child Service of Schenectady, Inc. comprises the following individuals:

Jeremy Noble, CPA, CGMA, MST, President Director of Finance and Operations, Horizon Bradco	Elaine Pickett, Vice-President Retired
Megan M. Haessig, Secretary Teacher, Ballston Spa Central School District	Scott A. Gushlaw, Treasurer Global Tax Director, Angio Dynamics
Palmer N. Fagnoli, Jr., Member Executive Vice President, The Stockade Consulting Group	Lori Anne Harris (FKA Lori Anne Mather), Member Owner/Sales, HMS Agency, Inc.
David J. Hassoun, Member Associate Director Network, United Healthcare	Adam Langford, Member Claims Quality Business Manager, United Healthcare
Christopher J. LaPorta, MBA, Member FINRA Series 7, 63, 65, 31 Director Private Client Group, Fenimore Asset Management, Inc.	Pamela Menton, Member Systems Analyst, United Healthcare
Deneen M. Palmateer (FKA Deneen M. Gill), Member New York State Notary Public Communications Specialist, GE Power	Cora Schroeter, MBA, Member Office Manager, United States House of Representatives (Congressman Paul D. Tonko)

A search of the individuals named above revealed no matches on either the Medicaid Disqualified Provider List or the OIG Exclusion List.

The Office of Professions of the State Education Department indicates no issues with the license of the Certified Public Accountant associated with this application.

The State of New York State Education Department indicates no issues with the certification of the Teacher associated with this application.

The State of New York, Department of State, Division of Licensing Services indicates no issues with the license of the Notary Public associated with this application.

The Financial Industry Regulatory Authority (FINRA) indicates no issues with the certifications of the Broker associated with this application.

The applicant proposes to serve the residents of the following counties from an office located at 246 Union Street, Schenectady, New York 12305:

Schenectady	Albany	Saratoga
Schoharie	Rensselaer	Warren
Montgomery	Fulton	Columbia

The applicant proposes to provide the following health care services:

Nursing	Homemaker
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Review of the Personal Qualifying Information indicates that the applicant has the required character and competence to operate a licensed home care services agency.

Contingency

Submission of any and all information requested by the Division of Legal Affairs, in a form and manner acceptable to the Department.

Recommendation: Contingent Approval

Date: April 28, 2017

Licensed Home Care Services Agency
Character and Competence Staff Review

Name of Agency: LI Home Care Services, Inc. d/b/a SeniCare Plus
Address: Carle Place
County: Nassau
Structure: For-Profit Corporation
Application Number: 152087

Description of Project:

LI Home Care Services, Inc. d/b/a SeniCare Plus, a business corporation, requests approval to obtain licensure as a home care services agency under Article 36 of the Public Health Law.

LI Home Care Services, Inc. d/b/a SeniCare Plus has authorized 2,000,000 shares of stock which are owned solely by Olga Lozano.

The Board of Directors of LI Home Care Services, Inc. d/b/a SeniCare Plus is comprised of the following individuals:

Olga Lozano – President/Secretary Certified Medical Assistant, Phlebotomist, & EKG Tech – currently unemployed	Carlos Lozano – Vice-President/Treasurer Senior Mortgage Loan Officer, Bank of America
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A search of the individuals named above revealed no matches on either the Medicaid Disqualified Provider List or the OIG Exclusion List.

The applicant proposes to serve the residents of the following counties from an office located at 209 Glen Cove Road, Suite 321, Carle Place, New York 11514:

Nassau	Suffolk	Queens
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The applicant proposes to provide the following health care services:

Nursing	Home Health Aide	Personal Care
Physical Therapy	Respiratory Therapy	Occupational Therapy
Speech-Language Pathology	Audiology	Medical Social Services
Nutrition	Homemaker	Housekeeper

Carlos Lozano disclosed that he was previously involved in IRS proceedings regarding a failure to file personal income taxes. A tax lien was filed against him on December 11, 2007. An offer of compromise was accepted and he satisfied the tax requirements of section 6325 Internal Revenue Service. The lien was released on November 13th 2014.

Review of the Personal Qualifying Information indicates that the applicant has the required character and competence to operate a licensed home care services agency.

Contingency

Submission of any and all information requested by the Division of Legal Affairs, in a form and manner acceptable to the Department.

Recommendation: Contingent Approval
Date: April 19, 2017

Licensed Home Care Services Agency
Character and Competence Staff Review

Name of Agency: B-Well Home Care Agency, Inc.
Address: Staten Island
County: Richmond
Structure: For-Profit Corporation
Application Number: 152088

Description of Project:

B-Well Home Care Agency, Inc., a business corporation, requests approval to obtain licensure as a home care services agency under Article 36 of the Public Health Law.

B-Well Home Care Agency, Inc. has authorized 200 shares of stock which are owned as follows:

Dinara Litmanovich, RN – 66.6 shares
Galya Magzan, RN – 66.6 shares
Liliya Gayevaya, RN – 66.6 shares

The Board of Directors of B-Well Home Care Agency, Inc. is comprised of the following individuals:

Dinara Litmanovich, RN – President
Assessment RN, Health First Senior Health Partners
Visiting Nurse, Prime Home Care

Galya Magzan, RN – Vice-President
Nurse Care Manager, Agewell New York

Liliya Gayevaya, RN – Assistant Administrator
Registered Nurse, Coney Island Hospital
Visiting Nurse, ElderServe Home Care

Margaret Gritten-Williams, RN – Treasurer
RN-IDT Manager, CenterLight Health System

Irina Nayshlos, RN – Secretary
Intake Specialist, Fidelis Care at Home- MLTC

Hortense Jackson, RN – Chairperson
Director of Patient Services, CareLink, Inc.

A search of the individuals named above revealed no matches on either the Medicaid Disqualified Provider List or the OIG Exclusion List.

The Office of Professions of the State Education Department indicates no issues with the licenses of the health care professionals associated with this application.

The applicant proposes to serve the residents of the following counties from an office located at 143 Alex Circle, Staten Island, New York 10305:

Richmond
Kings

Bronx
Queens

New York

The applicant proposes to provide the following health care services:

Nursing	Home Health Aide	Personal Care
Physical Therapy	Nutrition	Occupational Therapy
Medical Social Services		

Review of the Personal Qualifying Information indicates that the applicant has the required character and competence to operate a licensed home care services agency.

Contingency

Submission of any and all information requested by the Division of Legal Affairs, in a form and manner acceptable to the Department.

Recommendation: Contingent Approval

Date: April 17, 2017

Licensed Home Care Services Agency
Character and Competence Staff Review

Name of Agency: Healthy Life Home Care, Inc.
Address: Brooklyn
County: Kings
Structure: For-Profit Corporation
Application Number: 152097

Description of Project:

Healthy Life Home Care, Inc., a business corporation, requests approval to obtain licensure as a home care services agency under Article 36 of the Public Health Law.

Healthy Life Home Care, Inc. has authorized 200 shares of stock which are owned solely by Jingling Tang, MD.

The Board of Directors of Healthy Life Home Care, Inc. is comprised of the following individual:

Jingling Tang, MD – President
Practitioner/Owner, International Rehab Medical Office, PC (private practice)
Program Director/Owner, Sweet Home Senior Daycare, Inc. (social day care)

A search of the individual named above revealed no matches on either the Medicaid Disqualified Provider List or the OIG Exclusion List.

The Office of Professions of the State Education Department indicates no issues with the license of the health care professional associated with this application.

The applicant has confirmed that the proposed financial/referral structure has been assessed in light of anti-kickback and self-referral laws, with the consultation of legal counsel, and it is concluded that proceeding with the proposal is appropriate.

The applicant proposes to serve the residents of the following counties from an office located at 1775 Bay Ridge Parkway, Brooklyn, New York 11230:

Kings	Queens	Bronx
New York	Richmond	Westchester

The applicant proposes to provide the following health care services:

Nursing	Home Health Aide	Personal Care
Physical Therapy	Respiratory Therapy	Occupational Therapy
Speech-Language Pathology	Audiology	Medical Social Services
Nutrition	Homemaker	Housekeeper

Review of the Personal Qualifying Information indicates that the applicant has the required character and competence to operate a licensed home care services agency.

Contingency

Submission of any and all information requested by the Division of Legal Affairs, in a form and manner acceptable to the Department.

Recommendation: Contingent Approval
Date: April 25, 2017

Licensed Home Care Services Agency
Character and Competence Staff Review]

Name of Agency: Rehoboth Elderly Care and Companionship LLC
Address: Levittown
County: Nassau
Structure: Limited Liability Company
Application Number: 152102

Description of Project:

Rehoboth Elderly Care and Companionship LLC, a limited liability company, requests approval to obtain licensure as a home care services agency under Article 36 of the Public Health Law.

The following individual is the sole member of Rehoboth Elderly Care and Companionship, LLC:

Berhony Riche
Cardiac Monitor Technician, North Shore Long Island Jewish Hospital/Huntington Hospital
Substitute teacher/special education, Board of Cooperative Services for Nassau County (BOCES)

A search of the individual and entity named above revealed no matches on either the Medicaid Disqualified Provider List or the OIG Exclusion List.

The applicant proposes to serve the residents of the following counties from an office located at 67 Emerson Avenue, Levittown, New York, 11756:

Nassau Suffolk Queens

The applicant proposes to provide the following health care services:

Nursing	Home Health Aide	Personal Care	Medical Social Services
Occupational Therapy	Respiratory Therapy	Audiology	Speech-Language Pathology
Physical Therapy	Nutrition	Homemaker	Housekeeper

Review of the Personal Qualifying Information indicates that the applicant has the required character and competence to operate a licensed home care services agency.

Contingency

Submission of any and all information requested by the Division of Legal Affairs, in a form and manner acceptable to the Department.

Recommendation: Contingent Approval
Date: April 18, 2017

Licensed Home Care Services Agency
Character and Competence Staff Review]

Name of Agency: Buffalo Homecare Inc.
Address: Clarence
County: Erie
Structure: For-Profit Corporation
Application Number: 161135

Description of Project:

Buffalo Homecare Inc., a business corporation, requests approval to obtain licensure as a home care services agency under Article 36 of the Public Health Law.

The applicant has authorized 20,000 shares of stock, which are owned as follows:

Igor Yuzbashev – 15,000 Shares Vice President, Buffalo Transportation, Inc.	Rafael Sarkisov, RN – 5,000 Shares Intake RN, Prime Home Health Services Urgent Care Nurse, Block Institute Real Estate Agent, Nord East Realty
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The Board of Directors of Buffalo Homecare Inc. is comprised of the following individuals:

Igor Yuzbashev – Chairman/President/Treasurer/Secretary (Previously Disclosed)	Rafael Sarkisov, RN – Vice President (Previously Disclosed)
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The Office of the Professions of the State Education Department indicates no issues with the licensure of the health professional associated with this application.

A search of the individuals named above revealed no matches on either the Medicaid Disqualified Provider List or the OIG Exclusion List.

The applicant proposes to serve the residents of the following counties from an office located at 5585 Marthas Vineyard, Clarence, New York 14032:

Cattaraugus Genesee	Chautauqua Niagara	Erie Wyoming
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The applicant proposes to provide the following health care services:

Nursing	Home Health Aide	Personal Care	Medical Social Services
Occupational Therapy	Respiratory Therapy	Audiology	Speech-Language Pathology
Physical Therapy	Nutrition	Homemaker	Housekeeper

Review of the Personal Qualifying Information indicates that the applicant has the required character and competence to operate a licensed home care services agency.

Contingency

Submission of any and all information requested by the Division of Legal Affairs, in a form and manner acceptable to the Department.

Recommendation: Contingent Approval
Date: April 13, 2017

Licensed Home Care Services Agency
Character and Competence Staff Review

Name of Agency: Specialty Pharmacy Nursing Network, Inc.
Address: Albany
County: Albany
Structure: For-Profit Corporation
Application Number: 162108

Description of Project:

Specialty Pharmacy Nursing Network, Inc., a foreign business corporation formed in the State of Florida, requests approval to obtain licensure as a home care services agency under Article 36 of the Public Health Law.

Specialty Pharmacy Nursing Network, Inc. has authorized 1000 shares of stock which are owned solely by Cherylann Gregory.

The Board of Directors of Specialty Pharmacy Nursing Network, Inc. is comprised of the following individuals:

Cherylann Gregory, RN – President
President/CEO, Specialty Pharmacy Nursing
Network, Inc. (FL)

Thomas Gregory – Secretary/Treasurer
Secretary/CFO, Specialty Pharmacy Nursing
Network, Inc. (FL)

Affiliation

Specialty Pharmacy Nursing Network, Inc.
(Florida Home Care Service Pool)

Affiliation

Specialty Pharmacy Nursing Network, Inc.
(Florida Home Care Service Pool)

William Gregory – Chief Operations Officer
COO, Specialty Pharmacy Nursing Network,
Inc. (FL)

Affiliation

Specialty Pharmacy Nursing Network, Inc.
(Florida Home Care Service Pool)

A search of the individuals named above revealed no matches on either the Medicaid Disqualified Provider List or the OIG Exclusion List.

The Department of Health of the State of Florida indicates no issues with the license of the healthcare professional associated with this application.

The applicant proposes to serve the residents of the following counties from an office located in Albany.

Albany
Rensselaer
Warren

Columbia
Saratoga
Washington

Fulton
Schenectady

Montgomery
Schoharie

The applicant proposes to provide the following health care services:

Nursing

A seven (7) year review of the operations of the following facilities/ agencies was performed as part of this review (unless otherwise noted):

Specialty Pharmacy Nursing Network, Inc.

The information received from the State of Florida indicates that Specialty Pharmacy Nursing Network, Inc is currently in compliance and that no enforcement actions have been taken against the agency between April 28, 2015 and April 18, 2017.

Review of the Personal Qualifying Information indicates that the applicant has the required character and competence to operate a licensed home care services agency.

Contingency

Submission of any and all information requested by the Division of Legal Affairs, in a form and manner acceptable to the Department.

Recommendation: Contingent Approval
Date: April 18, 2017

Licensed Home Care Services Agency
Character and Competence Staff Review

Name of Agency: American Outcomes Management, LP
 Address: New York
 County: New York
 Structure: Limited Partnership
 Application Number: 2072L

Description of Project:

American Outcomes Management, LP, a Texas limited partnership, requests approval for a change in ownership of a licensed home care services agency under Article 36 of the Public Health Law.

American Outcomes Management Inc. of New York was previously approved as a home care services agency by the Public Health Council at its September 25, 1998 meeting and subsequently licensed as 0759L001 and 0759L002. At that time, the shareholders consisted of Samuel L. Jampolis, MD, Kevin O'Connor and Cathy Cannon, RN.

The partners of American Outcomes Management, LP are American Outcomes Management, Inc. of New York which owns 98% limited partner interest and 1% general partner interest and AOM-NY Holding, Inc. which owns 1% limited partner interest.

American Outcomes Management Inc. of New York, a Delaware Corporation has authorized and issued a total of 3,000 shares that are owned as follows:

Samuel Jampolis, MD – 2,156 shares Physician – Radiation Oncologist CEO/President, American Outcomes Management, LP	Catherine Cannon, RN – 660 shares Sales Representative, American Outcomes Management, LP
Jampolis Annuity Trust - 184 shares (Trustee – Samuel Jampolis, MD)	

The Board of Directors of American Outcomes Management, Inc. of New York is comprised of the following individuals:

Samuel Jampolis, MD, Chairman (disclosed above)	Mitchell Hurwitz, Esq. Manager, MSH Asset Management, LLC
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AOM-NY Holding, Inc., a Delaware corporation, has issued and authorized a total of 1,000 shares that are owned as follows:

Samuel Jampolis, MD – 780 shares (disclosed above)	Catherine Cannon, RN – 220 shares (disclosed above)
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The Board of Directors of AOM-NY Holding, Inc is comprised of the following individuals:

Samuel Jampolis, MD, Chairman (disclosed above)	Mitchell Hurwitz, Esq., Board Member (disclosed above)
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A search of the individuals named above revealed no matches on either the Medicaid Disqualified Provider List or the OIG Exclusion List.

A Certificate of Good Standing from the State Bar of Texas was received for the attorney.

The applicant has confirmed that the proposed financial/referral structure has been assessed in light of anti-kickback and self-referral laws, with the consultation of legal counsel, and it is concluded that proceeding with the proposal is appropriate.

The applicant proposes to continue to provide nursing services to the residents of the counties indicated from their offices currently located at:

Current License #	Address	Counties Served
0759L001	36 West 37 th St., 5 th Floor New York, NY 10018	Bronx, Kings, Queens, New York, Richmond
0759L002	1 Crossfield Ave., Suite 304 West Nyack, NY 10994	Dutchess, Nassau, Orange, Putnam, Rockland, Suffolk, Sullivan, Ulster, Westchester

A seven (7) year review of the operations of the following facilities/ agencies was performed as part of this review (unless otherwise noted):

American Outcomes Management Inc. of New York
American Outcomes Management, LP (New Jersey)
American Outcomes Management, LP (Texas)

The information provided by the Division of Home and Community Based Services has indicated that the applicant has provided sufficient supervision to prevent harm to the health, safety and welfare of residents and to prevent recurrent code violations.

The information provided by the State of New Jersey indicates that the health care agency did not renew for the 2016-2017 period and was not operational as of December 23, 2016. The state was only able to provide enforcement information for the period of July 1, 2015 through June 30, 2016 and they reported that no enforcement actions were taken.

The information on the Texas Department of Aging and Disability Services website indicates that the health care agency is currently in compliance and has not had any enforcement actions taken against them within the past three years.

Review of the Personal Qualifying Information indicates that the applicant has the required character and competence to operate a licensed home care services agency.

Contingency

Submission of any and all information requested by the Division of Legal Affairs, in a form and manner acceptable to the Department.

Recommendation: Contingent Approval
Date: April 21, 2017

Licensed Home Care Services Agency
Character and Competence Staff Review

Name of Agency: VNA Home Health Services, Inc.
Address: Westchester
County: Westchester
Structure: Not-For-Profit Corporation
Application Number: 162459

Description of Project:

VNA Home Health Services, Inc., a not-for-profit corporation, requests approval for a change in ownership of a home care services agency under Article 36 of the Public Health Law.

The purpose of this application is to establish Northwell Healthcare, Inc., a not-for-profit corporation, as the new sole member (parent) corporation of VNA Home Health Services, Inc. (See Programmatic Attachment A – Proposed Organizational Chart)

VNA Home Health Services, Inc. was previously approved for a change in ownership by the Public Health and Health Planning Council at its December 8, 2011 meeting and continued to be licensed as 9799L001 effective August 6, 2012.

The governing bodies of Northwell Healthcare, Inc. and of Northwell Health, Inc. are identical and consist of the following Board of Trustees members:

Mark L. Claster, Esq.-Retired, FINRA Securities Broker (Chairperson) President, Carl Marks and Company, Inc. (Investment Banking)	Ralph A. Nappi, Esq.-Retired (Executive Vice-Chairperson) Executive Vice Chairman, Northwell Health, Inc., Northwell Healthcare, Inc.
William L. Mack (Vice-Chairperson) Chairman and Founder, Mack Real Estate Group (Real Estate)	Barry Rubenstein (Vice-Chairperson) Managing Partner, Wheatley Partners (Venture Capital Partnership)
Donald Zucker, Real Estate Broker (Secretary) Board Chairman, Donald Zucker Company (Real Estate Development)	Alan I. Greene, FINRA Securities Broker / Investment Adviser (Treasurer) Managing Director, Neuberger Berman, LLC (Investment Management)
Richard D. Goldstein, Esq. (Immediate Past Chairman) Chairman and CEO, AEP Capital, LLC (Merchant and Investment Banking)	Michael J. Dowling (President and CEO) President and CEO, Northwell Health, Inc., Northwell Healthcare, Inc.
Frank J. Besignano Manager of Business Development, Signature Bank (Banking) Additional Affiliation 1991 - present: Visiting Nurse Association of Staten Island (CHHA and LTHHCP)	Roger A. Blumencranz Insurance Broker / Insurance Agent (NY, CT, FL, NC, NJ, OH, PA, TX, WI) Managing Director, BWD Group, LLC (Insurance Brokerage Firm)

Robert W. Chasanoff Partner, Chasanoff Properties (Commercial Building Development)	Michael A. Epstein, Esq. Partner, Weil Gotshal and Manges, LLP (Law Firm) Additional Affiliation 2002 - present: Jewish Board of Family and Children Services (OMH-licensed Mental Health Provider)
Michael E. Feldman, Esq.-Retired Retired	Catherine C. Foster Faculty, Columbia University (Higher Education)
William H. Frazier, FINRA Securities Broker Managing Partner, Gates Capital Corporation (Securities)	Lloyd M. Goldman, Insurance Licensure (CT-expired 1999) President, BLDG Management Company (Building Management)
Paul B. Guenther Retired	William O. Hiltz, FINRA Securities Broker Senior Managing Director, Evercore Partners (Investment Banking)
Nancy J. Karch Retired	Saul B. Katz, CPA President and COO, Sterling Equities, Inc. (Investments) Additional Affiliation: The Feinstein Institute for Medical Research (Research Institute)
Cary A. Kravet, Esq.-Retired President, Kravet, Inc. (Home Textiles Wholesaler)	Jeffrey B. Lane Chairman, Casa Columbia (Behavioral Health Research and Education), Former Chairman, Lebenthal Holdings, LLC (Financial Services)
Seth B. Lipsay, Esq.-Inactive (PA) Executive Managing Director, New World Realty Management, LLC (Real Estate), Executive Managing Director, Galaxy Fund Management, LLC (Real Estate) Additional Affiliation: The Feinstein Institute for Medical Research (Research Institute)	Francis J. McCarthy, Real Estate Broker President, Site Selection Advisory Group, Inc. (Real Estate) Additional Affiliation 2000 - present: Catholic Charities, Hicksville (Charitable Organization)
Patrick F. McDermott, Financial Planner, FINRA Securities Broker / Investment Adviser, Insurance Agent (expired 1999) Partner, McDermott and Thomas Associates (Financial Planning / Employee Benefits) Additional Affiliation 2010 - present: Albert Einstein College of Medicine (Medical Education)	Richard B. Nye President, Baker Nye Advisors (Investment Management)

Sharon Patterson, Real Estate Broker Real Estate Broker, Edwin Fishel Tuccio Real Estate (Real Estate)	Lewis S. Ranieri, FINRA Securities Broker (expired 2008) Chairman / Senior Managing Partner, Ranieri Partners Management, LLC (Investment Management), Chairman / CEO / Managing Director, Ranieri and Company, Inc. (Investment Management)
Robert D. Rosenthal, Esq., FINRA Securities Broker Chairman and CEO, First Long Island Investors, LLC (Wealth Management)	Richard J. Sinni President and CEO, Veras Management (Consulting Firm)
Roy J. Zuckerberg Self-Employed (Private Investor)	

A search of the individuals named above revealed no matches on either the Medicaid Disqualified Provider List or the OIG Exclusion List.

The NYS Education Department's Office of the Professions, NYS Department of State Occupational Licensing, NYS Unified Court System, NYS Department of Financial Services Insurance Licensing, Wisconsin Office of the Commissioner of Insurance, Connecticut Insurance Department, Florida Department of Financial Services, North Carolina Department of Insurance, New Jersey Department of Banking and Insurance, Ohio Department of Insurance, Pennsylvania Insurance Department, Texas Department of Insurance, FINRA Securities Broker / Investment Adviser Licensing, and the Disciplinary Board of the Supreme Court of Pennsylvania have all indicated that there are no adverse findings, or disciplinary actions or issues, recorded in regard to the licensure of the health professionals and other licensed professionals associated with this application.

In addition, we have received current Certificates of Good Standing for all the attorneys listed above, with the exception of Mr. Lipsay, as his Pennsylvania attorney license is inactive.

Mr. Blumencranz does disclose that the NYS Insurance Department (now known as the NYS Department of Financial Services) did take disciplinary action against his NYS Insurance Agent license 21 years ago (in 1996) for failure to renew his personal and corporate Insurance Agent licenses in a timely manner, by imposing a \$1600 penalty.

The applicant proposes to continue to serve the residents of the following counties from an office located at 540 White Plains Road, Suite 300, Tarrytown, New York 10591:

Westchester

Putnam

The applicant proposes to continue to provide the following health care services:

Nursing

Physical Therapy

Medical Social Services

Home Health Aide

Occupational Therapy

Nutrition

Personal Care Aide

Speech-Language Pathology

A seven (7) year review of the operations of the following facilities/agencies was performed as part of this review (unless otherwise noted):

Northwell Healthcare, Inc. is also the sole member corporation of the following not-for-profit health care corporations and divisions:

Staten Island University Hospital (Hospital)
Staten Island University Hospital University Hospice (Hospice)
Lenox Hill Hospital (Hospital)
Lenox Hill Greenwich Village (Hospital)
Peconic Bay Medical Center (Hospital)
Peconic Bay Skilled Nursing Facility (RHCF)
Peconic Bay Home Health Services (CHHA)
North Shore University Hospital, Inc. (Hospital)
North Shore Home Care (CHHA)
North Shore Home Care (LTHHCP)
Syosset Hospital (Hospital)
Northwell Health Stern Family Center for Rehabilitation (RHCF)
Northern Westchester Hospital (Hospital)
Phelps Hospital (Hospital), and Phelps Hospice (Hospice)
Plainview Hospital (Hospital)
Southside Hospital (Hospital)
Glencove Hospital (Hospital)
Huntington Hospital (Hospital)
Long Island Jewish Medical Center (Hospital)
Long Island Jewish Hospital (Hospital)
Long Island Jewish Medical Center Home Care (CHHA)
Long Island Jewish Hospital Forest Hills (Hospital)
Long Island Jewish Hospital Valley Stream (Hospital)
Cohen Children's Medical Center (Hospital)
The Zucker Hillside Hospital (Hospital)
Orzac Center for Extended Care and Rehabilitation (RHCF)

Northwell Health, Inc., the sole member corporation of Northwell Healthcare, Inc., is also the sole member corporation of the following health care corporations:

The Long Island Home d/b/a Broadlawn Manor Nursing and Rehabilitation Center (not-for-profit RHCF)
The Long Island Home d/b/a South Oaks Hospital (not for profit Article 31 Office of Mental Health and Article 32 Office of Alcoholism and Substance Abuse Services inpatient and outpatient facility)
Northwell Health Laboratories (not-for-profit labs)
Hospice Care Network, d/b/a Hospice Care of Long Island, Queens, South Shore (not-for-profit Hospice)
RegionCare, Inc. (for-profit LHCSA)

The applicant has provided the attached list of legal actions involving Northwell Healthcare, Inc., Northwell Health, Inc., and/or their affiliated health care providers identified above. (see Programmatic Attachment B – Northwell Legal Actions)

The NYS Department of Health Division of Hospitals and Diagnostic and Treatment Centers has reviewed the compliance histories of the affiliated Hospitals for the time period 2010 through 2017, and reported that during that time period, the following enforcement actions were taken:

An enforcement action was taken against Syosset Hospital in 2010 based on a June 2009 survey citing violations pertaining to the care provided to a child having an adenotonsillectomy. It was

determined that the patient was improperly cleared for surgery and that despite multiple comorbidities was not kept for observation post-operatively. The patient subsequently expired following discharge. This enforcement action was resolved with a \$42,000 civil penalty.

An enforcement action was taken against Northern Westchester Hospital in 2016 based on an April, 2016 survey citing violations involving the calling of a code team in a timely way for a newborn baby. Hospital staff were not trained in the code policy and as such did not initiate the code via the proper procedure. The baby ultimately expired. This enforcement action was resolved with a \$10,000 civil penalty.

An enforcement action was taken against Long Island Jewish Medical Center in 2016 based on a July, 2016 survey citing violations that, upon observation of 12 of the 21 running operating rooms, a total of 24 individual staff members were observed not following acceptable standards of practice for Infection Control Practices in the Surgical Areas, specifically regarding the use of proper attire and exposure of hair during procedures. This enforcement action was resolved with a \$4,000 civil penalty.

An enforcement action was taken against Plainview Hospital in 2017 based on a June, 2016 survey citing violations regarding a pattern of infection control practices which were not consistent with accepted Infection Control Standards. This enforcement action was resolved with a \$4,000 civil penalty.

The NYS Department of Health Division of Hospitals and Diagnostic and Treatment Centers reports that the remaining Hospitals had no enforcement actions taken for the time period 2010 through 2017.

The NYS Department of Health Division of Nursing Homes and Intermediate Care Facilities/IID reviewed the compliance histories of all affiliated Nursing Homes for the time period 2010 to 2017, and reported that during that time period, the following enforcement actions were taken:

An enforcement action was taken against Broadlawn Manor Nursing and Rehabilitation Center in 2014 based on a December, 2011 survey citing violations in Quality of Care: Accidents / Supervision; Administration; and Quality Assurance. This enforcement action was resolved with a \$6,000 civil penalty. In addition, a federal Civil Monetary Penalty of \$15,307.50 was imposed.

Another enforcement action was taken against Broadlawn Manor Nursing and Rehabilitation Center in 2016 based on an April, 2014 survey citing violations in Quality of Care: Accident Free Environment; Administration; Administration: Medical Director; and Administration: Quality Assessment and Assurance. This enforcement action was resolved with a \$8,000 civil penalty. Despite similar code citations, the actual incidents resulting in the violations were not the same as the incidents cited in the previous enforcement noted above, and were therefore not considered repeat violations.

Another enforcement action was taken against Broadlawn Manor Nursing and Rehabilitation Center in 2016 based on an October, 2015 survey citing violations in Quality of Care: Highest Practical Potential. This enforcement action was resolved with a \$10,000 civil penalty.

The NYS Department of Health Division of Nursing Homes and Intermediate Care Facilities/IID reports that the remaining Nursing Homes had no enforcement actions taken for the time period 2010 through 2017.

The Division of Home and Community Based Services reviewed the compliance histories of all affiliated Certified Home Health Agencies, Long Term Home Health Care Programs, Licensed Home Care Services Agencies, and Hospices, for the time period 2010 to 2017, and reported that during that time period, the affiliated Certified Home Health Agencies, Long Term Home Health

Care Programs, Licensed Home Care Services Agencies, and Hospices have all remained in compliance with no history of enforcement action taken.

The NYS Department of Health Wadsworth Center's Clinical Laboratory Evaluation Program has reviewed the compliance history of the affiliated Clinical Laboratory for the time period 2010 through 2017, and reported that during that time period, the affiliated Clinical Laboratory has remained in compliance with no history of enforcement action taken.

The NYS Office of Mental Health, Bureau of Inspection and Certification, has reviewed the compliance histories of the two affiliated Mental Health Providers licensed pursuant to Article 31 of the Mental Health Law, for the time period 2010 through 2017, and reported that the two affiliated Mental Health Providers are currently in compliance with no history of enforcement actions being taken by NYS Office of Mental Health for the time period 2010 through 2017. In addition, Northwell Healthcare, Inc., Board of Trustees member Michael Epstein (identified above) does disclose that his affiliated Mental Health Provider, Jewish Board of Family and Children Services, has recently entered into a settlement with the NYS Office of Medicaid Inspector General.

The NYS Office of Alcoholism and Substance Abuse Services (OASAS), Program Review Unit, has reviewed the compliance history of the affiliated Article 32 OASAS-licensed provider, for the time period 2010 through 2017, and reported that the affiliated Article 32 OASAS-licensed provider is currently in compliance with no history of enforcement actions being taken by NYS Office of Alcoholism and Substance Abuse Services for the time period 2010 through 2017.

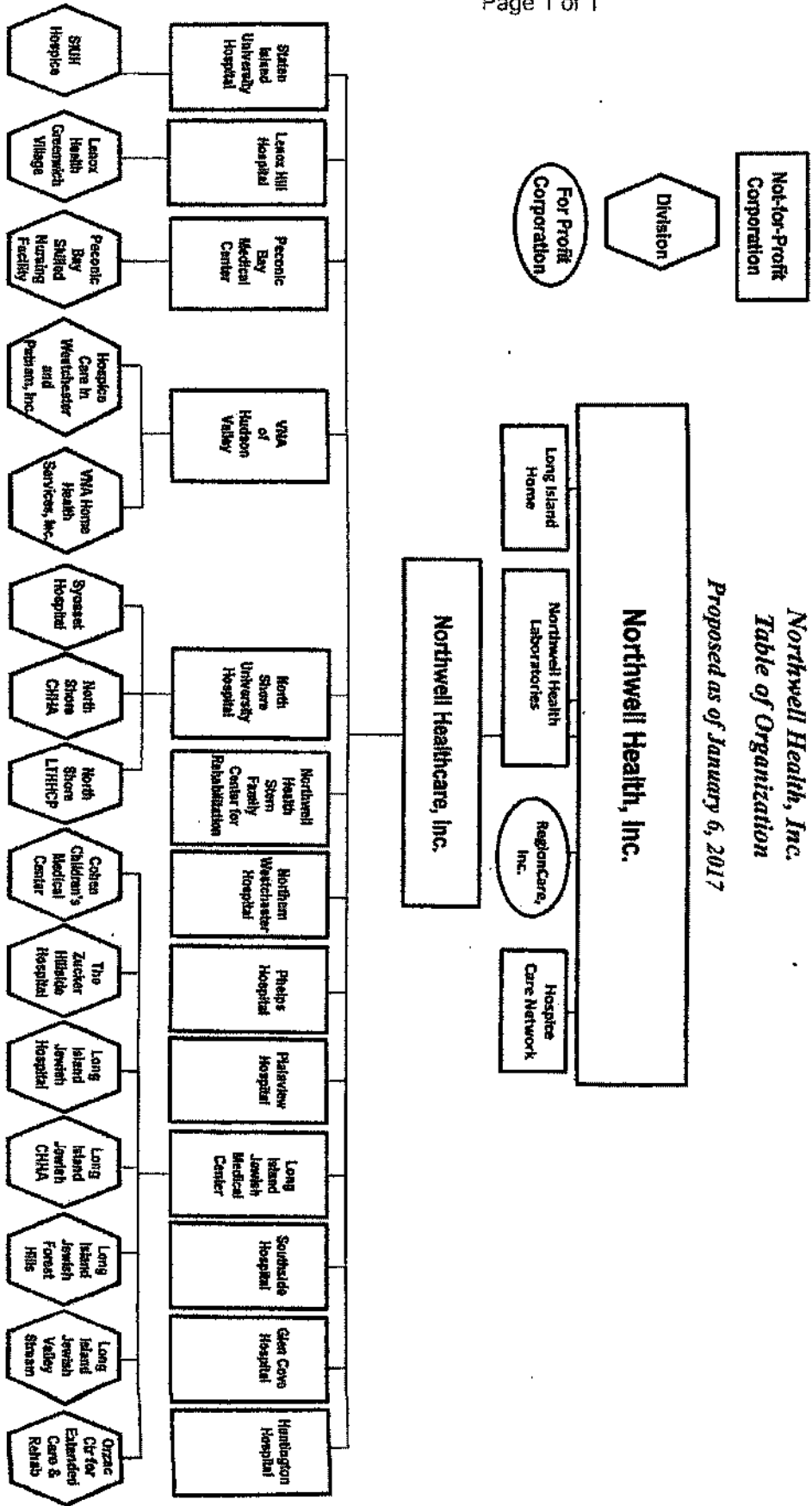
CHHA Quality of Patient Care Star Ratings New York Average: 3 out of 5 stars National Average: 3 out of 5 stars	
CHHA Name	Quality of Care Rating
Long Island Jewish Medical Center Home Care	3.5 out of 5 stars
North Shore Home Care	3.5 out of 5 stars
Peconic Bay Home Health Services	2.5 out of 5 stars
Visiting Nurse Association of Hudson Valley	2.5 out of 5 stars
Visiting Nurse Association of Staten Island	3 out of 5 stars

Review of the Personal Qualifying Information indicates that the applicant has the required character and competence to operate a licensed home care services agency.

Contingency

Submission of any and all information requested by the Division of Legal Affairs, in a form and manner acceptable to the Department.

Recommendation: Contingent Approval
Date: April 19, 2017



Not-for-Profit Corporation

Division

For Profit Corporation

*Northwell Health, Inc.
 Table of Organization*

Proposed as of January 6, 2017

Northwell Health, Inc.

Northwell Healthcare, Inc.

Response to Question 11c)

In September, 2010, claims were settled, involving no findings or admissions or fraud, liability or other wrong doing by North Shore-Long Island Jewish Health System ("NS-LIJ"), involving a qui tam lawsuit filed under the civil False Claims Act ("FCA") by a private party whistleblower in the United State District Court for the Southern District of New York ("SDNY"). The claims were investigated by the United States Attorney's Office for the SDNY and, as a result thereof, NS-LIJ and the government agreed to resolve the matter with a payment of \$2.95 million covering a ten year period. This payment was for isolated errors in certain North Shore University Hospital cost reports that related to the appropriate characterization of "Part B" costs associated with certain overhead expenses, and had little connection with the allegations of the qui tam relator's complaint.

On or about December 1, 2010, the Health System received a letter from the Civil Division of the United States Department of Justice ("DOJ") alleging that, since 2003, certain Health System hospitals may have submitted claims to Medicare for payment for the implantation of implantable cardioverter defibrillators ("ICDs") and related services for which Medicare does not provide coverage, and further alleging potential liability under the federal False Claims Act. In 2016, this investigation was resolved by agreement with DOJ, and the matter is now closed.

On or about November 18, 2010, NSUH, the Health System and certain of their current and former employees received Civil Investigative Demands ("CIDs") issued by the United States Attorney for the Southern District of New York ("USAO/SDNY"). The CIDs sought documents, interviews and other information relating to North Shore University Hospital's ("NSUH") clinical documentation improvement ("CDI") program, which is an initiative undertaken by NSUH and certain other Health System hospitals to ensure compilation of clear, complete, accurate and timely inpatient medical records for the purpose of coding and quality of care. The Health System has produced documents and provided witnesses as required by the initial CIDs and subsequent informal USAO/SDNY requests and has complied with a series of additional document and information requests that have sought medical records from other hospitals affiliated with the Health System, including without limitation Long Island Jewish Medical Center, Southside Hospital ("SH"), Plainview Hospital and Huntington Hospital. Early in the investigation, the USAO/SDNY suggested that it intended to extrapolate liability to the multiple affected hospitals based on a statistical extrapolation methodology and expert coding analysis that the Health System considers to be highly flawed. However, since then, the USAO/SDNY has not made a specific demand for repayment or otherwise articulated the legal and factual bases that in its view support a finding of liability in this matter.

In October 2011, SH learned that the U.S. Attorney's Office for the Western District of New York ("USAO/WDNY") is conducting a review of inpatient admissions for atherectomy procedures, a minimally invasive surgical method used to treat peripheral arterial disease of the lower extremities. Management understands similar requests have been made of other hospitals. The USAO/WDNY initially requested that SH provide information concerning such procedures (but did not issue a subpoena for such information), and SH cooperated with the request. Since the initial request for information, SH has had no further contact from the USAO/WDNY, and at no time has the USAO/WDNY indicated whether it believes SH has any potential liability in this matter.

In June 2012, SIUH received a subpoena from the OIG and the U.S. Attorney's Office for the Eastern District of New York ("USAO/EDNY") requesting documentation relating to services rendered at Staten Island University Hospital's ("SIUH") inpatient specialized burn unit since 2005, including medical and billing records for certain patients who received those services. The requested documentation was provided in the summer of 2012. In June 2013, the USAO/EDNY contacted SIUH with follow-up

questions regarding the material provided, and SIUH provided the requested information. The government has not indicated whether it believes SIUH has any potential liability in this matter.

In October 2012, Lenox Hill Hospital ("LHH") received a letter from SafeGuard Services LLC ("SafeGuard"), a Centers for Medicare & Medicaid Services ("CMS") Program Integrity Contractor, advising that it had reviewed 33 inpatient cardiac stent claims submitted by LHH for 25 Medicare patients that had been paid by National Government Services ("NGS") during the period October 1, 2007 through December 31, 2010. SafeGuard determined that the medical documentation did not support inpatient admission of the patients in a majority of the claims. With respect to a few claims, SafeGuard determined that the documentation did not support the medical necessity of the cardiac stent procedure. Based on this review, SafeGuard requested LHH undertake a self-audit and voluntary disclosure of its billing and claims history for elective cardiac stent admissions during this time period involving in-hospital lengths of stay of two days or less, a discharge to home, and involving specific DRGs. In 2016, LHH completed the self-audit and made a repayment to Medicare.

Response to Question 11d)

In September, 2008, SIUH entered into a global settlement with the United States Attorney's Office for the Eastern District of New York, the Office of the Inspector General of the Department of Health and Human Services, and the Attorney General's Office of the State of New York in which the Hospital agreed to pay \$76.4 million to the federal government and \$12.4 million to the state. SIUH also entered into a Corporate Integrity Agreement with a five-year term. All but \$6.2 million due to the state was paid immediately, with the remaining \$6.2 million due in equal installments over the following three years. The settlement covered payments related to stereotactic radiosurgery treatments; to the operation of a unit to provide detoxification services to individuals when the complement of beds in the Hospital licensed for these services was already full; reimbursement received by SIUH for its graduate medical education program; and the operation of the inpatient psychiatric unit above its certified capacity without the prior approval. The investigation began, to our knowledge, in approximately March, 2003.

Licensed Home Care Services Agency
Character and Competence Staff Review

Name of Agency: Smile Homecare Agency, Inc.
Address: Brooklyn
County: Kings
Structure: For-Profit Corporation
Application Number: 162492

Description of Project:

Smile Homecare Agency, Inc, a business corporation, requests approval for a change in ownership of a licensed home care services agency under Article 36 of the Public Health Law.

Masih Home Care Incorporated, a business corporation, was previously approved as a home care services agency by the Public Health and Health Planning Council at its February 12, 2015 meeting and subsequently assigned license number 2274L001 effective June 29, 2016. At that time, all 200 authorized shares of stock were owned solely by Mana Masih.

Smile Homecare Agency and Masih Home Care Incorporated entered an asset purchase agreement which was executed on January 7, 2017.

Smile Homecare Agency, Inc. has authorized 200 shares of stock which are owned as follows:

Ellen Verny – 100 shares

Yelena Digilova – 100 shares

The Board of Directors of Smile Homecare Agency, Inc. is comprised of the following individuals:

Ellen Verny, LCSW – President
Administrator, Dynasty Social Adult
Day Center, Inc.
Psychotherapist, Professional Counseling
Services LCSW, PLLC

Yelena Digilova – Vice-President
Owner, Dynasty Social Adult Day
Center, Inc.

A search of the individuals named above revealed no matches on either the Medicaid Disqualified Provider List or the OIG Exclusion List.

The Office of Professions of the State Education Department indicates no issues with the license of the health care professional associated with this application.

The applicant proposes to serve the residents of the following counties from an office located at 161 Brighton 11th Street, Suite 1, Brooklyn, New York 11235:

Kings

Queens

Bronx

Richmond

New York

Nassau

The applicant proposes to provide the following health care services:

Nursing
Physical Therapy
Speech-Language Pathology
Nutrition
Medical Equipment, Supplies & Appliances

Home Health Aide
Respiratory Therapy
Audiology
Homemaker

Personal Care
Occupational Therapy
Medical Social Services
Housekeeper

Review of the Personal Qualifying Information indicates that the applicant has the required character and competence to operate a licensed home care services agency.

Contingency

Submission of any and all information requested by the Division of Legal Affairs, in a form and manner acceptable to the Department.

Recommendation: Contingent Approval
Date: March 29, 2017

Licensed Home Care Services Agency
Character and Competence Staff Review

Name of Agency: ProLife Home Care, Inc.
Address: Brooklyn
County: Kings
Structure: For-Profit Corporation
Application Number: 162603

Description of Project:

ProLife Home Care, Inc. requests approval for a change in ownership of a licensed home care services agency under Article 36 of the Public Health Law.

ProLife Home Care, Inc.. (formerly ADC Holdings. Inc.) was previously approved as a home care services agency by the Public Health and Health Planning Council at its December 10, 2015 meeting and subsequently assigned license number 2572L001 effective August 19, 2016. At that time, ADC Holdings. Inc. had authorized 200 shares of stock which were owned solely by Benjamin Epps. ADC Holdings, Inc. underwent a corporate name change to ProLife Home Care, Inc. effective December 2, 2016.

In this proposal, 2KR Holdings, LLC, a limited liability company, proposes to purchase all 200 shares of stock of ProLife Home Care, Inc. and become the parent company. The sole shareholder in ProLife Home Care, Inc. will be 2KR Holdings, LLC.

ProLife Home Care, Inc. and 2KR Holdings, LLC entered into a management agreement which was approved by the NYS Department of Health on February 3, 2017.

The Board of Directors of ProLife Home Care, Inc. will be comprised of the following individuals:

Anastasiia Rybakova, HHA Client Coordinator, Home Family Care, Inc.	Anna Klyauzova, RN Operating Room Clinical Nurse Manager, Mount Sinai Medical Center
--	--

The membership of 2KR Holdings, LLC comprises the following individuals:

Anastasiia Rybakova – 70% (disclosed above)	Anna Klyauzova, RN– 30% (disclosed above)
--	--

A search of the individuals named above revealed no matches on either the Medicaid Disqualified Provider List or the OIG Exclusion List.

The Office of Professions of the State Education Department indicates no issues with the license of the health care professional associated with this application.

A search of the individual named above on the New York State Home Care Registry revealed that the individual is certified as a HHA and has no convictions or findings.

The applicant proposes to continue to serve the residents of the following counties from an office located at 100 Park Avenue, 16th Floor, New York, NY 10017:

Kings	Queens	Bronx
New York	Richmond	Nassau

The applicant proposes to provide the following health care services:

Nursing	Home Health Aide	Personal Care
Physical Therapy	Respiratory Therapy	Occupational Therapy
Speech-Language Pathology	Audiology	Medical Social Services
Nutrition	Homemaker	Housekeeper

Review of the Personal Qualifying Information indicates that the applicant has the required character and competence to operate a licensed home care services agency.

Contingency

Submission of any and all information requested by the Division of Legal Affairs, in a form and manner acceptable to the Department.

Recommendation: Contingent Approval
Date: April 6, 2017

Licensed Home Care Services Agency
Character and Competence Staff Review

Name of Agency: The W Group at Catskill, LLC d/b/a Home Sweet Home on the Hudson
Address: Catskill
County: Greene
Structure: Limited Liability Company
Application Number: 171120

Description of Project:

The W Group at Catskill, LLC d/b/a Home Sweet Home on the Hudson, a limited liability company, requests approval for a change in ownership of a licensed home care services agency under Article 36 of the Public Health Law.

Home Sweet Home of Athens, Inc. d/b/a Home Sweet Home on the Hudson, a business corporation, was previously approved as a home care services agency by the Public Health Council at its November 19, 1999 meeting and subsequently licensed as 0943L002 on January 21, 2005. At that time, the shareholders were Stephanie Mahna and Rakesh Mahna.

This LHCSA will be associated with the assisted living program to be operated by The W Group at Catskill, LLC. The LHCSA and the ALP will have identical ownership.

The membership of The W Group at Catskill, LLC d/b/a Home Sweet Home on the Hudson comprises the following individuals:

Samuel Ari Weiss, MBA – 80%
President/CEO, NAE Edison LLC d/b/a Edison
Home Health Care

Shmuel Berry Weiss – 20%
President/CEO, Assistcare Home Health
Services LLC d/b/a Preferred Home Care New
York

Affiliations:

Assistcare Home Health Services LLC d/b/a
Preferred Home Care of New York (LHCSA,
2010 – Present)

Affiliations:

Assistcare Home Health Services LLC d/b/a
Preferred Home Care of New York (LHCSA,
2010 – Present)

NAE Edison LLC d/b/a Edison Home Health
Care (LHCSA, 2008 – Present)

A search of the individuals named above revealed no matches on either the Medicaid Disqualified Provider List or the OIG Exclusion List.

The applicant proposes to serve the residents of Greene County from an office located at 38 Prospect Avenue, Catskill, New York 12414.

The applicant proposes to provide the following health care services:

Nursing

Home Health Aide

Personal Care

A seven (7) year review of the operations of the following agencies was performed as part of this review (unless otherwise noted):

NAE Edison LLC d/b/a Edison Home Health Care (LHCSA)

Assistcare Home Health Services LLC d/b/a Preferred Home Care of New York (LHCSA)

The information provided by the Division of Home and Community Based Services has indicated that the home care agencies have provided sufficient supervision to prevent harm to the health, safety and welfare of residents and to prevent recurrent code violations.

Review of the Personal Qualifying Information indicates that the applicant has the required character and competence to operate a licensed home care services agency.

Contingency

Submission of any and all information requested by the Division of Legal Affairs, in a form and manner acceptable to the Department.

Recommendation: Contingent Approval

Date: April 6, 2017

Licensed Home Care Services Agency
Character and Competence Staff Review

Name of Agency: The W Group at Hudson, LLC d/b/a Home Sweet Home of Athens
Address: Athens
County: Greene
Structure: Limited Liability Company
Application Number: 171133

Description of Project:

The W Group at Hudson, LLC d/b/a Home Sweet Home of Athens, a limited liability company, requests approval for a change in ownership of a licensed home care services agency under Article 36 of the Public Health Law.

Home Sweet Home of Athens, Inc., a business corporation, was previously approved as a home care services agency by the Public Health Council at its November 19, 1999 meeting and subsequently licensed as 0943L001 effective February 23, 2000. At that time, the shareholders were Stephanie Mahna and Rakesh Mahna.

This LHCSA will be associated with the assisted living program to be operated by The W Group at Hudson, LLC. The LHCSA and the ALP will have identical ownership.

The membership of The W Group at Hudson, LLC d/b/a Home Sweet Home of Athens comprises the following individuals:

Samuel Ari Weiss, MBA – 80%
President/CEO, NAE Edison LLC d/b/a Edison
Home Health Care

Shmuel Berry Weiss – 20%
President/CEO, Assistcare Home Health
Services LLC d/b/a Preferred Home Care New
York

Affiliations:

Assistcare Home Health Services LLC d/b/a
Preferred Home Care of New York (LHCSA,
2010 – Present)

Affiliations:

Assistcare Home Health Services LLC d/b/a
Preferred Home Care of New York (LHCSA,
2010 – Present)

NAE Edison LLC d/b/a Edison Home Health
Care (LHCSA, 2008 – Present)

A search of the individuals named above revealed no matches on either the Medicaid Disqualified Provider List or the OIG Exclusion List.

The applicant proposes to serve the residents of Greene County from an office located at 71 Second Street, Athens, New York 12015.

The applicant proposes to provide the following health care services:

Nursing	Home Health Aide	Personal Care
Physical Therapy	Respiratory Therapy	Occupational Therapy
Speech-Language Pathology	Audiology	Medical Social Services
Nutrition	Homemaker	Housekeeper

A seven (7) year review of the operations of the following agencies was performed as part of this review (unless otherwise noted):

NAE Edison LLC d/b/a Edison Home Health Care (LHCSA)
Assistcare Home Health Services LLC d/b/a Preferred Home Care of New York (LHCSA)

The information provided by the Division of Home and Community Based Services has indicated that the home care agencies have provided sufficient supervision to prevent harm to the health, safety and welfare of residents and to prevent recurrent code violations.

Review of the Personal Qualifying Information indicates that the applicant has the required character and competence to operate a licensed home care services agency.

Contingency

Submission of any and all information requested by the Division of Legal Affairs, in a form and manner acceptable to the Department.

Recommendation: Contingent Approval

Date: April 6, 2017



MEMORANDUM

To: Public Health and Health Planning Council
From: Richard J. Zahnleuter, General Counsel
Date: March 16, 2017
Subject: Proposed Dissolution of Glens Falls Hospital Guild, Inc.

Glens Falls Hospital Guild, Inc. requests Public Health and Health Planning Council (PHHPC) approval of its proposed dissolution in accordance with the requirements of Not-For-Profit Law § 1002(c) and § 1003, as well as 10 NYCRR Part 650.

Glens Falls Hospital Guild, Inc. is a Not-For-Profit corporation established to support and provide funds to the Glens Falls Hospital; the corporation received PHHPC licensure to operate an Article 28 foundation for these purposes in 1984.

The corporation has seen a decline in membership and believes it to be impractical to continue operations. As such, the corporation seeks to dissolve and to distribute its assets to the Glens Falls Hospital Foundation, another charitable corporation approved to support the Glens Falls Hospital. Financial statements which detail the Corporation's remaining assets and liabilities are attached hereto.

Also attached is a letter from McPhillips, Fitzgerald & Cullum L.L.P. explaining the need for the proposed dissolution, the proposed Certificate of Dissolution, the proposed Verified Petition for the Attorney General along with exhibits attached thereto including the Certificate of Incorporation of Glens Falls Hospital Guild, Inc.; the Plan of Dissolution; a membership list; bank records and financial statements; the Certificate of Incorporation of Glens Falls Hospital Foundation; a Restrictive Gift Agreement between Glens Falls Hospital Guild, Inc. and the Glens Falls Hospital Foundation; the Glens Falls Hospital Guild, Inc. Resolutions of Directors and Resolutions of Members; and the By-laws of Glens Falls Hospital Guild, Inc.

There is no legal objection to the proposed dissolution.

Attachments.

McPHILLIPS, FITZGERALD & CULLUM L.L.P.

DENNIS J. PHILLIPS
WILLIAM E. FITZGERALD
JAMES E. CULLUM
DANIEL J. HOGAN
JOHN E. FITZGERALD JR.*
TIMOTHY S. SHULER
MELISSA DWYER LESCAULT
DENNIS J. O'CONNOR*
EDWARD P. FITZGERALD
COURTNEY M. HASKINS

*ALSO ADMITTED IN FLORIDA

ATTORNEYS AT LAW
288 GLEN STREET
P.O. BOX 299
GLENS FALLS, NY 12801-0299
PHONE: (518) 792-1174
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ESTABLISHED 1911

ERIC C. SCHWENKER
STEPHEN L. PERKINS

FLORIDA OFFICE
9999 NE 2nd Avenue, Suite 200
MIAMI SHORES, FL 33138
PHONE: (305) 751-8556
TOLL FREE: (877) 899-4334

File No.: 221773

VIA UPS OVERNIGHT
March 8, 2017

Colleen Leonard, Executive Secretary
New York State Department of Health
Corning Tower, Room 1805
Empire State Plaza
Albany, NY 12237

RE: Dissolution of Glens Falls Hospital Guild, Inc.

Dear Ms. Leonard:

I represent Glens Falls Hospital Guild, Inc. which is seeking the Public Health and Health Planning Council's approval of its dissolution.

Enclosed please find the Petition proposed to be submitted to the Attorney General in support of its application for approval of the Plan of Dissolution and Distribution of Assets. Changes to the Not-For-Profit Corporation Law a few years ago obviated the need for the corporation to obtain judicial approval for dissolution. Therefore, we propose to petition directly to the Attorney General for approval of the dissolution.

Attached to the Petition is a copy of the proposed Plan of Dissolution and Distribution of Assets, which sets forth the proposed Disposition of Assets of the corporation.

Also enclosed is a copy of the proposed Certificate of Dissolution.


The reasons for the proposed dissolution are set forth in the enclosed Petition. In brief, however, while the Guild was formerly a thriving organization with many active members, in recent years its active membership has drastically declined and it is no longer practical for the Guild to carry on its activities. Its remaining assets can be well looked after by the Glens Falls Hospital Foundation, which also has its aim promoting the interests of Glens Falls Hospital, and is also a 501(c)(3) organization.

March 8, 2017
Page 2

If the Council should require any additional information, in order for it to approve the dissolution, please don't hesitate to let me know by telephone or e-mail, so that we may expedite our submission of such additional requested items.

Very truly yours,

McPHILLIPS, FITZGERALD & CULLUM L.L.P.



Edward P Fitzgerald
efitzgerald@mfc LLP.com

EPF:apm
Enc.

**CERTIFICATE OF DISSOLUTION
OF
GLENS FALLS HOSPITAL GUILD, INC.**

Under Section 1003 of the Not-for-Profit Corporation Law

I, Marc Monahan, the President of Glens Falls Hospital Guild, Inc. hereby certify:

1. The name of the corporation is GLENS FALLS HOSPITAL GUILD, INC.
2. The Certificate of Incorporation of GLENS FALLS HOSPITAL GUILD, INC. was filed with the New York State Department of State on July 13, 1984.
3. The names and address of each of the officers and directors of the corporation and the title of each are as follows:

<u>Name</u>	<u>Title</u>	<u>Address</u>
Marc Monahan	Director/Vice-President/ Acting President	65 Gentry Ln, Apt E Queensbury, NY 12804
Kristy MacDougal	Director/Asst-Treasurer/ Acting Treasurer	4C Tanager Way South Glens Falls, NY 12803
Kathleen LaBelle	Director/Secretary	10 James Ct Glens Falls, NY 12301
Ruth Ann Minor	Director	276 Flat Rock Rd Lake George, NY 12845
Mitzi Robinson	Director	Box 136 Kattskill Bay, NY 12844
Barbara Lewis	Director	457 Gailey Hill Rd Lake Luzerne, NY 12846
Beverly McClure	Director	20 Meadow Ln Queensbury, NY 12804
Linda Murphy	Director	186 Hudson Pointe Blvd Queensbury, NY 12804
Joan LaCroix	Director	13 School St Whitehall, NY 12887

4. The corporation is a charitable corporation.
5. At the time of authorization of the corporation's Plan of Dissolution and Distribution of Assets pursuant to N-PCL § 1002, the corporation held assets which are legally required to be used for a particular purpose.
6. The corporation elects to dissolve.
7. The dissolution was authorized by the majority vote of the board of directors, followed by two-thirds vote of the members.
8. Prior to the delivery of the Certificate of Dissolution to the Department of State for filing the Plan of Dissolution and Distribution of Assets was approved by the Attorney General. A copy of the approval of the Attorney General is attached.
9. Prior to the delivery of the Certificate of Dissolution to the Department of State for filing the Plan of Dissolution and Distribution of Assets was approved by the Public Health and Health Planning Council. A copy of the approval of the Public Health and Health Planning Council is attached.

IN WITNESS WHEREOF, the undersigned has signed this Certificate of Dissolution of GLENS FALLS HOSPITAL GUILD, INC.

Marc Monahan, President

**CERTIFICATE OF DISSOLUTION
OF
GLENS FALLS HOSPITAL GUILD, INC.**

Pursuant to Section 1003 of the Not-for-Profit Corporation Law

Filed by:

**Edward P. Fitzgerald, Esq.
McPhillips, Fitzgerald & Cullum LLP
P.O. Box 299
Glens Falls, NY 12801**

ATTORNEY GENERAL
Charities Bureau
The Capitol
Albany, NY 12224-0341

In the Matter of the Application of

GLENS FALLS HOSPITAL GUILD, INC.

VERIFIED PETITION

AG #: _____

For Approval of Plan of Dissolution and
Distribution of Assets Pursuant to
Section 1002 of the Not-for-Profit Corporation Law.

TO: THE ATTORNEY GENERAL OF THE STATE OF NEW YORK

Petitioner, GLENS FALLS HOSPITAL GUILD, INC., by Marc Monahan, President of the corporation, for its Verified Petition herein respectfully alleges:

Incorporation

1. Glens Falls Hospital Guild, Inc. (the "Corporation"), whose principal office is located in the county of Warren, was incorporated pursuant to Section 402 of the New York Not-for-Profit Corporation Law on July 13, 1984. A copy of the Certificate of Incorporation is attached as Exhibit A.
2. There have been no amendments to the Certificate.

Directors and Officers

3. The names, addresses and titles of the Corporation's officers and/or directors are as follows:

<u>Name</u>	<u>Title</u>	<u>Address</u>
Marc Monahan	Director/Vice-President/ Acting President	65 Gentry Ln, Apt E Queensbury, NY 12804
Kristy MacDougal	Director/Asst-Treasurer/ Acting Treasurer	4C Tanager Way South Glens Falls, NY 12803

Kathleen LaBelle	Director/Secretary	10 James Ct Glens Falls, NY 12301
Ruth Ann Minor	Director	276 Flat Rock Rd Lake George, NY 12845
Mitzi Robinson	Director	Box 136 Kattskill Bay, NY 12844
Barbara Lewis	Director	457 Gailey Hill Rd Lake Luzerne, NY 12846
Beverly McClure	Director	20 Meadow Ln Queensbury, NY 12804
Linda Murphy	Director	186 Hudson Pointe Blvd Queensbury, NY 12804
Joan LaCroix	Director	13 School St Whitehall, NY 12887

Members

4. There are 418 members of the Corporation, whose names and last known addresses are listed on the schedule annexed hereto as Exhibit B.

Purposes

5. As stated in the Certificate of Incorporation, "The purpose or purposes for which the corporation is to be formed are: to advance the interests and welfare of, and render service to the Glens Falls Hospital by the use of the talents and abilities of the members of the corporation through ways approved or proposed by the Hospital's governing board and administration, in an effort to assist patients and visitors to the Glens Falls Hospital, and by providing non-medical care and services to such persons and to the Hospital; to operate a cafeteria and gift shop, the proceeds from which will be used for the benefit of the Hospital; to contribute financially and otherwise toward the work of the Hospital; to

promote friendship and benevolence among persons interested in the advancement of the interests of the Glens Falls Hospital

"To do any other act or thing incidental to or connected with the foregoing purposes or in advancement thereof, but not for the pecuniary profit or financial gain of its member, directors or officers."

Type

6. The Corporation is a charitable corporation. It was formed as a "Type-C" corporation, which, pursuant to Section 201(c) of the not-for-profit corporation law, is considered a charitable corporation.

Assets

7. The assets of the Corporation and their approximate fair market value are as follows:
 - a. Cash held in bank accounts: \$285,479 (Copies of the most recent Glens Falls National Bank and NBT Bank statements and/or print outs attached as Exhibit C)
 - b. Inventory of Atrium Gift Shop: \$0
 - c. Miscellaneous office furniture, supplies and computer equipment: \$6,000
 - d. Receivables: \$54,286.
8. Since adoption of the Plan of Dissolution referenced below, the inventory of the Atrium Gift Shop on hand as of 12/31/2016 was sold to Glens Falls Hospital at cost. The invoice, which as of the date of this Petition, remains unpaid is annexed hereto as part of Exhibit C. Such amount is listed above in the "receivables" amount.
9. Please note that the assets and liabilities listed on the Plan of Dissolution were as of early November, 2016, while the values listed in this Petition are more recent.

Liabilities

10. The Corporation has no liabilities, other than the accounting and legal fees incurred or estimated in connection with the dissolution of the Corporation.

Dissolution Plan

11. The Corporation plans to dissolve. Its assets are proposed to be distributed in accordance with the Plan of Dissolution and Distribution of Assets adopted by the Board and approved by the Members, a copy of which is attached as Exhibit D.
12. The Corporation plans to dissolve because the number of active members of the Corporation has significantly decreased over the past several years and the Corporation no longer has sufficient active members interested in continuing the operations and activities of the Corporation, less than 10 new members have joined the Corporation over the past 5 years, it is becoming increasingly difficult to oversee and manage the operation of the gift shop with the level of member involvement, and the charitable giving the Corporation's assets to Glens Falls Hospital could be accomplished by Glens Falls Hospital Foundation. The Corporation ceased operating a cafeteria many years ago.
13. Glens Falls Hospital Foundation was created in 1996 and is a charitable organization engaged in charitable activities for the support of Glens Falls Hospital. It is exempt from taxation under Section 501(c)(3) of the Internal Revenue Code. The following documents are attached as exhibits to the Plan of Dissolution and Distribution of Assets: (a) the governing instrument of Glens Falls Hospital Foundation; (b) the most recent financial report of Glens Falls Hospital Foundation; (c) an affidavit from a director or officer stating the purposes of Glens Falls Hospital Foundation and that it is currently exempt from taxation.

14. The Corporation and the Glens Falls Hospital Foundation entered into a Restricted Gift Agreement pursuant to the Plan of Dissolution, a copy of which is annexed as Exhibit E.

Board Approval

15. At a meeting of the Board held on November 4, 2016, in accordance with Section 1002 of the not-for-profit corporation law, the Board of Directors passed a resolution adopting the Plan of Dissolution and Distribution of Assets and authorizing the filing of a Certificate of Dissolution. A copy of the resolutions of the Board are attached as Exhibit F.

Member Approval

16. At a meeting of the Members held on December 15, 2016, in accordance with Section 1002 of the not-for-profit corporation law, the members of the Corporation passed a resolution approving the Plan of Dissolution and Distribution of Assets as adopted by the Board. A copy of the resolutions of the members are attached as Exhibit G. Section 5.6 of the bylaws of the Corporation provide for a quorum when one-tenth of the members are present in person or by proxy. A copy of the bylaws are annexed hereto as Exhibit H.

Governmental Approvals

17. Upon information and belief, approval of the following governmental bodies or officers is required: Public Health and Health Planning Council.

Prior Applications

18. No previous application for approval of the Plan of Dissolution and Distribution of Assets has been made.

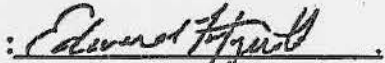
WHEREFORE, Petitioner requests that the Attorney General approve the Plan of Dissolution and Distribution of Assets of Glens Falls Hospital Guild, Inc., a not-for-profit corporation, pursuant to Not-for-Profit Corporation Law Section 1002.

IN WITNESS WHEREFORE, the Corporation has caused this Petition to be executed this ____
day of February, 2017 by Marc Monahan, its President.


MARC MONAHAN

Respectfully Submitted,

McPhillips, Fitzgerald & Cullum, LLP

By : 
Edward P. Fitzgerald
288 Glen Street, PO Box 299
Glens Falls NY, 12801
Phone: 518.792.1174
Fax: 518.792.1675

*Attorneys for Petitioner
Glens Falls Hospital Guild, Inc.*

Verification by Officer

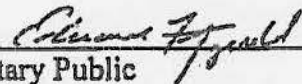
STATE OF NEW YORK)
) s.s.:
COUNTY OF WARREN)

MARC MONAHAN, being duly sworn, deposes and says:

I am the President of Glens Falls Hospital Guild, Inc., the corporation named in the above Petition. I make this verification at the direction of its Board of Directors. I have read the foregoing Petition and know the contents thereof; the same is true to my knowledge, except as to the matters therein stated to be alleged on information and belief and as to those matters I believe it to be true.


MARC MONAHAN

Sworn to before me on the
15 day of February, 2017.


Notary Public

Affix Stamp:

EDWARD P FITZGERALD
Notary Public, State of New York
Warren Co. #02F16217689
Commission Expires Feb.16, 2017

STATE OF NEW YORK
DEPARTMENT OF STATE

I hereby certify that the annexed copy has been compared with the original document in the custody of the Secretary of State and that the same is a true copy of said original.



WITNESS my hand and official seal of the
Department of State, at the City of Albany,
on July 23, 2013.

Anthony Giardina

Anthony Giardina
Executive Deputy Secretary of State

CERTIFICATE OF INCORPORATION
OF
GLENS FALLS HOSPITAL GUILD, INC.

UNDER SECTION 402 OF THE NOT-FOR-PROFIT CORPORATION LAW

THE UNDERSIGNED, for the purpose of forming a corporation under Section 402 of the Not-for-Profit Corporation Law, hereby certify: -

1. The name of the corporation is the Glens Falls Hospital Guild, Inc.

2. The corporation has not been formed for pecuniary profit or financial gain, and no part of the assets, income or profit of the corporation is distributable to, or inures to the benefit of, its members, directors, or officers.

3. The purpose or purposes for which the corporation is to be formed are: to advance the interests and welfare of, and render service to the Glens Falls Hospital by the use of the talents and abilities of the members of the corporation through ways approved or proposed by the Hospital's governing board and administration, in an effort to assist patients and visitors to the Glens Falls Hospital, and by providing non-medical care and services to such persons and to the Hospital; to operate a cafeteria and gift shop, the proceeds from which will be used for the benefit of the Hospital; to contribute financially and otherwise toward the work of the Hospital; to promote friendship and benevolence among persons interested in the advancement of the interests of the Glens Falls

B122442

Hospital.

To do any other act or thing incidental to or connected with the foregoing purposes or in advancement thereof, but not for the pecuniary profit or financial gain of its members, directors or officers.

4. In addition to the foregoing corporate purposes, the corporation shall have all of the general powers set forth in Section 202 of the Not-for-Profit Corporation Law, together with the power to solicit and receive grants, bequests and contributions for the corporate purposes.

5. The corporation is a Type "C" corporation as defined in Section 201 of the Not-for-Profit Corporation Law. Its sole business purpose will be to operate a cafeteria and gift shop on Hospital premises. The lawful public or quasi-public objective of this activity will be to benefit patients, visitors and the staff of the Hospital. Any profits generated by such business activities will be turned over to the Hospital by way of gift or donation of money, services or equipment.

6. The office of the corporation will be located in the City of Glens Falls, County of Warren, State of New York.

7. The territory in which the corporation's activities are principally to be conducted is Glens Falls, New York.

8. The names and residences of the initial directors until the first annual meeting are:

Mrs. Virginia Putney
Wincoma Lane, RD #1 Rolling Ridge
Glens Falls, New York 12801

Mrs. Magdalena Matochik
~~17 Cooper Street~~
Fort Edward, New York 12828

Mrs. Anne Brock
13 PUEHAM AVENUE
Fort Edward, New York 12828

Mrs. Beatrice Frost
~~25 McHugh Street~~
So. Glens Falls, New York 12801

Mrs. Stacey Farnan
19 Sylvan Avenue
Glens Falls, New York 12801

Mrs. Marcia Ginsburg
RD3 Triphammer Road, Box 3308
Glens Falls, New York 12801

Mrs. Janet Abbott
15 Barber Avenue
Glens Falls, New York 12801

Mrs. Catherine Purdy
9 Pershing Road
Glens Falls, New York 12801

Mrs. Joan Blank
Summit Lane
Glens Falls, New York 12801

Mrs. ANN BUCKER
6 Fort Amherst Road
Glens Falls, New York 12801

Mrs. Miryam Woodson
PALMER RIDGE RD #3
Gansevoort, New York 12831

Mrs. Kristina LaBosa
24 Pershing Road
Glens Falls, New York 12801

Mrs. Sally Spitzer
55 Sheridan Street
Glens Falls, New York 12801

Mrs. Marianne Charlebois
6 Davis Street
Glens Falls, New York 12801

Mrs. Audrey Howe
10657 Gansevoort Road
So. Glens Falls, New York 12801

Mrs. Joan Corbett
RR1 Box 1274
Lake George, New York 12845

Mrs. Carol Newell
41 Horizon Avenue
Glens Falls, New York 12801

Mrs. Connie Mahoney
81 Grant Avenue
Glens Falls, New York 12801

9. No part of the income of the corporation shall inure to the benefit of any member, trustee, director, officer of the corporation, or any private individual (except that reasonable compensation may be paid for services rendered to or for the corporation effecting one or more of its purposes), and no member, trustee, officer of the corporation or any private individual shall be entitled to share in the distribution of any of the corporate assets on dissolution of the corporation.

10. Notwithstanding any other provision of these articles, the corporation is organized exclusively for one or more of the following purposes: religious, charitable, scientific, testing for public safety, literary, or educational purposes, or to foster national or international amateur sports competition (but

only if no part of its activities involve the provision of athletic facilities or equipment, or for the prevention of cruelty to children or animals, as specified in Section 501 (c) (3) of the Internal Revenue Code of 1954, and shall not carry on any activities not permitted to be carried on by a corporation exempt from Federal income tax under Section 501(c) (3) of the Internal Revenue Code of 1954.

11. No substantial part of the activities of the corporation shall be carrying on propaganda, or otherwise attempting to influence legislation, or participating in, or intervening in (including the publication or distribution of statements) any political campaign on behalf of any candidate for public office.

12. Upon dissolution of the corporation, the Board of Directors shall, after paying or making provision for the payment of all of the liabilities of the corporation, dispose of all of the assets of the corporation exclusively for the purposes of the corporation in such manner, or to such organization or organizations organized and operated exclusively for charitable, educational, religious, or scientific purposes as shall at the time qualify as an exempt organization or organizations under section 501 (c) (3) of the Internal Revenue Code of 1954 (or the corresponding provision of any future United States Internal Revenue Law), as the Board of Directors shall determine. Any such assets not so disposed of shall be disposed of by the Supreme Court in the county in which the principal office of the

corporation is then located, exclusively for such purposes or to such organization or organizations, as said Court shall determine, which are organized and operated exclusively for such purposes.

13. In every taxable year in which the corporation is a private foundation as defined in Section 509 of the Internal Revenue Code of 1954, (Code):

(a) The corporation shall distribute such amounts for each taxable year at such time and in such manner as not to subject the corporation to tax on undistributed income under Section 4942 of the Code.

(b) The corporation shall not engage in any act or self-dealing which is subject to tax under Section 4941 of the Code.

(c) The corporation shall not retain any excess business holdings which are subject to tax under Section 4943 of the Code.

(d) The corporation shall not make any investments in such manner as to subject the corporation to tax under Section 4944 of the Code.

(e) The corporation shall not make any taxable expenditures which are subject to tax under Section 4945 of the Code.

14. The Secretary of State is hereby designated as agent of the corporation upon whom process against it may be served pursuant to §402(a)(7) of the Not-For-Profit Corporation Law.

The post office address to which the Secretary of State shall mail a copy of any process:

Glens Falls Hospital Guild, Inc.
100 Park Street
Glens Falls, New York 12801


15. Prior to the delivery of this Certificate to the Department of State for filing, all approvals and consents required by law will be endorsed upon or annexed hereto.

16. Nothing contained in this Certificate shall authorize or empower the corporation to perform or engage in any act or practice prohibited by Section 340 of the General Business Law, or any other anti-monopoly statute of the State of New York.

17. Nothing contained in this Certificate shall authorize the corporation to establish or operate a hospital, or to provide hospital service or health related service, a drug maintenance program, a certified home health agency, a health maintenance organization, or a comprehensive health services plan, as defined in and covered by Articles 28, 33, 36 and 44, respectively, of the Public Health Law.

18. Each of the incorporators is eighteen (18) years of age or over.

IN WITNESS WHEREOF, this Certificate has been signed by each of the incorporators this 15th day of November, 1983.


Virginia Putney

Wincoma Lane, RD #1, Rolling Ridge
Glens Falls, New York 12801

~~Magdalena Matochik~~
Magdalena Matochik

17 Cooper Street
Fort Edward, New York 12828

~~Anne Brock~~
Anne Brock

13 Putnam Avenue
Fort Edward, New York 12828

VERIFICATION

STATE OF NEW YORK)
) SBI:
COUNTY OF WARREN)

VIRGINIA PUTNEY, MAGDALENA MATOCHIK and ANNE BROCK,
being duly sworn, say: We are the incorporators of Glens Falls
Hospital Guild, Inc.; we have read the annexed Certificate of
Incorporation, know the contents thereof and the same are true to
our knowledge, except those matters therein which are stated to be
alleged on information and belief, and as to those-matters we
believe them to be true.

Virginia Putney
VIRGINIA PUTNEY

Magdalena Matochik
MAGDALENA MATOCHIK

Anne Brock
ANNE BROCK

Sworn to before me this
15th day of November, 1983.

Richard V. Meath
Notary Public

RICHARD V. MEATH
NOTARY PUBLIC STATE OF NEW YORK
WARREN COUNTY 64781114
EXPIRES MARCH 20, 1985

AFFIDAVIT

Incorporation of an Unincorporated Association

STATE OF NEW YORK)
) ss.:
COUNTY OF WARREN)

VIRGINIA PUTNEY, MAGDALENA MATOCHIK and ANNE BROCK, each for herself, being duly sworn, does depose and say:

She is one of the subscribers of the foregoing Certificate of Incorporation of the Glens Falls Hospital Guild, Inc.; the said Certificate of Incorporation is the incorporation of an existing unincorporated association, namely, the Glens Falls Hospital Guild; the subscribers of such Certificate of Incorporation constitute a majority of the members of a committee authorized to incorporate such association, as required by the By-Laws of the association.

Virginia Putney
Virginia Putney

Magdalena Matochik
Magdalena Matochik

Anne Brock
Anne Brock

STATE OF NEW YORK)
) ss.:
COUNTY OF WARREN)

On this 15th day of November, 1983, before me personally came VIRGINIA PUTNEY, MAGDALENA MATOCHIK and ANNE BROCK to me known and known to me to be the persons described in and who executed the foregoing Affidavit and they duly acknowledged to me that they severally and independently executed the same.

Richard V. Meath
Notary Public

RICHARD V. MEATH
NOTARY PUBLIC STATE OF NEW YORK
WARREN COUNTY OFFICE
RIVER ST. SUITE 201
GLENS FALLS, N.Y. 12033



STATE OF NEW YORK
DEPARTMENT OF LAW

ROBERT ABRAMS
ATTORNEY GENERAL

ALBANY, N.Y. 12224

Telephone: (518) 474-7206

JAMES G. McSPERON
ASSISTANT ATTORNEY GENERAL
IN CHARGE
LITIGATION BUREAU

September 30, 1983

Richard V. Meath, Esq.
McPhillips, Fitzgerald, Meyer & McLanithan, Esqs.
288 Glen Street - P.O. Box 309
Glens Falls, N.Y. 12801

Dear Mr. Meath:

RE: GLENS FALLS HOSPITAL GUILD, INC.

Due and timely service of the notice of application for the approval of the proposed certificate of incorporation of the above-entitled organization is hereby admitted.

The Attorney General does not intend to appear at the time of application. Approval is contingent upon your designating the Secretary of State as agent of the Corporation upon whom process against it may be served pursuant to Section 402(a)(7) of the Not-For-Profit Corporation Law.

Very truly yours,

ROBERT ABRAMS
Attorney General

By

RICHARD S. REDLO
Assistant Attorney General

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8285 1891



STATE OF NEW YORK
DEPARTMENT OF HEALTH
CORNING TOWER BUILDING
ALBANY, N.Y. 12237

PUBLIC HEALTH COUNCIL

May 1, 1984

KNOW ALL MEN BY THESE PRESENTS:

In accordance with action taken after inquiry and investigation at a meeting of the Public Health Council held on the 27th day of April, 1984, I hereby certify that the Certificate of Incorporation of Glens Falls Hospital Guild, Inc., dated November 15, 1983 is APPROVED.

Public Health Council approval is not to be construed as approval of property costs or the lease submitted in support of the application. Such approval is not to be construed as an assurance or recommendation that property costs or lease amounts as specified in the application will be reimbursable under third party payor reimbursement guidelines.

Nancy A. Massaroni
NANCY A. MASSARONI
Secretary

Sent to: Richard V. Neath, Esq.
McPhillips, Fitzgerald, Meyer
and McLenithan
P.O. Box 309
288 Glen Street
Glens Falls, New York 12801

cc: Glens Falls Hospital Guild, Inc.
100 Park Street
Glens Falls, New York 12801

dk

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CERTIFICATE
OF
INCORPORATION

OF

GLENS FALLS HOSPITAL
GUILD, INC.

Handwritten: Hospital

Handwritten: J. M. C.

DATED: _____, 1983

STATE OF NEW YORK
DEPARTMENT OF STATE

FILED JUL 18 1984

AMOUNT OF CHECK \$ 50

FEE \$ 50

FEE \$ _____

BY _____

HANDLE \$ _____

Handwritten: p. W. ...
typed

378690

McPHILLIPS, FITZGERALD, MEYER
& McLENTHAN

ATTORNEYS AND COUNSELLORS AT LAW
200 GLEN STREET, GLENS FALLS, N. Y. 12091
TELEPHONE NO. 793-1174

GUILD CERTIFIED LETTER LISTING NOV 2016

Adams	Brenda	15 Queen St # A	Whitehall	NY	12887
Affinito	Kay	232 Broadway	Whitehall	NY	12887
Alexy	Jane	A 37 Overlook Drive	Queensbury	NY	12804
Anderson	Denise	7 Burnt Hills Dr	Queensbury	NY	12804
Arzberger	Erna	50 Bronk Drive	Queensbury	NY	12804
Aunchman	Pearl	201 Broadway	Whitehall	NY	12887
Austfn	Jodi	173 County Rt. 9	Whitehall	NY	12887
Ballard	Tina	30 1/2 Maple St	Whitehall	NY	12887
Barber	Donna	26 Hillview Avenue	Fort Edward	NY	12828
Barnes	Nancy	189 Dean Road	Hudson Falls	NY	12839
Bascue	Marilyn	139 Blue Goose Road	Whitehall	NY	12887
Bates	Rosalind	3 Gilmore Ave	Cambridge	NY	12816
Beckwith	Linda	105 Beckwith Road	Whitehall	NY	12887
Bedrosian	Elsie	16 Lehlund Drive	Queensbury	NY	12804
Beebe	Stacy	33 Neddo St	Whitehall	NY	12887
Benjamin	Karen	P.O. Box 162	Whitehall	NY	12887
Benjamin	Kathryn	81 Beckwith Road	Whitehall	NY	12887
Bennett	Barbara	116 Cross Road	Clemons	NY	12819
Bennett	Dorothy	L. 18 Farr Ln East	Apt 115 Queensbury	NY	12804
Bennett	Tina	116 Cross Rd	Clemons	NY	12819
Bentley	Beatrice	B 56 Orchard Street	Glens Falls	NY	12801
Bergmeier	Jane	9 Iris Avenue	So. Glens Falls	NY	12803
Biles	Jeannine	33 Twicwood Lane	Queensbury	NY	12804
Binley	Sandra	24 Moorwood Drive	Glens Falls	NY	12801
Bolinder	Jeanne	M 21 Waverly Place	Queensbury	NY	12804
Bolster	Shorty	10 Wing Street	Glens Falls	NY	12801
Bouyea	Sharon	36 Treasures Place	Queensbury	NY	12804
Bowen	Frances	11 Linden Ave	Queensbury	NY	12804
Boychuk	Marika	35 Orchard Drive	Queensbury	NY	12804
Bray	Marlyn	15 Twicwood Lane	Queensbury	NY	12804
Briggs	Beth	197 Aviation Rd	Queensbury	NY	12804
Brilling	Gloria	Po Box 3408	Glens Falls	NY	12801
Brock	Anne	The Landing	27 Wood Queensbury	NY	12804
Bromley	Carol	230 Bluebird Rd	So Glens Falls	NY	12803
Brooks	Donna	11 Champlain Avenue	Whitehall	NY	12887
Brown	Carolyn	5 Rudley Dr	Queensbury	NY	12804
Brown	Elaine	M. 1 St Pauls Dr Apt 5F	Hudson Falls	NY	12839
Brown	John	16 Fernwood Rd	Lk George	NY	12845
Brown	Miriam	214 Lake Parkway	Lake George	NY	12845
Brown	Phyllis	J 37 Elizabeth Lane	Queensbury	NY	12804
Brownell	Carol L.	33 McDonald Street	Glens Falls	NY	12801
Bush	Vivian	C 175 Reynolds Road	Fort Edward	NY	12828
Butler	Ann	11 Fort Amherst Road	Glens Falls	NY	12801
Calazzo	Daureen	287 Burt Road	Fort Edward	NY	12828
Campbell	Mary	2290 County RT 147	Salem	NY	12865
Canale	Carol	15 Charlotte Street	Glens Falls	NY	12801
Canavan	Susan	21 Pinewood Avenue	Queensbury	NY	12804

GOULD CERTIFIED LETTER LISTING NOV 2016

Carlisle	Maryann	19 Coleman Avenue	Hudson Falls	NY	12839
Carruthers	Joanne	29 1st St Apt. 4	South Glens Falls	NY	12803
Carte	Erma	213 Assembly Point Roa	Lake George	NY	12845
Caruso	Debbie	27 Oak View Dr.	Moreau	NY	12828
Caruso	Shirley	325 Broadway Apt 38	Fort Edward	NY	12828
Cavanagh	Marion	7 Lawton Ave	Glens Falls	NY	12801
Chadwick	Peg	5 Hummingbird Lane	Queensbury	NY	12804
Charlebols	Marianne	S 36 Lyon Court	Queensbury	NY	12804
Cicero	Carol	2 Chestnut Drive	Hudson Falls	NY	12839
Cicero-Viele	Angela	319 Broadway	Fort Edward	NY	12828
Civitello	Sandra	15 Pauline St	Whitehall	NY	12887
Clair	Michael	913 West Mountain Rd	Queensbury	NY	12804
Clarke	Aileen	71 Longview Drive, Apt :	Queensbury	NY	12804
Cole	Carla	56 County Rt 9A	Whitehall	NY	12887
Collette-Zachar	Lynn	62 Coolidge Ave	Glens Falls	NY	12801
Collins	Joanne	538 Selfridge Rd	Gansevoort	NY	12831
Collins	Nancy	4 Linden Drive	Hudson Falls	NY	12839
Collins-Irish	Jane	M. 16 Newton Street	Lake George	NY	12845
Comstock	Ruth	M 4 Clark Street	So. Glens Falls	NY	12803
Conlon	Marilyn	28 Champlain Avenue	Whitehall	NY	12887
Connell	Arlene	7 A St. Pauls Drive	Hudson Falls	NY	12839
Corriveau	Marcia	36 Notre Dame Street	Fort Edward	NY	12828
Cote	Patricia	P O Box 2243	Glens Falls	NY	12801
Coulter	Sandy	7F Eagle Way	Queensbury	NY	12804
Cowan	Diane	N. 59 Blind Rock Road	Queensbury	NY	12804
Coyle	Janet	8 Windy Hill Road	Glens Falls	NY	12801
Crandall	Fay	25 Summit Street	Warrensburg	NY	12885
Critcher	Laura	J. 202 Cochran Dr	Gansevoort	NY	12831
Crotty	Kate	29 Tupper Lane Way	Ft Ann	NY	12827
Cumming	Charles	28 Ledge View Lane	Bolton Landing	NY	12814
Cummings	Jay	31 Marcy Ln	Queensbury	NY	12804
Cuomo	Grace	9679 State Route 4	Whitehall	NY	12887
Curtis	Dianne	27 Prospect Street	Ft. Edward	NY	12828
Cutts	Sherrle-Ann	17 Ella Drive	Fort Edward	NY	12828
Davidson	Joanne	22 Kelly Avenue	Hudson Falls	NY	12839
Davidson	Melissa	22 Kelly Ave	Hudson Falls	NY	12839
Davis	Carol Lynn	2 Chestnut Street	Hudson Falls	NY	12839
Davison-Smith	Donna	11 Colonial Court	Queensbury	NY	12804
Dean	Joan	120 Grant Avenue	Queensbury	NY	12804
Dearstyne	Phyllis	C. 18 Kenwood Circle	Queensbury	NY	12804
Della Bella	Carmen	6 Tall Timbers Rd	Lake George	NY	12845
Delong	Elizabeth	I. 532 Ridge Road	Queensbury	NY	12804
Devoe	Dorothy	7 Prospect Street, Unit E	Lake George	NY	12845
Deyette	Bernice	3 Boulevard Apt. 302	Hudson Falls	NY	12839
Diekel	Alexandra	173 County Rte 6	Clemons	NY	12819
Diekel	Christine	173 County Rte 6	Clemons	NY	12819
DiNicola	Nick	28 Feeder Dam Road	So. Glens Falls	NY	12803

GUIDE CERTIFIED LETTER LISTING NOV 2016

Dinwiddle	Roberta	833 West Rd	Fort Ann	NY	12827
Dornan	Judy	6 Hillcrest Dr	Hudson Falls	NY	12839
Downs	Carol	1 North St	Whitehall	NY	12887
Drozdyk	Anita	11 Berry Hill Way	Schroon Lake	NY	12870
Dube	Beverly	8 Brenda Drive	Hudson Falls	NY	12839
Duell	Betty	21 Mohawk Street	Glens Falls	NY	12801
Dunham	Warren	6 Edgewood Drive	Queensbury	NY	12804
Effland	Alice	16 Mason Street	Glens Falls	NY	12801
Ellsworth	Olga	J. 35 Wincrest Drive	Queensbury	NY	12804
Eney	Ginette	30 Michael Road	Moreau	NY	12828
Engwer	Patricia	29 Smith Street	Glens Falls	NY	12801
Esperti	Louisa	24 Bridge Street	Fort Edward	NY	12828
Evens	Beatrice	423 Lake Ave	Lake Luzerne	NY	12846
Facteau	Tina	18 Ridgeview Rd	Gansevoort	NY	12831
Field	Bill	12 Bowman Street	Glens Falls	NY	12801
Field	Irene	1 A Frank Street	Ft Edward	NY	12828
Fitchett	Patricia	2 Tall Pines Drive	Lake Luzerne	NY	12846
Fitzgerald	Elaine	34 Breton Way	Fort Edward	NY	12828
Flacke	Jean	PO Box 469 Stanton Roa	Lake George	NY	12845
French	Mary	12 Boardman Street	Whitehall	NY	12887
Frost	Bea	19 McHugh Street	So. Glens Falls	NY	12803
Gable	Diane	582 Truesdala Hill Rd	Lake George	NY	12845
Gagliardi	Anne	H. 23 Cedar Court	Queensbury	NY	12804
Gallagher	Betty	12 Paris Avenue	Hudson Falls	NY	12839
Gatti	Mary	3229 Lamb Hill Rd	Wells	VT	05774
Gaulin	Fanny	79 Martindale Avenue	Hudson Falls	NY	12839
Gaulin	Linda	15 Coriander Drive	Fort Edward	NY	12828
Gebo	Maisie	11 Blinn Street	Whitehall	NY	12887
Gebo	Thon	15 Blinn Street	Whitehall	NY	12887
Geroski	Joseph	77 Northwood Dr	Lake George	NY	12845
Geroski	Marie	77 Northwood Dr	Lake George	NY	12845
Gibbs	Jane	515 Lower Wright Street	Hudson Falls	NY	12839
Gienza	Cindy	431 County Rte 60	Cambridge	NY	12816
Girard	Betty	2 Speakman Street	Fort Edward	NY	12828
Gnade	Ken	53 Waverly Place	Queensbury	NY	12804
Golden	Toml	PO Box 234	Whitehall	NY	12887
Goodrich	Ann	474 Dean Road	Hudson Falls	NY	12839
Goodrich	Geraldine	7 Mason Street	Glens Falls	NY	12801
Gordon	Heather	51 Dresden Road	Whitehall	NY	12887
Gordon	Ingrid	17036 Rust Rd	Millford	DE	19963
Gordon	Pat	96 Poultney Street	Whitehall	NY	12887
Gordon	Rita	14 Blinn Street	Whitehall	NY	12887
Gordon	Robert	12 Lafayette St	Hudson Falls	NY	12839
Grady	Marcia	79 Meldon Circle	Queensbury	NY	12804
Granger	Sharon	46 Fairview St Ext 8	So Glens Falls	NY	12803
Gray	Kim	9 Cranberry Lane	Queensbury	NY	12804
Gray	Michael	9 Cranberry Lane	Queensbury	NY	12804

GUILD CERTIFIED LETTER LISTING NOV 2016

Guyett	Rachel	E. 821 County Route 25	Corinth	NY	12822
Hafner	Fran	35 Wright Street	Hudson Falls	NY	12839
Hallenbeck	Kathleen	5 Paris Avenue	Hudson Falls	NY	12839
Hammel	Jeanette	211 Ridge St	Glens Falls	NY	12801
Hansen	Nancy	547 Tower Road	Hadley	NY	12835
Harrison	Leroy	14 E. Copeland Pond We	Fort Ann	NY	12827
Hassett	Patricia	41 Notre Dame Street	Hudson Falls	NY	12839
Haverinen	Cheryl	27 Honey Hollow Rd	Queensbury	NY	12804
Hayes	Carol	64 Wilson Avenue	So. Glens Falls	NY	12803
Hayes	Nancy	10 Waverly Place	Queensbury	NY	12804
Hepp	Mario	PO Box 437	Glens Falls	NY	12801
Hess	Ann	9 Helen Drive	Queensbury	NY	12804
Hewlett	Susan	Box 75	Cleverdale	NY	12820
Higgins	Linda	51 Evergreen Ln Apt 221	Queensbury	NY	12804
Hoagland	Jackie	76 County Route 18	Whitehall	NY	12887
Hodge	Richard	44 Louise Ln	Lk George	NY	12845
Hoffman	Nicole	607 Gansevoort Rd	So Glens Falls	NY	12803
Hogan	Betty	56 County Route 41	Hudson Falls	NY	12839
Hogan	Darlene	72 County Rt 41	Hudson Falls	NY	12839
Hogan	Michele	34 Collette Lane	Hudson Falls	NY	12839
Hogan	Ruth	95 Crowley Rd	Hudson Falls	NY	12839
Hommel	June	721 Turnpike Road	Eagle Bridge	NY	12057
Hoopes	Patricia	B. Fish Point, Box 757	Bolton Landing	NY	12814
Howlett	John	104 Hunter Lane	Queensbury	NY	12804
Huntington	Elaine	56 Wincrest Drive	Queensbury	NY	12804
Huntington	Ted	56 Wincrest Drive	Queensbury	NY	12804
Hurley	Barb	145 Epworth Dr	Brooksville	FL	34601
Hurley	Jake	145 Epworth Dr	Brooksville	FL	34601
Ingleston	Anne	7 Bush Street	Glens Falls	NY	12801
Ingleston	Gail	A. 14 MacArthur Drive	Glens Falls	NY	12801
Ives	Alberta	M. 1 Pine Road	So. Glens Falls	NY	12803
Jablonski	Peggy	46 Hampton Court	Queensbury	NY	12804
Jefts	Helen	17 Old Post Rd	Lake George	NY	12845
Jenkins	Mary	19 Oakwood Dr	So Glens Falls	NY	12803
Jennings	Marjory	325 Broadway Apt 45	Ft Edward	NY	12828
Jero	Teresa	11 Baldwin Corners Rd	Fort Ann	NY	12827
Joiner	Dorothy	20 Stevens Lane	Fort Edward	NY	12828
Joseph	Susan	649 Sherman Ave	Queensbury	NY	12804
Juckett	Lori	7 Potter St	Whitehall	NY	12887
Kane	Aileen	45 Fitzgerald Rd	Queensbury	NY	12804
Kanner	Grace	225-3 Roberts Gardens	Queensbury	NY	12804
Keenan	Mary	21 Paris Avenue	Hudson Falls	NY	12839
Kegan	Catherine	81 McCrea St	Ft Edward	NY	12828
Kelly	Sandra	8 Boardman Street	Whitehall	NY	12887
Kilmer	Patricia	2473 State Rte. 4	Fort Edward	NY	12828
King	Linda	M. 9 Speakman St	Ft Edward	NY	12828
Kirkpatrick	Joyce	69 Crane Court	Queensbury	NY	12804

GUILD CERTIFIED LETTER LISTING NOV 2016

Koechlein	Alan	62 Crane Ct	Queensbury	NY	12804
Koechlein	Margaret	M. 62 Crane Ct	Queensbury	NY	12804
Koenig	Jackie	PO Box 284	Cleverdale	NY	12820
Kosby	Amy	8 Elizabeth Lane	Queensbury	NY	12804
Kouba	Berne	80 Montray Road	Queensbury	NY	12804
Kuhl	Ellen	31 Dineen Rd	Lake George	NY	12845
Kurosaka	Miki	13 Arbutus Drive	Queensbury	NY	12804
LaBelle	Kathleen	10 James Court	Glens Falls	NY	12801
LaChapelle	Stephanie	2759 County Rte 12	Whitehall	NY	12887
LaCroix	Joan	13 School Street	Whitehall	NY	12887
LaFarr	Rosanne	68 Waverly Place	Queensbury	NY	12804
LaFrance	Carmel	26 Adams Street	Whitehall	NY	12887
LaFrance	Debbie	18 Adams Street	Whitehall	NY	12887
Lampkins	Corinne	24 First Avenue	Whitehall	NY	12887
Lamy	Linda	538 Golf Course Rd	Warrensburg	NY	12885
LaPoint	Beatrice	M. 35 Evergreen Lane, #217	Queensbury	NY	12804
LaRose	Ann	M. 85 Farley Rd	Hudson Falls	NY	12839
LaRose	Kristine	24 Pershing Road	Queensbury	NY	12804
LaSarso	Joan	57 Mechanic Street	Fort Edward	NY	12828
Lavin	Beth	13 Fourth Ave	Whitehall	NY	12887
LaVoy	Anne	P O Box 165	Bolton Landing	NY	12814
Leigh	Kaye	G. PO Box 176	Glens Falls	NY	12801
Lemery	Andrew	E. 30 Windy Hill Road	Glens Falls	NY	12801
Lennon	Elizabeth	70 Notre Dame Street	Fort Edward	NY	12828
Leonard	Donna	110 Broadway	Ft Edward	NY	12828
Lewis	Barbara	457 Gailey Hill Road	Lake Luzerne	NY	12846
Linehan	Mary	T. 35 Marcy Lane	Queensbury	NY	12804
Liporace	Emma	200 Aviation Road	Queensbury	NY	12804
Lobo	Debra	11568 State Route 22	Comstock	NY	12821
Longden	Marion	37 Center St	P O Box 3 Fort Edward	NY	12828
Longe	Laurie	40 Wincrest Dr	Queensbury	NY	12804
Lord	Carolyn	164 West Mtn Rd	Queensbury	NY	12804
Lord	John (Jack)	164 West Mtn Rd	Queensbury	NY	12804
Lynn	Barbara	90 Hunter Lane	Queensbury	NY	12804
MacDougal	Kristy	P O Box 2161	Glens Falls	NY	12801
Mack	Cella	421 West Rd	Ft Ann	NY	12827
MacKnight	Wilda	87 Meadow Drive	Queensbury	NY	12804
Madon	Brandy	1800 Ridge Road	Queensbury	NY	12804
Maher	Rosemary	2 Cloverleaf Drive	Warrensburg	NY	12885
Manuele	Catherine	P O Box 100	Huletts Landing	NY	12841
Markey	Karen	9 Parkwood Ave	Hudson Falls	NY	12839
Markowitz	Marie	32 Amethyst Drive	Queensbury	NY	12804
Markwith	Elizabeth	34 Morningside Circle	Queensbury	NY	12804
Marry	Peggy	10 Congdon Road	So. Glens Falls	NY	12803
Martel	Allison	90 Poultney St.	Whitehall	NY	12887
Martell	Cheri	92 County Rt 9	Whitehall	NY	12887
Marzola	Helen	A. 43 Ridge St Apt 403	Glens Falls	NY	12801

GUILD CERTIFIED LETTER LISTING NOV 2016

Mason	Anne	13 Adams Street	Whitehall	NY	12887
Matochik	Magdalena	3 Boulevard Apt 203	Hudson Falls	NY	12839
Mattison	Sheila	81 McCormack Dr	Lk George	NY	12845
Maziejka	Katherine	7 Williams Street	Fort Edward	NY	12828
McAfee	Carol	33 Olde Coach Rd	Queensbury	NY	12804
McCann	Helen	5 Jasper Street	Hudson Falls	NY	12839
McClure	Beverly	A. 20 Meadow Ln	Queensbury	NY	12804
McCullough	Ann	93 Maple St Apt 202	Glens Falls	NY	12801
McDermott	Ginger	L. 35 Waverly Place	Queensbury	NY	12804
McKinney	Harold	240 Hinds Rd	Fort Edward	NY	12828
McLaughlin	Karen	7 Clark St	Hudson Falls	NY	12839
McLaughlin	Mariko	4 North Oak Street	Hudson Falls	NY	12839
McNaughton	Kathleen	235 Blackhouse Road	Fort Edward	NY	12828
Meager	Alice	28 Collins Terrace	Saratoga Springs	NY	12866
Measeck	Peggy	A. 57 Cedar Court	Queensbury	NY	12804
Mehalick	Elizabeth	50 Country Club Road	Queensbury	NY	12804
Menaldino	Helen	4 Gentry Lane	Queensbury	NY	12804
Mercure	Terry	3 Clark Street	Hudson Falls	NY	12839
Meyer	Jean	Box 72	Cleverdale	NY	12820
Mills	Sharon	29 New St	Glens Falls	NY	12801
Mills	Susan	28 West Tremont St	PO Box 2 Glens Falls	NY	12801
Minor	Ruth-Ann	276 Flat Rock Road	Lake George	NY	12845
Monahan	Joan	3 Hawthorn Dr	Ft Edward	NY	12828
Monahan	Marc	65 Gentry Ln Apt E	Queensbury	NY	12804
Monahan	Megan	717B Bruno Rd	Clifton Park	NY	12065
Moon	Diane	145 Jenni Jill Drive	Warrensburg	NY	12885
Morris	Margy	15 Elizabeth Ln	Queensbury	NY	12804
Moss	Carol	37 Notre Dame Street	Hudson Falls	NY	12839
Moynihan	Mary	10 Stewart Ave	Glens Falls	NY	12801
Mueller	Ernest	1755 St Rt 196	Fort Edward	NY	12828
Mueller	Sandra	1755 St Rte 196	Fort Edward	NY	12828
Mullen	Joan	H. 325 Broadway #47	Fort Edward	NY	12828
Mulligan	Shirley	M. 624 State Route 372	Greenwich	NY	12834
Munger	Mary Lou	15 Oak View Dr	Ft Edward	NY	12828
Murphy	Linda	186 Hudson Pointe Blvd	Queensbury	NY	12804
Navatka	Larry	27 Cedarwood Dr	Queensbury	NY	12804
Nelson	Shirley	3 Queen Ann Court	Queensbury	NY	12804
Nichols	Catherine	232 Samantha Drive	Fort Edward	NY	12828
Nolan	Kris	12 Waverly Pl	Queensbury	NY	12804
Norris	Sandy	70 Waverly Pl	Queensbury	NY	12804
O'Brien	Mary	Box 125	Cleverdale	NY	12820
O'Connor	Lea	5 Coolidge Avenue	Glens Falls	NY	12801
O'Rourke	Barbara	26 Elizabeth Street	Whitehall	NY	12887
Obermayer	Betty Jane	71 Peggy Ann Road	Queensbury	NY	12804
Ostberg	Charlotte	43 Ridge Street #910	Glens Falls	NY	12801
Packard	Grace	277 Burt Rd	Ft Edward	NY	12828
Paling	Marie	17 Hampton Road, Apt 1	Exeter	NH	03833

GUILD CERTIFIED LETTER LISTING NOV 2016

Palmer	Barbara	24-2 Chestnut Ridge	Queensbury	NY	12804
Palmer	Carole	18 Queen Street	Whitehall	NY	12887
Palmer	Marcia	363 Ridge Rd	Queensbury	NY	12804
Pauquette	Debbie	25 Upper Turnpike	Granville	NY	12832
Perkins	Anna Marie	209 White Birch Estate	Ft Edward	NY	12828
Pertgen	Paulette	The Landing	27 Wood Queensbury	NY	12804
Pike	Gail	4 West Rd	So Glens Falls	NY	12803
Poette	Dorothy	36 Leo St	Queensbury	NY	12804
Potter	Pat	52 Prospect Street	Glens Falls	NY	12801
Potvin	Lyn	P.O. Box 255	Hudson Falls	NY	12839
Potvin	Norma	50 Pearl Street	Hudson Falls	NY	12839
Potvin	Pat	16 Circular Drive	Hudson Falls	NY	12839
Powers	Megan	56 Oak St	Hudson Falls	NY	12839
Powwojznik	Margaret	8 Higgins Road	Lake George	NY	12845
Pratt	Hilda	24 Eldridge Ave	Queensbury	NY	12804
Prout	Donna	14 Washington Road	So. Glens Falls	NY	12803
Provost	Pat	17 Champlain Avenue	Whitehall	NY	12887
Putnam	Rosann	34 Byrne Ave	Glens Falls	NY	12801
Quintal	Kathy	16 Raymond Lane	Warrensburg	NY	12885
Raymond	Rebecca	2 North St	Whitehall	NY	12887
Reed	Jeanne	1 Jones Ave	Hudson Falls	NY	12839
Reger	Jean	12 Willow Road	Queensbury	NY	12804
Restau	Shirley	49 Cindy Lane	Clifton Park	NY	12065
Rich	Carol	21 Dobbin Hill Road	Shushan	NY	12873
Richard	Janet	3 Waverly Pl	Queensbury	NY	12804
Richards	Lynn	16 Highland Meadows V	Whitehall	NY	12887
Riedel	Marilyn	39 Longview Drive #240	Queensbury	NY	12804
Rishel	Margaret	49 Heinrick Circle	Queensbury	NY	12804
Ritchie	Gretchen	H			
Roberts	Grace	261 Haviland Road	Queensbury	NY	12804
Robertson	Joan	P O Box 51	Cleverdale	NY	12820
Robinson	Mary	51 Ferris Drive	Queensbury	NY	12804
Robinson	Miltzi	Box 136	Kattskill Bay	NY	12844
Robinson-Sears	Debra	58 County Rt 2	Putnam Station	NY	12861
Robitaille	Linda	J. 5 Queensway Avenue	Queensbury	NY	12804
Roden	Hilda	1 Trout Lake Club Road	Diamond Point	NY	12824
Roods	Leslie	7 Brentwood Dr	So. Glens Falls	NY	12803
Roods	Lola	367 Lamplighter Acres	Ft Edward	NY	12828
Root	Linda	25 Meadow Lane	Queensbury	NY	12804
Rose	Pam	36 Caroline Street	Queensbury	NY	12804
Ross	Marsha	15 Gilmore St	Whitehall	NY	12887
Ross	Mary Ann	P.O. Box 232	Bolton Landing	NY	12814
Ross	Nancy	61 Notre Dame	Fort Edward	NY	12828
Roush	Jean	494 Truesdale Hill Rd	Lake Geroge	NY	12845
Rowe	Jeffrey	30 Helen Dr	Queensbury	NY	12804
Rozell	Darlene	34 Tamarac Drive	South Glens Falls	NY	12803
Rozell	Eileen	32 School Street	Whitehall	NY	12887

GUILD CERTIFIED LETTER LISTING NOV 2016

Rozell	Greta	8 Pine View Drive	So. Glens Falls	NY	12803
Russo	Jacquelyn	9 Moreau Dr	So Glens Falls	NY	12803
Ryan	Barbara	64 McEchron Lane	Queensbury	NY	12804
Ryer	Helen	M. 6 Spruce Court	Glens Falls	NY	12801
Salem	Beatrice	3 Chestnut Drive	Hudson Falls	NY	12839
Salerno	Rosemary	27 Baldwin Avenue	Fort Edward	NY	12828
Savasta	Alice	151 East Street	Fort Edward	NY	12828
Schafer	Lois	24 Kenwood Circle	Queensbury	NY	12804
Schermerhorn	Kathleen	POBox 461	Lake George	NY	12845
Schermerhorn-Mahoc	Amy	3 Old Saratoga Knolls Ln	Schuylerville	NY	12871
Seabury	Rose-Marie	4 Ferris Street	Hudson Falls	NY	12839
Searles	Barbara	267 Buckley Road	Whitehall	NY	12887
Seeley	Kathleen	292 Broadway	Fort Edward	NY	12828
Seeley	Terry	296 Broadway	Fort Edward	NY	12828
Sefren	Lynn	24 Kirker Dr	Lake George	NY	12845
Shangraw	Martha	K. 39 Longview Drive Apt. :	Queensbury	NY	12804
Sharp	Donna	7 Cunningham Ave	Glens Falls	NY	12801
Sheaff	Lois	2132 State Route 22	Cambridge	NY	12816
Shepherd	Judith	41 Horicon Ave #R	Glens Falls	NY	12801
Shevlin	Helen	67 Grant Avenue	Glens Falls	NY	12801
Shiell	Della	145 Robert Gardens No Apt 2	Queensbury	NY	12804
Shires	Jane	163 Assembly Point	Lake George	NY	12845
Shivka	Barbara	3 Anthony Drive	Fort Edward	NY	12828
Shortell	Nancy	20 Courthouse Drive	Lake George	NY	12845
Sikorak	Doris	52 Feeder Street	Hudson Falls	NY	12839
Simmonds	Rick	32 Tuthill Rd	Queensbury	NY	12804
Simmonds	Sharron	32 Tuthill Rd	Queensbury	NY	12804
Singer	Judith	1423 Tripoli Rd	Ft Ann	NY	12827
Smatko	Kathy	7 Spruce St	Ft Edward	NY	12828
Smith	Dorothy	25 Reardon Rd Ext	Queensbury	NY	12804
Smith	Ida	120 Robert Gardens No	Queensbury	NY	12804
Smith	Joan	B. 275 Chestnut Ridge Road	Queensbury	NY	12804
Smythe	Helen	29 East Street	Fort Edward	NY	12828
Sobel	Elaine	20 Elm St Apt 511	Glens Falls	NY	12801
Sommo	Louise	P. 33 Dix Avenue	Glens Falls	NY	12801
Sparano	Peggy	12 Adams Street	Whitehall	NY	12887
Sperry	Mary	36 Marigold Drive	Queensbury	NY	12804
Spitzer	Claudia	P O Box 528	Lake George	NY	12845
Spitzer	Sally	55 Sheridan Street	Glens Falls	NY	12801
Spring	Gerrienne	19 Summit Street	Fort Edward	NY	12828
Steffen	William	198 Blue Bird Rd Apt 111	South Glens Falls	NY	12803
Stern	Helen	12 Greenwood Lane	Queensbury	NY	12804
Stoffolano-Baker	Sandra	20 Owen Ave	Queensbury	NY	12804
Stone	Sandra	255 South Street	Glens Falls	NY	12801
Strong	Christine	217 B Deer Run Dr	Hudson Falls	NY	12839
Sullivan	Ann	6 Raymond Ave	Glens Falls	NY	12801
Sullivan	Judy	A. 140 Dubes Ave	Hudson Falls	NY	12839

GUILD CERTIFIED LETTER LISTING NOV 2016

Sullivan	Marcia	4 Barton Avenue	Fort Edward	NY 12828
Summers	James	277 Burt Rd	Ft Edward	NY 12828
Swan	Elizabeth	7 Northup Drive	Queensbury	NY 12804
Swift	Barbara	J. 8801 Wandering Way	Baldwinsville	NY 13027
Szmul	Monica	190A Rockwell Road	Queensbury	NY 12804
Taylor	Pat	9 Fairview Street	So. Glens Falls	NY 12803
Taylor	Pat A.	10 North Church Lane	Queensbury	NY 12804
Taylor	Renate	3 Cheryl Drive	So. Glens Falls	NY 12803
Taylor	Terry	9 Fairview Street	So. Glens Falls	NY 12803
Terrilo	Shirley	10 Rogers Street	Fort Edward	NY 12828
Terry	Dixie	9440 State Rte. 4	Whitehall	NY 12887
Thayer	Sharon	10 Pleasant View Drive	Hudson Falls	NY 12839
Thomas	Amy	12 Lamphere Ln	Whitehall	NY 12887
Thompson	Kathy	38 Sue Lane	Hudson Falls	NY 12839
Tidd	Anna	18 Amber Ln	Moreau	NY 12828
Town	Geraldine	10 Rudley Drive	Queensbury	NY 12804
Trombley	Barbara	46 Vaughn Rd	Hudson Falls	NY 12839
Turnbull	Linda	37 Division St	Hudson Falls	NY 12839
Tyler	Kathy	12182 St Rt 22	Whitehall	NY 12887
Unser	Jackie	3500 Meekins Dr Apt 23	Fredericksburg	VA 22407
Usher	Margaret	22 Woodlawn Ave	South Glens Falls	NY 12803
VanBuskirk	Esther	2220 Executive Dr Apt 2	Hampton	VA 23666
Vernold	Nancy	38 Westview Lane	Fort Edward	NY 12828
Vincent	Donna	10 Cherry Lane	Gansevoort	NY 12831
Vladyka	Jean	31 First Avenue	Whitehall	NY 12887
Waite	Dorothy	20 Riverview St Apt 227	So Glens Falls	NY 12803
Waite	Pamela	21 Elizabeth Lane	Queensbury	NY 12804
Warren	Barbara	27 May Street	Glens Falls	NY 12801
Washburn	Janice	22 Fairview St	So Glens Falls	NY 12803
Watkins	Connie	1100 County Route 60	Greenwich	NY 12834
Weaver	Adele	11 Knolls Drive	Queensbury	NY 12804
Webster	John	F. 301 Ft Edward Rd	South Glens Falls	NY 12803
Weinschenk	Barbara	443 Coolidge Hill Road	P.O. Box : Diamond Point	NY 12824
Wells	Patricia	84 Jenkinsville Road	Queensbury	NY 12804
Wheeler	Genevieve	46 Sheraton Lane	Queensbury	NY 12804
Whitney	Carol	12 Heritage Pl	Queensbury	NY 12804
Williams	Cathy	180 County Rte 6	Whitehall	NY 12887
Williams	Florence	57 Skene Street	Whitehall	NY 12887
Wilson	Norine	1 Jerome Lane	So. Glens Falls	NY 12803
Winch	Patricia	225 Vaughn Rd	Hudson Falls	NY 12839
Winslow	Linda	233 Luzerne Road	Queensbury	NY 12804
Wood	Deana	P.O. Box 184	Wevertown	NY 12886

GLENS FALLS NATIONAL BANK AND TRUST CO (0255)

**GLENS FALLS HOSPITAL GUILD INC
C/O VOLUNTEER OFFICE
100 PARK ST
GLENS FALLS, NY 12801**

Checking Activity

Account Number ****4325
NON PROFIT 28

Transactions From Statement Period Ending 1/31/2017

Account Summary

Ending Statement Balance on Tuesday, January 31, 2017 \$149,381.46

Account Activity

Date	Description	Debit	Credit	Balance
01/03/2017	DEPOSIT		\$6,000 00	\$159,415 13
01/03/2017	Check #1599	\$178 13		\$159,237 00
01/04/2017	Check #1598	\$195 50		\$159,041 50
01/06/2017	Check #1600	\$28 70		\$158,014 80
01/09/2017	Check #1601	\$44 88		\$157,969 92
01/13/2017	AC-Glens Falls Hosp-Pay Period		\$3,526 62	\$161,496 54
01/18/2017	Check #1602	\$744 91		\$160,751 63
01/24/2017	Check #1603	\$8,091 14		\$152,660 49
01/25/2017	Check #1604	\$2,498 26		\$150,164 23
01/26/2017	Check #1605	\$782 77		\$149,381 46

Balance By Day

1	1/3/2017	\$159,237 00	2	1/4/2017	\$158,041 50	3	1/6/2017	\$158,014 80
4	1/9/2017	\$157,969 92	5	1/13/2017	\$161,496 54	6	1/18/2017	\$160,751 63
7	1/24/2017	\$152,660 49	8	1/25/2017	\$150,164 23	9	1/26/2017	\$149,381 46



52 South Broad Street
Norwich, New York 13815





January 2017

Reporting Activity 01/01 - 01/31

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GLENS FALLS HOSPITAL GUILD
C/O GLENS FALLS HOSPITAL
GIFT ATRIUM
100 PARK ST
GLENS FALLS NY 12801-4413

At Your Service

-  Customer Service 1.800.NBT.BANK (1.800.628.2265)
-  Website nbtbank.com
-  Loan Payment Address P.O. Box 149 Canajoharie, NY 13317
-  Email Address customerservice@nbtbank.com

Summary of Accounts

Account Type	Account Number	Ending Balance
BUSINESS PREMIUM CHECKING GIFT ATRIUM	XXXXXXXX1328	\$136,098.31

BUSINESS PREMIUM CHECKING - XXXXXXXXX1328

Account Summary

Date	Description	Amount
01/01/2017	Beginning Balance	\$134,298.08
	22 - Checks / Debits	\$22,324.10
	11 + Deposits / Credits	\$24,124.33
01/31/2017	Ending Balance	\$136,098.31

Account Activity

Transaction Date	Description	Debits	Credits	Balance
01/03/2017	TRANSFIRST LLC BKCD STLMT 39300980133028 GIFT ATRIUM		\$874.13	\$135,172.21
01/03/2017	DEPOSIT		\$313.33	\$135,485.54
01/03/2017	DEPOSIT		\$174.03	\$135,659.57
01/03/2017	DEPOSIT		\$119.09	\$135,778.66
01/03/2017	CHECK #11572	\$270.85		\$135,507.81
01/03/2017	CHECK #11565	\$190.50		\$135,317.31
01/03/2017	CHECK #11563	\$65.09		\$135,252.22
01/04/2017	TRANSFIRST LLC BKCD STLMT 39300980133028 GIFT ATRIUM		\$658.56	\$135,910.78
01/04/2017	TRANSFIRST LLC BKCD STLMT 39300980133028 GIFT ATRIUM		\$160.09	\$136,070.87
01/04/2017	CHECK #11540	\$6,000.00		\$130,070.87
01/04/2017	CHECK #11562	\$403.69		\$129,667.18
01/04/2017	CHECK #11566	\$371.85		\$129,295.33



Member FDIC



52 South Broad Street
Norwich, New York 13815

January 2017

Reporting Activity 01/01 - 01/31

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BUSINESS PREMIUM CHECKING - XXXXXXXX1328 (continued)

Account Activity (continued)

Transaction Date	Description	Debits	Credits	Balance
01/04/2017	CHECK #11552	\$225.46		\$129,069.87
01/04/2017	CHECK #11567	\$114.02		\$128,955.85
01/04/2017	CHECK #11551	\$82.00		\$128,873.85
01/04/2017	CHECK #11569	\$7.00		\$128,866.85
01/05/2017	CHECK #11571	\$223.88		\$128,642.97
01/06/2017	DEPOSIT		\$1,399.99	\$130,042.96
01/09/2017	CHECK #11564	\$841.02		\$129,201.94
01/09/2017	CHECK #11573	\$544.54		\$128,657.40
01/09/2017	CHECK #11574	\$241.08		\$128,416.32
01/10/2017	TRANSFIRST LLC DISCOUNT 39300980133028	\$516.84		\$127,899.48
	GIFT ATRIUM			
01/10/2017	CHECK #11570	\$386.83		\$127,512.65
01/11/2017	CHECK #11568	\$275.68		\$127,236.97
01/12/2017	CHECK #11575	\$31.02		\$127,205.95
01/13/2017	Glens Falls Hosp Pay Period 738		\$18,511.43	\$145,717.38
	GF Hosp Atrium			
01/18/2017	CHECK #11577	\$289.18		\$145,428.20
01/19/2017	DEPOSIT		\$15.72	\$145,443.92
01/23/2017	GLENS FALLS HOSP PAYMENT GFH HOSPITAL GUILD ATR		\$1,200.76	\$146,644.68
01/25/2017	CHECK #11581	\$702.05		\$145,942.63
01/26/2017	CHECK #11579	\$46.72		\$145,895.91
01/27/2017	CHECK #11580	\$10,494.80		\$135,401.11
01/30/2017	GLENS FALLS HOSP PAYMENT GFH HOSPITAL GUILD ATR		\$697.20	\$136,098.31

Checks Paid

Check #	Date	Amount	Check #	Date	Amount	Check #	Date	Amount
11540	01/04/2017	\$6,000.00	11566	01/04/2017	\$371.85	11573	01/09/2017	\$544.54
11551*	01/04/2017	\$82.00	11567	01/04/2017	\$114.02	11574	01/09/2017	\$241.08
11552	01/04/2017	\$225.46	11568	01/11/2017	\$275.68	11575	01/12/2017	\$31.02
11562*	01/04/2017	\$403.69	11569	01/04/2017	\$7.00	11577*	01/18/2017	\$289.18
11563	01/03/2017	\$65.09	11570	01/10/2017	\$386.83	11579*	01/26/2017	\$46.72
11564	01/09/2017	\$841.02	11571	01/05/2017	\$223.88	11580	01/27/2017	\$10,494.80
11565	01/03/2017	\$190.50	11572	01/03/2017	\$270.85	11581	01/26/2017	\$702.05

* Indicates skipped check number

Daily Balances

Date	Amount	Date	Amount	Date	Amount
12/31/2016	\$134,298.08	01/10/2017	\$127,512.65	01/23/2017	\$146,644.68
01/03/2017	\$135,252.22	01/11/2017	\$127,236.97	01/25/2017	\$145,942.63
01/04/2017	\$128,866.85	01/12/2017	\$127,205.95	01/26/2017	\$145,895.91
01/05/2017	\$128,642.97	01/13/2017	\$145,717.38	01/27/2017	\$135,401.11
01/06/2017	\$130,042.96	01/18/2017	\$145,428.20	01/30/2017	\$136,098.31
01/09/2017	\$128,416.32	01/19/2017	\$145,443.92		



52 South Broad Street
Norwich, New York 13815

January 2017

Reporting Activity 01/01 - 01/31

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BUSINESS PREMIUM CHECKING - XXXXXXXXX1328 (continued)

Overdraft and Returned Item Fees

	Total for this period	Total year-to-date
Total Overdraft Fees	\$0.00	\$0.00
Total Returned Item Fees	\$0.00	\$0.00

J.F. Hospital Guild - Gift Atrium

100 Park Street
Glens Falls, NY 12801

Invoice

Date	Invoice #
1/20/2017	1983

Bill To
GLENS FALLS HOSPITAL

Account

Description	Amount
Inventory in Gift Atrium as of December 31, 2016	\$4,286.16
Last page of report enclosed	

Total	\$54,286.16
Payments/Credits	\$0.00
Balance Due	\$54,286.16

GLENS FALLS HOSPITAL GUILD, INC.

PLAN OF DISSOLUTION AND DISTRIBUTION OF ASSETS

A. PROCEDURE FOR DISSOLUTION

Upon resolution of the Board of Directors adopting this plan of dissolution, the Board shall submit the plan to a vote of the members for approval.

The dissolution of the Corporation must be approved by the public health and health planning council.

B. ASSETS

The assets of the Corporation and their approximate fair market values are:

- Cash held in bank accounts: \$250,000
- Inventory of Atrium Gift Shop: \$104,000*
*Per resolution of the Board, the inventory of the Atrium gift shop on hand as of December 31, 2016 will be sold to Glens Falls Hospital as of such date for its wholesale cost. The proceeds of such sale shall be distributed according to this Plan.
- Miscellaneous office furniture, supplies and computer equipment: \$6,000
- Receivables: \$33,000

The assets are legally required to be used for purposes consistent with the Corporation's classification as an exempt organization under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended.

C. DEBTS AND OTHER LIABILITIES

The Corporation has outstanding debts or other liabilities in the approximate amount of \$67,000.

The total amount of any accounting and legal fees incurred or estimated in connection with the dissolution of the Corporation is Forty Thousand Dollars (\$40,000.00) or less.

D. PLAN OF DISTRIBUTION OF ASSETS

The assets of the Corporation shall be distributed in accordance with the following plan:

1. The corporation shall discharge or pay its current liabilities.
2. The corporation shall reserve and set aside the amount of \$40,000 (the "Reserved Amount") for payment of its liabilities to be incurred in connection with the dissolution of the corporation.

3. The assets owned by the corporation, subject to any unpaid liabilities of the Corporation, shall be distributed to GLENS FALLS HOSPITAL FOUNDATION, an exempt organization pursuant to Section 501(c)(3) of the Internal Revenue Code of 1986 engaged in activities substantially similar to those of the Corporation. Of the assets distributed to GLENS FALLS HOSPITAL FOUNDATION, the amount of \$210,000 shall be held pursuant to the terms of a Restricted Gift Agreement, which shall prescribe that:

- a. the amount of \$100,000 shall be held and used to support the activities and needs of the Behavioral Health Unit at Glens Falls Hospital,
- b. the amount of \$97,500 shall be held and used to purchase, or assist in purchasing, items on the 2017 annual department wish list, and
- c. the amount of \$12,500 shall be held and used to support the annual Breast Cancer Survivor event in an amount of \$2,500 per year, and, if the event is discontinued, such funds as may then remain shall be transferred to the general fund of the Glens Falls Hospital Foundation.

The funds not held pursuant to the aforementioned Restricted Gift Agreement shall be given to the general fund of the Glens Falls Hospital Foundation.

4. The corporation shall discharge or pay its liabilities incurred in connection with its dissolution from the Reserved Amount, and turn over any unused portion to GLENS FALLS HOSPITAL FOUNDATION, to be held as set forth above.

E. RECIPIENT ORGANIZATION

The following documents of GLENS FALLS HOSPITAL FOUNDATION shall be attached to this Plan: Certificate of Incorporation and amendments thereto; Most recent financial report; and Sworn affidavit from a director and officer stating the purposes of the organization, and that it is currently exempt from federal income taxation.

F. CARRYING OUT THE PLAN

The corporation shall carry out the plan of dissolution as expeditiously as possible, but in any event within 270 days from the date this plan is approved by the Attorney General.

G. CERTIFICATE OF DISSOLUTION

After the distribution of assets within the time period prescribed in paragraph F of this plan, a certificate of dissolution shall be executed, and all approvals required under NY Not-for-Profit Corporation Law Section 1003 shall be obtained prior to filing the certificate of dissolution with the Department of State of the State of New York as required by law.

F 960312000506

CERTIFICATE OF INCORPORATION
OF
GLENS FALLS HOSPITAL FOUNDATION

(UNDER SECTION 402 OF THE NOT-FOR-PROFIT
CORPORATION LAW)

WE, the undersigned, all being over the age of eighteen years and desiring to form a charitable corporation pursuant to Section 402 of the Not-For-Profit Corporation Law of the State of New York, do hereby certify:

ONE: The name of the corporation is GLENS FALLS HOSPITAL FOUNDATION.

TWO: The corporation is a corporation as defined in Section 102(a)(5) of the Not-For-Profit Corporation Law of the State of New York.

THREE: The corporation is a Type B corporation as defined in Section 201(b) of the Not-For-Profit Corporation Law of the State of New York.

FOUR: The corporation is formed for the following reasons and for the following purposes:

- (a) To establish and maintain a program to solicit, receive and manage inter vivos and testamentary outright gifts, life income gifts and other split-interest gifts to support the work of the medical, charitable, scientific, research or educational purposes of Glens Falls Hospital and related organizations.

(b) To engage in any and all lawful activities incidental to the foregoing. Nothing herein shall authorize this corporation, directly or indirectly, to engage in or include among its purposes any of the activities mentioned in Not-For-Profit Corporation Law, Section 404 (b-v).

FIVE: The office of the corporation is to be located in Warren County in the State of New York.

SIX: The name and the address of each of the initial Directors of the corporation are as follows:

NAME	ADDRESS
Franklin A. DePeters, M.D.	11 Murray Street Glens Falls, NY 12801
George C. Frost	25 McHugh Street South Glens Falls, NY 12803
David G. Kruczynicki	Glens Falls Hospital 100 Park Street Glens Falls, NY 12801
Michael F. Massiano	Arrow Financial Corp. 250 Glen Street Glens Falls, NY 12801
William E. Philion	18 Westwood Drive Queensbury, NY 12804
Robert C. Westcott, D.D.S.	84 Glenwood Avenue Queensbury, NY 12804

SEVEN: The duration of the corporation is to be perpetual.

EIGHT: The Secretary of State, pursuant to Section 402(a)(6), is hereby designated as agent of the corporation upon whom process against it may be served. The post office address

to which the Secretary shall mail a copy of any process against the corporation served upon him is: 100 Park Street, Glens Falls, NY 12801.

NINE: For the regulation of the internal affairs of the corporation it is hereby provided:

- a) No part of the assets, income, profits or net earnings of the corporation shall inure to the benefit of, or be distributable to, its member, directors, officers, or other private persons, except that the corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in Article FOUR hereof. No substantial part of the activities of the corporation shall be the carrying on of propaganda, or otherwise attempting to influence legislation, and the corporation shall not participate in, or intervene in (including the publishing or distribution of statements) any political campaign on behalf of any candidate for public office. Notwithstanding any other provisions of this Certificate of Incorporation, the corporation shall not carry on any other activities not permitted to be carried on (i) by a corporation exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code of 1986 (or the corresponding provision of any future United States Internal Revenue Law).
- (b) The corporation shall, to the extent applicable, comply with the provisions of Sections 4947 and 508 of the Internal Revenue Code

of 1986 for the corresponding provisions of any subsequent Federal tax laws), insofar as such sections: (i) Require the corporation to distribute income for each taxable year allocable to charitable purposes in such manner as not to subject the corporation to tax under Section 4942 of The Code; (ii) Prohibit the corporation, its directors, or its members, from engaging in any act of self-dealing as defined in Section 4941 of the Code; (iii) Prohibit the corporation from retaining any excess business holdings as defined in Section 4943 of the Code; (iv) Prohibit the corporation from making investments which jeopardize charitable purposes as specified in Section 4944 of the Code; or (v) Prohibit the corporation from making taxable expenditures as defined in Section 4945 of the Code.

- (c) Upon the dissolution, final liquidation, or winding up of the corporation, the Board of Directors shall, subject to any requisite approval and jurisdiction of the Supreme Court of the State of New York, after paying or making provision for the payment of all the corporation's liabilities, dispose of all of the assets of the corporation exclusively for the purposes of Glens Falls Hospital, or to such organization or organizations organized and operated exclusively for the same or similar not-for-profit charitable purposes as shall at the time qualify as an exempt organization or organizations under Section

501(c) (3) (or the corresponding provision of any subsequent Federal tax laws), as the Board of Directors shall determine.

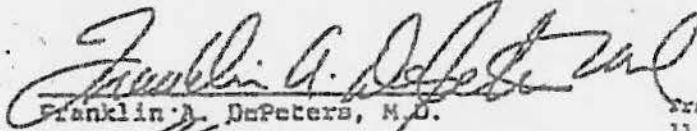
(d) Nothing contained in the Certificate of Incorporation shall authorize the Corporation to establish or operate a hospital or to provide hospital service or health-related service, or to operate a home care service health agency, a hospice, a health maintenance organization, or a comprehensive health services plan, as provided for by Articles 28, 36, 40 and 44, respectively, of the Public Health Law.

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Signed on this 25th day of September, 1995


Franklin A. DePeters, M.D.

Franklin A. DePeters, H.D.²¹
11 Murray Street
Glens Falls, NY 12801


George C. Frost

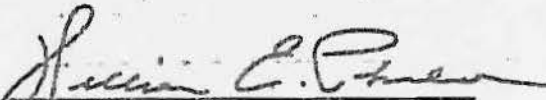
George C. Frost
25 McHugh Street
South Glens Falls, NY 12803


David G. Kruczynski

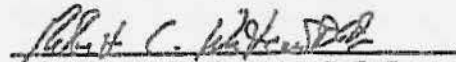
David G. Kruczynski
Glens Falls Hospital
100 Park Street
Glens Falls, NY 12801


Michael F. Massiano

Michael F. Massiano
Arrow Financial Corp.
250 Glen Street
Glens Falls, NY 12801


William E. Phillion

William E. Phillion
18 Westwood Drive
Queensbury, NY 12804


Robert C. Westcott, D.D.S.

Robert C. Westcott, D.D.S.
84 Glenwood Avenue
Queensbury, NY 12804

SEP 27 10 00 AM '95

STATE OF NEW YORK)
) SS:
COUNTY OF WARREN)

On this 25th day of September, 1995, before me personally came MICHAEL F. MASSIANO, to me known to be the person described in and who executed the foregoing instrument, and acknowledged that he executed the same.

(Seal)

Anne T. Daley
Notary Public

ANNE T. DALEY
Notary Public, State of New York
Warren County, 09425
Commission Expires 3/27/96

STATE OF NEW YORK)
) SS:
COUNTY OF WARREN)

On this 25th day of September, 1995, before me personally came WILLIAM E. PHILION, to me known to be the person described in and who executed the foregoing instrument, and acknowledged that he executed the same.

(Seal)

Anne T. Daley
Notary Public

ANNE T. DALEY
Notary Public, State of New York
Warren County, 09425
Commission Expires 3/27/96

STATE OF NEW YORK)
) SS:
COUNTY OF WARREN)

On this 25th day of September, 1995, before me personally came ROBERT C. WESTCOTT, D.D.S., to me known to be the person described in and who executed the foregoing instrument, and acknowledged that he executed the same.

(Seal)

Anne T. Daley
Notary Public

ANNE T. DALEY
Notary Public, State of New York
Warren County, 09425
Commission Expires 3/27/96

STATE OF NEW YORK)
) ss:
COUNTY OF WARREN)

On this 25th day of September, 1995, before me personally came FRANKLIN A. DEPETERS, M.D., to me known to be the person described in and who executed the foregoing instrument, and acknowledged that he executed the same.

(Seal)

Anne T. Daley
Notary Public

ANNET DALEY
Notary Public, State of New York
Warren County, 0540205
Commission Expires 2/28/96

STATE OF NEW YORK)
) ss:
COUNTY OF WARREN)

On this 25th day of September, 1995, before me personally came GEORGE C. FROST, to me known to be the person described in and who executed the foregoing instrument, and acknowledged that he executed the same.

(Seal)

Anne T. Daley
Notary Public

ANNET DALEY
Notary Public, State of New York
Warren County, 0540205
Commission Expires 2/28/96

STATE OF NEW YORK)
) ss:
COUNTY OF WARREN)

On this 25th day of September, 1995, before me personally came DAVID G. KRUCZLNICKI, to me known to be the person described in and who executed the foregoing instrument, and acknowledged that he executed the same.

(Seal)

Anne T. Daley
Notary Public

ANNET DALEY
Notary Public, State of New York
Warren County, 0540205
Commission Expires 2/28/96



STATE OF NEW YORK
DEPARTMENT OF HEALTH
CORNING TOWER BUILDING
ALBANY, N.Y. 12237

PUBLIC HEALTH COUNCIL

January 29, 1996

Andrea H. Semenuk, Esq.
Prerzu & Tenell
Counsellors at Law
50 Main Street
White Plains, New York 10606

Re Certificate of Incorporation of Glens Falls Hospital Foundation

Dear Ms. Semenuk:

AFTER INQUIRY and INVESTIGATION and in accordance with action taken at a meeting of the Public Health Council held on the 26th day of January, 1996, I hereby certify that the Public Health Council consents to the filing of the Certificate of Incorporation of Glens Falls Hospital Foundation, dated September 25, 1995

Sincerely,

Karen S. Westervelt
Executive Secretary

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RESOLUTION

RESOLVED, that the Public Health Council, on this 26th day of January, 1996, approves the filing of the Certificate of Incorporation of Glens Falls Hospital Foundation, dated September 25, 1995.

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CERTIFICATE OF INCORPORATION
GLENS FALLS HOSPITAL FOUNDATION

Andra H. Semenuk, Esq.

LAW OFFICES
PRERAU & REITELL
20 MAIN STREET
WHITE PLAINS, N.Y. 10606
TEL: 914-682-2300

2-cc
STATE OF NEW YORK
DEPARTMENT OF STATE
FILED MAR 12 1996
TAXES 0
BY: J.W.
WARREN

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GLENS FALLS HOSPITAL FOUNDATION

Financial Statements

December 31, 2015 and 2014

(With Independent Auditors' Report Thereon)

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GLENS FALLS HOSPITAL FOUNDATION

Financial Statements

December 31, 2015 and 2014

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Statements of Activities	3
Statements of Cash Flows	4
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Independent Auditors' Report

The Board of Trustees
Glens Falls Hospital Foundation:

We have audited the accompanying financial statements of Glens Falls Hospital Foundation (the Foundation), which comprise the balance sheets as of December 31, 2015 and 2014, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with U.S. generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly in all material respects, the financial position of Glens Falls Hospital Foundation as of December 31, 2015 and 2014, and the results of its activities and its cash flows for the years then ended in accordance with U.S. generally accepted accounting principles.

[(signed) KPMG LLP]

Albany, New York
April 29, 2016

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GLENS FALLS HOSPITAL FOUNDATION

Balance Sheets

December 31, 2015 and 2014

	Assets	<u>2015</u>	<u>2014</u>
Cash and cash equivalents	\$	615,741	383,552
Investments		3,175,143	2,467,469
Pledges receivable		564,571	223,036
Amounts due from Glens Falls Hospital		—	31,832
Total assets	\$	<u>4,355,455</u>	<u>3,105,889</u>
	Net Assets		
Net assets:			
Unrestricted	\$	380,796	69,624
Temporarily restricted		<u>3,974,659</u>	<u>3,036,265</u>
		<u>4,355,455</u>	<u>3,105,889</u>
Net assets	\$	<u>4,355,455</u>	<u>3,105,889</u>

See accompanying notes to financial statements.

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GLENS FALLS HOSPITAL FOUNDATION
Statements of Activities
Years ended December 31, 2015 and 2014

	2015			2014		
	Unrestricted	Temporarily restricted	Total	Unrestricted	Temporarily restricted	Total
Revenue, gains, and other support:						
Contributions	\$ 709,664	1,446,680	2,156,344	392,787	1,062,601	1,355,388
Gifts in kind	45,183	—	45,183	31,239	—	31,239
Net support from Glens Falls Hospital	584,136	—	584,136	481,578	—	481,578
Interest and dividends	12,453	39,653	52,106	5,672	19,241	24,913
Realized gains (losses) on investments, net	68,296	217,430	285,716	62,674	212,606	275,280
Unrealized gains (losses) on investments, net	(77,241)	(260,565)	(337,806)	(32,787)	(107,120)	(139,907)
Total revenue, gains/losses and other support	1,342,481	1,443,198	2,785,679	841,163	1,187,328	2,028,491
Expenses:						
Fund raising expenses						
Salaries and wages	296,412	—	296,412	250,554	—	250,554
Employee benefits	59,282	—	59,282	50,111	—	50,111
Purchased services	50,187	—	50,187	55,335	—	55,335
Printing and duplicating	18,729	—	18,729	9,002	—	9,002
Professional fees	50,572	—	50,572	33,229	—	33,229
Annual campaign fundraising	82,714	—	82,714	66,397	—	66,397
Office supplies	12,360	—	12,360	10,259	—	10,259
Telephone	1,685	—	1,685	1,035	—	1,035
Gifts in kind	45,183	—	45,183	31,239	—	31,239
Miscellaneous	12,195	—	12,195	5,456	—	5,456
Bad debt expense	1,333	2,245	3,578	1,095	410	1,505
Distribution to Glens Falls Hospital	400,657	502,559	903,216	883,211	1,212,613	2,095,824
Total expenses and distribution	1,031,309	504,804	1,536,113	1,397,123	1,213,023	2,610,146
Change in net assets	311,172	938,394	1,249,566	(555,960)	(25,695)	(381,655)
Net assets, beginning of year	69,624	3,036,265	3,105,889	625,584	3,061,960	3,687,544
Net assets, end of year	\$ 380,796	3,974,659	4,355,455	69,624	3,036,265	3,105,889

See accompanying notes to financial statements.

DRAFT**GLENS FALLS HOSPITAL FOUNDATION****Statements of Cash Flows**

Years ended December 31, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Operating activities:		
Change in net assets	\$ 1,249,566	(581,655)
Adjustments to reconcile change in net assets to net cash (used) provided by operating activities:		
Restricted gifts and income	(1,703,763)	(1,294,448)
Restricted distribution to Glens Falls Hospital	502,559	1,212,613
Change in net unrealized (gains) losses on investments	337,806	139,907
Decrease (increase) in pledges receivable	(341,535)	89,465
Decrease (increase) in amounts due from Glens Falls Hospital	31,832	(31,832)
Net cash provided by (used in) operating activities	<u>76,465</u>	<u>(465,950)</u>
Investing activities:		
Decrease (increase) in investments, net	(1,045,480)	288,243
Net cash provided by (used in) investing activities	<u>(1,045,480)</u>	<u>288,243</u>
Financing activities:		
Temporarily restricted contributions and income	1,703,763	1,294,448
Distribution to Glens Falls Hospital	(502,559)	(1,212,613)
Net cash provided by financing activities	<u>1,201,204</u>	<u>81,835</u>
Net increase (decrease) in cash and cash equivalents	232,189	(95,872)
Cash and cash equivalents, beginning of year	<u>383,552</u>	<u>479,424</u>
Cash and cash equivalents, end of year	<u>\$ 615,741</u>	<u>383,552</u>

See accompanying notes to financial statements.

GLENS FALLS HOSPITAL FOUNDATION

Notes to Financial Statements

December 31, 2015 and 2014

(1) Organization and Summary of Significant Accounting Policies

The Glens Falls Hospital Foundation (Foundation), a not-for-profit corporation incorporated in the State of New York, is exempt from Federal income taxes on related income pursuant to Section 501(c)(3) of the Internal Revenue Code. The sole member of the Foundation is Adirondack Health Services (AHS). The Foundation was established primarily to raise funds for Glens Falls Hospital (Hospital).

Following is a summary of the Foundation's significant accounting policies:

(a) Basis of Presentation

The accompanying financial statements, which are presented on the accrual basis of accounting, have been prepared consistent with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958, which addresses the accounting for not-for-profit organizations. In accordance with the provisions of the ASC 958, net assets and revenue, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, unrestricted net assets are amounts not subject to donor-imposed stipulations and are available for operations. Temporarily restricted net assets are those whose use has been limited by donors to a specific time period or purpose.

The Foundation considers events or transactions that occur after the balance sheet date, but before the financial statements are issued, to provide additional evidence relative to certain estimates or to identify matters that require additional disclosure. These financial statements were available to be issued on April 29, 2016 and subsequent events have been evaluated through that date.

(b) Use of Estimates

The preparation of the accompanying financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions about future events. These estimates and the underlying assumptions affect the amounts of assets and liabilities reported, disclosures about contingent assets and liabilities, and reported amounts of revenues and expenses. Such estimates and assumptions include the discount rate for pledges expected to be collected beyond one year and the allowance for uncollectible pledges. These estimates and assumptions are based on management's best estimates and judgment. Management evaluates its estimates and assumptions on an ongoing basis using historical experience and other factors, including the current economic environment. Management adjusts such estimates and assumptions when facts and circumstances dictate. As future events and their effects cannot be determined with precision, actual results could differ significantly from these estimates.

(c) Donor Gifts and Distributions

Conditional promises to give and indications of intentions to give are reported at fair value at the date the gift is received. Unconditional promises to give cash and other assets are reported at fair value at the date the promise is received. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of estimated cash flows. The discounts on those amounts are computed using an interest rate applicable to the year in which the promise is received.

GLENS FALLS HOSPITAL FOUNDATION

Notes to Financial Statements

December 31, 2015 and 2014

Amortization of the discount is included with contributions.

(d) Cash and Cash Equivalents

Cash and cash equivalents include highly liquid investments with original maturities of three months or less.

(e) Investments and Investment Income

Investments consist of mutual funds which are stated at fair value based on quoted market prices available on an active exchange.

Investment income or loss (including realized and unrealized gains and losses on investments, interest, and dividends) is included in the statements of activities consistent with the purpose of the investment and donor-imposed restriction.

(2) Fair Value of Investments

The Foundation follows FASB ASC 820 which clarifies that fair value is a price, representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. FASB ASC 820 also establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). Financial assets recorded at fair value by the Foundation on a recurring basis are investments. The three levels of fair value hierarchy under FASB ASC 820 are described below:

Level 1: Quoted prices in active markets that are accessible at the measurement date for identical assets and liabilities.

Level 2: Inputs, other than quoted prices in active markets, that are observable either directly or indirectly and fair value is determined through the use of models or other valuation methodologies.

Level 3: Unobservable inputs that are supported by little or no market activity and require significant management judgment or estimation in the determination of fair value.

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GLENS FALLS HOSPITAL FOUNDATION

Notes to Financial Statements

December 31, 2015 and 2014

The following table sets forth the Foundation's financial assets that were accounted for at fair value on a recurring basis. The Foundation's mutual funds are all subject to daily liquidity with one day notice. Investments are classified in their entirety based on the lowest level of input that is significant to the fair value measurements:

	2015	
	Total	Level 1
Assets:		
Mutual funds -- equity domestic	\$ 2,012,907	2,012,907
Mutual funds -- equity international	94,831	94,831
Mutual funds -- fixed income	1,067,405	1,067,405
Total	\$ 3,175,143	3,175,143

	2014	
	Total	Level 1
Assets:		
Mutual funds -- equity domestic	\$ 1,553,252	1,553,252
Mutual funds -- equity international	78,954	78,954
Mutual funds -- fixed income	835,263	835,263
Total	\$ 2,467,469	2,467,469

(3) Pledges Receivable

Pledges receivable represent gifts for the benefit of the Hospital's capital campaign, and the Foundation's general appeals which are expected to be collected at various times through 2018. The amounts are recorded at their estimated net present value using a discount rate in effect at the time the gift was pledged. An allowance for uncollectible pledges is not recorded as management has determined the amounts pledged are expected to be received. Due to the various terms and dates, the discount rates range from 1.4% to 3.0%. The components of pledges receivable at December 31 are as follows:

	2015	2014
Less than one year	\$ 7,951	141,820
Greater than one year	573,564	84,994
	581,515	226,814
Less unamortized discount	16,944	3,778
	\$ 564,571	223,036

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GLENS FALLS HOSPITAL FOUNDATION

Notes to Financial Statements

December 31, 2015 and 2014

(4) Temporarily Restricted Net Assets

Temporarily restricted net assets consist of cash and pledges received and held by the Foundation which are restricted by donors for the Hospital for the following purposes at December 31:

	<u>2015</u>	<u>2014</u>
Purchases of building improvements and equipment	\$ 1,446,604	1,490,015
Programs and services	2,484,583	1,501,127
Cardiology services	43,472	45,123
	<u>\$ 3,974,659</u>	<u>3,036,265</u>

(5) Commitment

During September 2015, the Hospital issued Series 2015 Glens Falls Civic Tax Exempt Bonds in the amount of \$67,000,000. The proceeds of the bonds were utilized to refund the Glens Falls Hospital Series 2003A, 2003B, and 2003C Bonds issued by the Counties of Warren and Washington Industrial Development Agency. The proceeds were also utilized to provide funding for future Hospital renovation projects. The Series 2015 (\$63,650,000 outstanding as of December 31, 2015) were issued pursuant to a Loan Agreement dated September 21, 2015 between the Hospital and Glens Falls Civic Development Corporation (CDC). The Bonds were purchased by three financial institutions (the Holders). As security for the repayment of the Bonds, the CDC has assigned its right, title and interest to the Loan Agreement and certain other documents to Key Government Finance (as Administrative Agent) pursuant to a Pledge and Assignment Agreement. The Hospital and Foundation each issued Guaranty Agreements to the CDC and Administrative Agent to provide security for the Bonds.

The Bonds are limited obligations of the Hospital payable solely from and secured by a pledge of payments to be made under a Bond Purchase Agreement, dated September 21, 2015, between the Administrative Agent for and on behalf of the Holders. The Bonds are secured by a first lien mortgage of the Hospital, and personal property financial or refinanced with proceeds of the Bonds.

The Hospital and Foundation as guaranties must satisfy certain financial performance and reporting requirement covenants annually as long as the Bonds are outstanding. As of December 31, 2015 and 2014, management believes the Hospital and Foundation were in compliance with its financial covenants.

STATE OF NEW YORK

)

)ss.:

AFFIDAVIT

COUNTY OF WARREN

)


I, CARL CEDRONE, being duly sworn, depose and say:

1. I am an Officer and Director of Glens Falls Hospital Foundation, located at 126 South Street, Glens Falls, New York 12801.
2. Glens Falls Hospital Foundation is a New York not-for-profit corporation.
3. The purposes of Glens Falls Hospital Foundation as set forth in its certificate of incorporation are:

“(a) To establish and maintain a program to solicit, receive and manage inter vivos and testamentary outright gifts, life income gifts and other split-interest gifts to support the work of the medical, charitable, scientific, research or educational purposes of Glens Falls Hospital and related organizations.

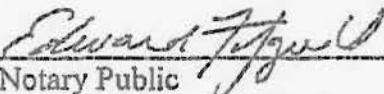
“(b) To engage in any and all lawful activities incidental to the foregoing. Nothing herein shall authorize this corporation, directly or indirectly, to engage in or include among its purposes any of the activities mentioned in Not-for-Profit Corporation Law, Section 404(b-v).”

4. Glens Falls Hospital Foundation is tax exempt under Section 501(c)(3) of the Internal Revenue Code of 1986. A copy of its IRS exemption letter is attached as Exhibit A.
5. I make this affidavit in connection with a gift by the Glens Falls Hospital Guild, Inc. to Glens Falls Hospital Foundation and understand that my statements herein will be relied upon by the New York State Attorney General's Office in determining whether to approve such gift.



CARL CEDRONE

Sworn to before me this 15
day of February, 2017



Notary Public

EDWARD P FITZGERALD
Notary Public, State of New York
Warren Co. #02F16217689
Commission Expires Feb.16, 2018

INTERNAL REVENUE SERVICE
DISTRICT DIRECTOR
.P.O. BOX 1680
BROOKLYN, NY 11202

DEPARTMENT OF THE TREASURY

Date:

SEP 30 1986

GLENS FALLS HOSPITAL FOUNDATION
100 PARK STREET
GLENS FALLS, NY 12801

Employer Identification Number:
14-1790805
Case Number:
116142011
Contact Person:
AMY BERTMAN
Contact Telephone Number:
(718) 488-2236
Accounting Period Ending:
December 31
Form 990 Required:
Yes
Addendum Applies:
No

Dear Applicant:

Based on information supplied, and assuming your operations will be as stated in your application for recognition of exemption, we have determined you are exempt from federal income tax under section 501(a) of the Internal Revenue Code as an organization described in section 501(c)(3).

We have further determined that you are not a private foundation within the meaning of section 509(a) of the Code, because you are an organization described in section 509(a)(3).

If your sources of support, or your purposes, character, or method of operation change, please let us know so we can consider the effect of the change on your exempt status and foundation status. In the case of an amendment to your organizational document or bylaws, please send us a copy of the amended document or bylaws. Also, you should inform us of all changes in your name or address.

As of January 1, 1984, you are liable for taxes under the Federal Insurance Contributions Act (social security taxes) on remuneration of \$100 or more you pay to each of your employees during a calendar year. You are not liable for the tax imposed under the Federal Unemployment Tax Act (FUTA).

Since you are not a private foundation, you are not subject to the excise taxes under Chapter 42 of the Code. However, you are not automatically exempt from other federal excise taxes. If you have any questions about excise, employment, or other federal taxes, please let us know.

Grantors and contributors may rely on this determination unless the Internal Revenue Service publishes notice to the contrary. However, if you lose your section 509(a)(3) status, a grantor or contributor may not rely on this determination if he or she was in part responsible for, or was aware of, the act or failure to act, or the substantial or material change on the part of the organization that resulted in your loss of such status, or if he or she acquired knowledge that the Internal Revenue Service had given notice that you would no longer be classified as a section 509(a)(3) organization.

Donors may deduct contributions to you as provided in section 170 of the

Letter 947 (DO/CG)

CITENS FALLS HOSPITAL FOUNDATION

Prop. Requests, legacies, devises, transfers, or gifts to you or for your use are deductible for federal estate and gift tax purposes if they meet the applicable provisions of Code sections 2055, 2106, and 2522.

Contribution deductions are allowable to donors only to the extent that their contributions are gifts, with no consideration received. Ticket purchases and similar payments in conjunction with fundraising events may not necessarily qualify as deductible contributions, depending on the circumstances. See Revenue Ruling 67-246, published in Cumulative Bulletin 1967-2, on page 104, which sets forth guidelines regarding the deductibility, as charitable contributions, of payments made by taxpayers for admission to or other participation in fundraising activities for charity.

In the heading of this letter we have indicated whether you must file Form 990, Return of Organization Exempt From Income Tax. If Yes is indicated, you are required to file Form 990 only if your gross receipts each year are normally more than \$25,000. However, if you receive a Form 990 package in the mail, please file the return even if you do not exceed the gross receipts test. If you are not required to file, simply attach the label provided, check the box in the heading to indicate that your annual gross receipts are normally \$25,000 or less, and sign the return.

If a return is required, it must be filed by the 15th day of the fifth month after the end of your annual accounting period. A penalty of \$10 a day is charged when a return is filed late, unless there is reasonable cause for the delay. However, the maximum penalty charged cannot exceed \$5,000 or 5 percent of your gross receipts for the year, whichever is less. This penalty may also be charged if a return is not complete, so please be sure your return is complete before you file it.

You are not required to file federal income tax returns unless you are subject to the tax on unrelated business income under section 511 of the Code. If you are subject to this tax, you must file an income tax return on Form 990-T, Exempt Organization Business Income Tax Return. In this letter we are not determining whether any of your present or proposed activities are unrelated trade or business as defined in section 513 of the Code.

You need an employer identification number even if you have no employees. If an employer identification number was not entered on your application, a number will be assigned to you and you will be advised of it. Please use that number on all returns you file and in all correspondence with the Internal Revenue Service.

In accordance with section 508(a) of the Code, the effective date of this determination letter is March 12, 1996.

This determination is based on evidence that your funds are dedicated to the purposes listed in section 501(c)(3) of the Code. To assure your continued exemption, you should keep records to show that funds are expended only for those purposes. If you distribute funds to other organizations, your

HELENS FALLS HOSPITAL FOUNDATION

Records should show whether they are exempt under section 501(c)(3). In cases where the recipient organization is not exempt under section 501(c)(3), there should be evidence that the funds will remain dedicated to the required purposes and that they will be used for those purposes by the recipient.

If distributions are made to individuals, case histories regarding the recipients should be kept showing names, addresses, purposes of awards, manner of selection, relationship (if any) to members, officers, trustees or donors of funds to you, so that any and all distributions made to individuals can be substantiated upon request by the Internal Revenue Service. (Revenue Ruling 57-304, C.B. 1956-2, page 306.)

Since you have not indicated that you intend to finance your activities with the proceeds of tax exempt bond financing, in this letter, we have not determined the effect of such financing on your tax exempt status.

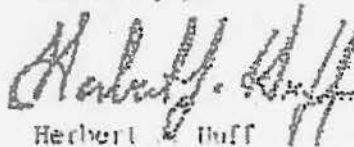
If we have indicated in the heading of this letter that an addendum applies, the enclosed addendum is an integral part of this letter.

Because this letter could help resolve any questions about your exempt status and foundation status, you should keep it in your permanent records.

We have sent a copy of this letter to your representative as indicated in your letter of attorney.

If you have any questions, please contact the person whose name and telephone number are shown in the heading of this letter.

Sincerely yours,



Herbert Duff
District Director


RESTRICTED GIFT AGREEMENT

THIS RESTRICTED GIFT AGREEMENT (this "Agreement") is made as of the 4th day of November, 2016 by and between **GLENS FALLS HOSPITAL GUILD, INC.**, a New York not-for-profit corporation (the "Guild"), and **GLENS FALLS HOSPITAL FOUNDATION**, a New York not-for-profit corporation (the "Foundation").

In consideration of the premises and the mutual covenants herein, the Foundation will assume certain financial obligations in reliance upon this gift and the parties agree as follows:

1. **Background.** The Guild wishes to make a one-time gift to the Foundation in conjunction with the dissolution of the Guild and the distribution of its assets, on the condition that such funds be held and used by the Foundation for the purposes set forth in this Agreement.
2. **Gift.** Subject to the conditions set forth in paragraph 13, below, to support certain programs at Glens Falls Hospital (the "Hospital") the Guild agrees to make a gift to the Foundation in the amount of \$210,000 (the "Gifted Funds"). The restricted gift subject to this Agreement is separate and apart from any other gift or transfer of assets made by the Guild to the Foundation in conjunction with the dissolution of the Guild and the distribution of its assets.
3. **Purpose.** The Gifted Funds be allocated and used solely for the following purposes:
 - a. The amount of \$100,000 shall be held and used to purchase, or assist in purchasing, equipment or supplies for the improvement of the behavioral health services at the Hospital. It is the intention of the parties that such funds will not be spent on general overhead but will be used to help improve the behavioral health services by providing, or assisting in providing, new equipment or supplies or by supporting new or existing but under-resourced programs.
 - b. The amount of \$97,500 shall be held and used to purchase, or assist in purchasing, items on a wish list of the various departments of the Hospital to be generated by the Foundation.
 - c. The amount of \$12,500 shall be held and used to support the annual Breast Cancer Survivor event in an amount of \$2,500 per year, and, if the event is discontinued, such funds as may then remain shall be used as the Foundation shall determine.

The Guild recognizes that the Foundation and the Hospital will benefit from latitude in determining how to allocate the Gifted Funds within the parameters set forth above. It will be the responsibility of the Foundation to set priorities and plan expenditures, as the same may be recommended by the Foundation in consultation with the Hospital.

4. **Restricted Funds – Distribution and Investment.** Distribution policy for the Gifted Funds shall be established by the Foundation. The Foundation may, at its discretion, commingle the Gifted Funds for investment purposes with other restricted and/or unrestricted funds. The Foundation shall have sole discretion in the investment of the Gifted Funds and such investments shall be made in a manner consistent with the investment policy set by the Foundation's Board of Directors.
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5. Fees. Fees incurred for the management and administration of the Gifted Funds will not be paid from the Gifted Funds.
6. Recognition. Appropriate recognition shall be accorded to the Guild for this gift. To honor the Guild, and to express the appreciation of the Foundation and the Hospital, appropriate publicity in the form of news announcements, both internal and external, will be made. The Guild shall be included in names of donors for the year in which the gift of \$210,000 is made.
7. Succession. The Guild intends that this Agreement will be a binding obligation upon it, and its successors and assigns. This Agreement also shall be binding upon the successors and assigns of the Foundation.
8. Quid Pro Quo. The Foundation attests that the Guild, in return for its respective commitment, has received no substantial goods or services. Also, it is understood that this Agreement does not confer upon the Guild the authority to determine or influence the Foundation's or the Hospital's policies or programs, or to participate in the selection, hiring or management of any individual(s) who may be benefit financially from the Gifted Funds.
9. Changed Conditions. The subject of this Agreement and the support of the activities and departments of the Hospital described in paragraph 3 will be protected from obsolescence and impracticability. Should the purpose which this Agreement embodies become, in the judgment of the Foundation's Board of Directors, obsolete, impracticable, or incapable of fulfillment, then the Gifted Funds, or the relevant portions thereof, will be redirected to support such other purpose or purposes benefitting the Hospital as may be determined by the Foundation's Board of Directors to be closely related to the original purposes described in paragraph 3.
10. Severability. Should any provision(s) of this Agreement be found or declared unenforceable or void by any court or competent tribunal for any reason, the remaining provisions shall be severable and fully enforceable as if no such finding of unenforceability had issued.
11. Approvals. It is understood by the parties (i) that the Guild intends to make the gift contemplated herein as part of its implementation of a plan of dissolution and distribution of assets of the Guild (the "Plan") adopted by its Board of Directors, (ii) that the approvals of the members of the Guild, the New York State Attorney General's Office, and the New York State Public Health and Health Planning Council are required before the Guild can distribute its assets and dissolve as set forth in the Plan, and (iii) that any obligation of the Guild to make a gift hereunder is expressly contingent upon the Guild obtaining such approvals.

IN WITNESS WHEREOF, the parties to this Restricted Gift Agreement have executed it by their duly authorized officers as of the date first set forth above.

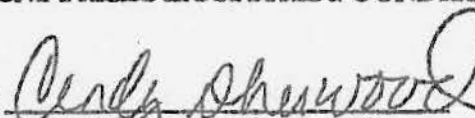
GLENS FALLS HOSPITAL GUILD, INC.

GLENS FALLS HOSPITAL FOUNDATION

By:


Marc Monahan, Acting President

By:


Cindy Sherwood, Vice-President

GLENS FALLS HOSPITAL GUILD, INC.

RESOLUTIONS OF DIRECTORS

Upon motion duly made and seconded at a special meeting of the Board of Directors of Glens Falls Hospital Guild, Inc. held on the 4th day of November, 2016, with 7 of the 9 directors being present, and by a unanimous vote of those present, the following resolutions were adopted by the Board of Directors of Glens Falls Hospital Guild, Inc:

"WHEREAS, the President of Glens Falls Hospital Guild, Inc. has recommended dissolution of this corporation because the number of active members of this corporation has significantly decreased over the past several years and this corporation no longer has sufficient active members interested in continuing the operations and activities of this corporation, less than 10 new members have joined this corporation over the past five years, it is becoming increasingly difficult to oversee and manage the operation of the gift shop with the level of member involvement, and the charitable giving of this corporation's assets to Glens Falls Hospital could be accomplished by Glens Falls Hospital Foundation, and

"WHEREAS, a plan for the dissolution of Glens Falls Hospital Guild, Inc. and for the distribution of its assets has been submitted to the Board of Directors, and a copy of which shall be annexed to these resolutions, and

"WHEREAS, the Board after due consideration has determined the validity of said plan and in their opinion deemed it advisable to dissolve this corporation forthwith, be it

"RESOLVED, that the Board of Directors does hereby adopt said plan of dissolution and distribution of assets and does recommend to the members, that in the best interest of all, this corporation be dissolved and its affairs wound up, and be it further

"RESOLVED, that a meeting of the members of this corporation be held at 11:30 a.m. on the 15th day of December, 2016 at the Queensbury Hotel in Glens Falls, New York to vote on the question as to whether this corporation shall be dissolved and its assets distributed in accordance with the plan adopted by the Board of Directors."

PRESENT: Kristy MacDougal, Marc Monahan, Kathleen LaBelle, Ruth Ann Minor,
Mitzi Robinson, Barbara Lewis, Beverly McClure

ABSENT: Linda Murphy, Joan LaCroix

Glens Falls Hospital Guild, Inc.

By: Kathleen M. LaBelle
Kathleen LaBelle, Secretary of the Corporation

Date: November 7, 2016

GLENS FALLS HOSPITAL GUILD, INC.

RESOLUTIONS OF MEMBERS

Upon motion duly made and seconded at a regular meeting of the members of Glens Falls Hospital Guild, Inc. held on the 15th day of December, 2016, with a quorum of the members being present, in person or by written proxy, and by a two-thirds vote of those present (199 votes being cast affirmatively, zero being cast against, and blank votes and abstentions not being counted in the number of votes cast), the following resolutions were adopted by the members of Glens Falls Hospital Guild, Inc:

"WHEREAS, the Board of Directors of Glens Falls Hospital Guild, Inc. has adopted a plan of dissolution and distribution of assets of the Corporation and has recommended that the Corporation be dissolved accordingly, and the matter having been duly brought before a regular meeting of the Members, be it

"RESOLVED, that the plan of dissolution and distribution of assets approved and adopted by the Board of Directors of Glens Falls Hospital Guild, Inc. shall be, and hereby is, approved; that a copy of the plan be made a part of the minutes of this meeting; and that the board and officers are hereby directed and authorized to take all steps required by law and otherwise necessary and appropriate to carry out the plan and wind up the affairs of the corporation.

PRESENT: 202 Members

Glens Falls Hospital Guild, Inc.

By: Kathleen M. LaBelle Date: January 11, 2017
Kathleen LaBelle, Secretary of the Corporation

BYLAWS
OF
GLENS FALLS HOSPITAL GUILD, INC.

ARTICLE I
NAME

1.1 Name. This not-for-profit corporation shall be called the "Glens Falls Hospital Guild, Inc." and is herein referred to as the "Guild."

ARTICLE II
PURPOSE

2.1 Allowed Purposes. The Guild is formed for the following purposes, as set forth in its Certificate of Incorporation:

a. To advance the interests and welfare of, and render service to the Glens Falls Hospital (the "Hospital") by the use of the talents and abilities of the members of the Guild through ways approved or proposed by the Hospital's governing board and administration, in an effort to assist patients and visitors to the Hospital, and by providing non-medical care and services to such persons and to the Hospital; to contribute financially and otherwise toward the work of the Hospital; and to promote friendship and benevolence among persons interested in the advancement of the interests of the Hospital.

b. To operate a cafeteria and gift shop on Hospital premises to benefit patients, visitors and the staff of the Hospital; and to turn over to the Hospital in the form of donations of money, services or equipment any profits generated by such business activities.

c. To do any other act or thing incidental to or connected with the foregoing purposes or in advancement thereof, but not for the pecuniary profit or financial gain of its members, directors or officers.

c. In addition to the foregoing corporate purposes, the corporation shall have all of the general powers set forth in Section 202 of the Not-for-Profit Corporation Law, together with the power to solicit and receive grants, bequests and contributions for the corporate purposes.

2.2 Disallowed Purposes. As set forth in its Certificate of Incorporation, the Guild has not been formed for pecuniary profit or financial gain, and no part of the assets, income or profit of the Guild is distributable to, or inures to the benefit of, its members, directors, or officers. No substantial part of the activities of the Guild shall be carrying on propaganda, or otherwise attempting to influence legislation, or participating in, or intervening in (including the publication or distribution of statements) any political campaign on behalf of any candidate for public office.

ARTICLE III OFFICE

3.1 Office. The principal office of the Guild shall be located in the City of Glens Falls, County of Warren, and State of New York.

ARTICLE IV MEMBERSHIP

4.1 Qualification for Membership. Any person is eligible for membership in the Guild who is at least eighteen (18) years of age and is interested in the Hospital and in the services which the Guild provides. Membership in the Guild shall not be denied to any person on the basis of sex, race, religion, national origin, sexual orientation or age.

4.2 Election to Membership. Candidates for membership shall make application in writing to the Hospital Liaison, who shall promptly refer the application to the Board of Directors. The Board of Directors shall vote upon the application within two (2) months after its receipt of the application. The Board of Directors may admit or deny members in its sole discretion.

4.3 Types of Membership. There shall be four (4) types of membership:

(a) *Active Members.* Active members shall be those members who have paid their dues as set by the Board of Directors or their branch under the direction of the Board of Directors and who perform volunteer service for the Guild as approved by the Board of Directors. All new members shall be Active members.

(b) *Associate Members.* Associate members shall be those members who have paid their dues as set by the Board of Directors or their branch under the direction of the Board of Directors, but who do not perform volunteer service for the Guild.

(c) *25-Year Members.* 25-Year members shall be those members who have been members for twenty-five (25) years and have paid their dues as set by the Board of Directors or their branch under the direction of the Board of Directors. 25-Year members are not required to perform volunteer service for the Guild.

(d) *Honorary Members.* Honorary members shall be those members who have been members for forty (40) years. Honorary members are not required to pay dues or to perform volunteer service for the Guild.

4.4 Transfer Between Membership Types. A member's membership type shall automatically change, without vote by the Board of Directors, as the member meets the qualification for another membership type, or, in the case of a change between Active and Associate membership status, when the member no longer performs volunteer service for the Guild as determined by the Board of Directors. The Secretary shall keep each member's membership type updated in the records of the Guild.

4.5 Dues. All member dues payments shall be considered non-refundable donations to the Guild. If a dues-paying member fails to make his or her required payment(s) for one (1) year, the Assistant Treasurer shall issue a written notice to the member.

4.6 Termination of Membership. The membership of a member who has been delinquent in payment of dues for two (2) years shall automatically be deemed terminated, cancelled and revoked, provided written warning was issued pursuant to section 4.6 above. The Board of Directors may, at its sole discretion, terminate, cancel and revoke the membership of any member (a) who, for a period of three (3) months, has not resided in the service area of the Hospital or (b) who has engaged in conduct deemed detrimental to the Guild or the Hospital, as determined in the sole discretion of the Board of Directors.

ARTICLE V MEMBER MEETINGS

5.1 Annual Meeting. The annual general meeting of the members shall be held in December of each year, for the purpose of receiving annual reports, electing Directors and Officers and transacting of such other business as may properly be brought before the meeting.

5.2 Special Meetings. A special meeting of the members may be called, at any time and for any purpose or purposes, by the President or by a majority of the Board of Directors. A special meeting of the members shall also be called upon the request in writing of fifteen (15) members. When a special meeting is called by written request of the members, such request shall state the purpose or purposes of the meeting.

5.3 Place of Holding Meetings. Meetings of the members shall be held at a location in the service area of the Hospital chosen by the President or his or her duly authorized designee, or, in the event of a special meeting called by fifteen (15) members, those members may designate a meeting location in their written request.

5.4 Notice of Meetings. Written notice shall be given of each annual meeting stating the place, date and hour of the meeting. Written notice shall be given of each special meeting stating the place, date, hour and purpose of the meeting. A copy of the notice for any meeting shall be given, personally or by mail or e-mail, to each member. If the notice is given personally, by first class mail or by e-mail, it shall be given not less than ten (10) nor more than fifty (50) days before the date of the meeting; if mailed by any other class of mail, it shall be given not less than thirty (30) nor more than sixty (60) days before such date. If mailed, such notice is given when deposited in the United States mail, with postage prepaid, addressed to the address of the member as shown in the records of the Guild. If e-mailed, such notice is given when transmitted to the e-mail address of the member as shown in the records of the Guild. Each member shall be responsible for notifying the Secretary of any changes in his or her mailing or e-mail address.

5.5 Waivers of Notice. Notice of a meeting need not be given to any member who submits a signed waiver of notice, in person or by proxy, whether before or after the meeting. The attendance of any member at a meeting, in person or by proxy, without protesting prior to the conclusion of the meeting the lack of notice of such meeting, shall constitute a waiver of notice by him or her.

5.6 Quorum: Adjournment of Meetings. One-tenth (1/10) of the members, present in person or represented by proxy, shall constitute a quorum at all meetings of the members for the transaction of business except as otherwise provided by statute or by the certificate of incorporation. If less than a quorum is in attendance at the time for which the meeting has been called, the meeting may be adjourned from time to time by a majority vote of the members present or represented, without any notice other than by announcement at the meeting, until a quorum shall attend. At any adjourned meeting at which a quorum shall attend, any business may be transacted that might have been transacted if the meeting had been held as originally called.

5.7 Conduct of Meetings. Meetings of the members shall be presided over by the President of the Guild or, if she is not present, by the President-Elect, or, if none of said officers is present, by a Chairman to be elected at the meeting. The Secretary of the Guild shall act as Secretary of such meetings; in the absence of the Secretary, the presiding officer may appoint a person to act as Secretary of the meeting.

5.8 Voting. Whenever any corporate action is to be taken by vote of the members, it shall be authorized by a majority of the votes cast at a meeting of members by the members entitled to vote thereon, provided the affirmative votes cast in favor of any action shall be at least equal to the number of members constituting the quorum. Blank votes or abstentions shall not be

counted in the number of votes cast. These provisions shall govern unless by express provision of the Not-for-Profit Corporation Law, a different vote is required, in which case such express provision shall govern and control the decision of such question. Each member, regardless of his or her membership type, is entitled to one vote.

5.9 Proxies. A member may vote by proxy in accordance with the Not-For-Profit Corporation Law.

ARTICLE VI DIRECTORS

6.1 Board of Directors. The management of all of the affairs, property, activities, concerns and interest of the Guild shall be vested in its board of directors (the "Board"). Each director shall be at least eighteen (18) years of age.

6.2 Number of Directors. The number of directors constituting the entire Board shall be not less than nine (9) and not more than eighteen (18). As used in these bylaws, "entire Board" means the total number of directors entitled to vote which the Guild would have if there were no vacancies. The number of directors may be increased or decreased by the action of the Board. No decrease shall shorten the term of any incumbent director.

6.3 Election of Directors at Large and Term of Office. Board members shall be elected by the members for a term of two (2) years. No person may serve more than six (6) consecutive two-year terms. Each director shall hold office until the expiration of the term for which he or she is elected or appointed, and until his or her successor has been elected or appointed and qualified.

6.4 Vacancies. Vacancies among directors, for any reason, may be filled by vote of a majority of the directors then in office, regardless of their number, or by vote of the members. A director elected to fill a vacancy shall hold office until the next annual meeting of the members and until his successor is elected or appointed and qualified.

6.5 Removal of Directors. Any or all of the directors may be removed for or without cause by vote of the members. The Board of Directors shall not have the authority, acting alone, to remove Directors.

6.6 Quorum of Directors. A majority of the entire Board of Directors shall constitute a quorum for the transaction of business or of any specified item of business.

6.7 Action by the Board. The vote of a majority of the directors present at the time of the vote, if a quorum is present at such time, shall be the act of the Board of Directors.

6.8 Place and Time of Meetings of the Board. Meetings of the Board of Directors shall be held at a location in the service area of Glens Falls Hospital. The time and place for holding annual or regular meetings of the Board of Directors shall be fixed by the Board of Directors. A special meeting may be called at any time by the President or upon the written request of two (2) directors.

6.9 Notice of Meetings of the Board. Regular meetings of the Board of Directors may be held without notice if the time and place of such meetings are fixed by the Board of Directors and written schedules thereof are given to each member of the Board. Special meetings of the Board of Directors shall be held upon notice to the directors. Notice of a meeting shall be given, personally by first class mail, or e-mail, at least three (3) days prior to the meeting. Notice by first class mail shall be deemed given when deposited in the United States mail with postage prepaid. Notice of a meeting need not be given to any director who submits a signed waiver of notice whether before or after the meeting, or who attends the meeting without protesting, prior thereto or at its commencement, the lack of notice to her.

6.10 Adjournment of Meetings of the Board. A majority of directors present, whether or not a quorum is present, may adjourn any meeting to another time and place. Notice of any adjournment of a meeting of the Board of Directors to another time or place shall be given to the directors who were not present at the time of the adjournment and, unless such time and place are announced at the meeting, to all directors.

6.11 Conduct of Meetings of the Board. At all meetings of the Board of Directors, the President, or in the absence of the President, the President-Elect, shall preside.

6.12 Telephone Conference. Any one or more members of the Board of Directors may participate in a meeting of the Board of Directors by means of a conference telephone or similar communication equipment allowing all persons participating in the meeting to hear each other at the same time. Participation by such means shall constitute presence in person at a meeting.

6.13 Action of Board by Written Consent. Any action required or permitted to be taken by the Board may be taken without a meeting if all members of the Board consent in writing to the adoption of a resolution authorizing the action. The resolution and the written consents thereto by the members of the Board shall be filed with the minutes of the proceedings of the Board.

ARTICLE VII
ELECTED OFFICERS

7.1 Election and Term of Officers. Officer shall be elected by the members for a term of two (2) years. Each officer shall hold office until the expiration of the term for which he or she is elected or appointed, and until his or her successor has been elected or appointed and qualified. No person shall qualify for an Officer position unless he or she is a current or incoming member of the Board of Directors.

7.2 Vacancies. Vacancies among officers, for any reason, may be filled by vote of a majority of the directors then in office, regardless of their number, or by vote of the members. An officer elected to fill a vacancy shall hold office until the next annual meeting of the members and until his successor is elected or appointed and qualified.

7.3 Removal of Officers. Any or all of the officers may be removed for or without cause by vote of the members. Any or all of the officers may be removed for or without cause by vote of the Board of Directors.

7.4 Duties of Officers. The officers of the Guild shall have the duties and responsibilities set forth below:

(a) *President.* The President shall (i) be the principal executive officer of the Guild and, subject to the Board of Director's control, shall supervise and control all of the business and affairs of the Guild; (ii) when present, preside over all meetings of the Board of Directors, the Executive Committee and the members; (iii) be an ex-officio member of all committees where not specifically named as a member; (iv) present an annual report to the Hospital Board of Governors; (v) appoint all committee chairpersons from among the members of the Board of Directors; and (vi) in general, the President shall perform all duties incident to the office of the President in order to promote the prosperity and welfare of the Guild, and such other duties as may be prescribed by the Board of Directors from time to time.

(b) *President-Elect.* The President-Elect shall (i), in the absence of the President, preside over all meetings of the Board, the Executive Committee and the members; (ii) be chairperson of the nominating committee; and (iii) assist the President in performing his or her duties in order to promote the prosperity and welfare of the Guild.

(c) *Secretary.* The Secretary shall (i) keep a record of each meeting of the members, the Board of Directors and the Executive Committee; (ii) conduct all correspondence requested by the President, the Board of Directors or committee chairpersons; (iii) in the absence of the President and President-Elect, preside over all meetings of the members, the Board of Directors and Executive Committee until a chairperson pro-tem is elected; and (iv) give notice of all meetings of the Guild.

(d) *Treasurer.* The Treasurer shall (i) report monthly to the Board of Directors on the Guild's finances; (ii) receive and expend all funds of the Guild as authorized by the Board of Directors; (iii) assist at any fund raising event and all general luncheons with counting money and depositing in the bank; (iv) in conjunction with the Hospital Liaison, oversee the function of the Guild Bookkeeper; and (v) deliver over to his or her successor all books, monies and other property.

(e) *Assistant-Treasurer.* The Assistant-Treasurer shall (i) assist the Treasurer in collecting dues and (ii) assume the duties of the Treasurer in his or her absence.

(f) *Advisory-President.* The Advisory-President shall assist the President as the President may from time to time request.

7.5 Qualification of President as Advisory President. Unless removed from office, at the conclusion of his or her term, the President shall automatically be deemed a nominee for the office of Advisory-President to be confirmed at the annual meeting of members.

7.6 Qualification of Assistant-Treasurer as Treasurer. Unless removed from office, at the conclusion of his or her term, the Assistant-Treasurer shall automatically be deemed a nominee for the office of Treasurer to be confirmed at the annual meeting of members.

7.7 Qualification of President-Elect as President. Unless removed from office, at the conclusion of his or her term, the President-Elect shall automatically be deemed a nominee for the office of President to be confirmed at the annual meeting of members.

ARTICLE VIII COMMITTEES

8.1 Organization of Committees. The Guild shall have such standing committees as set forth herein and such other committees as the President shall direct. The chairs of the committees shall be appointed by the President and shall serve at the pleasure of the President with no specified term of office. Each committee shall consist of at least three (3) members, who must be members of the Guild or employees of the Hospital. Committee members shall be appointed by the President in consultation with the committee chair, and shall serve at the pleasure of the President with no specified term of office. The Hospital Liaison shall be an ex-officio non-voting member of each standing committee and each other committee formed at the direction of the President, and his or her status as an ex-officio member shall not count towards the three (3) member minimum. Each committee shall meet as directed by its chair.

8.2 Reports. All committees are responsible to the President and the Board of Directors, and may submit reports and recommendations at any time, and shall report as directed by the President or Board.

8.3 Standing Committees. The standing committees of the Guild and their duties and responsibilities shall consist of the following, together with any other duties delegated to them by the Board of Directors:

(a) *Executive Committee.* There shall be an Executive Committee comprised of the President, President-Elect, Secretary, Treasurer, Assistant-Treasurer and the immediate past-President. The President may call a meeting of the Executive Committee to attend to any matter which the President deems urgent and necessary. The Executive Committee when duly convened shall have all of the authority of the Board of Directors. Notice of a meeting of the Executive Committee shall be given in person, by telephone or email to every committee member. Notice of a meeting need not be given to any committee member who submits a signed waiver of notice whether before or after the meeting, or who attends the meeting without protesting, prior thereto or at its commencement, the lack of notice to him or her. The presence of four (4) committee members shall constitute a quorum for the transaction of business or of any specified item of business of the Executive Committee.

(b) *Gift Atrium Committee.* There shall be a Gift Atrium Committee that shall oversee the operations of the Gift Atrium at the Hospital.

(c) *Finance Committee.* There shall be a Finance Committee comprised of the Treasurer (who shall serve as committee chairperson), the President, the President-Elect and the Assistant-Treasurer. The Finance Committee shall oversee the preparation of the annual budget submitted the Board of Directors for approval.

(d) *Nominating Committee.* There shall be a Nominating Committee comprised of the President-Elect (who shall serve as committee chairperson), the Secretary, Treasurer and Advisory-President. The Nominating Committee shall propose a slate of nominees for election to the Board of Directors and the positions of President, President-Elect, Secretary, Treasurer and Assistant-Treasurer. The list of nominees shall be subscribed by a majority of the committee and filed with the Secretary, and shall be distributed to the membership with the notice of the Annual meeting of the membership.

(e) *Membership Committee.* There shall be a Membership Committee that shall work in conjunction with the Hospital Liaison to plan and conduct orientations for potential new members.

(f) *Branch Committee.* There shall be a Branch Committee that shall (i) keep the Board of Directors updated on the activities of the branches and (ii) act as liaison between the branches and the Board of Directors for overseeing and monitoring branch membership, activities and fund-raising.

8.4 Other Designees. The President may designate members of the Board of Directors to serve in various roles and with such duties as delegated to them by the President. Such roles may include, but are not limited to, the roles of Historian, Luncheon Chairperson and Publicity Chairperson.

ARTICLE IX BRANCHES

9.1 Organization of Branches. The Board of Directors may authorize members of the Guild to form and operate regional branches of the Guild which shall be comprised solely of members of the Guild. All branches shall exist solely to support the mission of the Guild, and shall be subject to report to the Board of Directors as directed by the President or Board of Directors. Assets and funds of any duly authorized branch shall be considered assets of the Guild, subject to management by the Guild. The Board may at any time, in its sole discretion, and for any reason or no reason at all, disband any branch.

ARTICLE X DUES

10.1 Dues. Each member shall pay annual dues for the Guild's fiscal year in an amount to be determined by the Board of Directors. The Board of Directors may establish different rates for the different classes of membership set forth herein.

ARTICLE XI FISCAL YEAR

11.1 Fiscal Year. The fiscal year of the Guild shall be from January 1st to December 31st.

ARTICLE XII RULES OF PROCEDURE

12.1 Rules. Robert's Rules of Order, as updated from time to time, will be the parliamentary procedure governing meetings of the Board of Directors and the Guild.

ARTICLE XIII
OVERSIGHT OF GLENS FALLS HOSPITAL

13.1 Reporting to Hospital. To ensure that the Guild operates according to its authorized purposes and for the benefit of the Hospital, the President and Board of Directors shall keep the Hospital Board of Governors apprized of the activities of the Guild, including its fund-raising activities, and of any changes or proposed changes to its Directors or Officers, including its proposed slate of candidates for election as Directors and Officers.

13.2 Approval of Actions by Hospital. Unless otherwise required by law, to ensure that the Guild operates according to its authorized purposes and for the benefit of the Hospital, the Guild shall take into consideration any request or recommendation proposed by the Hospital Board of Governors or the Hospital Liaison, and shall refrain from taking any action disapproved by the Board of Governors.

13.3 Liaison. To ensure timely and effective communication and a mutually beneficiary relationship between the Guild and the Hospital, the Guild shall direct all of its communications intended for the Hospital or its Board of Governors to the Director of Volunteer Services or any other person designated by Hospital Board of Governors.

ARTICLE XIV
INDEMNIFICATION

14.1 Indemnification. Any person, or his estate, who is made a party to an action, suit or proceeding by reason of the fact that she, her testator or intestate, is or was a Director or Officer of the Guild, shall be indemnified by the Guild to the fullest extent permitted by the Not-for-Profit Corporation Law.

ARTICLE XV
AMENDMENTS

15.1 Amendments. These Bylaws may be altered, amended or repealed only by (a) a two-thirds vote of the members present at any duly called and noticed meeting of the members and (b) an affirmative vote of the Board of Governors of the Hospital.

These By-Laws shall be effective on _____, 2013.

, Secretary



MEMORANDUM

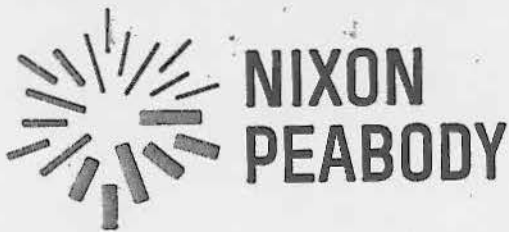
To: Public Health and Health Planning Council
From: Richard J. Zahnleuter, General Counsel
Date: May 3, 2017
Subject: Proposed Dissolution of Mount Loretto Nursing Home, Inc.

Mount Loretto Nursing Home, Inc. requests Public Health and Health Planning Council (PHHPC) approval of its proposed dissolution in accordance with the requirements of Not-For-Profit Law § 1002(c) and § 1003, as well as 10 NYCRR Part 650.

Mount Loretto Nursing Home, Inc sold its facility in 2015 after receiving PHHPC's consent. As such, the corporation now seeks to wind-up and dissolve. The required documents; a Verified Petition, Plan of Dissolution, and a Certificate of Dissolution are included for PHHPC's review. A letter from Nixon Peabody, counsel to the applicant, explaining the need and desire for dissolution has also been received. Lastly, please note the Plan of Dissolution indicates that the applicant no longer has any assets or known liabilities.

There is no legal objection to the proposed dissolution, Verified Petition, Plan of Dissolution, and the Proposed Certificate of Dissolution.

Attachments.



NIXON PEABODY LLP
ATTORNEYS AT LAW

NIXONPEABODY.COM
@NIXONPEABODYLLP

Anita L. Pelletier
Counsel

T 585-263-1164

F 866-947-0499

apelletier@nixonpeabody.com

Nixon Peabody LLP

1300 Clinton Square

Rochester, NY 14604-1792

585-263-1000

April 27, 2017

VIA FEDERAL EXPRESS

New York Department of Health
Division of Legal Affairs
Corning Tower, Room 2464
Empire State Plaza
Albany, New York 12237

**RE: Mount Loretto Nursing Home, Inc.
Dissolution**

Dear Sir or Madam:

We are writing to respectfully request the approval of the enclosed Certificate of Dissolution for Mount Loretto Nursing Home, Inc. (the "Corporation") by the Public Health and Health Planning Council ("PHHPC").

The Corporation sold its facilities in 2015 upon consent of PHHPC and approval by the New York State Attorney General's Office and Supreme Court. Since the sale of its facilities the Corporation worked toward winding up its affairs to dissolve.

At this time the Corporation requests consent from PHHPC to dissolve. Copies the following proposed materials in support of the Corporation's application for approval of its dissolution are enclosed:

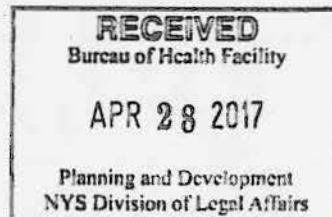
1. Verified Petition, with all available exhibits;
2. Plan of Dissolution and Distribution of Assets (Exhibit G of Petition); and
3. Certificate of Dissolution of the Corporation (Exhibit H of Petition).

Thank you for your time and attention to this matter. Should you require any additional information please do not hesitate to contact me.

Very truly yours,

Anita L. Pelletier

AP/lrr
Enclosures



THE ATTORNEY GENERAL OF THE STATE OF NEW YORK
The Capitol, Albany, New York 12224

-----X
In the Matter of the Application of

MOUNT LORETTO NURSING HOME, INC.

VERIFIED PETITION

OAG #: _____

For Approval of Certificate of Dissolution
pursuant to Section 1002 of the Not-for-Profit
Corporation Law

-----X
Petitioner, Mount Loretto Nursing Home, Inc., by its attorneys, Nixon Peabody LLP, Anita L. Pelletier, Esq., for its Petition herein respectfully alleges:

1. The name of the Corporation is Mount Loretto Nursing Home, Inc. ("Petitioner"). The principal office of Petitioner is located in Montgomery County, New York. Petitioner was incorporated pursuant to the Membership Corporation Law by a Certificate of Incorporation filed by the Department of State on May 2, 1950. A copy of the Certificate of Incorporation and all amendments thereto are attached as Exhibit A. A copy of Petitioner's By-laws are attached as Exhibit B.

2. Petitioner is a charitable corporation under Section 201 of the Not-For-Profit Corporation Law ("N-PCL").

3. The name, title and address of Petitioner's sole remaining director and officer is as follows:

<u>Name & Address</u>	<u>Title</u>
Jeannie Frey, Esq. 200 South Wacker Dr. 11 th Fl. Chicago, IL 60606	Secretary/ Director

4. As stated in its Certificate of Incorporation, as amended, Petition was formed to:

"(1) To establish, maintain and operate an institution for convalescent persons, invalid persons and aged persons, and to afford accommodations and other facilities of board, lodging, res, physical exercise and hygienic attention.

(2) Establishment of a retreat and home for Sisters of the Resurrection who are in need of rest and recuperation.

(3) To take and hold, by bequest, devise, gift, purchase or lease, absolutely for any of its purposes, any property, real or personal, without limitation as to amount or value; to sell, mortgage, lease or otherwise convey or transfer such property, and to invest and reinvest any principal and income, and to deal with, use, apply and expend any property and the income derived therefrom in such manner as in the judgment of its trustees will best promote its objects.”

5. Petitioner previously owned a skilled nursing facility in Amsterdam, Montgomery County, New York (the “Mount Loretto Nursing Home”), the sale of which was subject to a petition to the Montgomery County Supreme Court (the “Court”) and was approved by an Order of the Court entered in the county clerk’s office on July 16, 2015, which Order was amended subject to a supplemental petition to the Court and approved by an Amended Order entered in the county clerk’s office on August 13, 2015. A copy of the Order and Amended Order are attached hereto as Exhibits C and D, respectively.

6. The sale of the Mount Loretto Nursing Home was a joint sale of a skilled nursing facility located in Rensselaer County owned by Resurrection Nursing Home, Inc. (the “Resurrection Nursing Home”; together, with the Mount Loretto Nursing Home, the “Nursing Homes”). The sale of the Resurrection Nursing Home was subject to a separate petition of the Rensselaer County Supreme Court.

7. Pursuant to the Mount Loretto Nursing Home sale petition, Petitioner contemplated dissolution after all of its outstanding liabilities were paid. Under the Amended Order, Petitioner was allocated \$2,400,000 of the proceeds from the joint sale of the Nursing Homes. The proceeds allocated to Petitioner were used to pay down Petitioner’s third party payor liabilities. Petitioner has satisfied all outstanding liabilities and desires to wind up its affairs and dissolve.

8. Petitioner’s Board of Directors approved the Plan of Dissolution and authorized the filing of a Certificate of Dissolution in accordance with Section 1003 of the N-PCL by unanimous written consent of Petitioner’s sole remaining director on April 17, 2017. A copy of the written consent is attached hereto as Exhibit E.

9. Petitioner’s sole member approved the Plan of Dissolution by unanimous written consent. A copy of the written consent is attached hereto as Exhibit F.

10. A certified copy of the Plan of Dissolution is attached hereto as Exhibit G.

11. A copy of the Certificate of Dissolution is attached hereto as Exhibit H.

12. Petitioner has no assets or liabilities, and a copy of its final report showing zero assets has been filed with the Attorney General.

13. Approval of the dissolution of Petitioner is required to be obtained from the Department of Health, whose consent is attached hereto as Exhibit I.

14. With this Petition, the original Certificate of Dissolution is being submitted to the Attorney General for approval pursuant to Not-For-Profit Corporation Law Section 1003.

WHEREFORE, Petitioner prays that the Attorney General approve the filing of the Certificate of Dissolution of Mount Loretto Nursing Home, Inc., a not-for-profit corporation, pursuant to the Not-for-Profit Corporation Law Section 1002.

Dated: April 17, 2017

NIXON PEABODY LLP



By: _____

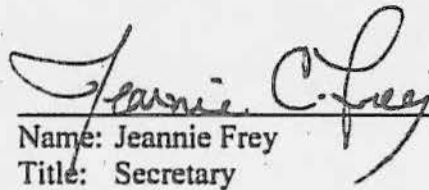
Anita L. Pelletier, Esq.
1300 Clinton Square
Rochester, New York 14604

VERIFICATION

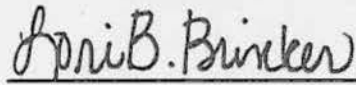
STATE OF ILLINOIS)
) SS.:
COUNTY OF CHICAGO)

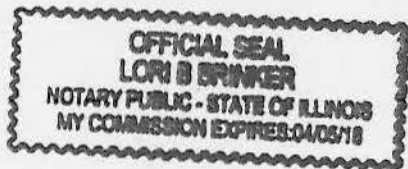
I, Jeannie Frey, being duly sworn deposes and says:

I am the Secretary and sole remaining director of Resurrection Nursing Home, Inc., the Petitioner named in the above Petition and make this verification at the direction of its Board of Directors. I have read the foregoing Petition and know the contents thereof, and the same is true of my own knowledge, except those matters that are stated on information and belief and as to those matters I believe them to be true.


Name: Jeannie Frey
Title: Secretary

Sworn to before me this 17th
day of April, 2017


Notary Public



CERTIFICATE OF INCORPORATION

MT. LORETO CONVALESCENT AND REST HOME, INC.

Pursuant to the Membership Corporations Law

136

WE, the undersigned, all of full age, being desirous of associating ourselves together as a membership corporation, DO HEREBY CERTIFY AND DECLARE that all the subscribers to this certificate are of full age, two-thirds are citizens of the United States and all are residents of the State of New York; that all of the persons named as trustees (directors) are of full age, two-thirds are citizens of the United States and all are residents of the State of New York.

WE DO FURTHER CERTIFY AND DECLARE AS FOLLOWS:

FIRST: The name of the corporation hereby created shall be: "MT. LORETO CONVALESCENT AND REST HOME, INC."

SECOND: The particular objects for which said corporation is formed are as follows:

- (1) To establish, maintain and operate an institution for convalescent persons, invalid persons and aged persons, and to afford accommodations and other facilities of board, lodging, rest, physical exercise and hygienic attention.
- (2) Establishment of a retreat and home for Sisters of the Resurrection who are in need of rest and recuperation.
- (3) To take and hold, by bequest, devise, gift, purchase or lease, absolutely for any of its purposes, any property, real or personal, without limitation as to amount or value; to sell, mortgage, lease or otherwise convey or transfer such property, and to invest and reinvest any principal and income, and to deal with, use, apply and expend any property and the income derived therefrom in such manner as in the judgment of its trustees will best promote its objects.

THIRD: The number of members and the Board of Directors, to be known as trustees of the Corporation, shall be five. The members of the corporation and its trustees-directors shall be persons of the Roman Catholic faith and at all times members in good standing of the Sisters of the Resurrection founded in

528-2-136-1

Rome, Italy, in 1891.

FOURTH: That the territory in which the operations of the corporation are to be conducted is the State of New York.

FIFTH: The principal office of the Corporation shall be located in the Town of Amsterdam, County of Montgomery, New York.

SIXTH: That the real property of the corporation shall not be sold, mortgaged or leased without the consent given in writing of the Mother Provincial of the Eastern Province of the Sisters of the Resurrection in the United States.

SEVENTH: The names and places of residence of the directors, such persons to be known as trustees of the corporation until its first annual meeting, shall be:

Josephine Sokalska, Sister Euphemia, C.R., Mt. St. Joseph, Castleton-on-the-Hudson, N.Y.

Catherine Krzemieniewska, Sister Gertrude, C.R., Mt. St. Joseph, Castleton-on-the-Hudson, N.Y.

Mary Kozielecka, Sister M. Modesta, C.R., R.D. 3, Amsterdam, New York.

Anna Gielarowska, Sister Albina, C.R., Mt. St. Joseph, Castleton-on-the-Hudson, N.Y.

Frances Przygodzka, Sister Frances, C.R., 615-4th Street, Troy, New York.

EIGHTH: The annual meeting shall be held on the first Friday in February of each year.

IN WITNESS WHEREOF, we have made and signed this certificate in triplicate and have hereunto set our hands and affixed our respective seals this 17th day of January, 1950.

x Josephine Sokalska Sister Euphemia, C.R.
x Catherine Krzemieniewska, Sister Gertrude, C.R.
Mary Kozielecka Sister M. Modesta, C.R.
x Anna Gielarowska, Sister Albina, C.R.
Frances Przygodzka, Sister Frances, C.R.

STATE OF NEW YORK :
COUNTY OF Passaic : ss.:

On this 17th day of January, 1950, before me personally came Josephine Sokalska, Sister Euphemia, C.R., Catherine Krzemieniewska, Sister Gertrude and Anna Gielarowska, Sister Albina, C.R. to me known and known to me to be the persons described in and who executed the above certificate and they severally acknowledged that they executed the same.

George Schenck

51



STATE OF NEW YORK :
COUNTY OF Passaic : ss.:

On this 17th day of January, 1950, before me personally came Mary Kwielska, Sister M. Modesta, C.R. to me known and known to me to be the person described in and who executed the above certificate and she duly acknowledged to me that she executed the same.

George Schenck

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STATE OF NEW YORK :
COUNTY OF Passaic : ss.:

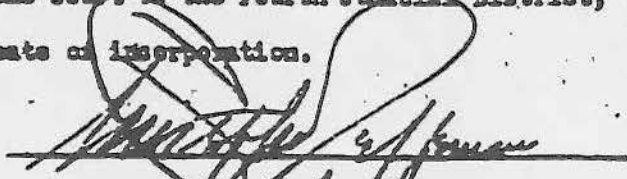
On this 17th day of January, 1950, before me personally came Frances Prsygodaka, Sister Frances, C.R. to me known and known to me to be the person described in and who executed the above certificate and she duly acknowledged that she executed the same.

George Schenck

51



I, a justice of the Supreme Court of the Fourth Judicial District,
hereby approve the foregoing certificate of incorporation.


Justice, Supreme Court

Dated: February 2nd 1950



State of New York—Department of Social Welfare

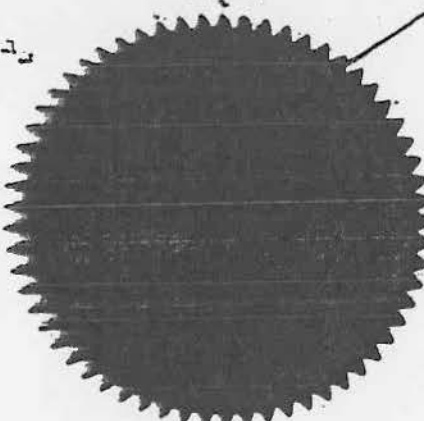
State Board of Social Welfare

Albany

Know all Men by These Presents:

At a meeting of the State Board of Social Welfare, held on the twenty-fourth day of January, 1950, due inquiry and investigation having been made, the Board approved the certificate of incorporation of MT. LORETO CONVALESCENT AND REST HOME, INC., pursuant to the Membership Corporations Law of the State of New York.

In Witness Whereof, the State Board of Social Welfare has caused these presents to be signed in accordance with the provisions of the statutes and its by-laws, and the official seal of the Board and of the Department to be hereunto affixed, this thirtieth day of January, in the year one thousand nine hundred and fifty.



[Handwritten Signature]

Secretary.

52-1-136-5

9572
5889

CERTIFICATE OF INCORPORATION

of 176 X

MT. LORETO CONVALESCENT AND REST HOME,
INC.

12

Dated: January 27, 1950

STATE OF NEW YORK
DEPARTMENT OF STATE

FILED MAY 2 - 1950

TAX \$ None

FILING FEE \$ 40

Thomas J. Tobin

Secretary of State

By *[Signature]*

CHARLES J. TOBIN
COUNSELLOR AT LAW
100 STATE ST., ALBANY, N. Y.

528

CERTIFICATE OF AMENDMENT
OF THE
CERTIFICATE OF INCORPORATION

MT. LORETO CONVALESCENT AND REST HOME, INC.

UNDER SECTION 803 OF THE NOT-FOR-PROFIT
CORPORATION LAW

B227205
We, the undersigned, being the president and secretary of Mt. Loreto Convalescent and Rest Home, Inc., do hereby certify:

- (1) The name of the corporation is Mt. Loreto Convalescent and Rest Home, Inc.
- (2) The certificate of incorporation of Mt. Loreto Convalescent and Rest Home, Inc., was filed by the Department of State on the 2nd day of May, 1950. The said corporation was formed under the New York State Membership Corporations Law.
- (3) The corporation is a corporation as defined in subparagraph (a)(5) of Section 102 of the Not-For-Profit Corporation Law and is a Type B Corporation under Section 201 of said law.
- (4) The certificate of incorporation of Mt. Loreto Convalescent and Rest Home, Inc. is hereby amended to affect a change in the corporate name, pursuant to Section 801(b)(1) of the Not-For-Profit Corporation Law. Paragraph (1) of the certificate of incorporation is hereby amended to read as follows:

"(1) The name of the corporation is Mount Loretto Nursing Home, Inc."

- (5) The manner in which this amendment to the certificate of incorporation of Mt. Loreto Convalescent and Rest Home, Inc. was authorized, was by the consent of the majority of the members of the entire Board of Directors of the corporation voting in person at a meeting duly called and held for that purpose on the 4th day of December, 1984. There are no members eligible to vote.
- (6) The Secretary of State of the State of New York is hereby designated the agent of the corporation upon whom process against it may be served. The post office address to which the Secretary of State shall mail a copy of any process against the corporation served upon him as agent of the corporation is Tobin and Dempf, Esqs., 100 State Street, Albany, New York, 12207.

IN WITNESS WHEREOF, the undersigned have executed and signed this certificate this 30th day of December, 1984.

Sister Dolores Stepien, C.R.
SISTER DELORES STEPIEN, C.R., President.

Sister Alexandra Jazdzynski, C.R.
SISTER ALEXANDRA JAZDZYNSKI, C.R.,
Secretary.

VERIFICATION

STATE OF NEW YORK)
COUNTY OF MONTGOMERY) SS.:

SISTER ALEXANDRIA JAZWINSKI, C.R., being duly sworn, deposes
and says:

That she is the secretary of Mt. Loreto Convalescent and
Rest Home, Inc.; that she has read and signed the foregoing
certificate and the statements contained therein are true.

Sister Alexandria Jazwinski, C.R.
SISTER ALEXANDRIA JAZWINSKI, C.R.,
Secretary.

Sworn to before me this 30th day of
December, 1984.

Donald M. M. Carty
Notary Public.

(Commission expires 11/16/87)

APPROVAL OF JUSTICE OF
THE SUPREME COURT

I, THOMAS E. MERCURE, Justice of the Supreme Court of
the Fourth Judicial District, do hereby approve the for-
going Certificate of Amendment of the Certificate of
Incorporation and consent that the same be filed.

Thomas E. Mercure

THOMAS E. MERCURE,
Justice of the Supreme Court
(Fourth Judicial District)

DATED: MAY 7, 1985.

4



STATE OF NEW YORK
DEPARTMENT OF HEALTH
CORNING TOWER BUILDING
ALBANY, N.Y. 12237

PUBLIC HEALTH COUNCIL

RECEIVED

MAY 6 1985

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

TOBIN & DEMPFF

May 1, 1985

KNOW ALL MEN BY THESE PRESENTS:

After inquiry and investigation and in accordance with action taken at a meeting of the Public Health Council held on the 26th day of April, 1985, I hereby certify that the Certificate of Amendment of the Certificate of Incorporation of Mt. Loreto Convalescent and Rest Home, Inc., dated December 30, 1984 is APPROVED.

Public Health Council approval is not to be construed as approval of property costs or the lease submitted in support of the application. Such approval is not to be construed as an assurance or recommendation that property costs or lease amounts as specified in the application will be reimbursable under third party payor reimbursement guidelines.

Nancy A. Massaroni

NANCY A. MASSARONI
Executive Secretary

Sent to: Mr. David M. Ruffo, Esq.
Tobin and Dempf
100 State Street
Albany, New York 12207



STATE OF NEW YORK
DEPARTMENT OF LAW
ALBANY 12224

ROBERT ABRAMS
ATTORNEY GENERAL

Telephone: (518) 474-7206

JAMES G. McSPARRON
DEPUTY FIRST ASSISTANT
ATTORNEY GENERAL

January 11, 1985

RECEIVED
TOBIN & DEMPFF

David A. Ruffo, Esq.
Tobin and Dempf, Esqs.
100 State Street
Albany, New York 12207

Dear Mr. Ruffo:

RE: MOUNT LORETTO NURSING HOME, INC.. (NEW)
MOUNT LORETTO CONVALESCENT AND REST HOME, INC. (OLD)

Due and timely service of the notice of application for the approval of the proposed certificate of amendment to the certificate of incorporation of the above-entitled organization is hereby admitted.

The Attorney General does not intend to appear at the time of application. Approval is contingent upon your seeking the approval of the Commissioner of Social Services pursuant to Section 404(b) of the Not-For-Profit Corporation Law.

Very truly yours,

ROBERT ABRAMS
Attorney General

BY


RICHARD S. REDLO
Assistant Attorney General

6

NEW YORK STATE
DEPARTMENT OF SOCIAL SERVICES
40 NORTH PEARL STREET, ALBANY, NEW YORK 12243

CESAR A. PERALES
Commissioner

RECEIVED

MAR 14 1985

TOBIN & DAMPF



DAVID SMIL
Deputy Commissioner
and General Counsel

March 12, 1985

David A. Ruffo, Esq.
Tobin and Dampf
100 State Street
Albany, New York 12207

Re: Mt. Loreto Convalescent
and Rest Home

Dear Mr. Ruffo:

Returned herewith is a copy of the proposed Certificate of Amendment of the Certificate of Incorporation of the above-named organization. This Certificate has been given careful consideration and I am of the opinion that with the purposes stated therein, the approval of the State Department of Social Services is not required under the provisions of the statute. If otherwise in proper form, such an executed original Certificate should be accepted for filing by the Secretary of State, provided the approval of a Justice of the Supreme Court is endorsed thereupon or annexed thereto.

The purpose of the Certificate of Amendment is to change the name of the corporation from Mt. Loreto Convalescent and Rest Home, Inc. to Mount Loretto Nursing Home, Inc.

The statement of purposes appears in the Certificate, in pertinent part, as follows:

"(4) The certificate of incorporation of Mt. Loreto Convalescent and Rest Home, Inc. is hereby amended to affect a change in the corporate name, pursuant to Section 801(b)(1) of the Not-For-Profit Corporation Law. Paragraph (1) of the certificate of incorporation is hereby amended to read as follows:

"(1) The name of the corporation is Mount Loretto Nursing Home, Inc."

7

David A. Ruffo, Esq.

-2-

This letter is not to be construed as an approval by the State Department of Social Services, or any officer of the Department, but as a statement that the approval of the State Department of Social Services would not be required for a Certificate of Amendment of a Certificate of Incorporation containing the foregoing statement of purposes. When it is apparent on the face of a Certificate that approval of the Department is not required under the provisions of the statutes, it has been the policy of the Department to indicate neither approval nor disapproval.

You may send the executed original Certificate of Amendment of the Certificate of Incorporation to the Secretary of State, together with this letter.

Very truly yours,

Bridget Eadon

Bridget Eadon
Associate Counsel
Bureau of Adult
Services Law

Enclosure

8227205

9

CERTIFICATE OF AMENDMENT OF THE CERTIFICATE OF INCORPORATION

MT. LORETO CONVALESCENT AND REST HOME, INC.

UNDER SECTION 803 OF THE NOT-FOR-PROFIT CORPORATION LAW

STATE OF NEW YORK DEPARTMENT OF STATE

FILED MAY 16 1985

AMT. OF CHECK \$ 46.50
FILING FEE \$ 30
TAX \$
COUNTY FEE \$
COPY \$ 10.00
CERT \$
REFUND \$
SPEC. HANDLE \$ 10

Montgomery type B

5/2/85
Montgomery
5280
No. 101
NFP
4/23/85
13218
5/1/85

ORIGINAL

LAW OFFICES TOBIN AND DEMPSEY 100 State Street ALBANY, N. Y. 12207

FILED
MAY 16 9 30 AM '85

MAY 15 4 11 1985

**AMENDED AND RESTATED
CORPORATE BYLAWS
OF**

MOUNT LORETTO NURSING HOME

EFFECTIVE AS OF APRIL 22, 2002

MOUNT LORETTO NURSING HOME
BYLAWS

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MOUNT LORETTO NURSING HOME
BYLAWS

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**MOUNT LORETTO NURSING HOME
BYLAWS**

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**AMENDED AND RESTATED
CORPORATE BYLAWS
OF
MOUNT LORETTO NURSING HOME**

EFFECTIVE: APRIL 22, 2002

**ARTICLE I
CORPORATION**

SECTION 1. - Name

The name of the Corporation is Mount Loretto Nursing Home, Inc., (the "Corporation" or "the Nursing Home"), a New York not-for-profit corporation.

SECTION 2. - Office

The location of the principal office of the Corporation shall be located at 90 North Main Street, Castleton, New York 12033 and the Corporation may have other offices within or without the state as the Corporation's Board of Directors (the "Board") may from time to time determine.

SECTION 3. - Purposes

The Corporation is organized for charitable, religious, scientific, and educational purposes, to be carried out consistently with the Ethical and Religious Directives for Catholic Health Care Services, as promulgated from time to time by the local Bishop (the "Ethical and Religious Directives"). The purposes of the Corporation include but are not limited to:

- a. Establish, maintain, and operate a Catholic health care facility which shall consistently promote the mission of healing, of building Christian community, and of service through its governance and management process consistent with the Ethical and Religious Directives.
- b. Provide a health care facility and programs for the accommodation, care, diagnosis and treatment of individuals suffering from illness, injury, disease or other physical disability requiring medical, surgical, nursing care or other related professional services.
- c. Maintain a qualified, licensed medical staff, as well as competent professional and non-professional personnel who will provide quality care to the sick and injured regardless of race, color, creed or national origin.

- d. Support residency and affiliated educational programs and activities consistent with and supportive of the Corporation and its stated philosophy and purposes, as well as being related to rendering care to the sick and injured or protection of the health, rehabilitation and social needs of the community.
- e. Promote scientific research related to the care of the aged, sick and injured for the promotion of health.
- f. Provide charitable care to those who require it, within the means of the Corporation.
- g. Promote and participate in area-wide health planning and in the delivery of health care within the resources of the facility as well as maintain appropriate relationships with civic and religious organizations.
- h. Act as a member of the integrated health care delivery system represented by the Corporation's Member, Resurrection Ministries of New York ("RMNY"), and other corporations and entities affiliated with RMNY.

SECTION 4. - Not-For-Profit Organization

All of the assets and the earnings of the Corporation shall be used exclusively for charitable, religious, scientific or educational purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, or any subsequent Internal Revenue law (the "Code"), in the course of which operation:

- a. No part of the net earnings of the Corporation shall inure to the benefit of, or be distributable to, an individual, including the directors or officers of the Corporation; provided, that the Corporation shall be empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth herein.
- b. No substantial part of the activities of the Corporation shall be the carrying on of propaganda, or otherwise attempting to influence legislation, and the Corporation shall not participate in, or intervene in (including the publication or distribution of statements) any political campaign on behalf of any candidate for public office except as authorized under the Code.
- c. The Corporation shall not engage in any business which would disqualify it from being exempt from taxation under Section 501(a) of the Code as an organization described in Section 501(c)(3) of the Code.

SECTION 5. - Corporate Dissolution

In the event of the dissolution or liquidation of the Corporation, and after payment of just debts and liabilities, all remaining assets shall be distributed to RMNY, a New York not-for-profit corporation, or if not in existence, to Resurrection Health Care, an Illinois not-for-profit corporation ("Resurrection Health Care"). If Resurrection Health Care is not in

existence, then to such charitable, religious, scientific or educational organization or organizations which would then qualify as exempt from tax under Section 501(c)(3) of the Code as the Board shall designate, with the approval of the Sisters of the Resurrection (Chicago and New York Provinces) and the Sisters of the Holy Family of Nazareth (Sacred Heart Province).

SECTION 6. - Corporate Seal

The Corporation shall have a corporate seal which shall have inscribed thereon the name of the Corporation and the words "Corporate Seal".

ARTICLE II

MEMBERSHIP

SECTION 1. - Corporate Member

The Corporation shall have one member, which shall be RMNY, a New York not for-profit corporation (the "Member" or the "Corporate Member").

SECTION 2. - General Powers

The Corporate Member shall oversee the affairs of the Corporation and assure that all actions of the Corporation are consistent with the mission, philosophy and purposes of the Sisters of the Resurrection (Chicago and New York Provinces) and the Sisters of the Holy Family of Nazareth (Sacred Heart Province) and the Ethical and Religious Directives.

SECTION 3. - Member's Powers

In furtherance of the exercise of its general powers, the Corporate Member shall have the exclusive power to:

- a. Adopt, amend or repeal the Bylaws of the Corporation.
- b. Appoint and remove all Officers of the Corporation, other than the President, and all Directors of the Corporation.
- c. Approve unbudgeted expenditures in excess of the limit established by the Corporate Member from time to time, solely to ensure that such expenditures conform with the mission and philosophy of the Corporation.
- d. Approve any sale, lease, mortgage, debt (other than debt necessary to finance the cost of compliance with operational or physical plant standards required by law) or encumbrance of property involving an amount in excess of limits established by the Corporate Member from time to time, which limits shall correspond to those required under Roman Catholic Church Law.

- e. Direct and approve any contributions, donations or other asset transfers without consideration to the Member or any Affiliate.
- f. Approve changes in the type of services rendered by the Corporation, solely to ensure that services rendered by the Corporation are consistent with the mission and philosophy of the Corporation.
- g. Approve all strategic plans of the Corporation, provided that such right of approval shall not permit the Member to exercise any of the governance authority under the applicable regulations unless the Member has received establishment approval from the Public Health Council.
- h. Approve any selection or modification of the business name or logo of the Corporation or any program or division of the Corporation.
- i. Approve the job description and duties of the President.
- j. Approve any material agreement or transaction with another affiliate.
- k. Approve any affiliation with a medical school or other teaching or research facility.
- l. Approve acceptance of a contribution which imposes a material obligation on this Corporation.
- m. Select independent auditors for the Corporation.
- n. Direct the Board and its Officers to act in accordance with the Member's mission, philosophy and values.

SECTION 4. - Approval and Recommendation Powers

None of the actions set forth below shall be deemed authorized unless and until approved by the Corporate Member. The Board shall adopt resolutions approving any such proposed action, prior to submitting the matter to the Corporate Member for its approval. The actions set forth below may also be initiated by the Corporate Member in the absence of a recommendation by the Board, subject to the Board's subsequent approval and the Corporate Member's final approval.

- a. Adoption, amendment or repeal of the Articles of Incorporation of the Corporation.
- b. Adoption of any plan of merger, consolidation or dissolution of the Corporation.

SECTION 5. - Rights to be Advised and Comment on Significant Matters

The Board of Directors shall give the Corporate Member at least two (2) weeks' advance notice (or shorter notice period as agreed to by the Corporate Member generally or from

time to time with respect to specific matters) and the opportunity to comment on each of the following matters prior to their consideration by the Corporation's Board of Directors:

- a. Approval of capital or operating budgets, and long-term capital equipment plans.
- b. Approval of contracts for management of the Corporation's facilities.
- c. Approval of material changes in insurance coverage, employee benefits or other material operating policies or practices of the Corporation.

SECTION 6. - Annual Meeting; Quorum

The annual meeting of the Member, for the purpose of electing Directors of the Corporation and the transaction of such other business as shall properly come before the Member, shall be held during the fourth week of October of each year at such date, time and place as shall be determined by the President of the Member, or on such other date, and at such time and place, as is determined by resolution of the Member's Board of Directors.

SECTION 7. - Regular Meetings

Regular meetings of the Member shall be held at such time and place designated by the President of the Member's Board of Directors by announcement at the preceding Member Board meeting, by written notice to the Member's Board, or by resolution of the Member's Board prescribing the time and place for regular meetings.

SECTION 8. - Quorum

A majority of the Member's Board of Directors then in office shall constitute a quorum for the transaction of business at any meeting of the Member, provided that if less than a majority is present, the Member Directors present may adjourn the meeting from time to time without further notice.

SECTION 9. - Manner of Acting

The Corporate Member shall act hereunder by duly authorized resolution of its Board. An authorized representative of the Corporate Member shall execute and deliver to the President or Secretary of the Corporation a written instrument setting forth the action taken by and the authorization or directions contained in each approved Member resolution.

ARTICLE III

BOARD OF DIRECTORS

SECTION 1. - General Powers

The governing authority and managing body of the Corporation is hereby designated as the Board of Directors. It shall be the duty of the Board and it shall have the power to manage the property, affairs, business and concerns of the Corporation in a manner consistent with the applicable statutes and regulations of the State of New York, and the purposes and powers set forth in the Articles of Incorporation and these Bylaws. Such duties shall include, but not be limited to, responsibility for the Corporation's organization, operation and quality of resident care, and the preparation of such written policies and procedures as may be required; compliance with federal, state and local laws; monitoring, supervising and reviewing the performance of the Administrator of the Nursing Home and in addition convey these recommendations to the Member; maintenance of a properly equipped and staffed facility and physical plant; preparing, reviewing and implementing the Corporation's institutional and strategic plan, consistent with the provisions of Article IV, Section 6 of these bylaws; protecting the Corporation's assets and insuring the financial visibility of the Corporation; preparing and approving budgets for the allocation of corporate resources in a manner consistent with the Corporation's statement of mission and philosophy; appointing the members of the Medical Staff and approving the appointment of the Medical Director; operating the Corporation in accordance with its mission and philosophy. No assignment, referral or delegation of authority by the Board shall relieve the Board of any of its responsibilities nor limit any of the Board's powers.

SECTION 2. - Number and Qualifications

The Board shall be composed of at least three (3) and no more than five (5) Directors, including: the President and the Secretary, Treasurer or other Officer of the Corporation. When vacancies on the Board occur by reason of death, resignation, or otherwise, the number shall be reduced by such vacancies until qualified replacements are appointed for the unexpired term. Directors shall be selected from among individuals who are able to participate effectively in the discharge of the Board's responsibilities and are mature and of sound mind and good moral character.

SECTION 3. - Term of Office

Each Director shall serve for one or more terms of one or more years, or until a successor has been duly appointed. All Board members are expected to attend Board meetings.

SECTION 4. - Resignation and Removal of Directors

Any Director may resign at any time by giving written notice to the President or Secretary of the Corporation. Such resignation shall take effect at the time specified

therein. Any Director may be removed at any time by the Corporate Member in its sole discretion.

SECTION 5. - Vacancies

Any vacancy on the Board may be filled in the same manner as originally appointed for the unexpired portion of the term.

SECTION 6. - Annual Meeting

The annual meeting of the Board for the transaction of such business as may come before the Board shall be held in October of each year on such date, and at such time and place, as shall be determined by the President.

SECTION 7. - Special Meetings

Special meetings of the Board may be called by or at the request of the Corporate Member, the President, or a majority of the Directors then in office.

SECTION 8. - Notice

Notice of any annual or special meeting of Directors shall be given in writing by personal delivery or by mail to each Director, at least five (5) days before the day on which the meeting is to be held. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail addressed to the Director at the address as shown in the records of the corporation with postage thereon prepaid.

Notice may be waived in writing by any Director either before or after the meeting. Attendance at any meeting by a Director shall be deemed to be a waiver of notice unless the Director attends to object to the transaction of business because the meeting is not lawfully convened.

The purpose of any special meeting of the Board need not be specified in the Notice or Waiver of Notice of such meeting.

SECTION 9. - Quorum

A majority of the Board shall constitute a quorum for the transaction of business at any meeting of the Board; however, if less than a majority of the Directors are present, those Directors present may adjourn the meeting from time to time without further notice.

SECTION 10. - Manner of Acting

The act of a majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board except where otherwise provided by law or by these Bylaws. There shall be no voting by proxy.

Directors may participate in any meeting of the Board by means of conference telephone or other communications equipment whereby all persons participating in the meeting can communicate with one another. Participation in a meeting in this manner shall constitute attendance at the meeting.

SECTION 11. - Informal Action

Any action required to be taken at a meeting of the Board may be taken without a meeting if a consent in writing setting forth the action so taken shall be signed by all of the Directors then in office.

SECTION 12. - Compensation

Directors shall not receive compensation for their services as such, but may be reimbursed for bona fide expenses incurred arising out of services rendered. However, nothing herein shall prohibit payment of compensation to an individual serving as a Director who renders services to the Corporation in another capacity.

SECTION 13. - Conflict of Interest

Any Director, Officer or key employee who has an interest in a contract or other transaction presented to the Board or a committee thereof for authorization, approval, or ratification shall make a prompt and full disclosure of his interest to the Board or committee prior to the Board or committee's formal discussion of and action on such contract or transaction. Such disclosure shall include any relevant and material facts known to such person about the contract or transaction which might reasonably be construed to be adverse to the Corporation's interest.

The body to which such disclosure is made shall thereupon determine, by majority vote (at a meeting at which the person with the potential conflict is not present, except to the extent necessary to respond to questions regarding the potential conflict, and does not vote), whether the disclosure shows that a conflict of interest exists or can reasonably be construed to exist. If a conflict is deemed to exist (or is deemed to be reasonably construed to exist), such person shall not vote on, nor use his personal influence on, nor be present or otherwise participate in, the discussions or deliberations with respect to such contract or transaction. Such person shall not be counted in determining the existence of a quorum discussion. The minutes of the meeting shall reflect the disclosure made, any vote thereon and, where applicable, the abstention from voting and participation, and whether a quorum was present.

For the purposes of this Section, a person shall be deemed to have an "interest" in a contract or other transaction if he (or an immediate family member) is the party (or one of the parties) contracting or dealing with the Corporation, or is a director, trustee or officer of, or has a significant financial or influential interest in, the entity contracting or dealing with the Corporation.

Each Director, officer and key employee of the Corporation shall complete such annual disclosure forms as may be adopted from time to time by the Board, for the purpose of

disclosing any interest of such individual in any contract to which the Corporation is a party or in any transaction or other matter in which the Corporation is involved.

ARTICLE IV

OFFICERS

SECTION 1. - Officers

The Officers of the Corporation shall be a President, the senior executive officer (however titled), a Secretary and a Treasurer. The Corporate Member may appoint additional Officers, including one or more Vice Presidents. Unless specifically provided in these Bylaws, an Officer need not be a Director. One person may hold two or more offices except that the same person shall not hold the offices of President and Secretary.

SECTION 2. - Appointment and Term of Office

The President of the Corporation shall at all times be the person then serving as President of the Corporate Member. All other Officers shall be appointed bi-annually by the Corporate Member, to serve for terms of two (2) years or until their successors are appointed, unless their service is sooner terminated due to death, resignation or removal.

SECTION 3. - Resignation and Removal of Officers

Any Officer may resign at any time by giving written notice to the President or Secretary of the Corporation. Such resignation shall take effect at the time specified therein. Any other appointed Officer may be removed by the Corporate Member in its sole discretion.

SECTION 4. - Vacancies

A vacancy in any office may be filled for the unexpired portion of the term in the same manner as provided for the original appointment.

SECTION 5. - President

The President shall be the chief executive officer of the Corporation and may or may not be an employee of the Corporation. The President shall serve as the presiding officer at meetings of the Board. The President shall have the authority to execute contracts, negotiable instruments, instruments of conveyance, and other documents, when such authority shall not specifically have been reserved to the Board of Directors. The President shall have but shall not be limited to the following authority and duties:

- a. To supervise all financial affairs of the Corporation.
- b. To ensure that all funds are collected and expended to the best possible advantage of the Corporation.

- c. To submit regularly to the Board of Directors or its authorized committee periodic reports detailing the financial activities of the Corporation.
- d. To prepare and submit such special reports as may be required by the Board of Directors.
- e. To prepare or cause to be prepared an annual budget for the Corporation showing the expected receipts for expenditures.
- f. To advise and make recommendations to the Board relating to the operation of the Corporation and long-range planning.
- g. To represent the Corporation in local, regional, state and national organizations and their activities.
- h. To develop and direct planned programs of community relations to gain acceptance and support of the Corporation by the community it serves.
- i. To maintain an adequate insurance program to conserve the assets of the Corporation.
- j. To perform any other duty that may be necessary in the best interest of the Corporation.
- k. To prepare and submit such business plans, budgets and reports to the Member as may be required by it.
- l. To report to the Board at least annually or at such other times as the Board may direct.

SECTION 6. - Administrator

The Board shall appoint a qualified individual to serve as the Administrator of the Nursing Home. The Administrator shall be an employee of the Corporation. The Administrator shall be a duly licensed nursing home administrator pursuant to Article 28-D of the Public Health Law of the State of New York. The Administrator shall be responsible to the Board and the President for the overall operation of the Nursing Home. The Administrator shall have the necessary authority and be held responsible for the administration of the Nursing Home in all of its activities and departments in accordance with such policies as may be adopted and such orders as may be issued by the Board of Directors or by any of its committees to which the Board has delegated power for such action.

The Administrator shall be responsible to the Board and the President for the overall operation of the Nursing Home. The senior executive officer (however titled) shall have the necessary authority and be held responsible for the administration of the Nursing Home in all of its activities and departments in accordance with such policies as may be

adopted and such orders as may be issued by the Board of Directors or by any of its committees to which the Board has delegated power for such action.

The Administrator shall have the following authority and duties, and any other authority and duties assigned to him/her by the Board or the President:

- a. To oversee the day-to-day operation and administration of the Nursing Home.
- b. To be responsible for implementing all policies established by the Board of Directors.
- c. To advise and make recommendations to the President and to the Board relating to the operations of the Nursing Home and long-range planning.
- d. To attend all meetings of the Board of Directors and appropriate meetings of its committees.
- e. To report to the Board at least annually or at such other times as the Board may direct.
- f. To prepare and submit to the Board of Directors for approval a plan of organization of the personnel and others concerned with the operation of the Corporation.
- g. To select, employ, supervise, and discharge all employees other than the President, including physicians and dentists serving in medical administrative positions.
- h. To develop and maintain personnel policies and practices of the Corporation.
- i. To work with the Medical Staff and with all those concerned with the rendering of professional services to the end that the best possible care may be rendered to all the residents.
- j. To serve as the liaison for all official communications between the Board of Directors or any of its committees and the Medical Staff.
- k. To ensure that all physical properties and kept in good state of repair and operating condition.

SECTION 7. - Vice President(s)

Any Vice President (s) shall perform such duties as are established from time to time by the senior executive officer (however titled) and shall report to such senior executive officer. In all other matters the Vice Presidents) shall function in accordance with the specific authorities which have been delegated by the President and the senior executive officer.

SECTION 8. - Secretary

The Secretary shall send or have sent appropriate notices, and prepare or have prepared an agenda for all meetings of the Board and the Corporation, shall act as custodian of all records and reports and shall be responsible for keeping adequate records of all meetings of the Board and the Corporation. The Secretary shall have the authority to certify the Bylaws, resolutions of the Board and the Corporate Member, and other documents of the Corporation as true and correct copies thereof.

SECTION 9. - Treasurer

The Treasurer shall have charge of all funds of the Corporation and shall see that a true and accurate accounting of all financial transactions of the Corporation is made and that reports of such transactions be presented to the Board at each of its regular or special meetings. At least annually, the Treasurer shall provide a certified audited financial statement to the Board and the Corporate Member. The Treasurer shall provide monthly financial statements to the Finance Committee of the Corporate Member, as soon as such statements are available.

If required by the Board, the Treasurer shall give a bond for the faithful discharge of his/her duties in such sums and with such sureties as the Board shall determine.

SECTION 10. - Delegation

The Board may delegate temporarily the powers and duties of any Officer, in case of such Officer's absence or for any other reason, to any other Officer, and may authorize the delegation by an Officer of any such Officer's powers and duties to any agent or employee subject to the general supervision of such Officer.

ARTICLE V

COMMITTEES

SECTION 1. - Establishment of Committees

The Board, may, by resolution, create such committees, whether standing or special, as it shall deem desirable. Standing committees shall meet as needed and present their report and/or recommendations at the next scheduled Board meeting. A record of their proceedings shall be maintained. Special committees may be created for specific purposes and shall terminate when their purposes have been accomplished.

SECTION 2. - Committee Authority

The Board committees shall have the authority provided in these Bylaws and specified by resolution of the Board, but the designation of such committees and the delegation of authority thereto shall not relieve the Board or any individual Director of any responsibility imposed by law in connection with the operation and the activities of the Corporation. No Board committee shall have or may exercise any power or authority

which is not exercisable by the Board, including any power or authority over matters delegated by the Corporate Member to a committee of the Member.

SECTION 3. - Appointments

Unless otherwise provided for in these Bylaws or by Board resolution, the President shall appoint all committee members and the chairperson of each committee, subject to the approval of the Board. There shall be at least two (2) Directors appointed to each committee.

Additional persons who are not on the Board may be appointed to serve on the committees. Whenever a committee, whether standing or special, may deliberate issues affecting the discharge of Medical Staff responsibilities, the membership of such committee shall include representation from the Medical Staff.

SECTION 4. - Term of Office

Each member of a committee shall serve one or more terms of one or more years, and continue as a committee member until a successor is appointed, unless the committee shall be sooner terminated or unless such member shall be removed or shall resign from such Committee or shall cease to qualify as a member thereof.

SECTION 5. - Vacancies

Vacancies in the membership of any committee may be filled by appointments made in the same manner as provided in the case of the original appointments.

SECTION 6. - Ex-Officio Member

The President shall serve as an ex-officio member, with full voting rights, on all committees.

SECTION 7. - Sub-Committees

Each committee chairperson, who shall be selected annually by vote of the committee members, may divide the committee into sub-committees and assign specific responsibility to each sub-committee.

SECTION 8. - Reports

Each committee shall submit its report and recommendations to the Board after each meeting and as requested by the President.

SECTION 9. - Procedures

Each committee may adopt rules for its own governance not inconsistent with these Bylaws or with rules adopted by the Board.

ARTICLE VI

MEDICAL DIRECTOR

The Administrator shall appoint a Medical Director with the approval of the Board. The Medical Director shall have the general responsibility for assuring the adequacy and appropriateness of medical care rendered to residents. The specific responsibilities and the description of the Medical Director shall be set forth in a written agreement between the Medical Director and the Corporation. Such specific duties shall include but not be limited to: assisting in developing procedures to provide for continuous physician coverage and the emergency treatment of resident in the case of medical emergencies, assisting in the development of patient transfer procedures, serving as a member of the Medical Staff and helping to assure the preparation, review, revision and adherence to the Medical Staff bylaws, rules and regulations, reviewing and advising the Board as to the quality of medical care being rendered to residents by members of the Medical Staff, monitoring the health status of employees and advising the administration on employee health policies, reviewing and evaluating incident reports, identifying hazards to health and safety, and developing written bylaws, rules and regulations which are approved by the governing body and include delineation of the responsibilities of attending physicians.

ARTICLE VII

FISCAL MATTERS

SECTION 1. - Fiscal Year

The fiscal year of the Corporation shall commence on the first day of July and end on the 30th day of June of each year.

SECTION 2. - Checks and Drafts

All checks, drafts, or other orders for the payment of money, and all notes or other evidences of indebtedness issued in the name of the Corporation or to the Corporation, shall be signed and endorsed by such Officer or Officers, agent or agents of the Corporation and in such manner as shall from time to time be determined by the resolution of the Board.

SECTION 3. - Deposits

All funds of the Corporation, not otherwise employed, shall be deposited from time to time to the credit of the Corporation in such banks, trust companies or other depositories as the Corporate Member may select.

SECTION 4. - Books, Records and Accounts

The Corporation shall keep or cause to be kept correct and complete books and records of account and shall also keep minutes of the proceedings of the Board and its committees

and records of the actions of the Corporate Member. In addition, the Corporate Member shall annually cause a certified audit of its accounts to be made and shall cause to be filed the necessary reports, tax returns or other documents as may be required by law on its behalf.

ARTICLE VIII

INDEMNIFICATION

SECTION 1. - Indemnification by Corporation

To the fullest extent permitted by law, the Corporation shall indemnify its past or present Directors and Officers, and their heirs, executors, and administrators, against any and all expenses actually and necessarily incurred by them in the defense or settlement of any actual or threatened action, suit or proceeding in which they, or any of them, are made a party, by reason of their being or having been a Director or Officer of the Corporation.

SECTION 2. - Director and Officer Insurance

The Corporation shall purchase and maintain a Director and Officer Liability Policy insuring the Corporation and its individual Directors and Officers against the costs of defending a claim or paying a settlement or decision for which such Directors or Officers are eligible to be indemnified pursuant to Section 1 of this Article VIII.

SECTION 3. - Right Not Exclusive

The right of a Director or Officer to indemnification by the Corporation pursuant to this Article VIII shall be in addition to, and not exclusive of, all other rights to indemnification to which he otherwise may be entitled, including any rights to indemnification under the terms of the Director and Officer Liability Policy referenced in Section 2 of this Article VIII.

ARTICLE IX

LIMITED LIABILITY OF DIRECTORS

SECTION 1. - Limited Liability

For all periods during which the Corporation is exempt from taxation pursuant to Section 501(c) of the Internal Revenue Code of 1986, as amended, no Director of the Corporation who serves without compensation, other than reimbursement for actual expenses, shall be liable, and no cause of action may be brought, for damages resulting from the exercise of judgment or discretion in connection with the duties or responsibilities of such Director, unless the act or omission involved willful or wanton conduct.

SECTION 2. - Conduct Standard

As used in this Article IX, "willful or wanton conduct" means a course of action which shows an actual or deliberate intention to cause harm or which, if not intentional, shows an utter indifference to or conscious disregard for the safety of others or their property.

ARTICLE X

AMENDMENTS

SECTION 1. - Articles of Incorporation

The Articles of Incorporation of the Corporation may be altered, amended, restated or repealed only upon the approval of the Corporate Member, upon the prior resolution of the Board of Directors.

SECTION 2. - Bylaws

These Bylaws may be altered, amended, restated or repealed solely by the action of the Corporate Member.

Previous Amendments: 9/12/89; 1/1/92; 9/25/2000

Current Bylaws:

The September 25, 2000 Amended and Restated Bylaws were superseded by these Amended and Restated Bylaws of the Corporation, which were approved by the Board of Directors of the Corporation and by the Corporate Member of the Corporation on April 22, 2002, effective April 22, 2002.

RECEIVED
MONTGOMERY COUNTY
CLERK'S OFFICE

15 JUL 16 PM 12:07

FONDA, NEW YORK

Received

JUN 18 2015

Supreme Court Chambers
At a term of the Supreme Court, held in and for the
County of Montgomery on the ____ day of
_____, 2015.

SUPREME COURT
STATE OF NEW YORK COUNTY OF MONTGOMERY

PAID
Notec 6/15/15

In the Matter of the Application of

MOUNT LORETTO NURSING HOME, INC.

ORDER

Index No. 2015-4914

For an Order Pursuant to Sections 510 and 511
of the Not-for-Profit Corporation Law

Upon reading and filing of the Verified Petition (the "Petition") of Mount Loretto Nursing Home, Inc. (the "Petitioner"), dated June 3, 2015, requesting an Order, pursuant to Sections 510 and 511 of the Not-For-Profit Corporation Law, approving the sale of all or substantially all of the assets of the Petitioner as described in the Petition herein, in particular the joint sale of Petitioner's real property located at 302 Swart Hill Road Amsterdam, Montgomery County, New York and real property owned by Resurrection Nursing Home, Inc. located at 90 Main Street, Castleton on Hudson, Rensselaer County, New York (collectively, the "Nursing Homes") to Mount Loretto Realty, LLC, for the aggregate sum of \$4,000,000, of which \$3,000,000 will be allocated to Petitioner and paid in the form of a secured promissory note payable over a five-year term with interest set at the prevailing HUD rate as of the closing date and as more fully set forth in the Asset Purchase Agreement, as amended, included as an Exhibit to the Petition and which rights under the Asset Purchase Agreement will be assigned to CSRNC, LLC, RSRNC, LLC, 302 Swart Hill Road, LLC and 90 N Main Street, LLC pursuant to Assignment and Assumption of Rights agreements, included as Exhibits to the Petition, and as

more fully described in the Petition, in accordance with Sections 510 and 511 of the Not-for-Profit Corporation Law.

NOW, THEREFORE, it is hereby

ORDERED, that Petitioner is hereby authorized to sell its real property located at 302 Swart Hill Road, Amsterdam, Montgomery County, New York to Mount Loretto Realty, LLC, in connection with a joint sale of real property located at 90 Main Street, Castleton on Hudson, Rensselaer County, New York, for the aggregate sum of \$4,000,000, of which \$3,000,000 will be allocated to Petitioner and paid in the form of a secured promissory note payable over a five-year term with interest set at the prevailing HUD rate as of the closing date (the "Promissory Note"), as more particularly described in the Petition as well as the Asset Purchase Agreement, as amended, included as an Exhibit to the Petition and which rights under the Asset Purchase Agreement will be assigned to CSRNC, LLC, RSRNC, LLC, 302 Swart Hill Road, LLC and 90 N Main Street, LLC pursuant to Assignment and Assumption of Rights agreements, included as Exhibits to the Petition; and it is further


ORDERED, that any available cash assets Petitioner has on hand at closing shall be used to pay down Petitioner's third party payor liabilities and any third party payor liabilities not covered by these assets will be paid directly by Presence RHC Corporation (f/k/a Resurrection Health Care) ("RHC") at or shortly after closing; and it is further

ORDERED, that the Promissory Note will be assigned to RHC in exchange for assumption of the third party payor liabilities and forgiveness of certain loans given to Petitioner by RHC and payment by RHC of all expenses relating to the dissolution of Petitioner, including provision for final government and accounting audits; and it is further

ORDERED, that a signed copy of this Order will be provided to the Attorney General;
and it is further

ORDERED, that the Attorney General's office will be notified when the transaction has
been completed, abandoned or is still pending after ninety (90) days of the date of this Order.

Dated: June 26, 2015



J.S.C.

ENTER:

THE ATTORNEY GENERAL HEREBY APPEARS HEREIN,
HAS NO OBJECTION TO THE GRANTING OF
JUDICIAL APPROVAL HEREON, ACKNOWLEDGES
RECEIPT OF STATUTORY NOTICE, AND DEMANDS
SERVICE OF ALL PAPERS SUBMITTED HEREIN
INCLUDING ALL ORDERS, JUDGMENTS AND
ENDORSEMENTS OF THE COURT. SAID NO OBJECTION
IS CONDITIONED ON SUBMISSION OF THE MATTER
TO THE COURT WITHIN 30 DAYS HEREAFTER.
Nathan M. Gentry 6-8-2015
ASSISTANT ATTORNEY GENERAL DATE

ENTERED
DATE: July 16, 2015 @ 12:07
Debra A. Pastore
CLERK

RECEIVED
MONTGOMERY COUNTY

15 AUG 31 AM 11: 51

CLERK'S OFFICE
FONDA, NEW YORK
SUPREME COURT
STATE OF NEW YORK COUNTY OF MONTGOMERY

PAID
5/18/2015

At a term of the Supreme Court, held in and for the
County of Montgomery on the 21 day of
Aug, 2015.

AUG 21 2015

In the Matter of the Application of

MOUNT LORETTO NURSING HOME, INC.

AMENDED ORDER

Index No. 2015-494

For an Amended Order Pursuant to Sections 510 and 511
of the Not-for-Profit Corporation Law

Upon reading and filing of the Supplemental Verified Petition (the "Supplemental Petition") of Mount Loretto Nursing Home, Inc. (the "Petitioner"), dated August 7, 2015, requesting an Amended Order, pursuant to Sections 510 and 511 of the Not-For-Profit Corporation Law, approving the sale of all or substantially all of the assets of Petitioner as described in the Supplemental Petition herein, in particular the joint sale of Petitioner's real property located at 302 Swart Hill Road Amsterdam, Montgomery County, New York and real property owned by Resurrection Nursing Home, Inc. located at 90 Main Street, Castleton on Hudson, Rensselaer County, New York (collectively, the "Nursing Homes") to Mount Loretto Realty, LLC, for the aggregate sum of \$4,000,000, of which \$2,400,000 will be allocated to Petitioner and paid in the form of a secured promissory note payable over a five-year term with interest set at the prevailing HUD rate as of the closing date and as more fully set forth in the Asset Purchase Agreement, as amended, included as an Exhibit to Petitioner's prior petition to the Court dated June 3, 2015 (the "Petition") and which rights under the Asset Purchase Agreement will be assigned to CSRNC, LLC, RSRNC, LLC, 302 Swart Hill Road, LLC and 90 N Main Street, LLC pursuant to Assignment and Assumption of Rights agreements, included as

Exhibits to, and as more fully described in, the Petition to the Court, in accordance with Sections 510 and 511 of the Not-for-Profit Corporation Law.

NOW, THEREFORE, it is hereby

ORDERED, that Petitioner is hereby authorized to sell its real property located at 302 Swart Hill Road, Amsterdám, Montgomery County, New York to Mount Loretto Realty, LLC, in connection with a joint sale of real property located at 90 Main Street, Castleton on Hudson, Rensselaer County, New York, for the aggregate sum of \$4,000,000, of which \$2,400,000 will be allocated to Petitioner and paid in the form of a secured promissory note payable over a five-year term with interest set at the prevailing HUD rate as of the closing date (the "Promissory Note"), as more particularly described in the Petition and the Supplemental Petition as well as the Asset Purchase Agreement, as amended, included as an Exhibit to the Petition to the Court, and which rights under the Asset Purchase Agreement will be assigned to CSRNC, LLC, RSRNC, LLC, 302 Swart Hill Road, LLC and 90 N Main Street, LLC pursuant to Assignment and Assumption of Rights agreements, included as Exhibits to the Petition to the Court; and it is further

ORDERED, that any available cash assets Petitioner has on hand at closing shall be used to pay down Petitioner's third party payor liabilities and any third party payor liabilities not covered by these assets will be paid directly by Presence RHC Corporation (f/k/a Resurrection Health Care) ("RHC") at or shortly after closing; and it is further

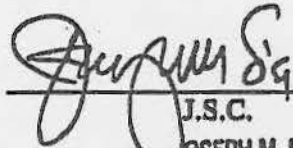
ORDERED, that the Promissory Note will be assigned to RHC in exchange for assumption of the third party payor liabilities and forgiveness of certain loans given to Petitioner by RHC and payment by RHC of all expenses relating to the dissolution of Petitioner, including provision for final government and accounting audits; and it is further

ORDERED, that a signed copy of this Amended Order will be provided to the Attorney General; and it is further

ORDERED, that the Attorney General's office will be notified when the transaction has been completed, abandoned or is still pending after ninety (90) days of the date of this Amended Order.

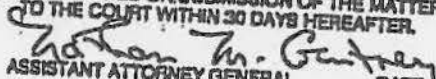
Dated: August 21, 2015

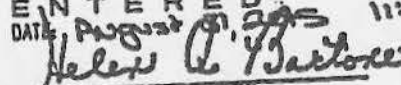
ENTER:



J.S.C.
JOSEPH M. SISE
JUSTICE SUPREME COURT

THE ATTORNEY GENERAL HEREBY APPEARS HEREIN, HAS NO OBJECTION TO THE GRANTING OF JUDICIAL APPROVAL HEREON, ACKNOWLEDGES RECEIPT OF STATUTORY NOTICE, AND DEMANDS SERVICE OF ALL PAPERS SUBMITTED HEREIN INCLUDING ALL ORDERS, JUDGMENTS AND ENDORSEMENTS OF THE COURT. SAID NO OBJECTION IS CONDITIONED ON SUBMISSION OF THE MATTER TO THE COURT WITHIN 30 DAYS HEREAFTER.


Nathan M. Gentry
ASSISTANT ATTORNEY GENERAL
DATE 8-10-15

ENTERED
DATE August 21, 2015 11:50am

CLERK

STATE OF NEW YORK
MONTGOMERY COUNTY

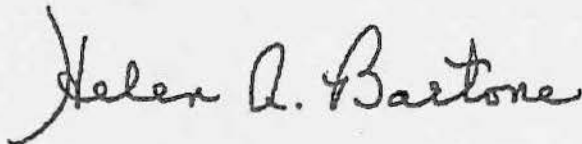
I, Helen A. Bartone, Clerk of the County of Montgomery of the County Court of said County and of the Supreme Court, both being courts of Record having a common seal, DO HEREBY CERTIFY that I have compared this copy with the original

DESCRIPTION: AMENDED ORDER
DATE: 08/31/2015
CASE# 2015-494

filed, recorded, or entered in this office and that the same is a correct transcript thereof and of the whole of said original.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of said County and Courts on

Date: 08/31/2015



Helen A. Bartone
Montgomery County Clerk

**WRITTEN CONSENT
OF THE
BOARD OF DIRECTORS
OF
MOUNT LORETTO NURSING HOME, INC.**

I, the undersigned, being the sole remaining director of Mount Loretto Nursing Home, Inc. (the "Corporation"), hereby adopts the following resolutions by written consent in lieu of a meeting:

WHEREAS, the Corporation is a not-for-profit corporation organized under the laws of the State of New York; and

WHEREAS, the Corporation previously owned a skilled nursing facility in Amsterdam, Montgomery County, New York (the "Mount Loretto Nursing Home"), the sale of which was subject to a petition to the Montgomery County Supreme Court (the "Court") and was approved by an Order of the Court entered in the county clerk's office on July 16, 2015, which Order was amended subject to a supplemental petition to the Court and approved by an Amended Order entered in the county clerk's office on August 13, 2015; and

WHEREAS, the sale of the Mount Loretto Nursing Home was a joint sale of a skilled nursing facility located in Rensselaer County owned by Resurrection Nursing Home, Inc. (the "Resurrection Nursing Home"; together, with the Mount Loretto Nursing Home, the "Nursing Homes") which sale of the Resurrection Nursing Home was subject to a separate petition of Rensselaer County Supreme Court; and

WHEREAS, pursuant to the Mount Loretto Nursing Home sale petition, as supplemented, the Corporation contemplated dissolution after all of its outstanding liabilities were paid; and

WHEREAS, the Corporation used its allocated portion of the joint sale proceeds to pay down its third party payor liabilities;

WHEREAS, the Corporation satisfied all outstanding liabilities and has no remaining assets or liabilities; and

WHEREAS the Board of Directors have considered the advisability of voluntarily dissolving the Corporation; and

WHEREAS, the Board of Directors, after due consideration, have deemed it advisable and in the best interests of the Corporation to adopt and approve a plan of dissolution and authorize the filing of a Certificate of Dissolution with the New York State Department of State, subject to the approval of the Attorney General's Office, to dissolve.

NOW THEREFORE, it is

RESOLVED: that the Corporation shall dissolve voluntarily; and it is further

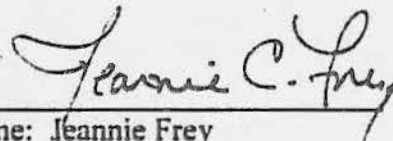
RESOLVED: that the Board of Directors does hereby adopt and approve the Plan of Dissolution, in the form attached hereto; and it is further

RESOLVED: that the Board of Directors hereby authorizes the filing of a Certificate of Dissolution with the New York State Department of State, subject to the consent of the Attorney General's Office; and it is further

RESOLVED: that the Board of Directors hereby recommends approval of the Plan of Dissolution to its sole member; and it is further

RESOLVED: that the officers of the Corporation are hereby authorized and empowered to execute such documents, to make any necessary, non-material amendments to such documents and to do any and all acts necessary to effectuate the foregoing resolutions.

IN WITNESS WHEREOF, the undersigned has signed this Consent as of the 17th day of April, 2017 and directs that it be filed with the minutes of the proceedings of the Corporation.



Name: Jeannie Frey
Title: Secretary

Attachment: Plan of Dissolution

ATTACHMENT

**PLAN OF DISSOLUTION
OF
MOUNT LORETTO NURSING HOME, INC.**

The Board of Directors of Mount Loretto Nursing Home, Inc. (the "Corporation"), by action of the Board of Directors, having considered the advisability of voluntarily dissolving the Corporation, and it being the opinion of the Board of Directors that dissolution is advisable and it is in the best interests of the Corporation to effect such a dissolution, and the Board having adopted a Plan for a voluntary dissolution of the Corporation, does hereby resolve, that the Corporation be dissolved in accordance with the following Plan:

PROCEDURE FOR DISSOLUTION

- A. Following resolution of the Board of Directors adopting a Plan of Dissolution, the Board shall submit the Plan to a vote of its sole member for approval.
- B. Approval of the dissolution of the Corporation is required to be obtained from the Department of Health, whose approval is attached hereto as Exhibit A.
- C. The Corporation has no assets and no known liabilities.
- D. A Certificate of Dissolution shall be executed and all approvals required under Section 1003 of the Not-For-Profit Corporation Law shall be attached thereto.

**WRITTEN CONSENT
OF
RESURRECTION MINISTRIES OF NEW YORK
AS SOLE MEMBER OF
MOUNT LORETTO NURSING HOME, INC.**

The undersigned, Resurrection Ministries of New York ("RMNY") being the sole member of Mount Loretto Nursing Home, Inc. (the "Corporation"), hereby adopts the following resolutions by written consent in lieu of a meeting pursuant to Section 614 of the New York Not-for Profit Corporation Law:

WHEREAS, on April 17, 2017 by unanimous written consent of the Corporation's entire Board of Directors, the Corporation determined it to be in its best interests to wind up its affairs and dissolve pursuant to a Plan of Dissolution, a copy of which is attached hereto; and

WHEREAS, the Corporation's Board of Directors has recommended to RMNY, as its sole member, to approve the dissolution of the Corporation pursuant the Plan of Dissolution; and

WHEREAS, it is the opinion of RMNY that it is in the best interests of this Corporation to dissolve.

NOW, THEREFORE, IT IS

RESOLVED: that the proposed dissolution of the Corporation and the Plan of Dissolution in substantially the form attached hereto is hereby approved; and it is further

RESOLVED: that the officers of RMNY are hereby directed and authorized to take the necessary steps to effectuate the foregoing resolution.

IN WITNESS WHEREOF, the undersigned has signed this Consent as of the 17th day of April, 2017 and directs that it be filed with the minutes of the proceedings of RMNY.

RESURRECTION MINISTRIES OF NEW YORK

By: Jeannie C. Frey
Name: Jeannie C. Frey
Title: Secretary

Voting Information:
Total # of Directors: 1
Directors Present: 1
Votes Approving: 1
Votes Against: 0
Votes Abstained: 0

**PLAN OF DISSOLUTION
OF
MOUNT LORETTO NURSING HOME, INC.**

The Board of Directors of Mount Loretto Nursing Home, Inc. (the "Corporation"), by action of the Board of Directors, having considered the advisability of voluntarily dissolving the Corporation, and it being the opinion of the Board of Directors that dissolution is advisable and it is in the best interests of the Corporation to effect such a dissolution, and the Board having adopted a Plan for a voluntary dissolution of the Corporation, does hereby resolve, that the Corporation be dissolved in accordance with the following Plan:

PROCEDURE FOR DISSOLUTION

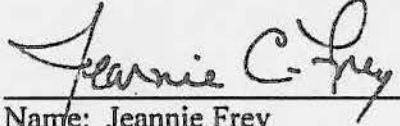
- A. Following resolution of the Board of Directors adopting a Plan of Dissolution, the Board shall submit the Plan to a vote of its sole member for approval.
- B. Approval of the dissolution of the Corporation is required to be obtained from the Department of Health, whose approval is attached hereto as Exhibit A.
- C. The Corporation has no assets and no known liabilities.
- D. A Certificate of Dissolution shall be executed and all approvals required under Section 1003 of the Not-For-Profit Corporation Law shall be attached thereto.

CERTIFICATION

STATE OF ILLINOIS)
) SS.:
COUNTY OF CHICAGO)

I, Jeannie Frey, the Secretary of Mount Loretto Nursing Home, Inc., hereby certify under penalties of perjury that the within Plan of Dissolution was authorized by unanimous written consent of the entire Board of Directors on April 17, 2017 and by written consent of Petitioner's sole member.

Dated: April 17, 2017



Name: Jeannie Frey
Title: Secretary

Exhibit A

DOH Consent

pending

**CERTIFICATE OF DISSOLUTION
OF
MOUNT LORETTO NURSING HOME, INC.**

Under Section 1003 of the Not-for-Profit Corporation Law

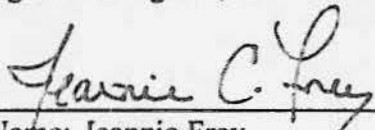
THE UNDERSIGNED, being the Secretary of Mount Loretto Nursing Home, Inc. (the "Corporation"), does hereby certify:

1. The name of this Corporation is Mount Loretto Nursing Home, Inc. The name under which the Corporation was originally formed was Mt. Loreto Convalescent and Rest Home, Inc.
2. The Certificate of Incorporation of the Corporation was filed in the office of the Secretary of State of the State of New York on May 2, 1950.
3. The name and address of the sole remaining director and officer of the Corporation is as follows:

<u>Name & Address</u>	<u>Title</u>
Jeannie Frey, Esq. 200 South Wacker Dr. 11 th Floor Chicago, IL 60606	Secretary/ Director

4. The dissolution of the Corporation was authorized by unanimous written consent of the entire Board of Directors and the written consent the Corporation's sole member.
5. The Corporation elects to dissolve.
6. At the time of dissolution, the Corporation is a charitable corporation.
7. The Corporation will file with the Attorney General a petition for Approval of the Certificate of Dissolution with the original certified Plan of Dissolution.
8. When the Board authorized and the sole member approved the Plan of Dissolution, the Corporation had no assets and no liabilities and did not hold any assets required to be used for a restricted purpose.
9. Prior to the filing of this Certificate with the Department of State, the endorsement of the Attorney General will be attached.

IN WITNESS WHEREOF, the undersigned has signed this Certificate this 17th day of April, 2017.



Name: Jeannie Frey
Title: Secretary

**CERTIFICATE OF DISSOLUTION
OF
MOUNT LORETTO NURSING HOME, INC.**

Under Section 1003 of the Not-for-Profit Corporation Law

FILED BY:

**Nixon Peabody LLP
1300 Clinton Square
Rochester, New York 14604**



MEMORANDUM

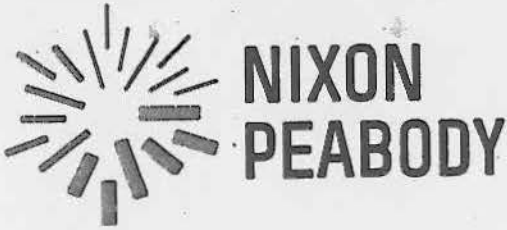
To: Public Health and Health Planning Council
From: Richard J. Zahnleuter, General Counsel
Date: May 3, 2017
Subject: Proposed Dissolution of Resurrection Nursing Home, Inc.

Resurrection Nursing Home, Inc. requests Public Health and Health Planning Council (PHHPC) approval of its proposed dissolution in accordance with the requirements of Not-For-Profit Law § 1002(c) and § 1003, as well as 10 NYCRR Part 650.

Resurrection Nursing Home, Inc sold its facility in 2015 after receiving PHHPC's consent. As such, the corporation now seeks to wind-up and dissolve. The required documents; a Verified Petition, Plan of Dissolution, and a Certificate of Dissolution are included for PHHPC's review. A letter from Nixon Peabody, counsel to the applicant, explaining the need and desire for dissolution has also been received. Lastly, please note the Plan of Dissolution indicates that the applicant no longer has any assets or known liabilities.

There is no legal objection to the proposed dissolution, Verified Petition, Plan of Dissolution, and the Proposed Certificate of Dissolution.

Attachments.



NIXON PEABODY LLP
ATTORNEYS AT LAW

NIXONPEABODY.COM
@NIXONPEABODYLLP

Anita L. Pelletier
Counsel
T 585-263-1164
F 866-947-0499
apelletier@nixonpeabody.com

Nixon Peabody LLP
1300 Clinton Square
Rochester, NY 14604-1792
585-263-1000

April 27, 2017

VIA FEDERAL EXPRESS

New York Department of Health
Division of Legal Affairs
Corning Tower, Room 2464
Empire State Plaza
Albany, New York 12237

RE: **Resurrection Nursing Home, Inc.
Dissolution**

Dear Sir or Madam:

We are writing to respectfully request the approval of the enclosed Certificate of Dissolution for Resurrection Nursing Home, Inc. (the "Corporation") by the Public Health and Health Planning Council ("PHHPC").

The Corporation sold its facilities in 2015 upon consent of PHHPC and approval by the New York State Attorney General's Office and Supreme Court. Since the sale of its facilities the Corporation worked toward winding up its affairs to dissolve.

At this time the Corporation requests consent from PHHPC to dissolve. Copies the following proposed materials in support of the Corporation's application for approval of its dissolution are enclosed:

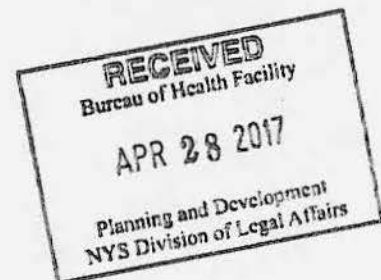
1. Verified Petition, with all available exhibits;
2. Plan of Dissolution and Distribution of Assets (Exhibit G of Petition); and
3. Certificate of Dissolution of the Corporation (Exhibit H of Petition).

Thank you for your time and attention to this matter. Should you require any additional information please do not hesitate to contact me.

Very truly yours,

Anita L. Pelletier

AP/lrr
Enclosures



THE ATTORNEY GENERAL OF THE STATE OF NEW YORK
The Capitol, Albany, New York 12224

-----X

In the Matter of the Application of

RESURRECTION NURSING HOME, INC.

VERIFIED PETITION

OAG #: _____

For Approval of Certificate of Dissolution
pursuant to Section 1002 of the Not-for-Profit
Corporation Law

-----X

Petitioner, Resurrection Nursing Home, Inc., by its attorneys, Nixon Peabody LLP, Anita L. Pelletier, Esq., for its Petition herein respectfully alleges:

1. The name of the Corporation is Resurrection Nursing Home, Inc. ("Petitioner"). The principal office of Petitioner is located in Montgomery County, New York. Petitioner was incorporated pursuant to the Membership Corporation Law by a Certificate of Incorporation filed by the Department of State on October 19, 1940. A copy of the Restated Certificate of Incorporation is attached as Exhibit A. A copy of Petitioner's By-laws are attached as Exhibit B.

2. Petitioner is a charitable corporation under Section 201 of Not-For-Profit Corporation Law ("N-PCL").

3. The name, title and address of Petitioner's sole remaining director and officer is as follows:

<u>Name & Address</u>	<u>Title</u>
Jeannie Frey, Esq. 200 South Wacker Dr. 11 th Fl. Chicago, IL 60606	Secretary/ Director

4. As stated in its Restated Certificate of Incorporation, Petitioner was formed to:

"(a) To operate and maintain a home for aged and infirm persons, of both sexes, without distinction of race, creed or nationality who are of good moral character, and over sixty (60) years of age (except in cases of special infirmity) and who may require care for the remainder of their lives in such a home; and to provide every spiritual and temporal comfort and care, including, but not limited to, lodging, board, clothing, proper medical attendance and nursing care for the benefit of the aging and infirm residents, including the operation of an infirmary section.

(b) To foster and promote spiritual and religious development and, in particular, the Roman Catholic religion.

(c) To acquire property for its corporate purposes by grant, gift, purchase, devise or bequest, and to hold and invest the same, and to use the income derived therefrom, and to dispose of such property, and to reinvest the proceeds or to use the same in carrying out the benevolent purposes for which it is organized.

(d) To do any and all other acts and things necessary or proper in connection with, or incidental to, any of the aforesaid purposes, subject to such restrictions or limitations as may be provided by law."

5. Petitioner previously owned a skilled nursing facility in Castleton on Hudson, Rensselaer County, New York (the "Resurrection Nursing Home"), the sale of which was subject to a petition to the Rensselaer County Supreme Court (the "Court") and was approved by an Order of the Court entered in the county clerk's office on July 15, 2015, which Order was amended subject to a supplemental petition to the Court and approved by an Amended Order entered in the county clerk's office on August 27, 2015. A copy of the Order and Amended Order are attached hereto as Exhibits C and D, respectively.

6. The sale of the Resurrection Nursing Home was a joint sale of a skilled nursing facility located in Montgomery County owned by Mount Loretto Nursing Home, Inc. (the "Mount Loretto Nursing Home"; together, with the Resurrection Nursing Home, the "Nursing Homes"). The sale of the Mount Loretto Nursing Home was subject to a separate petition of Montgomery County Supreme Court.

7. Pursuant to the Resurrection Nursing Home sale petition, Petitioner contemplated dissolution after all of its outstanding liabilities were paid. Under the Amended Order, Petitioner was allocated \$1,600,000 of the proceeds from the joint sale of the Nursing Homes. The proceeds allocated to Petitioner were used to pay down Petitioner's third party payor liabilities. Petitioner has satisfied all outstanding liabilities and desires to wind up its affairs and dissolve.

8. Petitioner's Board of Directors approved the Plan of Dissolution and authorized the filing of a Certificate of Dissolution in accordance with Section 1003 of the N-PCL by unanimous written consent of Petitioner's sole remaining director on April 17, 2017. A copy of the written consent is attached hereto as Exhibit E.

9. Petitioner's sole member approved the Plan of Dissolution by unanimous written consent. A copy of the written consent is attached hereto as Exhibit F.

10. A certified copy of the Plan of Dissolution is attached hereto as Exhibit G.

11. A copy of the Certificate of Dissolution is attached hereto as Exhibit H.

12. Petitioner has no assets or liabilities, and a copy of its final report showing zero assets has been filed with the Attorney General.

13. Approval of the dissolution of Petitioner is required to be obtained from the Department of Health, whose consent is attached hereto as Exhibit I.

14. With this Petition, the original Certificate of Dissolution is being submitted to the Attorney General for approval pursuant to Not-For-Profit Corporation Law Section 1003.

WHEREFORE, Petitioner prays that the Attorney General approve the filing of the Certificate of Dissolution of Resurrection Nursing Home, Inc., a not-for-profit corporation, pursuant to the Not-for-Profit Corporation Law Section 1002.

Dated: April 17, 2017

NIXON PEABODY LLP



By: _____
Anita L. Pelletier, Esq.
1300 Clinton Square
Rochester, New York 14604

VERIFICATION

STATE OF ILLINOIS)
) SS.:
COUNTY OF CHICAGO)

I, Jeannie Frey, being duly sworn deposes and says:

I am the Secretary and sole remaining director of Resurrection Nursing Home, Inc., the Petitioner named in the above Petition and make this verification at the direction of its Board of Directors. I have read the foregoing Petition and know the contents thereof, and the same is true of my own knowledge, except those matters that are stated on information and belief and as to those matters I believe them to be true.

Name: Jeannie Frey
Title: Secretary

Sworn to before me this _____
day of _____, 2017

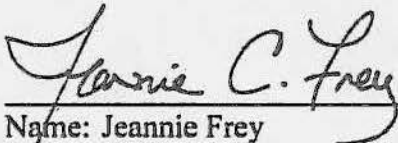
Notary Public

VERIFICATION

STATE OF ILLINOIS)
) SS.:
COUNTY OF CHICAGO)

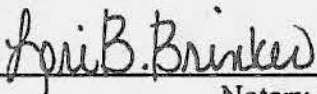
I, Jeannie Frey, being duly sworn deposes and says:

I am the Secretary and sole remaining director of Resurrection Nursing Home, Inc., the Petitioner named in the above Petition and make this verification at the direction of its Board of Directors. I have read the foregoing Petition and know the contents thereof, and the same is true of my own knowledge, except those matters that are stated on information and belief and as to those matters I believe them to be true.



Name: Jeannie Frey
Title: Secretary

Sworn to before me this 17th
day of April, 2017



Notary Public



F 980619000321

RESTATED

CERTIFICATE OF INCORPORATION

OF

RESURRECTION REST HOME

Under Section 305 of the Not-for-Profit Corporation Law

We, the undersigned, the President and Secretary of Resurrection Rest Home, hereby certify that

1. The name of the Corporation is RESURRECTION REST HOME.

2. The Corporation was formed under the name Resurrection Home, Inc., pursuant to the Membership Corporation Law of the State of New York, and the Certificate of Incorporation of the Corporation was filed by the Department of State on October 19, 1940.

3. The name of the Corporation was changed to Resurrection Rest Home by a Certificate of Change of Name filed by the Department of State on July 8, 1966.

4. Resurrection Rest Home is a corporation as defined in subparagraph (a)(5) of section 1-2 of the Not For Profit Corporation Law of the State of New York.

Resurrection Rest Home is a Type B corporation under Section 201 of the Not-for-Profit Corporation Law of the State of New York and it shall continue to be a Type B corporation.

The corporate purposes and powers of the corporation are not enlarged, limited or otherwise changed by the amendments made in this Restated Certificate of Incorporation.

The Certificate of Incorporation is amended as follows:

1. The Corporation's name is changed from "Resurrection Rest Home" to

Handwritten marks at the bottom of the page.

Resurrection Nursing Home, Inc., and Paragraph "1" of the Certificate of Incorporation is amended to read as follows:

1. The name of the Corporation is RESURRECTION NURSING HOME, INC.

(b) The following language is added at the end of Paragraph "2":

"The Corporation is a corporation as defined in subparagraph (a)(5) of Section 102 of the Not-For-Profit Corporation Law of the State of New York and is a Type B corporation."

(c) Paragraphs "2" through "8" of the Certificate of Incorporation shall become subparagraphs "(a)" through "(g)" of Paragraph "3" of the Certificate of Incorporation (Paragraph "3" having been previously deleted), and said paragraph "4", which reads as follows:

"4. The Secretary of State of New York is hereby designated as the agent of the Corporation upon whom any process against the Corporation may be served, and the post office address to which the Secretary of State shall mail a copy of any process upon him is Resurrection Rest Home, Mount St Joseph, Clevelton, New York 12033."

is amended to read as follows:

(1) The Secretary of State of the State of New York is hereby designated as the agent of the Corporation upon whom any process against the Corporation may be served, and the post office address to which the Secretary of State shall mail a copy of any process served upon him is 90 North Main Street, Clevelton-on-Hudson, New York 12033."

(d) Paragraph "5" of the Certificate of Incorporation is renumbered Paragraph Paragraph "4" having been previously deleted).

(e) Paragraph "6" of the Certificate of Incorporation, which reads as follows:

"6. The real property of the corporation shall not be sold, mortgaged or leased without the consent in writing by a majority of the Council of the Sisters of the Resurrection in the Eastern Province as well

is the approval of the Superior Provincial of the order in the same province.

is renumbered Paragraph "3" and amended to read as follows:

"3 The real property of the Corporation shall not be sold, mortgaged or leased without the consent in writing of the Provincial Superior and a majority of her Council of the Sisters of the Resurrection, New York Province."

(1) Paragraphs "7", "8" and "9" of the Certificate of Incorporation, which read as follows:

"7 That all of the subscribers to this Certificate are of full age; that at least two-thirds of them are citizens of the United States; that at least one of them is a resident of the State of New York; and that all the persons named as directors-trustees, at least one is a citizen of the United States and a resident of the State of New York.

"3 No part of the net earnings of the Corporation shall inure to the benefit of any private shareholder or individual, and no member, officer or employee of the Corporation shall receive or be lawfully entitled to receive any pecuniary profit of any kind, therefore, except reasonable compensation for services in effecting one or more of its purposes or as a proper beneficiary of its strictly charitable purposes.

"1 In the event of the voluntary or involuntary dissolution of the Corporation, no dividends or other distributions of any of the property or assets of the Corporation shall be made to the members, directors or officers thereof, but all of such property and assets shall, in such event, be applied in the consummated furtherance of the purposes for which the Corporation is organized as the proper court having jurisdiction may direct."

are deleted in their entirety

"The foregoing amendments and the rescission of the Certificate of Incorporation were authorized by the unanimous written consent of the sole Member of the Corporation.

"The Certificate of Incorporation is hereby resumed to set forth its entire text as intended

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**CERTIFICATE OF INCORPORATION
OF
RESURRECTION NURSING HOME, INC.**

Under Section 402 of the Not-for-Profit Corporation Law

- 1 The name of the Corporation is RESURRECTION NURSING HOME, INC.
- 2 The purposes for which it is to be formed are as follows:
 - (a) To operate and maintain a home for aged and infirm persons, of both sexes, without distinction of race, creed or nationality who are of good moral character, and over sixty (60) years of age (except in cases of special infirmity) and who may require care for the remainder of their lives in such a home; and to provide every spiritual and temporal comfort and care, including, but not limited to, lodging, board, clothing, proper medical attendance and nursing care for the benefit of the aging and infirm residents, including the operation of an infirmary section.
 - (b) To foster and promote spiritual and religious development and, in particular, the Roman Catholic religion.
 - (c) To acquire property for its corporate purposes by grant, gift, purchase, devise or bequest, and to hold and invest the same, and to use the income derived therefrom, and to dispose of such property, and to reinvest the proceeds or to use the same, in carrying out the benevolent purposes for which it is organized.
 - (d) To do any and all other acts and things necessary or proper in connection with, or incidental to, any of the aforesaid purposes, subject to such restrictions or limitations as may be provided by law.

The Corporation is a corporation as defined in subparagraph (a)(5) of Section 102 of the Not For Profit Corporation Law of the State of New York and is a Type B corporation.

(1) The philosophy of the Corporation is that of the Sisters of the Resurrection, New York Province, which is in accordance with the official teachings of the Roman Catholic Church and the Ethical and Religious Directives for Catholic Health Facilities approved by the National Conference of Catholic Bishops. The Corporation shall operate in accordance with the mission and philosophy of the Sisters of the Resurrection, New York Province, and the ethical and moral teachings of the Roman Catholic Church.

(2) The purposes for which the Corporation is organized are exclusively charitable, scientific and educational within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1946, as amended (or the corresponding provision of any

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future United States Internal Revenue Law) (the "Code," which term shall include, with respect to each citation, the corresponding provision of any future United States Internal Revenue Law), and conforms with the official teachings of the Roman Catholic Church. In the course of its operation:

- (1) No part of the net earnings of the Corporation shall inure to the benefit of, or be distributable to the directors or officers of the Corporation or any private individual, except that the Corporation shall be authorized and empowered to pay reasonable compensation for services rendered to or for the benefit of the Corporation and to make payments and distributions in furtherance of the purposes set forth herein, and except further that the Corporation may make distributions to its sole Member, so long as such Member or other entity is a corporation exempt from federal income tax under Section 501(c)(3) of the Code, or as to which distributions may be made by the corporation without loss of the Corporation's tax-exempt status under Section 501(c)(3) of the Code.
- (2) No substantial part of the activities of the Corporation shall be the carrying on of propaganda, or otherwise attempting to influence legislation, and the Corporation shall not participate in, or intervene in (including the publishing or distribution of statements), any political campaign on behalf of any candidate for public office, except as authorized under the Code.
- (3) Notwithstanding any other provisions of this Certificate of Incorporation, the Corporation shall not carry on any other activities not permitted to be carried on by (a) a corporation exempt from federal income tax under Section 501(c)(3) of the Code, or (b) a corporation, contributions to which are deductible under the Code.

(c) The Corporation shall have one class of members, consisting of those New York not for profit corporations in which Resurrection Health Care Corporation and the Sisters of the Resurrection, New York Province, serve as the sole corporate members. The sole Member of the Corporation is Resurrection Ministries of New York. As such, Resurrection Ministries of New York shall be entitled to all rights and powers of a member under New York law, this Certificate of Incorporation and the bylaws of the Corporation. Action by the Corporation shall not be taken until Resurrection Ministries of New York shall have exercised its reserved powers. The following powers are reserved to Resurrection Ministries of New York:

- (1) Approve and interpret the statement of mission and philosophy adopted by the Corporation, and to require the Corporation to

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operate in conformance with its statement of mission and philosophy;

- (2) Approve and amend the bylaws and certificate of Incorporation of the Corporation;
- (3) Fix the number of, and elect, appoint, fill vacancies in and remove, with or without cause, the directors of the Corporation;
- (4) Approve any merger, consolidation or dissolution of the Corporation;
- (5) Approve any acquisition or any sale, lease, exchange, mortgage, pledge or other alienation of assets or property in excess of an amount to be fixed from time to time by the Member;
- (6) Approve any capital or operating budgets of the Corporation to ensure that such budgets conform to the mission and philosophy of the Corporation;
- (7) Approve the debt of the Corporation, in excess of an amount to be fixed from time to time by the Member, except for debt necessary to finance the cost of compliance with operational or physical plant standards required by law;
- (8) Elect and remove, with or without cause, the chief executive officer of the Corporation;
- (9) Approve the criteria for and the process of evaluating the performance of the chief executive officer of the Corporation;
- (10) Approve settlements of litigation when such settlements exceed applicable insurance coverage or the amount of any applicable self insurance fund;
- (11) Approve any corporate reorganization of the Corporation and the development or dissolution of any subsidiary organization, including corporations, partnerships or other entities, of the Corporation, and
- (12) Approve the strategic plan of the Corporation, provided that such right of approval shall not permit the Member to exercise any of the governance authority under applicable regulations unless the Member has received establishment approval from the Public

Health Council.

Should compliance with any of the restrictions in this provision require the Corporation to take any action which may contravene any law or regulation to which the Corporation may now or hereafter be subject, or require the establishment of the Member by the Public Health Council, such restriction shall be null and void.

(d) The Secretary of State of the State of New York is hereby designated as the agent of the Corporation upon whom any process against the Corporation may be served, and the post office address to which the Secretary of State shall mail a copy of any process served upon him is 90 North Main Street, Castle-on-Hudson, New York 12033

(e) In the event of the dissolution of the Corporation or the winding up of its affairs, or other liquidation of its assets, the Corporation's property shall not be conveyed to any organization created or operated for profit or to any individual for less than the fair market value of such property, and all assets remaining after the payment of the Corporation's debts shall be used for the benefit of or be distributed to Resurrection Ministries of New York, a New York not-for-profit corporation, or, if said corporation is not then in existence, to such organization or organizations organized and operated exclusively for Catholic charitable, educational, religious or scientific purposes as shall at the time of such use or distribution qualify as an exempt organization or organizations under Sections 501(c)(3) and 509(a)(1) or 509(a)(2) of the Internal Revenue Code, as shall be determined by the Board of Directors of the Corporation, subject to the approval of a court of a competent jurisdiction and such other regulatory authorities as may then be required by the Not-For-Profit Corporation Law of the State of New York; PROVIDED, however, that the Corporation shall at all times have the power to convey any or all of its property to the Secretary of Housing and Urban Development or his nominee

(f) The Corporation may do and perform all acts reasonably necessary to accomplish the purposes of the Corporation, including the execution of a Regulatory Agreement with the Secretary of Housing and Urban Development, acting by and through the Federal Housing Commissioner, and of such other instruments and undertakings as may be necessary to enable the Corporation to secure the benefits of financing with the assistance of mortgage insurance under the provisions of the National Housing Act. Such Regulatory Agreement and other instruments and undertakings shall remain binding upon the Corporation, its successors and assigns, so long as a mortgage on the Corporation's property is insured or held by the Secretary of Housing and Urban Development.

(g) So long as a mortgage on the Corporation's property is insured or held by the Secretary of Housing and Urban Development, these Articles may not be amended without the prior written approval of the said Secretary

4. The territory in which the operations of the corporation are to be conducted is in

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the State of New York; the village and county in which its office is to be located are the Village
of Castleton-on-Hudson, County of Rensselaer, State of New York:

5. The real property of the Corporation shall not be sold, mortgaged or leased
without the consent in writing of the Provincial Superior and a majority of his Council of the
Sisters of the Resurrection, New York Province.

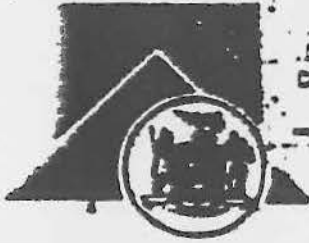
IN WITNESS WHEREOF, the undersigned have executed this Restated Certificate of
Corporation and affirm as true the statements made therein under penalties of perjury this

day of *January*, 1996.

John J. Kelly, C.R.
President

John Christian Davis, S.R.
Secretary

8



STATE OF NEW YORK
DEPARTMENT OF HEALTH
CORNING TOWER BUILDING
ALBANY, N.Y. 12242

PUBLIC HEALTH COUNCIL

May 28, 1996

Ms. Carol A. Hyde.
Iacocca, Croninghaus, Rikover
& Hyde, L.L.P.
Attorneys and Counselors at Law
9 Thurlow Terrace
Albany, New York 12203

Re: Restated Certificate of Incorporation of Resurrection Rest Home

Dear Ms. Hyde:

AFTER INQUIRY and INVESTIGATION and in accordance with action taken at a meeting of the Public Health Council held on the 24th day of May, 1996, I hereby certify that the Restated Certificate of Incorporation of Resurrection Rest Home hereafter to be known as Resurrection Nursing Home, Inc. dated January 8, 1996 is approved.

Sincerely,

Karen S. Wenzel
Executive Secretary

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RESOLUTION

RESOLVED, that the Public Health Council, on this 24th day of May, 1998, approves the filing of the Restated Certificate of Incorporation of Resurrection Rest Home, hereafter to be known as Resurrection Nursing Home, Inc., dated January 9, 1998.

10



U.S. Department of Housing and Urban
Development
Buffalo Office
Office of Counsel
465 Main Street
Lafayette Court
Buffalo, New York 14203-1780

April 19, 1996

Carol A. Hyde, Esq.
Ingram, Cunningham, Hester & Hyde
9 Thurlow Terrace
Albany, NY 12203

RE: Resurrection Rest Home
Castleton-on-Hudson
Rensselaer County, New York
Project No. 014-43108
Proposed Change of Name

Dear Ms. Hyde,

This shall confirm that HUD has no objection to a change of the mortgagor's certificate of incorporation for the purpose of changing the mortgagor's name from "Resurrection Rest Home" to "Resurrection Nursing Homes, Inc."

Upon completion of the revision, please forward a copy of the revised certificate, along with a copy of the Secretary of State's filing receipt.

If you have any questions, please call Louis P. Avino at 716-551-5503.

Sincerely,

Ralph J. Colasano
Kenneth J. Lohman
Area Coordinator

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F 960819000327

**RESTATED CERTIFICATE OF INCORPORATION
OF
RESURRECTION REST HOME**

Under Section 905 of the Not-for-Profit Corporation Law

Filed by:
Lomas, Cunningham, Slater & Hyde
9 Thorlow Terrace
Albany, New York 12208
(518) 462-3000

ICC
STATE OF NEW YORK
DEPARTMENT OF STATE
FILED JUN 19 1986
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**AMENDED AND RESTATED
CORPORATE BYLAWS
OF**

RESURRECTION NURSING HOME

EFFECTIVE AS OF APRIL 22, 2002

**RESURRECTION NURSING HOME
BYLAWS**

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**RESURRECTION NURSING HOME
BYLAWS**

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BYLAWS**

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**AMENDED AND RESTATED
CORPORATE BYLAWS
OF
RESURRECTION NURSING HOME**

EFFECTIVE: APRIL 22, 2002

ARTICLE I

CORPORATION

SECTION 1. - Name

The name of the Corporation is Resurrection Nursing Home, Inc., (the "Corporation" or "the Nursing Home"), a New York not-for-profit corporation.

SECTION 2. - Office

The location of the principal office of the Corporation shall be located at 90 North Main Street, Castleton, New York 12033 and the Corporation may have other offices within or without the state as the Corporation's Board of Directors (the "Board") may from time to time determine.

SECTION 3. - Purposes

The Corporation is organized for charitable, religious, scientific, and educational purposes, to be carried out consistently with the Ethical and Religious Directives for Catholic Health Care Services, as promulgated from time to time by the local Bishop (the "Ethical and Religious Directives"). The purposes of the Corporation include but are not limited to:

- a. Establish, maintain, and operate a Catholic health care facility which shall consistently promote the mission of healing, of building Christian community, and of service through its governance and management process consistent with the Ethical and Religious Directives.
- b. Provide a health care facility and programs for the accommodation, care, diagnosis and treatment of individuals suffering from illness, injury, disease or other physical disability requiring medical, surgical, nursing care or other related professional services.
- c. Maintain a qualified, licensed medical staff, as well as competent professional and non-professional personnel who will provide quality care to the sick and injured regardless of race, color, creed or national origin.

- d. Support residency and affiliated educational programs and activities consistent with and supportive of the Corporation and its stated philosophy and purposes, as well as being related to rendering care to the sick and injured or protection of the health, rehabilitation and social needs of the community.
- e. Promote scientific research related to the care of the aged, sick and injured for the promotion of health.
- f. Provide charitable care to those who require it, within the means of the Corporation.
- g. Promote and participate in area-wide health planning and in the delivery of health care within the resources of the facility as well as maintain appropriate relationships with civic and religious organizations.
- h. Act as a member of the integrated health care delivery system represented by the Corporation's Member, Resurrection Ministries of New York, ("RMNY"), and other corporations and entities affiliated with RMNY.

SECTION 4. - Not-For-Profit Organization

All of the assets and the earnings of the Corporation shall be used exclusively for charitable, religious, scientific or educational purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, or any subsequent Internal Revenue law (the "Code"), in the course of which operation:

- a. No part of the net earnings of the Corporation shall inure to the benefit of, or be distributable to, an individual, including the directors or officers of the Corporation; provided, that the Corporation shall be empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth herein.
- b. No substantial part of the activities of the Corporation shall be the carrying on of propaganda, or otherwise attempting to influence legislation, and the Corporation shall not participate in, or intervene in (including the publication or distribution of statements) any political campaign on behalf of any candidate for public office except as authorized under the Code.
- c. The Corporation shall not engage in any business which would disqualify it from being exempt from taxation under Section 501(a) of the Code as an organization described in Section 501(c)(3) of the Code.

SECTION 5. - Corporate Dissolution

In the event of the dissolution or liquidation of the Corporation, and after payment of just debts and liabilities, all remaining assets shall be distributed to RMNY, a New York not-for-profit corporation, or if not in existence, to Resurrection Health

Care, an Illinois not-for-profit corporation ("Resurrection Health Care). If Resurrection Health Care is not in existence, then to such charitable, religious, scientific or educational organization or organizations which would then qualify as exempt from tax under Section 501(c)(3) of the Code as the Board shall designate, with the approval of the Sisters of the Resurrection (Chicago and New York Provinces) and the Sisters of the Holy Family of Nazareth (Sacred Heart Province).

SECTION 6. - Corporate Seal

The Corporation shall have a corporate seal which shall have inscribed thereon the name of the Corporation and the words "Corporate Seal".

ARTICLE II

MEMBERSHIP

SECTION 1. - Corporate Member

The Corporation shall have one member, which shall be RMNY, a New York not-for-profit corporation (the "Member" or the "Corporate Member").

SECTION 2. - General Powers

The Corporate Member shall oversee the affairs of the Corporation and assure that all actions of the Corporation are consistent with the mission, philosophy and purposes of the Sisters of the Resurrection (Chicago and New York Provinces) and Sisters of the Holy Family of Nazareth (Sacred Heart Province) and the Ethical and Religious Directives.

SECTION 3. - Member's Powers

In furtherance of the exercise of its general powers, the Corporate Member shall have the exclusive power to:

- a. Adopt, amend, or repeal the Bylaws of the Corporation.
- b. Appoint and remove all Officers of the Corporation, other than the President, and all Directors of the Corporation.
- c. Approve unbudgeted expenditures in excess of the limit established by the Corporate Member from time to time, solely to ensure that such expenditures conform with the mission and philosophy of the Corporation.
- d. Approve any sale, lease, mortgage, debt (other than debt necessary to finance the cost of compliance with operational or physical plant standards required by law) or encumbrance of property involving an amount in excess of limits established by the Corporate Member from time to time, which

limits shall correspond to those required under Roman Catholic Church Law.

- e. Direct and approve any contributions, donations or other asset transfers without consideration to the Member or any Affiliate.
- f. Approve changes in the type of services rendered by the Corporation, solely to ensure that services rendered by the Corporation are consistent with the mission and philosophy of the Corporation.
- g. Approve all strategic plans of the Corporation, provided that such right of approval shall not permit the Member to exercise any of the governance authority under applicable regulations unless the Member has received establishment approval from the Public Health Council.
- h. Approve any selection or modification of the business name or logo of the Corporation or any program or division of the Corporation.
- i. Approve the job description and duties of the President.
- j. Approve any material agreement or transaction with another affiliate.
- k. Approve any affiliation with a medical school or other teaching or research facility.
- l. Approve acceptance of a contribution which imposes a material obligation on this Corporation.
- m. Select independent auditors for the Corporation.
- n. Direct the Board and its Officers to act in accordance with the Member's mission, philosophy and values.

SECTION 4. - Approval and Recommendation Powers

None of the actions set forth below shall be deemed authorized unless and until approved by the Corporate Member. The Board shall adopt resolutions approving any such proposed action, prior to submitting the matter to the Corporate Member for its approval. The actions set forth below may also be initiated by the Corporate Member in the absence of a recommendation by the Board, subject to the Board's subsequent approval and the Corporate Member's final approval.

- a. Adoption, amendment or repeal of the Articles of Incorporation of the Corporation.
- b. Adoption of any plan of merger, consolidation or dissolution of the Corporation.

SECTION 5. - Rights to be Advised and Comment on Significant Matters

The Board of Directors shall give the Corporate Member at least two (2) weeks' advance notice (or shorter notice period as agreed to by the Corporate Member generally or from time to time with respect to specific matters) and the opportunity to comment on each of the following matters prior to their consideration by the Corporation's Board of Directors:

- a. Approval of capital or operating budgets, and long-term capital equipment plans.
- b. Approval of contracts for management of the Corporation's facilities.
- c. Approval of material changes in insurance coverage, employee benefits or other material operating policies or practices of the Corporation.

SECTION 6. - Annual Meeting; Quorum

The annual meeting of the Member, for the purpose of electing Directors of the Corporation and the transaction of such other business as shall properly come before the Member, shall be held during the fourth week of October of each year at such date, time and place as shall be determined by the President of the Member, or on such other date, and at such time and place, as is determined by resolution of the Member's Board of Directors.

SECTION 7. - Regular Meetings

Regular meetings of the Member shall be held at such time and place designated by the President of the Member's Board of Directors by announcement at the preceding Member Board meeting, by written notice to the Member's Board, or by resolution of the Member's Board prescribing the time and place for regular meetings.

SECTION 8. - Quorum

A majority of the Member's Board of Directors then in office shall constitute a quorum for the transaction of business at any meeting of the Member, provided that if less than a majority is present, the Member Directors present may adjourn the meeting from time to time without further notice.

SECTION 9. - Manner of Acting

The Corporate Member shall act hereunder by duly authorized resolution of its Board. An authorized representative of the Corporate Member shall execute and deliver to the President or Secretary of the Corporation a written instrument setting forth the action taken by and the authorization or directions contained in each approved Member resolution.

ARTICLE III

BOARD OF DIRECTORS

SECTION 1. - General Powers

The governing authority and managing body of the Corporation is hereby designated as the Board of Directors. It shall be the duty of the Board and it shall have the power to manage the property, affairs, business and concerns of the Corporation in a manner consistent with the applicable statutes and regulations of the State of New York, and the purposes and powers set forth in the Articles of Incorporation and these Bylaws. Such duties shall include, but not be limited to, responsibility for the Corporation's organization, operation and quality of resident care, and the preparation of such written policies and procedures as may be required; compliance with federal, state and local laws; monitoring, supervising and reviewing the performance of the Administrator of the Nursing Home and in addition convey these recommendations to the Member; maintenance of a properly equipped and staffed facility and physical plant; preparing, reviewing and implementing the Corporation's institutional and strategic plan, consistent with the provisions of Article IV, Section 6 of these bylaws; protecting the Corporation's assets and insuring the financial visibility of the Corporation; preparing and approving budgets for the allocation of corporate resources in a manner consistent with the Corporation's statement of mission and philosophy; appointing the members of the Medical Staff and approving the appointment of the Medical Director; operating the Corporation in accordance with its mission and philosophy. No assignment, referral or delegation of authority by the Board shall relieve the Board of any of its responsibilities nor limit any of the Board's powers.

SECTION 2. - Number and Qualifications

The Board shall be composed of at least three (3) and no more than five (5) Directors, including: the President and the Secretary, Treasurer or other Officer of the Corporation. When vacancies on the Board occur by reason of death, resignation, or otherwise, the number shall be reduced by such vacancies until qualified replacements are appointed for the unexpired term. Directors shall be selected from among individuals who are able to participate effectively in the discharge of the Board's responsibilities and are mature and of sound mind and good moral character.

SECTION 3. - Term of Office

Each Director shall serve for one or more terms of one or more years, or until a successor has been duly appointed. All Board members are expected to attend Board meetings.

SECTION 4. - Resignation and Removal of Directors

Any Director may resign at any time by giving written notice to the President or Secretary of the Corporation. Such resignation shall take effect at the time specified therein. Any Director may be removed at any time by the Corporate Member in its sole discretion.

SECTION 5. - Vacancies

Any vacancy on the Board may be filled in the same manner as originally appointed for the unexpired portion of the term.

SECTION 6. - Annual Meeting

The annual meeting of the Board for the transaction of such business as may come before the Board shall be held in October of each year on such date, and at such time and place, as shall be determined by the President.

SECTION 7. - Special Meetings

Special meetings of the Board may be called by or at the request of the Corporate Member, the President, or a majority of the Directors then in office.

SECTION 8. - Notice

Notice of any annual or special meeting of Directors shall be given in writing by personal delivery or by mail to each Director, at least five (5) days before the day on which the meeting is to be held. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail addressed to the Director at the address as shown in the records of the corporation with postage thereon prepaid.

Notice may be waived in writing by any Director either before or after the meeting. Attendance at any meeting by a Director shall be deemed to be a waiver of notice unless the Director attends to object to the transaction of business because the meeting is not lawfully convened.

The purpose of any special meeting of the Board need not be specified in the Notice or Waiver of Notice of such meeting.

SECTION 9. - Quorum

A majority of the Board shall constitute a quorum for the transaction of business at any meeting of the Board; however, if less than a majority of the Directors are present, those Directors present may adjourn the meeting from time to time without further notice.

SECTION 10. - Manner of Acting

The act of a majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board except where otherwise provided by law or by these Bylaws. There shall be no voting by proxy.

Directors may participate in any meeting of the Board by means of conference telephone or other communications equipment whereby all persons participating in the meeting can communicate with one another. Participation in a meeting in this manner shall constitute attendance at the meeting.

SECTION 11. - Informal Action

Any action required to be taken at a meeting of the Board may be taken without a meeting if a consent in writing setting forth the action so taken shall be signed by all of the Directors then in office.

SECTION 12. - Compensation

Directors shall not receive compensation for their services as such, but may be reimbursed for bona fide expenses incurred arising out of services rendered. However, nothing herein shall prohibit payment of compensation to an individual serving as a Director who renders services to the Corporation in another capacity.

SECTION 13. - Conflict of Interest

Any Director, Officer or key employee who has an interest in a contract or other transaction presented to the Board or a committee thereof for authorization, approval, or ratification shall make a prompt and full disclosure of his interest to the Board or committee prior to the Board or committee's formal discussion of and action on such contract or transaction. Such disclosure shall include any relevant and material facts known to such person about the contract or transaction which might reasonably be construed to be adverse to the Corporation's interest.

The body to which such disclosure is made shall thereupon determine, by majority vote (at a meeting at which the person with the potential conflict is not present, except to the extent necessary to respond to questions regarding the potential conflict, and does not vote), whether the disclosure shows that a conflict of interest exists or can reasonably be construed to exist. If a conflict is deemed to exist (or is deemed to be reasonably construed to exist), such person shall not vote on, nor use his personal influence on, nor be present or otherwise participate in, the discussions or deliberations with respect to such contract or transaction. Such person shall not be counted in determining the existence of a quorum discussion. The minutes of the meeting shall reflect the disclosure made, any vote thereon and, where applicable, the abstention from voting and participation, and whether a quorum was present.

For the purposes of this Section, a person shall be deemed to have an "interest" in a contract or other transaction if he (or an immediate family member) is the party (or

one of the parties) contracting or dealing with the Corporation, or is a director, trustee or officer of, or has a significant financial or influential interest in, the entity contracting or dealing with the Corporation.

Each Director, officer and key employee of the Corporation shall complete such annual disclosure forms as may be adopted from time to time by the Board, for the purpose of disclosing any interest of such individual in any contract to which the Corporation is a party or in any transaction or other matter in which the Corporation is involved.

ARTICLE IV

OFFICERS

SECTION 1. - Officers

The Officers of the Corporation shall be a President, the senior executive officer (however titled), a Secretary and a Treasurer. The Corporate Member may appoint additional Officers, including one or more Vice Presidents. Unless specifically provided in these Bylaws, an Officer need not be a Director. One person may hold two or more offices except that the same person shall not hold the offices of President and Secretary.

SECTION 2. - Appointment and Term of Office

The President of the Corporation shall at all times be the person then serving as President of the Corporate Member. All other Officers shall be appointed bi-annually by the Corporate Member, to serve for terms of two (2) years or until their successors are appointed, unless their service is sooner terminated due to death, resignation or removal.

SECTION 3. - Resignation and Removal of Officers

Any Officer may resign at any time by giving written notice to the President or Secretary of the Corporation. Such resignation shall take effect at the time specified therein. Any other appointed Officer may be removed by the Corporate Member in its sole discretion.

SECTION 4. - Vacancies

A vacancy in any office may be filled for the unexpired portion of the term in the same manner as provided for the original appointment.

SECTION 5. - President

The President shall be the chief executive officer of the Corporation and may or may not be an employee of the Corporation. The President shall serve as the presiding officer at meetings of the Board. The President shall have the authority to

execute contracts, negotiable instruments, instruments of conveyance, and other documents, when such authority shall not specifically have been reserved to the Board of Directors. The President shall have but shall not be limited to the following authority and duties:

- a. To supervise all financial affairs of the Corporation.
- b. To ensure that all funds are collected and expended to the best possible advantage of the Corporation.
- c. To submit regularly to the Board of Directors or its authorized committee periodic reports detailing the financial activities of the Corporation.
- d. To prepare and submit such special reports as may be required by the Board of Directors.
- e. To prepare or cause to be prepared an annual budget for the Corporation showing the expected receipts for expenditures.
- f. To advise and make recommendations to the Board relating to the operation of the Corporation and long-range planning.
- g. To represent the Corporation in local, regional, state and national organizations and their activities.
- h. To develop and direct planned programs of community relations to gain acceptance and support of the Corporation by the community it serves.
- i. To maintain an adequate insurance program to conserve the assets of the Corporation.
- j. To perform any other duty that may be necessary in the best interest of the Corporation.
- k. To prepare and submit such business plans, budgets and reports to the Member as may be required by it.
- l. To report to the Board at least annually or at such other times as the Board may direct.

SECTION 6. - Administrator

The Board shall appoint a qualified individual to serve as the Administrator of the Nursing Home. The Administrator shall be an employee of the Corporation. The Administrator shall be a duly licensed nursing home administrator pursuant to Article 28-D of the Public Health Law of the State of New York. The Administrator shall be responsible to the Board and the President for the overall operation of the Nursing Home. The Administrator shall have the necessary

authority and be held responsible for the administration of the Nursing Home in all of its activities and departments in accordance with such policies as may be adopted and such orders as may be issued by the Board of Directors or by any of its committees to which the Board has delegated power for such action.

The Administrator shall be responsible to the Board and the President for the overall operation of the Nursing Home. The senior executive officer (however titled) shall have the necessary authority and be held responsible for the administration of the Nursing Home in all of its activities and departments in accordance with such policies as may be adopted and such orders as may be issued by the Board of Directors or by any of its committees to which the Board has delegated power for such action.

The Administrator shall have the following authority and duties, and any other authority and duties assigned to him/her by the Board or the President:

- a. To oversee the day-to-day operation and administration of the Nursing Home.
- b. To be responsible for implementing all policies established by the Board of Directors.
- c. To advise and make recommendations to the President and to the Board relating to the operations of the Nursing Home and long-range planning.
- d. To attend all meetings of the Board of Directors and appropriate meetings of its committees.
- e. To report to the Board at least annually or at such other times as the Board may direct.
- f. To prepare and submit to the Board of Directors for approval a plan of organization of the personnel and others concerned with the operation of the Corporation.
- g. To select, employ, supervise, and discharge all employees other than the President, including physicians and dentists serving in medical administrative positions.
- h. To develop and maintain personnel policies and practices of the Corporation.
- i. To work with the Medical Staff and with all those concerned with the rendering of professional services to the end that the best possible care may be rendered to all the residents.
- j. To serve as the liaison for all official communications between the Board of Directors or any of its committees and the Medical Staff.

- k. To ensure that all physical properties and kept in good state of repair and operating condition.

SECTION 7. - Vice President(s)

Any Vice President (s) shall perform such duties as are established from time to time by the senior executive officer (however titled) and shall report to such senior executive officer. In all other matters the Vice Presidents) shall function in accordance with the specific authorities which have been delegated by the President and the senior executive officer.

SECTION 8. - Secretary

The Secretary shall send or have sent appropriate notices, and prepare or have prepared an agenda for all meetings of the Board and the Corporation, shall act as custodian of all records and reports and shall be responsible for keeping adequate records of all meetings of the Board and the Corporation. The Secretary shall have the authority to certify the Bylaws, resolutions of the Board and the Corporate Member, and other documents of the Corporation as true and correct copies thereof.

SECTION 9. - Treasurer

The Treasurer shall have charge of all funds of the Corporation and shall see that a true and accurate accounting of all financial transactions of the Corporation is made and that reports of such transactions be presented to the Board at each of its regular or special meetings. At least annually, the Treasurer shall provide a certified audited financial statement to the Board and the Corporate Member. The Treasurer shall provide monthly financial statements to the Finance Committee of the Corporate Member, as soon as such statements are available.

If required by the Board, the Treasurer shall give a bond for the faithful discharge of his/her duties in such sums and with such sureties as the Board shall determine.

SECTION 10. - Delegation

The Board may delegate temporarily the powers and duties of any Officer, in case of such Officer's absence or for any other reason, to any other Officer, and may authorize the delegation by an Officer of any such Officer's powers and duties to any agent or employee subject to the general supervision of such Officer.

ARTICLE V

COMMITTEES

SECTION 1. - Establishment of Committees

The Board, may, by resolution, create such committees, whether standing or special, as it shall deem desirable. Standing committees shall meet as needed and

present their report and/or recommendations at the next scheduled Board meeting. A record of their proceedings shall be maintained. Special committees may be created for specific purposes and shall terminate when their purposes have been accomplished.

SECTION 2. - Committee Authority

The Board committees shall have the authority provided in these Bylaws and specified by resolution of the Board, but the designation of such committees and the delegation of authority thereto shall not relieve the Board or any individual Director of any responsibility imposed by law in connection with the operation and the activities of the Corporation. No Board committee shall have or may exercise any power or authority which is not exercisable by the Board, including any power or authority over matters delegated by the Corporate Member to a committee of the Member.

SECTION 3. - Appointments

Unless otherwise provided for in these Bylaws or by Board resolution, the President shall appoint all committee members and the chairperson of each committee, subject to the approval of the Board. There shall be at least two (2) Directors appointed to each committee.

Additional persons who are not on the Board may be appointed to serve on the committees. Whenever a committee, whether standing or special, may deliberate issues affecting the discharge of Medical Staff responsibilities, the membership of such committee shall include representation from the Medical Staff.

SECTION 4. - Term of Office

Each member of a committee shall serve one or more terms of one or more years, and continue as a committee member until a successor is appointed, unless the committee shall be sooner terminated or unless such member shall be removed or shall resign from such Committee or shall cease to qualify as a member thereof.

SECTION 5. - Vacancies

Vacancies in the membership of any committee may be filled by appointments made in the same manner as provided in the case of the original appointments.

SECTION 6. - Ex-Officio Member

The President shall serve as an ex-officio member, with full voting rights, on all committees.

SECTION 7. - Sub-Committees

Each committee chairperson, who shall be selected annually by vote of the committee members, may divide the committee into sub-committees and assign specific responsibility to each sub-committee.

SECTION 8. - Reports

Each committee shall submit its report and recommendations to the Board after each meeting and as requested by the President.

SECTION 9. - Procedures

Each committee may adopt rules for its own governance not inconsistent with these Bylaws or with rules adopted by the Board.

ARTICLE VI

MEDICAL DIRECTOR

The Administrator shall appoint a Medical Director with the approval of the Board. The Medical Director shall have the general responsibility for assuring the adequacy and appropriateness of medical care rendered to residents. The specific responsibilities and the description of the Medical Director shall be set forth in a written agreement between the Medical Director and the Corporation. Such specific duties shall include but not be limited to: assisting in developing procedures to provide for continuous physician coverage and the emergency treatment of resident in the case of medical emergencies, assisting in the development of patient transfer procedures, serving as a member of the Medical Staff and helping to assure the preparation, review, revision and adherence to the Medical Staff bylaws, rules and regulations, reviewing and advising the Board as to the quality of medical care being rendered to residents by members of the Medical Staff, monitoring the health status of employees and advising the administration on employee health policies, reviewing and evaluating incident reports, identifying hazards to health and safety, and developing written bylaws, rules and regulations which are approved by the governing body and include delineation of the responsibilities of attending physicians.

ARTICLE VII

FISCAL MATTERS

SECTION 1. - Fiscal Year

The fiscal year of the Corporation shall commence on the first day of July and end on the 30th day of June of each year.

SECTION 2. - Checks and Drafts

All checks, drafts, or other orders for the payment of money, and all notes or other evidences of indebtedness issued in the name of the Corporation or to the Corporation, shall be signed and endorsed by such Officer or Officers, agent or agents of the Corporation and in such manner as shall from time to time be determined by the resolution of the Board.

SECTION 3. - Deposits

All funds of the Corporation, not otherwise employed, shall be deposited from time to time to the credit of the Corporation in such banks, trust companies or other depositories as the Corporate Member may select.

SECTION 4. - Books, Records and Accounts

The Corporation shall keep or cause to be kept correct and complete books and records of account and shall also keep minutes of the proceedings of the Board and its committees and records of the actions of the Corporate Member. In addition, the Corporate Member shall annually cause a certified audit of its accounts to be made and shall cause to be filed the necessary reports, tax returns or other documents as may be required by law on its behalf.

ARTICLE VIII

INDEMNIFICATION

SECTION 1. - Indemnification by Corporation

To the fullest extent permitted by law, the Corporation shall indemnify its past or present Directors and Officers, and their heirs, executors, and administrators, against any and all expenses actually and necessarily incurred by them in the defense or settlement of any actual or threatened action, suit or proceeding in which they, or any of them, are made a party, by reason of their being or having been a Director or Officer of the Corporation.

SECTION 2. - Director and Officer Insurance

The Corporation shall purchase and maintain a Director and Officer Liability Policy insuring the Corporation and its individual Directors and Officers against the costs of defending a claim or paying a settlement or decision for which such Directors or Officers are eligible to be indemnified pursuant to Section 1 of this Article VIII.

SECTION 3. - Right Not Exclusive

The right of a Director or Officer to indemnification by the Corporation pursuant to this Article VIII shall be in addition to, and not exclusive of, all other rights to indemnification to which he otherwise may be entitled, including any rights to indemnification under the terms of the Director and Officer Liability Policy referenced in Section 2 of this Article VIII.

ARTICLE IX

LIMITED LIABILITY OF DIRECTORS

SECTION 1. - Limited Liability

For all periods during which the Corporation is exempt from taxation pursuant to Section 501(c) of the Internal Revenue Code of 1986, as amended, no Director of the Corporation who serves without compensation, other than reimbursement for actual expenses, shall be liable, and no cause of action may be brought, for damages resulting from the exercise of judgment or discretion in connection with the duties or responsibilities of such Director, unless the act or omission involved willful or wanton conduct.

SECTION 2. - Conduct Standard

As used in this Article IX, "willful or wanton conduct" means a course of action which shows an actual or deliberate intention to cause harm or which, if not intentional, shows an utter indifference to or conscious disregard for the safety of others or their property.

ARTICLE X

AMENDMENTS

SECTION 1. - Articles of Incorporation

The Articles of Incorporation of the Corporation may be altered, amended, restated or repealed only upon the approval of the Corporate Member, upon the prior resolution of the Board of Directors.

SECTION 2. - Bylaws

These Bylaws may be altered, amended, restated or repealed solely by the action of the Corporate Member.

Previous Amendments:

December 21, 1994, September 25, 2000.

Current Bylaws:

The September 25, 2000 Amended and Restated Bylaws were superseded by these Amended and Restated Bylaws of the Corporation, which were approved by the Board of Directors of the Corporation and by the Corporate Member of the Corporation on April 22, 2002, effective April 22, 2002.

At a term of the Supreme Court, held in and for the
County of Rensselaer on the 6th day of
July, 2015.

**SUPREME COURT
STATE OF NEW YORK COUNTY OF RENSSELAER**

In the Matter of the Application of

RESURRECTION NURSING HOME, INC.

For an Order Pursuant to Sections 510 and 511
of the Not-for-Profit Corporation Law

Received
County Clerks Office
Jul 15, 2015 03:15P
Rensselaer County
Frank J Merola

ORDER

Index No. 250307

Upon reading and filing of the Verified Petition (the "Petition") of Resurrection Nursing Home, Inc. (the "Petitioner"), dated June 3, 2015, requesting an Order, pursuant to Sections 510 and 511 of the Not-For-Profit Corporation Law, approving the sale of all or substantially all of the assets of the Petitioner as described in the Petition herein, in particular the joint sale of Petitioner's real property located at 90 Main Street, Castleton on Hudson, Rensselaer County, New York and real property owned by Mount Loretto Nursing Home, Inc. located at 302 Swart Hill Road Amsterdam, Montgomery County, New York (collectively, the "Nursing Homes") to Mount Loretto Realty, LLC, for the aggregate sum of \$4,000,000, of which \$1,000,000 will be allocated to Petitioner, as more fully set forth in the Asset Purchase Agreement, as amended, included as an Exhibit to the Petition and which rights under the Asset Purchase Agreement will be assigned to CSRNC, LLC, RSRNC, LLC, 302 Swart Hill Road, LLC and 90 N Main Street, LLC pursuant to Assignment and Assumption of Rights agreements, included as Exhibits to the Petition, as more fully described in the Petition, in accordance with Sections 510 and 511 of the Not-for-Profit Corporation Law.

NOW, THEREFORE, it is hereby

ORDERED, that Petitioner is hereby authorized to sell its real property located at 90 Main Street, Castleton on Hudson, Rensselaer County, New York to Mount Loretto Realty, LLC, in connection with a joint sale of real property located at 302 Swart Hill Road, Amsterdam, Montgomery County, New York, for the aggregate sum of \$4,000,000, of which \$1,000,000 will be allocated to Petitioner, as described in the Petition as well as the Asset Purchase Agreement, as amended, included as an Exhibit to the Petition and which rights under the Asset Purchase Agreement will be assigned to CSRNC, LLC, RSRNC, LLC, 302 Swart Hill Road, LLC and 90 N Main Street, LLC pursuant to Assignment and Assumption of Rights agreements, included as Exhibits to the Petition; and it is further

ORDERED, that the portion of proceeds allocated to Petitioner from the sale of the Nursing Homes shall be used to pay expenses relating to the dissolution of Petitioner, including payment of all debts and liabilities as well as provision for final government and accounting audits; and it is further

ORDERED, that a signed copy of this Order will be provided to the Attorney General; and it is further

ORDERED, that the Attorney General's office will be notified when the transaction has been completed, abandoned or is still pending after ninety (90) days of the date of this Order.

Dated: July 6, 2015



J.S.C.

ENTER:

THIS IS TO CERTIFY THAT THIS IS A TRUE COPY OF A RECORD FILED IN THE OFFICE OF THE RENSSELAER COUNTY CLERK OF COURTS
DATE 7-15-2015
STATE OF NEW YORK
COUNTY OF RENSSELAER
FILED
NO DO NOT ACCEPT THIS COPY UNLESS THE RAISED SEAL OF THE COUNTY OF RENSSELAER IS AFFIXED HEREON

THE ATTORNEY GENERAL HEREBY APPEARS HEREIN, HAS NO OBJECTION TO THE GRANTING OF JUDICIAL APPROVAL HEREON, ACKNOWLEDGES RECEIPT OF STATUTORY NOTICE, AND DEMANDS SERVICE OF ALL PAPERS SUBMITTED HEREIN INCLUDING ALL ORDERS, JUDGMENTS AND ENDORSEMENTS OF THE COURT, SAID NO OBJECTION IS CONDITIONED ON SUBMISSION OF THE MATTER TO THE COURT WITHIN 30 DAYS HEREAFTER.
Harlan M. Gentry 6-8-2015
ASSISTANT ATTORNEY GENERAL DATE

At a term of the Supreme Court, held in and for the
County of Rensselaer on the 2nd day of
August, 2015.

**SUPREME COURT
STATE OF NEW YORK COUNTY OF RENSSELAER**

Received
County Clerk's Office
Aug 27 2015 10:43AM
Rensselaer County
State of New York

In the Matter of the Application of

RESURRECTION NURSING HOME, INC.

AMENDED ORDER

Index No. 250307

For an Amended Order Pursuant to Sections 510 and 511
of the Not-for-Profit Corporation Law

Upon reading and filing of the Supplemental Verified Petition (the "Supplemental Petition") of Resurrection Nursing Home, Inc. (the "Petitioner"), dated August 7, 2015, requesting an Amended Order, pursuant to Sections 510 and 511 of the Not-For-Profit Corporation Law, approving the sale of all or substantially all of the assets of the Petitioner as described in the Supplemental Petition herein, in particular the joint sale of Petitioner's real property located at 90 Main Street, Castleton on Hudson, Rensselaer County, New York and real property owned by Mount Loretto Nursing Home, Inc. located at 302 Swart Hill Road Amsterdam, Montgomery County, New York (collectively, the "Nursing Homes") to Mount Loretto Realty, LLC, for the aggregate sum of \$4,000,000, of which \$1,600,000 will be allocated to Petitioner and paid in the form of a secured promissory note payable over a five-year term with interest set at the prevailing HUD rate as of the closing date, as more fully set forth in the Asset Purchase Agreement, as amended, included as an Exhibit to Petitioner's prior petition to the Court dated June 3, 2015 (the "Petition") and which rights under the Asset Purchase Agreement will be assigned to CSRNC, LLC, RSRNC, LLC, 302 Swart Hill Road, LLC and 90 N Main Street, LLC pursuant to Assignment and Assumption of Rights agreements, included as

Exhibits to, and as more fully described in, the Petition to the Court, in accordance with Sections 510 and 511 of the Not-for-Profit Corporation Law.

NOW, THEREFORE, it is hereby

ORDERED, that Petitioner is hereby authorized to sell its real property located at 90 Main Street, Castleton on Hudson, Rensselaer County, New York to Mount Loretto Realty, LLC, in connection with a joint sale of real property located at 302 Swart Hill Road, Amsterdam, Montgomery County, New York, for the aggregate sum of \$4,000,000, of which \$1,600,000 will be allocated to Petitioner, as described in the Petition and the Supplemental Petition as well as the Asset Purchase Agreement, as amended, included as an Exhibit to the Petition to the Court and which rights under the Asset Purchase Agreement will be assigned to CSRNC, LLC, RSRNC, LLC, 302 Swart Hill Road, LLC and 90 N Main Street, LLC pursuant to Assignment and Assumption of Rights agreements, included as Exhibits to the Petition to the Court; and it is further

ORDERED, that the portion of proceeds allocated to Petitioner from the sale of the Nursing Homes shall be used to pay expenses relating to the dissolution of Petitioner, including payment of all debts and liabilities as well as provision for final government and accounting audits; and it is further

ORDERED, that a signed copy of this Amended Order will be provided to the Attorney General; and it is further

ORDERED, that the Attorney General's office will be notified when the transaction has been completed, abandoned or is still pending after ninety (90) days of the date of this Amended Order.

Dated: August 20, 2015

[Signature]
J.S.C.

ENTER:

THE ATTORNEY GENERAL HEREBY APPEARS HEREIN,
HAS NO OBJECTION TO THE GRANTING OF
JUDICIAL APPROVAL HEREON, ACKNOWLEDGES
RECEIPT OF STATUTORY NOTICE, AND DEMANDS
SERVICE OF ALL PAPERS SUBMITTED HEREIN
INCLUDING ALL ORDERS, JUDGMENTS AND
ENDORSEMENTS OF THE COURT. SAID NO OBJECTION
IS CONDITIONED ON SUBMISSION OF THE MATTER
TO THE COURT WITHIN 30 DAYS HEREAFTER.

[Signature] 8-10-15
ASSISTANT ATTORNEY GENERAL DATE

THIS IS TO CERTIFY THAT
THIS IS A TRUE COPY OF A
RECORD FILED IN THE
OFFICE OF THE RENSSELAER
COUNTY CLERK
ON August 27, 2015
SIGNED [Signature]
STATE OF NEW YORK
DATE August 27, 2015
DO NOT ACCEPT THIS
COPY UNLESS THE RAISED
SEAL OF THE COUNTY OF
RENSSELAER IS AFFIXED
THEREON.

Received
County Clerk Office
Aug 27 2015 10:48A
Rensselaer County
Frank J. Mangin

**WRITTEN CONSENT
OF THE
BOARD OF DIRECTORS
OF
RESURRECTION NURSING HOME, INC.**

I, the undersigned, being the sole remaining director of Mount Loretto Nursing Home, Inc. (the "Corporation"), hereby adopts the following resolutions by written consent in lieu of a meeting:

WHEREAS, the Corporation is a not-for-profit corporation organized under the laws of the State of New York; and

WHEREAS, the Corporation previously owned a skilled nursing facility in Castleton on Hudson, Rensselaer County, New York (the "Resurrection Nursing Home"), the sale of which was subject to a petition to the Rensselaer County Supreme Court (the "Court") and was approved by an Order of the Court entered in the county clerk's office on July 15, 2015, which Order was amended subject to a supplemental petition to the Court and approved by an Amended Order entered in the county clerk's office on August 27, 2015; and

WHEREAS, the sale of the Resurrection Nursing Home was a joint sale of a skilled nursing facility located in Montgomery County owned by Mount Loretto Nursing Home, Inc. (the "Mount Loretto Nursing Home"; together, with the Resurrection Nursing Home, the "Nursing Homes") which sale of the Mount Loretto Nursing Home was subject to a separate petition of Montgomery County Supreme Court; and

WHEREAS, pursuant to the Resurrection Nursing Home sale petition, as supplemented,, the Corporation contemplated dissolution after all of its outstanding liabilities were paid; and

WHEREAS, the Corporation used its allocated portion of the joint sale proceeds to pay down its third party payor liabilities;

WHEREAS, the Corporation satisfied all outstanding liabilities and has no remaining assets or liabilities; and

WHEREAS the Board of Directors have considered the advisability of voluntarily dissolving the Corporation; and

WHEREAS, the Board of Directors, after due consideration, have deemed it advisable and in the best interests of the Corporation to adopt and approve a plan of dissolution and authorize the filing of a Certificate of Dissolution with the New York State Department of State, subject to the approval of the Attorney General's Office, to dissolve.

NOW THEREFORE, it is

RESOLVED: that the Corporation shall dissolve voluntarily; and it is further

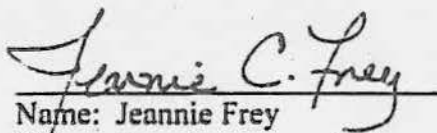
RESOLVED: that the Board of Directors does hereby adopt and approve the Plan of Dissolution, in the form attached hereto; and it is further

RESOLVED: that the Board of Directors hereby authorizes the filing of a Certificate of Dissolution with the New York State Department of State, subject to the consent of the Attorney General's Office; and it is further

RESOLVED: that the Board of Directors hereby recommends approval of the Plan of Dissolution to its sole member; and it is further

RESOLVED: that the officers of the Corporation are hereby authorized and empowered to execute such documents, to make any necessary, non-material amendments to such documents and to do any and all acts necessary to effectuate the foregoing resolutions.

IN WITNESS WHEREOF, the undersigned has signed this Consent as of the 17th day of April, 2017 and directs that it be filed with the minutes of the proceedings of the Corporation.


Name: Jeannie Frey
Title: Secretary

Attachment: Plan of Dissolution

ATTACHMENT

PLAN OF DISSOLUTION
OF
RESURRECTION NURSING HOME, INC.

The Board of Directors of Resurrection Nursing Home, Inc. (the "Corporation"), by action of the Board of Directors, having considered the advisability of voluntarily dissolving the Corporation, and it being the opinion of the Board of Directors that dissolution is advisable and it is in the best interests of the Corporation to effect such a dissolution, and the Board having adopted a Plan for a voluntary dissolution of the Corporation, does hereby resolve, that the Corporation be dissolved in accordance with the following Plan:

PROCEDURE FOR DISSOLUTION

- A. Following resolution of the Board of Directors adopting a Plan of Dissolution, the Board shall submit the Plan to a vote of its sole member for approval.
- B. Approval of the dissolution of the Corporation is required to be obtained from the Department of Health, whose approval is attached hereto as Exhibit A.
- C. The Corporation has no assets and no known liabilities.
- D. A Certificate of Dissolution shall be executed and all approvals required under Section 1003 of the Not-For-Profit Corporation Law shall be attached thereto.

CERTIFICATION

STATE OF ILLINOIS)
) SS.:
COUNTY OF CHICAGO)

I, Jeannie Frey, the Secretary of Resurrection Nursing Home, Inc., hereby certify under penalties of perjury that the within Plan of Dissolution was authorized by unanimous written consent of the entire Board of Directors on _____, 2017 and by written consent of the sole member.

Dated: _____, 2017

Name:
Title:

**WRITTEN CONSENT
OF
RESURRECTION MINISTRIES OF NEW YORK
AS SOLE MEMBER OF
RESURRECTION NURSING HOME, INC.**

The undersigned, Resurrection Ministries of New York ("RMNY") being the sole member of Resurrection Nursing Home, Inc. (the "Corporation"), hereby adopts the following resolutions by written consent in lieu of a meeting pursuant to Section 614 of the New York Not-for Profit Corporation Law:

WHEREAS, on April 17, 2017 by unanimous written consent of the Corporation's entire Board of Directors, the Corporation determined it to be in its best interests to wind up its affairs and dissolve pursuant to a Plan of Dissolution, a copy of which is attached hereto; and

WHEREAS, the Corporation's Board of Directors has recommended to RMNY, as its sole member, to approve the dissolution of the Corporation pursuant the Plan of Dissolution; and

WHEREAS, it is the opinion of RMNY that it is in the best interests of this Corporation to dissolve.

NOW, THEREFORE, IT IS

RESOLVED: that the proposed dissolution of the Corporation and the Plan of Dissolution in substantially the form attached hereto is hereby approved; and it is further

RESOLVED: that the officers of RMNY are hereby directed and authorized to take the necessary steps to effectuate the foregoing resolution.

IN WITNESS WHEREOF, the undersigned has signed this Consent as of the 17th day of April, 2017 and directs that it be filed with the minutes of the proceedings of RMNY.

RESURRECTION MINISTRIES OF NEW YORK

By: Jeannie C. Frey
Name: Jeannie C. Frey
Title: Secretary

Voting Information:

Total # of Directors: 1
Directors Present: 1
Votes Approving: 1
Votes Against: 0
Votes Abstained: 2

**PLAN OF DISSOLUTION
OF
RESURRECTION NURSING HOME, INC.**

The Board of Directors of Resurrection Nursing Home, Inc. (the "Corporation"), by action of the Board of Directors, having considered the advisability of voluntarily dissolving the Corporation, and it being the opinion of the Board of Directors that dissolution is advisable and it is in the best interests of the Corporation to effect such a dissolution, and the Board having adopted a Plan for a voluntary dissolution of the Corporation, does hereby resolve, that the Corporation be dissolved in accordance with the following Plan:

PROCEDURE FOR DISSOLUTION

- A. Following resolution of the Board of Directors adopting a Plan of Dissolution, the Board shall submit the Plan to a vote of its sole member for approval.
- B. Approval of the dissolution of the Corporation is required to be obtained from the Department of Health, whose approval is attached hereto as Exhibit A.
- C. The Corporation has no assets and no known liabilities.
- D. A Certificate of Dissolution shall be executed and all approvals required under Section 1003 of the Not-For-Profit Corporation Law shall be attached thereto.

CERTIFICATION

STATE OF ILLINOIS)
) SS.:
COUNTY OF CHICAGO)

I, Jeannie Frey, the Secretary of Resurrection Nursing Home, Inc., hereby certify under penalties of perjury that the within Plan of Dissolution was authorized by unanimous written consent of the entire Board of Directors on April 17, 2017 and by written consent of the sole member.

Dated: April 17, 2017

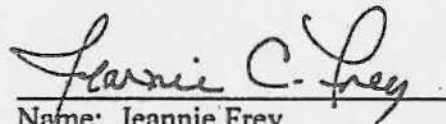

Name: Jeannie Frey
Title: Secretary

Exhibit A

DOH Consent

pending

**CERTIFICATE OF DISSOLUTION
OF
RESURRECTION NURSING HOME, INC.**

Under Section 1003 of the Not-for-Profit Corporation Law

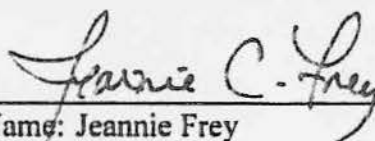
THE UNDERSIGNED, being the Secretary of Resurrection Nursing Home, Inc. (the "Corporation"), does hereby certify:

1. The name of this Corporation is Resurrection Nursing Home, Inc. The name under which the Corporation was originally formed was Resurrection Home, Inc.
2. The Certificate of Incorporation of the Corporation was filed in the office of the Secretary of State of the State of New York on October 19, 1940.
3. The name and address of the sole remaining director and officer of the Corporation is as follows:

<u>Name & Address</u>	<u>Title</u>
Jeannie Frey, Esq. 200 South Wacker Dr. 11 th Floor Chicago, IL 60606	Secretary/ Director

4. The dissolution of the Corporation was authorized by unanimous written consent of the entire Board of Directors and the written consent the Corporation's sole member.
5. The Corporation elects to dissolve.
6. At the time of dissolution, the Corporation is a charitable corporation.
7. The Corporation will file with the Attorney General a petition for Approval of the Certificate of Dissolution with the original certified Plan of Dissolution.
8. When the Board authorized and the sole member approved the Plan of Dissolution, the Corporation had no assets and no liabilities and did not hold any assets required to be used for a restricted purpose.
9. Prior to the filing of this Certificate with the Department of State, the endorsement of the Attorney General will be attached.

IN WITNESS WHEREOF, the undersigned has signed this Certificate this 17th day of April, 2017.



Name: Jeannie Frey
Title: Secretary

**CERTIFICATE OF DISSOLUTION
OF
RESURRECTION NURSING HOME, INC.**

Under Section 1003 of the Not-for-Profit Corporation Law

FILED BY:

**Nixon Peabody LLP
1300 Clinton Square
Rochester, New York 14604**



MEMORANDUM

To: Public Health and Health Planning Council
From: Richard J. Zahnleuter, General Counsel
Date: May 4, 2017
Subject: Proposed Dissolution of Mount Saint Ursula Speech Center

Mount Saint Ursula Speech Center (the Center) submitted a closure plan to the New York Metropolitan Area Regional Office on July 19, 2014. The closure plan was approved and became effective on September 10, 2014.

Now that the facility is closed, the Center requests Public Health and Health Planning Council approval of its proposed dissolution in accordance with the requirements of Not-For-Profit Law § 1002(c) and § 1003, as well as 10 NYCRR Part 650.

The Center is a Not-For-Profit corporation and was licensed to operate an article 28 facility. The corporation ceased operations when, in 2014, they could not find a new facility location at a feasible cost; the location at which they operated was sold. On October 24, 2016, the Center's Board of Directors unanimously decided to dissolve the corporation.

Attached is a letter from Bernadette Kenny, Esq. explaining the need for the proposed dissolution, a letter dated September 16, 2014 from the Department of Health noting approval of the facility closure plan, a proposed Certificate of Dissolution, a Verified Petition to the Attorney General of the State of New York that contains exhibits such as the Center's Certificate of Incorporation with amendments, the Center's By-laws, financial balance sheets, the plan of dissolution, and board resolutions, among others.

The Center has no remaining liabilities outside of legal and accounting fees, which should not exceed \$10,000. The Center has cash assets of \$117,870. As required by the Center's Certificate of Incorporation, those assets are to be distributed to Ursuline Bedford Park Convent, Inc. and as amended to Ursuline Provincialate, Eastern Province of the United States, Inc.

The proposed Certificate of Dissolution of Mount Saint Ursula Speech Center is in legally acceptable form.

Attachments.

NEW YORK
state department of
HEALTH

Howard A. Zucker, M.D., J.D.
Acting Commissioner of Health

Sue Kelly
Executive Deputy Commissioner

September 16, 2014

Ms. Elaine Friedman
Executive Director
Mt Saint Ursula Speech Center
2885 Marion Avenue
Bronx, New York 10458

Re: Decertification of operator and closure of site
Mt Saint Ursula Speech Center
200 Street and Marion Avenue, Bronx
Operating Certificate: 7000229R
Facility ID: 1209

Dear Ms. Friedman:

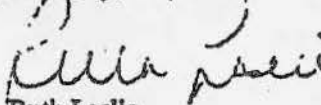
In response to your request of July 19, 2014, staff from the Division of Hospitals and Diagnostic & Treatment Centers and the New York Metropolitan Area Regional Office reviewed the closure plan for the site listed above.

The closure plan is approved effective September 10, 2014. The operating certificate should be surrendered immediately after that date to the New York Metropolitan Area Regional Office.

If you have any questions concerning this matter please contact Ms. Kathleen Gaine at 212-417-5990.

Thank you.

Sincerely,



Ruth Leslie
Director
Division of Hospitals and Diagnostic & Treatment
Centers

cc: Ms. Celeste Johnson
Ms. Kathleen Gaine
Closure File 1053

HEALTH.NY.GOV
facebook.com/NYSDOH
twitter.com/HealthNYGov

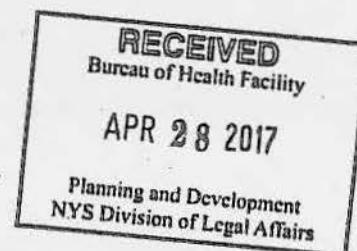
BERNADETTE KENNY RSHM

ATTORNEY AT LAW
48 WILSON PARK DRIVE
TARRYTOWN, N.Y. 10591

(914) 681-2979
FAX: (914) 332-4735

April 25, 2017

New York State Department of Health
Division of Legal Affairs
Empire State Plaza
Corning Tower Rm 2482
Albany, NY 12237-0031



Re: Dissolution of MOUNT SAINT URSULA SPEECH CENTER, under §1002 of the New York Not-for-Profit Corporation Law

As outside General Counsel, I am writing on behalf of MOUNT SAINT URSULA SPEECH CENTER to obtain the consent of the Public Health Council for the voluntary dissolution of the corporation.

As stated in the enclosed Plan of Dissolution, the Board of Directors concluded that Dissolution was necessary "because the Corporation occupied premises which it did not own and those premises were being sold. In an exercise of due diligence, the Corporation sought other locations in various Church related buildings, but the necessary renovations were cost prohibitive, as was the rent in other buildings."

The Corporation proposes to distribute the assets subject to any unpaid liabilities as stated in the Dissolution Clause of the amendment to the Certificate of Incorporation filed June 6, 2013 to URSULINE PROVINCIALATE, EASTERN PROVINCE OF THE UNITED STATES, INC., 1338 North Avenue, New Rochelle, New York 10804 which qualifies as an exempt organization pursuant to Section 501(c)(3) of the Internal Revenue Code of 1986, as amended.

As stated in the proposed petition to the Attorney General the Corporation has chosen to Distribute the assets in this manner because the dissolving corporation is associated with the Roman Catholic Religious order known as Order of Saint Ursula and as required by the dissolution clause (Article 10) of the Certificate of Incorporation directed the assets upon Dissolution to one of the civil law arms of that religious order, URSULINE BEDFORD PARK CONVENT, INC. and as amended to URSULINE PROVINCIALATE, EASTERN PROVINCE OF THE UNITED STATES, INC. the civil law arm of the supervising religious order. In addition, both branches of the religious order contributed both personnel in the form of members of the religious order and financial contributions to the corporation to enable it to conduct its activities. These contributions were made so that the corporation would have a reserve fund in the event of any shortfall and were held as an investment. From 2009 to 2014 these contributions totaled \$105,000.

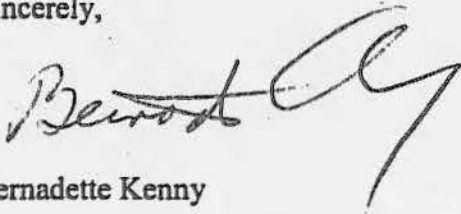
Enclosed with this letter are the following proposed documents for this Dissolution:

- Proposed Petition to the Attorney General with required Exhibits
- Exhibit C to the foregoing Petition: Proposed Plan of distribution of assets
- Proposed Certificate of Dissolution.

Please contact me at the above numbers or by email if anything else is required.

Thank you for your assistance in this matter.

Sincerely,

A handwritten signature in cursive script, appearing to read "Bernadette Kenny", written in black ink.

Bernadette Kenny

CERTIFICATE OF DISSOLUTION

MOUNT SAINT URSULA SPEECH CENTER
under section 1003 of the Not-for-Profit Corporation Law

I, Patricia Russell, the President of MOUNT SAINT URSULA SPEECH CENTER hereby certify:

1. The name of this corporation is MOUNT SAINT URSULA SPEECH CENTER.
2. The Certificate of Incorporation of MOUNT SAINT URSULA SPEECH CENTER was filed by the Department of State of the State of New York on the 5th day of March, 1975.
3. A. The names and addresses of each of the Directors of the corporation are as follows:

<u>Name</u>	<u>Address</u>
Jane Finnerty	1338 North Ave., New Rochelle, NY 10804
Ann Peterson	1338 North Ave., New Rochelle, NY 10804
Patricia Russell	1338 North Ave., New Rochelle, NY 10804
Maureen Welch	1338 North Ave., New Rochelle, NY 10804
Joan Woodcome	1338 North Ave., New Rochelle, NY 10804

B. The names, titles and addresses of each of the officers of the corporation are as follows:

<u>Name</u>	<u>Title</u>	<u>Address</u>
Patricia Russell	President	1338 North Ave., New Rochelle, NY 10804
Maureen Welch	Secretary	1338 North Ave., New Rochelle, NY 10804
Joan Woodcome	Treasurer	1338 North Ave., New Rochelle, NY 10804

4. At the time of dissolution, MOUNT SAINT URSULA SPEECH CENTER is a charitable corporation.
5. At the time of authorization of the corporation's Plan of Dissolution and Distribution of Assets pursuant to N-PCL §1002, the corporation held no assets legally required to be used for a particular purpose.
6. The corporation, MOUNT SAINT URSULA SPEECH CENTER elects to dissolve.
7. The dissolution of MOUNT SAINT URSULA SPEECH CENTER was authorized by unanimous approval of the Board of Directors and by unanimous approval of the Members of the Corporation pursuant to N-PCL §613(c).
8. On _____, 2017 the attorney general of the State of New York approved the Plan of Dissolution and distribution of Assets. A copy of Attorney General's approval is attached pursuant to N-PCL §1003(a)(8)
9. The Certificate of Dissolution requires the approval of the following governmental agency and office whose approval have been attached: New York State Department of Health, Public Health Council.
10. The Corporation has carried out the Plan of Dissolution and Distribution of Assets.
11. Prior to filing the Certificate of Dissolution, the endorsement of the Attorney General of the State of New York will be affixed.

IN WITNESS WHEREOF, the undersigned has signed this Certificate this 5 day of May, 2017.

Patricia Russell
Patricia Russell, President

STATE OF NEW YORK)
) ss.:
COUNTY OF Westchester)

On the 5th day of May in the year 2017, before me, the undersigned, a Notary Public in and for said State, personally appeared **Patricia Russell**, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that she executed the same in her capacity, and that by her signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

Marie - Celine Miranda
Notary (state commission expire date)

MARIE-CELINE MIRANDA
Notary Public, State of New York
No. 5006248
Qualified in Westchester County
Commission Expires December 28, 2018 ,

ATTORNEY GENERAL OF THE STATE OF NEW YORK
120 Broadway
New York, New York 10271

-----X
In the Matter of the Application of

MOUNT SAINT URSULA SPEECH CENTER

VERIFIED PETITION

For Approval of Plan of Dissolution and
Distribution of Assets pursuant to
Section 1002 of the Not-for -Profit
Corporation Law.

AG # _____

-----X

TO: THE ATTORNEY GENERAL OF THE STATE OF NEW YORK
120 Broadway
New York, New York 10271

Petitioner, **MOUNT SAINT URSULA SPEECH CENTER** by Patricia Russell,
President of the corporation for its Verified Petition herein respectfully alleges:

1. **MOUNT SAINT URSULA SPEECH CENTER** with its principal office address at 2885 Marion Avenue, Bronx, New York 10458 was incorporated on March 5, 1975 pursuant to the Not for Profit Corporation Law.

Attached as **EXHIBIT A**, are the Certificate of Incorporation, Certificate of Amendment filed June 6, 2013, by-laws and proof of Internal Revenue Code §501(c)(3) status under group ruling of United States Conference of Catholic Bishops.

2. The names of all of the corporation's directors and the names and titles of all of its officers who are also directors and their places of residence are as follows:

<u>Name</u>	<u>Title</u>	<u>Address</u>
Patricia Russell 10804	President	1338 North Ave., New Rochelle, NY
Maureen Welch	Secretary	1338 North Ave., New Rochelle, NY 10804
Joan Woodcome	Treasurer	1338 North Ave., New Rochelle, NY 10804
Jane Finnerty	Director	1338 North Ave., New Rochelle, NY 10804
Ann Peterson	Director	1338 North Ave., New Rochelle, NY 10804

3: The purposes for which the corporation was formed are:

- (a) The purposes for which the corporation is formed are to provide a program of medical and rehabilitative evaluation and treatment for disorders of communication (language, speech, and hearing disabilities) and associated problems.
- (b) An amendment to the Certificate of Incorporation filed on June 6, 2013 amended Article Ten of the Certificate of Incorporation (Dissolution Clause) to change the beneficiary of remaining assets from URSULINE BEDFORD PARK CONVENT, INC. a subsidiary under the law of the Roman Catholic Church to URSULINE PROVINCIALATE, EASTERN PROVINCE OF THE UNITED STATES, INC. and to read in its entirety:

Upon the dissolution or liquidation of the Corporation, whether such be de jure or de facto, in whole or in part, the Members shall, after paying or making provision for the payment of all of the liabilities of the Corporation, transfer the assets of the Corporation to the URSULINE PROVINCIALATE, EASTERN PROVINCE OF THE UNITED STATES, INC. a New York non-profit corporation. If the Ursuline Provincialate, Eastern Province of the United States, Inc. shall not exist or shall no longer qualify as an exempt organization under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, (or the corresponding provision of any future United States Internal Revenue Law), at the time of the dissolution or liquidation of this Corporation, any assets of the Corporation shall be transferred to the Roman Union of the Order of Saint Ursula, an Institute of the Roman Catholic Church or its successor, provided that it is then in existence and qualified as a tax-exempt organization described in Section 501(c)(3) of the Internal Revenue Code. In the event that the Roman Union of the Order of Saint Ursula is no longer in existence, the assets will be distributed to such Roman Catholic non-profit organization or organizations organized and operated exclusively for religious, charitable scientific or educational purposes and qualified as a tax-exempt organization or organizations as described in Section 501(c)(3) of the Internal Revenue Code, as the Members of the Corporation shall determine. Any of such assets not so disposed of will be disposed of by the court of general jurisdiction of the County in which the principal office of the Corporation is then located exclusively for the purposes of the Corporation in such manner or to such tax-exempt

organization or organizations described in Section 501(c)(3) of the Internal Revenue Code, as such court shall determine.

4. The corporation is a charitable corporation.

5. The corporation has cash Assets of \$117, 870 and such assets are not legally required to be used for any particular purpose. The corporation has no current liabilities, but has estimated legal and accounting fees not to exceed \$10,000, and the Balance sheets for the years ending August 31 for 2010 to 2016 are attached as **EXHIBIT B**.

6. The corporation has no liabilities except attorney and accounting fees not to exceed \$10,000.

7. Dissolution is contemplated and the assets are to be distributed in accordance with the Plan of Dissolution. **EXHIBIT C**

8. The reason that the Board of Directors has chosen Distribution of Assets in accordance with the Plan is as follows:

- a) The dissolving corporation is associated with the Roman Catholic Religious order known as Order of Saint Ursula and as required by the dissolution clause (Article 10) of the Certificate of Incorporation directed the assets upon Dissolution to one of the civil law arms of that religious order, **URSULINE BEDFORD PARK CONVENT, INC.** and as amended to **URSULINE PROVINCIALATE, EASTERN PROVINCE OF THE UNITED STATES, INC.** the civil law arm of the supervising religious order. In addition, both branches of the religious order contributed both personnel in the form of members of the religious order and financial contributions to the corporation to enable it to conduct its activities. These contributions were made so that the corporation would have a reserve fund in the event of any shortfall and were held as an investment. As indicated on attached **EXHIBIT C-1** from 2009 to 2014 these contributions totaled \$105, 000.
- b) The recipient is exempt from taxation under Section 501(c)(3) of the Internal Revenue Code. **EXHIBIT C-2** Certificate of Incorporation, amendments, By-laws, proof of §501(c)(3) status of Ursuline Provincialate, Eastern Province of the United States, Inc.
- c) **EXHIBIT C3** Financial Statements for **URSULINE PROVINCIALATE, EASTERN PROVINCE OF THE UNITED STATES, INC.** for the years ending August 31, 2014, 2015 and 2016.
- d) **EXHIBIT C-4** Letter from corporate officer of Ursuline Provincialate, Eastern Province of the United States, Inc. regarding use of assets for similar purposes.

9. A meeting at which the entire Board of Directors was present was held pursuant to duly given notice on the 24th day of October 2016 at which a resolution was duly passed by a unanimous vote adopting a Plan of Dissolution for the distribution of assets and authorizing the filing of a Certificate of Dissolution in accordance with Section 1003 of the Not-for-Profit Corporation Law, executed by the Secretary. A copy of the Plan certified by the Secretary of the Corporation and the accepted resolution is attached as EXHIBIT C.

10. After the board of Directors approved the Plan, the Members of the corporation received it as required by §1002(a) of the Not-For-Profit corporation Law. The Members approved the Plan by unanimous consent at a meeting held on the ____ day of _____, 201__ EXHIBIT D Certified Resolution of the Members' consent to the plan.

11. The approval of the New York State Department of Health is attached as EXHIBIT E.

12. No previous application for approval of the Plan of Dissolution and Distribution of Assets of the corporation has been made.

WHEREFORE, Petitioner requests that the Attorney General approve the Plan of Dissolution and Distribution of Assets of MOUNT SAINT URSULA SPEECH CENTER, a not-for-profit corporation, pursuant to the Not-for-Profit Corporation Law Section 1003.

IN WITNESS WHEREFORE, the corporation has caused this Petition to be executed this ____ day of _____, 2017

By: _____
Patricia Russell, President

Verification

STATE OF NEW YORK
COUNTY OF WESTCHESTER

Patricia Russell, being duly sworn deposes and says: I am the President of MOUNT SAINT URSULA SPEECH CENTER the Corporation named in the above Petition and make this verification at the direction of the Board of Directors. I reside at 1338 North Ave., New Rochelle, NY 10804. I have read the foregoing petition and know the contents thereof to be true of my own knowledge, except those matters that are stated on information and belief and as to those matters I believe them to be true.

Patricia Russell, President

Sworn to before me this
____ day of _____ 2017

Notary (state commission expire date)

STATE OF NEW YORK
DEPARTMENT OF STATE

I hereby certify that the annexed copy has been compared with the original document in the custody of the Secretary of State and that the same is a true copy of said original.

WITNESS my hand and official seal of the
Department of State, at the City of Albany,
on April 23, 2015.



Anthony Giardina

Anthony Giardina
Executive Deputy Secretary of State

CERTIFICATE OF INCORPORATION

-of-

MOUNT SAINT URSULA SPEECH CENTER

Under Section 402 of the
Not-For-Profit Corporation Law

The undersigned hereby certifies:

1. The name of the corporation is MOUNT SAINT URSULA
SPEECH CENTER.

a. The corporation is a corporation as defined in
Section 102(a)(5) of the Not-For-Profit Corporation Law and is a
Type B Corporation under Section 201 of said law.

b. No part of the income of the corporation shall
inure to the benefit of any member, trustee, director, officer
of the corporation, or any private individual (except that reason-
able compensation may be paid for services rendered to or for
the corporation affecting one or more of its purposes), and no
member, trustee, officer of the corporation or any private in-
dividual shall be entitled to share in the distribution of any of
the corporate assets on dissolution of the corporation.

c. No part of the activities of the corporation
shall be carrying on propaganda, or otherwise attempting to
influence legislation, or participating in, or intervening in
(including the publication or distribution of statements), any
political campaign on behalf of any candidate for public office.

d. In the event of dissolution, all of the re-
maining assets and property of the corporation shall, after
necessary expenses thereof, be distributed to such organizations
as shall qualify under Section 501(c)(3) of the Internal Revenue
Code of 1954 as amended, subject to an order of a Justice of the
Supreme Court of the State of New York.

e. The corporation shall distribute its income
for each taxable year at such time and in such manner as not to
subject it to tax under Section 4942 of the Internal Revenue
Code of 1954, as amended, and the corporation shall not (1)
engage in any act of self-dealing as defined in Section 4941(d)

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subject it to tax under Section 4942 of the Internal Revenue Code of 1954, as amended; and the corporation shall not (i) engage in any act of self-dealing as defined in Section 4941(d) of the Code; (ii) retain any excess business holdings as defined in Section 4943(c) of the Code; (iii) make any investments in such manner as to subject the corporation to tax under Section 4944 of the Code; or (iv) make any taxable expenditures as defined in Section 4945(d) of the Code.

3. Nothing herein shall authorize this corporation, directly or indirectly, to engage in or include among its purposes, any of the activities mentioned in Not-For-Profit Corporations Law, Section 404(b)-(p) or Executive Law, Section 757.

4. In furtherance of its corporate purposes, the corporation shall have all general powers enumerated in Section 202 N-PCL, together with the power to solicit grants and contributions for corporate purposes, provided, however, that such powers are not prohibited by the provisions of the Public Health Law or rules and regulations promulgated thereunder, or by any other statute of the State of New York.

5. The purposes for which the corporation is formed are to provide a program of medical and rehabilitative evaluation and treatment for disorders of communication (language, speech, and hearing disabilities) and associated problems.

6. The office of the corporation is to be located in the City of New York, County of New York, State of New York.

7. The territory in which the corporation's activities are principally to be conducted is the City of New York, State of New York.

8. The post office address to which the Secretary of State shall mail a copy of any notice required by law is 200th Street and Marion Avenue, Bronx, New York 10458.

9. A majority of the Board of Directors, which shall consist of between five and nine members, shall be members of the Ursuline Bedford Park Community.

10. Upon the dissolution of the Mount Saint Ursula Speech Center, Inc., all assets shall go to the Ursuline Bedford

Park Convent, Inc. In the event that the latter corporation has ceased to exist, all assets shall go to the Ursuline Provincialate of the Eastern Province of the United States, Inc.

11. The names and addresses of the initial directors until the first annual meeting are:

<u>NAMES:</u>	<u>ADDRESSES:</u>
Sister M. Winifred Danwitz	200th Street and Marion Avenue, Bronx, New York 10458
Sister Marie Albert Walsh	200th Street and Marion Avenue, Bronx, New York 10458
Sister Mary de Sales Murphy	200th Street and Marion Avenue, Bronx, New York 10458

12. The subscriber is of the age of nineteen years or over.

13. Prior to the delivery of this Certificate of Incorporation to the Department of State for filing, all approvals or consents required by the Not-for-Profit Corporation Law or by any other statute of the State of New York will be endorsed upon or annexed hereto.

IN WITNESS WHEREOF, this certificate has been signed by the subscriber this 24 day of July, 1974.

Sister M. Winifred Danwitz
Sister M. Winifred Danwitz
200th Street and Marion Avenue, Bronx, New York 10458

STATE OF NEW YORK)
COUNTY OF NEW YORK) SS:

On this ^{Bronx} 24 day of July, 1974, before me personally Sister M. WINIFRED DANWITZ, to me known and known to me to be the person described in and who executed the foregoing Certificate of Incorporation and she duly acknowledged to me that she executed the same.

STATE OF NEW YORK)
COUNTY OF NEW YORK) SS:

[Signature]
BARRY ADZSIK
NOTARY PUBLIC, State of New York
No. 03-507470
Qualified in Bronx County
Commission Expires March 30, 1976

EDWARD V. MORAND, being duly sworn, deposes and says: that he is the attorney for the subscriber to the foregoing

Certificate of Incorporation, and that no previous application for the approval of the said Certificate by any Justice of the Supreme Court has ever been made.

[Handwritten signature]

I, **HON. JOSEPH P. SULLIVAN** a Justice of the Supreme Court of the State of New York, First Judicial District, do hereby approve the foregoing Certificate of Incorporation of **MOUNT SAINT URSULA SPEECH CENTER**, and consent that same be filed.

Bronx, New York
Dated: *July 27th* 1975

BRONX
SUPREME COURT, ~~NEW YORK~~ COUNTY
Special Term, Part ~~I~~
New York, N. Y.

Joseph P. Sullivan
Justice, Supreme Court
First Judicial District
JUSTICE OF THE SUPREME COURT
OF THE STATE OF NEW YORK

HON. JOSEPH P. SULLIVAN

Notice of Application Waived
(This is not to be deemed an approval on behalf of any Department or Agency of the State of New York, nor an authorization of any act otherwise prohibited by law.)

Dated: *July 24, 1975*
LOUIS I. LEONOWITZ
Attorney General

By: *Joseph W. Wagoner*
Assistant Attorney General

STATE OF NEW YORK
DEPARTMENT OF HEALTH
ALBANY 12237

PUBLIC HEALTH COUNCIL



February 3, 1975

KNOW ALL MEN BY THESE PRESENTS:

In accordance with action taken after due inquiry and investigation at a meeting of the Public Health Council held on the 31st day of January, 1975, I hereby certify that the Certificate of Incorporation of the Mount St. Ursula Speech Center is APPROVED.

Public Health Council approval is not to be construed as approval of property costs or the lease submitted in support of the application. Such approval is not to be construed as an assurance or recommendation that property costs or lease amounts as specified in the application will be reimbursable under third party payor reimbursement guidelines.

Marianna K. Adams

Marianna K. Adams
Secretary

Sent to:

Edward V. Morand, Esq.
250 West 57th Street
New York, New York 10019

Sister Winifred Danwitz, Director
Mount St. Ursula Speech Center
Ursuline Bedford Park Convent, Inc.
200th Street and Mafion Avenue
Bronx, New York

COUNCIL

NORMAN S. MOORE, M.D.
CHAIRMAN
GEORGE BAEHR, M.D.
BLONEVA P. BOND
DETLEV BRONK, Ph. D.
GORDON E. BROWN

MORTON P. HYMAN
GERALD B. MANLEY, M.D.
GEORGE METCALF
JAMES F. X. O'ROURKE, M.D.
W. KENNETH RILAND, D.O.

HOWARD A. RUSH, M.D.
JOHN M. WALSH
HOLLIS S. INGRAM, M.D.
EX OFFICIO

EX OFFICIO

6

A217723

-7

CERTIFICATE OF INCORPORATION

-of-

MOUNT SAINT URSULA SPEECH CENTER

Under Section 402 of the
Not-For-Profit Corporation Law

no Corp. bondings
3/3 M

12a type B

STATE OF NEW YORK
DEPARTMENT OF STATE

FILED MAR 5 - 1975

TAX \$ *None*

FILING FEE \$ *50*

Handwritten
Secretary of State

By *AMS*

P31 reg
type B

7

EDWARD V. MORAND
ATTORNEY AT LAW
1775 BROADWAY
NEW YORK
250 W 57 St
NY 10019

STATE OF NEW YORK

DEPARTMENT OF STATE

I hereby certify that the annexed copy has been compared with the original document in the custody of the Secretary of State and that the same is a true copy of said original.



WITNESS my hand and official seal of the Department of State, at the City of Albany, on June 7, 2013.

A handwritten signature in black ink, appearing to read "Daniel E. Shapiro".

Daniel E. Shapiro
First Deputy Secretary of State

VPK
13060600076Y

**CERTIFICATE OF AMENDMENT
OF THE
CERTIFICATE OF INCORPORATION
OF
MOUNT SAINT URSULA SPEECH CENTER**

Under Section 803 of the Not-for-Profit Corporation Law

1. The name of the Corporation is Mount Saint Ursula Speech Center

2. The Certificate of Incorporation was filed in the Department of State on March 5, 1975. The law the Corporation was formed under Section 402 of the Not-for-Profit Corporation Law.

3. The Corporation is a Corporation as defined in Section 102(a)(5) of the Not-for-Profit Corporation Law. The corporation is a Type B corporation under Section 201 of the Not-for-Profit Corporation Law.

4. The amendments to the Certificate of Incorporation are as follows:

Paragraph 6 of the Certificate of Incorporation relating to the principal office of the Corporation is hereby amended to read in its entirety as follows:

The location of the office of the corporation shall be the City of New York, County of Bronx, State of New York.

Paragraph 8 of the Certificate of Incorporation relating to designation for service of process for the Corporation is hereby amended to read in its entirety as follows:

The Secretary of State is designated as agent of the Corporation upon whom process against it may be served. The post office address to which the Secretary of State shall forward copies of process accepted on behalf of the Corporation is Mount Saint Ursula Speech Center, 2885 Marion Avenue, Bronx, New York, 10458.

130606000764

Paragraph 10 of the Certificate of Incorporation relating to dissolution provisions of the Corporation is deleted and is hereby amended to read in its entirety as follows:

Upon the dissolution or liquidation of the Corporation, whether such be de jure or de facto, in whole or in part, the Members shall, after paying or making provision for the payment of all of the liabilities of the Corporation, transfer the assets of the Corporation to the Ursuline Provincialate, Eastern Province of the United States, Inc., a New York non-profit corporation. If the Ursuline Provincialate, Eastern Province of the United States, Inc. shall not exist or shall no longer qualify as an exempt organization under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, (or the corresponding provision of any future United States Internal Revenue Law), at the time of the dissolution or liquidation of this Corporation, any assets of the Corporation shall be transferred to the Roman Union of the Order of Saint Ursula, an Institute of the Roman Catholic Church, or its successor, provided that it is then in existence and qualified as a tax-exempt organization described in Section 501(c)(3) of the Internal Revenue Code. In the event that the Roman Union of the Order of Saint Ursula is no longer in existence, the assets will be distributed to such Roman Catholic non-profit organization or organizations organized and operated exclusively for religious, charitable, scientific or educational purposes and qualified as a tax-exempt organization or organizations described in Section 501(c)(3) of the Internal Revenue Code, as the Members of the Corporation shall determine. Any of such assets not so disposed of will be disposed of by the court of general jurisdiction of the County in which the principal office of the Corporation is then located exclusively for the purposes of the Corporation in such manner, or to such tax-exempt organization or organizations described in Section 501(c)(3) of the Internal Revenue Code, as such court shall determine.

Paragraph 14 of the Certificate of Incorporation relating to Members of the Corporation is hereby added to read in its entirety as follows:

The Members of the Corporation shall be limited to the Provincial and Council of the Roman Union of the Order of Saint Ursula, Eastern Province of the United States, or their respective successors or their designees.

5. This Certificate of Amendment was authorized by a vote of a majority of the Board of Directors of the Corporation at a meeting.

Elaine Friedman
(Signature)

Treasurer
(Signer's Title)

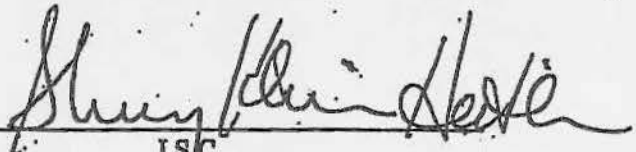
Elaine Friedman
(Print or Type Signer's Name)

11/26/12
(Date Signed)

SHERRY KLEIN HEITLER

I, _____, a Justice of the Supreme Court of the State of
New York for the First Judicial District do hereby approve of the foregoing
Certificate of Amendment of the Certificate of Incorporation of Mount Saint Ursula Speech
Center and consent that the same be filed.

Date: MAR 15 2013



J.S.C.

THE ATTORNEY GENERAL HAS NO OBJECTION
TO THE GRANTING OF JUDICIAL APPROVAL
HEREON, ACKNOWLEDGES RECEIPT OF
STATUTORY NOTICE AND DEMANDS SERVICE
OF THE FILED CERTIFICATE. SAID NO OBJECTION
IS CONDITIONED ON SUBMISSION OF THE
MATTER TO THE COURT WITHIN 60-DAYS HEREAFTER.

by Laura Werner
ASSISTANT ATTORNEY GENERAL DATE
Laura Werner February 28
2013

CT-07

130606000 76y.

1-CF
STATE OF NEW YORK
DEPARTMENT OF STATE

etD - NY

Certificate of Amendment

FILED JUN 06 2013

TAXS _____

OF

BY: DVV

CIT. NY

Mount Saint Ursula Speech Center

New York

Under Section 803 of the Not-for-Profit Corporation Law

RECEIVED

2013 JUN -6 PM 12: 06

Filed by:

Mary Haney
(Name)

One Oxford Centre, 301 Grant Street, 22nd Floor
(Mailing address)

Pittsburgh, PA 15219
(City, State and ZIP code)

2013 JUN -6 PM 1:57

FILED

DRAWDOWN

CST Ref # 8791787ny

130606000 840

AMENDED AND RESTATED
BYLAWS
OF
MOUNT SAINT URSULA SPEECH CENTER

ARTICLE I

OFFICES

The principal office of the Corporation shall be located in the City of New York, County of Bronx and State of New York. The Corporation may also have such offices at such other places within or without the State as the Board of Director's may from time to time determine.

ARTICLE II

MEMBERS

1. The Members of the Corporation shall be limited to the Provincial and Council of the Roman Union of the Order of Saint Ursula, Eastern Province of the United States, or their respective successors or their designees.

2. The following powers are reserved exclusively to the Members of the Corporation, and no attempted exercise of any such powers by anyone other than the Members shall be valid or of any force or effect whatsoever:

- (a) To articulate and affirm the mission of the Corporation and assure the implementation of the same within the Ursuline tradition.
- (b) The right to approve the recommendation of the Board of Directors for appointment to the office of President or CEO and the right to approve the recommendation of the Board of Directors for the removal of the president or CEO.
- (c) To dissolve the Corporation in accordance with the applicable provisions of law.
- (d) To approve the amendment, alteration, modification, or repeal the Articles of Incorporation, if those amendments relate to the role of the Members and/or these reserved powers.

- (e) To approve the amendment, alteration, modification, or repeal the Bylaws, if those amendments relate to the role of the Members and/or these reserved powers.
- (f) To appoint or remove the Directors of the Corporation.

ARTICLE III

BOARD OF DIRECTORS

1. The Corporation shall be managed by a Board of Directors. Each Director shall be at least 18 years of age. The initial Board of Directors shall consist of those persons named in the Certificate of Incorporation. Thereafter, the number of Directors constituting the entire Board shall be no less than seven nor more than twenty-five. There will be Ursuline representation on the Board. The Members shall elect the Board of Directors. Subject to the foregoing, the number of the Board of Directors may be fixed from time to time by action of the Members. The number of Directors may be increased or decreased by action of the Members, provided that any action by the Members to effect such increase or decrease shall require the vote of a majority of the Members. No decrease shall shorten the term of any Director then in office.

2. The first Board of Directors shall hold office until the first Annual Meeting of the Members, and until their successors have been duly elected and qualify. Following the first election of Directors, they will by lottery be placed into three classes; one-third of which will retire in each successive year. Thereafter, at each Annual Meeting of the Members, the Members shall elect new Directors to hold office for a three year term. Each Director shall hold office until the expiration of the term for which he or she was elected and qualified, or until his or her prior resignation or removal as hereinafter provided.

3. (a) The Members may remove any Director thereof for cause only by a vote of two-thirds of all Directors then in office.

(b) A Director may resign at any time by giving written notice to the Board or to an officer of the Corporation. Unless otherwise specified in the notice, the resignation shall take effect upon receipt thereof by the Board or such officer. Acceptance of such resignation shall not be necessary to make it effective.

(c) Three consecutive unexcused absences from regular meetings by a Director will be grounds for removal from office. The secretary will give written notice to a Member on the occasion of the third unexcused absence at least five days prior to the next regular meeting, at which meeting by a majority vote of the Directors the Director may be removed from office.

4. Newly-created Directorships or vacancies in the Board may be filled by a vote of majority of the Members. A Director elected to fill a vacancy caused by resignation, death, or removal shall be elected to hold office form the unexpired term of his predecessor.

5. (a) A regular Annual Meeting of the Board of Directors shall be held in October. All other meetings shall be held at such time and place as shall be fixed by the Board of Directors from time to time.

(b) No notice shall be required for regular meetings of the Board for which the time and place have been fixed. Special meetings may be called by or at the direction of the President of the Board, the Administrator or by a majority of the Directors then in office.

(c) Written, oral, or any other method of notice of the time and place shall be given for special meetings of the Board of Directors in sufficient time for the convenient assembly of the Board. The notice of any meeting need not specify the purpose of such meeting. The requirement for furnishing notice of a meeting may be waived by any Director who signs a Waiver of Notice before or after the meeting or who attends the meeting without protesting the lack of notice to him.

6. Except to the extent herein provided, a majority of the Directors shall constitute a quorum. At any meeting held to remove one or more Directors a quorum shall consist of a majority of the Directors present at such meeting. Whenever a vacancy on the Board shall prevent a quorum from being present, then, in such event, the quorum shall consist of a majority of the Directors excluding the vacancy. A majority of the Directors present, whether or not a quorum is present, may adjourn a meeting to another time and place. Except to the extent provided by law and these Bylaws, the act of the Board shall be by a majority of the Directors present at the time of the vote, a quorum being present at such time.

7. Whenever the Board of Directors shall consist of more than seven persons, the Board may designate from their number, an executive committee and other standing committees. Such committees shall have such authority as the Board may delegate, except to the extent prohibited by law. In addition, the Board may establish special committees for any lawful purpose, which may have such powers as the Board may lawfully delegate.

8. Any one or more Directors may participate in a meeting of the Board of Directors by means of a conference telephone call or similar equipment which allows all persons participating in the meeting to hear each other at the same time. Participation by this means shall constitute presence in person at the meeting.

ARTICLE IV

OFFICERS

1. The Board of Directors shall elect or appoint a President, a Vice-President, a Secretary, a Treasurer, and such other officers as they may determine. Any two or more offices may be held by the same person except the office of President and Secretary.

2. Each officer shall hold office until the Annual Meeting of the Board of Directors, and until his successor has been duly elected and qualifies. The Board of Directors may remove any officer with or without cause at any time.

3. In addition, the Board may elect an Administrator, who shall be the chief executive officer of the Corporation, shall have the responsibility for the general management of the affairs of the Corporation, and shall carry out the resolutions of the Board of Directors.

4. Duties of the officers.

(a) The President shall preside at all meetings of the Board, appoint all committees, serve ex-officio on all committees, and be authorized to sign all checks, drafts, notes and orders for payment of money duly drawn by the Treasurer.

(b) The Vice-President shall assume the duties of the President in his/her absence.

(c) The Treasurer shall have the care and custody of all of the funds and securities of the Corporation, and shall deposit said funds in the name of the Corporation in such bank accounts as the Board of Directors may from time to time determine. The Treasurer shall, when duly authorized by the Board, sign and execute all contracts in the name of the Corporation authorized by the President; he/she may also sign checks, drafts, notes and orders for the payment of money, which shall have been duly authorized by the Board.

(d) The Secretary shall keep the minutes of the meetings of the Board of Directors. He or she shall have custody of the seal of the Corporation, and shall affix and attest the same to documents duly authorized by the Board of Directors. He or she shall serve all notices for the Corporation which shall have been authorized by the Board of Directors, and shall have charge of all books and records of the Corporation.

ARTICLE V

MISCELLANEOUS

1. The Board of Directors shall have the power to make, alter or repeal, from time to time, Bylaws of the Corporation. If any By-law regulating an impending election of Directors is adopted, amended or repealed by the Board, there shall be set forth in the notice of the meeting for the election of Directors, the By-law so made, amended or repealed, together with a concise statement of the changes made.

ARTICLE VI

DISSOLUTION

1. Upon the dissolution or liquidation of the Corporation, whether such be de jure or de facto, in whole or in part, the Members shall, after paying or making provision for the payment of all of the liabilities of the Corporation, transfer the assets of the Corporation to the Ursuline Provincialate, Eastern Province of the United States, Inc., a New York non-profit corporation. If the Ursuline Provincialate, Eastern Province of the United States, Inc. shall not exist or shall no longer qualify as an exempt organization under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, (or the corresponding provision of any future United States Internal Revenue Law), at the time of the dissolution or liquidation of this Corporation, any

assets of the Corporation shall be transferred to the Roman Union of the Order of Saint Ursula, an Institute of the Roman Catholic Church, or its successor, provided that it is then in existence and qualified as a tax-exempt organization described in Section 501(c)(3) of the Internal Revenue Code. In the event that the Roman Union of the Order of Saint Ursula is no longer in existence, the assets will be distributed to such Roman Catholic non-profit organization or organizations organized and operated exclusively for religious, charitable, scientific or educational purposes and qualified as a tax-exempt organization or organizations described in Section 501(c)(3) of the Internal Revenue Code, as the Members of the Corporation shall determine. Any of such assets not so disposed of will be disposed of by the court of general jurisdiction of the County in which the principal office of the Corporation is then located exclusively for the purposes of the Corporation in such manner, or to such tax-exempt organization organizations described in Section 501(c)(3) of the Internal Revenue Code, as such court shall determine.

MOUNT SAINT URSULA SPEECH CENTER
FOR COMMUNICATION AND LEARNING

200th Street and Marion Avenue

Bronx, New York 10458

(718) 584-7679

BY-LAWS

OF

MOUNT SAINT URSULA SPEECH CENTER

ARTICLE I

OFFICES

The principal office of the Corporation shall be located in the City of New York, County of Bronx and State of New York. The Corporation may also have such offices at such other places within or without the State as the Board of Director's may from time to time determine.

ARTICLE II

BOARD OF DIRECTORS

1. The Corporation shall be managed by a Board of Directors. Each director shall be at least 18 years of age. The initial Board of Directors shall consist of those persons named in the Certificate of Incorporation. Thereafter, the number of directors constituting the entire Board shall be no less than seven nor more than twenty-five, a majority of whom shall be members of the Order of St. Ursula, Eastern Province of the United States, Inc. Subject to the foregoing, the number of the Board of Directors may be fixed from time to time by action of the Board. The number of Directors may be increased or decreased by action of the Board of Directors, provided that any action by the Board of Directors to effect such increase or decrease shall require the vote of a majority of the entire Board. No decrease shall shorten the term of any director then in office.

2. The first Board Directors shall hold office until the first Annual Meeting of the Board, and until their successors have been duly elected and qualify. Following the first election of directors, they will by lottery be placed into three classes; one-third of which will retire in each successive year. Thereafter, at each Annual Meeting of the Board, the non-retiring directors shall elect new directors to hold office for a three year term. Each director shall hold office until the expiration of the term for which he or she was elected and qualified, or until his or her prior resignation or removal as hereinafter provided.

3. (a) The Board may remove any director thereof for cause only by a vote of two-thirds of all directors then in office.

(b) A director may resign at any time by giving written notice to the Board or to an officer of the Corporation. Unless otherwise specified in the notice, the resignation shall take effect upon receipt thereof by the Board or such officer. Acceptance of such resignation shall not be necessary to make it effective.

(c) Three consecutive unexcused absences from regular meetings by a member of the Board will be grounds for removal from office. The secretary will give written notice to a member on the occasion of the third unexcused absence at least five days prior to the next regular meeting, at which meeting by a majority vote of the directors the director may be removed from office.

4. Newly-created directorships or vacancies in the Board may be filled by a vote of majority of the Board then in office, although less than a quorum. A director elected to fill a vacancy caused by resignation, death, or removal shall be elected to hold office for the unexpired term of his predecessor.

5. (a) A regular Annual Meeting of the Board of Directors shall be held on the first Thursday in November. All other meetings shall be held at such time and place as shall be fixed by the Board of Directors from time to time.

(b) No notice shall be required for regular meetings of the Board for which the time and place have been fixed. Special meetings may be called by or at the direction of the President of the Board, the Administrator or by a majority of the directors then in office.

(c) Written, oral, or any other method of notice of the time and place shall be given for special meetings of the Board of Directors in sufficient time for the convenient assembly of the Board. The notice of any meeting need not specify the purpose of such meeting. The requirement for furnishing notice of a meeting may be waived by any director who signs a Waiver of Notice before or after the meeting or who attends the meeting without protesting the lack of notice to him.

6. Except to the extent herein provided, a majority of the entire members of the Board shall constitute a quorum. At any meeting held to remove one or more directors a quorum shall consist of a majority of the directors present at such meeting. Whenever a vacancy on the Board shall prevent a quorum from being present, then, in such event, the quorum shall consist of a majority of the members of the Board excluding the vacancy.

A majority of the directors present, whether or not a quorum is present, may adjourn a meeting to another time and place. Except to the extent provided by law and these By-Laws, the act of the Board shall be by a majority of the directors present at the time of the vote, a quorum being present at such time.

7. Whenever the Board of Directors shall consist of more than seven persons, the Board may designate from their number, an executive committee and other standing committees. Such committees shall have such authority as the Board may delegate, except to the extent prohibited by law. In addition, the Board may establish special committees for any lawful purpose, which may have such powers as the Board may lawfully delegate.

ARTICLE III

OFFICERS

1. The Board of Directors may elect or appoint a President, a Vice-President, a Secretary, a Treasurer, and such other officers as they may determine. Any two or more offices may be held by the same person except the office of President and Secretary.

2. Each officer shall hold office until the Annual Meeting of the Board of Directors, and until his successor has been duly elected and qualifies. The Board of Directors may remove any officer with or without cause at any time.

3. In addition, the Board may elect an Administrator, who shall be the chief executive officer of the Corporation, shall have the responsibility for the general management of the affairs of the Corporation, and shall carry out the resolutions of the Board of Directors.

4. Duties of the officers.

(a) The President shall preside at all meetings of the Board, appoint all committees, serve ex-officio on all committees, and be authorized to sign all checks, drafts, notes and orders for payment of money duly drawn by the Treasurer.

(b) The Vice-President shall assume the duties of the President in his/her absence.

(c) The Treasurer shall have the care and custody of all of the funds and securities of the Corporation, and shall deposit said funds in the name of the Corporation in such bank accounts as the Board of Directors may from time to time determine. The Treasurer shall, when duly authorized by the Board, sign and execute all contracts in the name of the Corporation authorized by the President; he/she may also sign checks, drafts, notes and orders for the payment of money, which shall have been duly authorized by the Board.

(d) The Secretary shall keep the minutes of the meetings of the Board of Directors. He or she shall have custody of the seal of the Corporation, and shall affix and attest the same to documents duly authorized by the Board of Directors. He or she shall serve all notices for the Corporation which shall have been authorized by the Board of Directors, and shall have charge of all books and records of the Corporation.

ARTICLE IV

MISCELLANEOUS

1. The fiscal year of the Corporation shall be fixed by the Board of Directors from time to time, subject to applicable law.

2. The Board of Directors shall have the power to make, alter or repeal, from time to time, By-Laws of the Corporation. If any by-law regulating an impending election of directors is adopted, amended or repealed by the Board, there shall be set forth in the notice of the meeting for the election of directors, the by-law so made, amended or repealed, together with a concise statement of the changes made.

Note from the USCCB Office of General Counsel: The EIN below belongs to the USCCB and is to be used only to confirm that the USCCB as group ruling holder is recognized by the IRS as a 501(c)(3) organization. It is not to be used by any other organization in the group ruling for any purpose. Every subordinate organization in the group ruling has its own EIN that must be used for all official purposes.

Internal Revenue Service
P.O. Box 2508
Cincinnati, OH 45201

Department of the Treasury

Date: May 27, 2016

Person to Contact:

R. Meyer ID# 0110429

Toll Free Telephone Number:

877-829-5500

United States Conference of Catholic
Bishops
3211 4th Street, NE
Washington, DC 20017-1194

Employer Identification Number:

53-0198617

For use by
the USCCB
only.

Group Exemption Number:

0928

Dear Sir/Madam:

This responds to your May 23, 2016, request for information regarding the status of your group tax exemption.

Our records indicate that you were issued a determination letter in March 1946, that you are currently exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code, and are not a private foundation within the meaning of section 509(a) of the Code because you are described in sections 509(a)(1) and 170(b)(1)(A)(i).

With your request, you provided a copy of the *Official Catholic Directory for 2016*, which includes the names and addresses of the agencies and instrumentalities and the educational, charitable, and religious institutions operated by the Roman Catholic Church in the United States, its territories, and possessions that are subordinate organizations under your group tax exemption. Your request indicated that each subordinate organization is a non-profit organization, that no part of the net earnings thereof inures to the benefit of any individual, and that no substantial part of their activities is for promotion of legislation. You have further represented that none of your subordinate organizations is a private foundation under section 509(a), although all subordinates do not all share the same sub-classification under section 509(a). Based on your representations, the subordinate organizations in the *Official Catholic Directory for 2016* are recognized as exempt under section 501(c)(3) of the Code under GEN 0928.

Donors may deduct contributions to you and your subordinate organizations as provided in section 170 of the Code. Bequests, legacies, devises, transfers, or gifts to them or for their use are deductible for federal estate and gifts tax purposes if they meet the applicable provisions of section 2055, 2106, and 2522 of the Code.

Subordinate organizations under a group exemption do not receive individual exemption letters. Most subordinate organizations are not separately listed in Publication 78 or the EO Business Master File. Donors may verify that a subordinate organization is included

in your group exemption by consulting the *Official Catholic Directory*, the official subordinate listing approved by you, or by contacting you directly. IRS does not verify the inclusion of subordinate organizations under your group exemption. See IRS Publication 4573, *Group Exemption*, for additional information about group exemptions.

Each subordinate organization covered in a group exemption should have its own EIN. Each subordinate organization must use its own EIN, not the EIN of the central organization, in all filings with IRS.

If you have any questions, please call us at the telephone number shown in the heading of this letter.

Sincerely,

A handwritten signature in black ink, appearing to read "Jeffrey I. Cooper", written in a cursive style.

Jeffrey I. Cooper
Director, Exempt Organizations
Rulings and Agreements

CALIFORNIA • MICHIGAN • MINNESOTA • MISSISSIPPI • MISSOURI • WEST VIRGINIA • NEW YORK • NEVADA
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• INDIANA • OKLAHOMA • RHODE ISLAND • MONTANA • HAWAII • WASHINGTON • VIRGINIA • VERMONT • WYOMING • OHIO

1817

2016



The Official Catholic Directory

Anno
Domini

2016

Published Annually by
P. J. Kennedy & Sons

- Dr. William C. Hambleton, Head of School; Nina Newman, Admissions Dir.; Monique Gordon, Librarian. Society of the Holy Child Jesus 1; Lay Teachers 48; Students 287.
- SOMERS. John F. Kennedy Catholic High School, 54 Rte. 158, 10589. Tel: 914-232-5061; Fax: 914-232-3418. Email: jfkhs@adnyeducation.org. Web: www.kennedycatholic.org. Rev. Mark G. Vaillancourt, Ph.D., Pres. & Prin.; Mr. Stephen T. Schmidt, Vice Prin. Academics; Deacon Alfred R. Impallomeni, Vice Prin. Faculty & Student Affairs; Sr. Barbara Heil, R.D.C., Dir. Admissions. Diocesan Priests, Sisters of the Divine Compassion. Priests 3; Sisters 7; Lay Teachers 29; Students 562.**
- STATEN ISLAND. St. John's Villa Academy High School (1932) 25 Landis Ave., 10305-8729. Tel: 718-442-6240; Fax: 718-447-8729. Email: sjva@adnyeducation.org. Web: www.sjva.org. Sisters Antonia Zuffante, C.S.J.B., Prin.; Eliza McLoughlin, Librarian. Sisters 4; Lay Teachers 28; Girls 459.**
- St. Joseph by the Sea, High School (Coed), 5150 Hylan Blvd., 10312. Tel: 718-984-8500; Fax: 718-984-8503. Email: josbysea@adnyeducation.org. Rev. Michael P. Reilly, Prin. Priests 1; Sisters 1; Lay Teachers 55; Students 1,211.**
- St. Joseph Hill Academy (Girls), 850 Hylan Blvd., 10305-2095. Tel: 718-447-1374; Fax: 718-447-3041. Email: stjhill@adnyeducation.org. Web: stjhill.org. Angela T. Ferrando, Prin. Daughters of Divine Charity. Sisters 1; Lay Teachers 30; Students 486.**
- Monsignor Farrell High School, 2900 Amboy Rd., 10306. Tel: 718-987-2900; Fax: 718-987-4241. Email: farrell@adnyeducation.org. Web: www.msgrfarrellhs.org. Rev. Msgr. Edmund J. Whalen, S.T.D., Prin.; Kathleen Sparnoff, Librarian. Priests 1; Brothers 2; Sisters 1; Lay Teachers 49; Students 788.**
- Moore Catholic High School, 100 Merrill Ave., 10314. Tel: 718-761-9200; Fax: 718-982-7779. Email: moorecats@adnyeducation.org. Web: www.moorecats.org. Dr. Joseph Fusco, Prin.; Marie DeAngelo, Librarian. Priests 1; Daughters of Our Lady of the Garden 3; Lay Teachers 25; Students 400.**
- Notre Dame Academy High School, 134 Howard Ave., 10301. Tel: 718-447-8878; Fax: 718-447-2926. Email: kjaenicks@notredameacademy.org. Web: www.notredameacademy.org. Sr. Patricia Corley, C.N.D., Pres.; Dr. Kathryn Jaenicks, Prin.; Christina Gullo, Librarian. Congregation of Notre Dame. Sisters 2; Lay Teachers 35; Girls 405.**
- WHITE PLAINS. Archbishop Stepinac High School, 950 Mamaroneck Ave., 10605. Tel: 914-948-4800; Fax: 914-684-2691. Email: stepinac@adnyeducation.org. Web: www.stepinac.org. Rev. Thomas E. Collins, Pres.; Ms. Paul Carty, Prin.; Sr. Gabrielle Corbally, R.S.H.M., Librarian. Priests 2; Lay Teachers 47; Students 660.**
- [F] SPECIAL SCHOOLS**
- NEW YORK. Grace Institute, 40 Rector St., 14th Fl., 10008. Tel: 212-832-7605; Fax: 212-488-2859. Email: info@graceinstitute.org. Web: www.graceinstitute.org. Sisters of Charity, Mt. St. Vincent. Teachers 5; Total Staff 25; Students 300; Total Assisted Annually 300.**
- Lavelle School for the Blind, E. 221st St. and Paulding Ave., 10469. Tel: 718-882-1212; Fax: 718-882-0005. Web: www.lavelleschool.org. Lorrie Nanny, Exec. Dir. Sisters of St. Dominic of Blauvelt. Capacity 150; Lay Teachers 27; Total Staff 110.**
- Mount St. Ursula Speech Center, 2885 Marion Ave., Bronx, 10458. Tel: 718-584-7679; Fax: 718-584-7954. Email: msuspeech@aol.com. Sr. Bernadette Hannaway, O.S.U., Admin. Bd. Dirs. Ursuline Nuns. Sisters 1; Lay Clinicians 5; Support Staff 4; Total Staff 11; Total Enrollment 140; Total Assisted Annually 234.**
- Seton Foundation for Learning, Inc. (1985) 315 Arlene St., Staten Island, 10314. Tel: 718-982-5094; Fax: 718-982-5114. Email: seton@adnyeducation.org. Rev. Msgr. Peter G. Finn, M.Div., M.S., M.Ed., Co-Chm.; Mary D. Hughes, Exec. Dir.; Mr. Dennis Quirk, Pres. Lay Teachers 14; Assistants 31; Total Enrollment 128.**
- Bishop Patrick V. Ahern High School, 315 Arlene St., Staten Island, 10314. Tel: 718-982-5094; Fax: 718-982-5114. Donna Jennings, Educational Dir.**
- Mother Franciska Elementary School, 850 Hyland Blvd., Staten Island, 10305. Tel: 718-876-0939; Fax: 718-816-8507. Dr. Diane Taranto, Ph.D., Educational Dir.**
- Joan Ann Kennedy Memorial Preschool, 850 Hylan Blvd., Staten Island, 10305. Tel: 718-876-0939; Fax: 718-816-8507. Mrs. Margaret Sacca, Educational Dir. Bronx**
- St. Joseph's School for the Deaf, 1000 Hutchinson River Pkwy., Bronx, 10465. Tel: 718-828-9000, Ext. 207; Fax: 718-239-7520. Debra Arles, Exec. Dir.**
- IRVINGTON. John Cardinal O'Connor School, 16 N. Broadway, 10033. Tel: 914-691-9330. Email: jcoconnor@adnyeducation.org. Ms. Kristen O'Leary, Prin.**
- MILLBROOK. Cardinal Hayes School for Special Children (1994) 3374 Franklin Ave., P.O. Box CH, 12545. Tel: 845-877-3251; Fax: 845-877-0356. Email: drussell@cardinalhayeshome.org. Web: www.hayesdayschool.org. Fred Apers, Exec. Dir. Day school programs for multi-handicapped children. Lay Teachers 10; Capacity 60; Total Enrollment 57.**
- YONKERS. John A. Coleman School, 300 Corporate Blvd., S., 10701. Tel: 914-294-8171; Fax: 914-294-6179. Email: sheri@colemanschool.org. Web: www.colemanschool.org. Ms. Sharon Herl, Prin.**
- [G] ELEMENTARY SCHOOLS, PRIVATE**
- NEW YORK. Academy of St. Joseph, (Grades PreK-7), 111 Washington Pl., 10014. Tel: 212-243-5420; Fax: 212-366-1564. Ms. Angela M. Coombs, Head of School; Norma Courier, Librarian. Lay Teachers 13.**
- St. Aloysius School, 223 W. 132nd St., 10027. Tel: 212-283-0921; Fax: 212-234-4198. Web: www.staloyusiuschool.org. Mary Claire Ryan, Pres.; Mr. Daniel Perez, Prin.; Sr. Margaret Dennehy, S.C., Librarian. Sisters 1; Lay Teachers 12.**
- Convent of the Sacred Heart (Girls), 1 E. 91st St., 10128. Tel: 212-722-4745; Fax: 212-996-1784. Web: cshnyc.org. Dr. Joseph J. Ciancaglini, Head of School. Sisters 2; Faculty 94; Elementary School Students 502.**
- St. John Villa Academy Elementary School, Mailing Address: 57 Cleveland Pl., Staten Island, 10305. Tel: 708-447-2688; Fax: 718-447-2079. Sr. Lucia Bacat, C.S.J.B., Prin. Sisters 4; Lay Teachers 15; Students 194.**
- Marymount School, (Grades N-12), 1026 Fifth Ave., 10022. Tel: 212-744-4486; Fax: 212-744-0163. Email: calvar@marymountnyc.org. Web: www.marymountnyc.org. Concepcion Alvar, B.S., M.A., Head of School; Lillian Issa, Deputy Head, Dir. Admissions; Alexis Bradford, Dir. Finance; Nora Gibson, Dir., School Affairs; Annah Jones, Head Librarian. Religious of the Sacred Heart of Mary. Sisters 2; Lay Teachers 130; Students 744.**
- Bronx. Saint Ignatius School, 740 Manilla St., 10474-5420. Tel: 718-861-9084; Fax: 718-861-9096. Email: info@sia-nativity.org. Web: www.sia-nativity.org. Richard Darrell, Prin.**
- Villa Maria Academy (1887) 3335 Country Club Rd., 10455. Tel: 718-824-3260; Fax: 718-824-7315. Email: teresa.barton@archnyc.org. Web: www.vma-nyc.org. Sr. Teresa Barton, C.N.D., Prin.; Jennifer Carbone, Asst. Prin.; Dina Giorgio, Librarian. Congregation of Notre Dame. Sisters 3; Lay Teachers 25; Students 348.**
- NEWBURGH. Bishop Dunn Memorial School, 50 Gidney Ave., 12550. Tel: 845-569-3494; Fax: 845-569-3303. Email: bishdunn@adnyeducation.org. Web: www.bhdms.org. Mr. Ronald DePacs, Prin.; Mrs. Nancy Benfer, Devel. Coord. & Asst. Prin.; Donna Del Conte, Librarian. Dominican Sisters of Hope. Lay Teachers 24; Students 289.**
- Nora Cronin Presentation Academy, (Grades 5-8), 69 Bay View Terr., 12550. Tel: 845-567-0708; Fax: 845-567-0709. Email: presentationacad@ncpany.org. Web: www.noracroninpresentationacademy.org. Sr. Yliana Hernandez, P.B.V.M., Contact Person, Pres., Prin. Sisters 1; Lay Teachers 3.**
- STATEN ISLAND. Academy of St. Dorothy (1932) 1305 Hylan Blvd., 10305. Tel: 718-351-0939; Fax: 718-351-0661. Email: dorothy2@adnyeducation.org; srilisa@adnyeducation.org. Sr. Lisa Palazio, S.S.D., Prin. Sisters of St. Dorothy 1; Lay Teachers 15; Students 266.**
- St. Joseph Hill Academy Elementary (1919) 850 Hylan Blvd., 10305. Tel: 718-981-1187; Fax: 718-448-7018. Email: joshiles@adnyeducation.org. Web: www.stjosephhill.org. Mrs. Dorothy Zissler, Prin. Lay Teachers 30; Students 523.**
- Notre Dame Academy-Elementary School (1903) 78 Howard Ave., 10301. Tel: 718-273-9098; Fax: 718-273-1093. Email: ntidames@adnyeducation.org. Web: www.notredameacademy.org. Mrs. Rebecca Signorelli, Prin. Congregation of Notre Dame. Lay Teachers 14; Students 200.**
- [H] THE CATHOLIC CHARITIES OF THE ARCHDIOCESE OF NEW YORK**
- NEW YORK. Catholic Charities Alliance, 1011 First Ave., 10022. Tel: 212-371-1011, Ext. 2400. Rev. Msgr. Kevin L. Sullivan, Pres.**
- Catholic Charities Community Services of Dutchess Inc., 218 Church St., Poughkeepsie, 12601. Tel: 845-452-1400; Fax: 845-452-3338. Ms. Mary Marshall, Exec. Dir.**
- The Catholic Charities of the Archdiocese of New York, 1011 First Ave., 10022. Tel: 212-371-1000; Fax: 212-755-1528. Web: www.catholiccharitiesny.org. Rev. Msgr. Kevin L. Sullivan, Exec. Dir.; Ms. Talis Lockpauler, Assoc. Exec. Dir.; Mr. Kenneth Dempsey, GPC, Mr. George B. Horton, Dir., Social & Community Devel.; Ms. Luz Taveras-Salazar, Dir., Government & Community Relations; William Miller, Senior Dir., Advancement & Pastoral Campaign; Ms. Margaret King, Dir. Inst. Advancement; Ms. Mary Ellen Ros, Catholic Charities Dir. Hudson Valley; Mr. Philip Dorian, Dir. Agency Svcs.; Paul Costigla, Dir., Communications.**
- The Ladies of Charity of the Catholic Charities of the Archdiocese of New York, 1011 First Ave., 10022. Tel: 212-371-1000, Ext. 2550; Fax: 212-783-0719. Ms. Nancy Waters, Pres.; Rev. Msgr. Peter G. Finn, M.Div., M.S., M.Ed., Spiritual Dir.**
- Catholic Charities Community Services, Archdiocese of New York, 1011 First Ave., 10022. Tel: 212-371-1000; Fax: 212-826-8795. Ms. Beatrice Diaz, Assoc. Dir., Catholic Charities Community Svcs.; Ms. Denise Bauer, LCSW-R, Dir. Beacon of Hope Svcs. Div.; Mr. C. Mario Russell Esq., Dir. Immigrant Refugee Svcs.; Ms. Helen Laufer, Assoc. Exec. Dir., CCCS; Mr. Edwin Broderick, Dir. CYO Div.; Ms. Joy Jasper, L.C.S.W.R., Dir. Human Resources; Mr. Eddie Silvero, Dir. Alliance Svcs.; Mr. Joseph Panepinto, Catholic Charities Dir. Staten Island; Ms. Dianna Johnson, Dir., Community Outreach Svcs.**
- Roman Catholic Fund for Children and Other Purposes, 1011 First Ave., 10022. Tel: 212-371-1000; Fax: 212-826-8795. Rev. Msgr. Kevin L. Sullivan.**
- Holy Name Centre for Homeless Men, Inc., 101 First Ave., 10022. Tel: 212-371-1000 Ext. 2433 & 2438.**
- Providence Health Services, 1249 Fifth Ave., 10022. Karl Adler, Pres.**
- St. Michael's Home, c/o The Catholic Charities of the Archdiocese of New York, 1011 First Ave., 10022. Tel: 212-371-1000. Web: catholic.org. Bernard E. Reidey, Vice Pres.**
- GOSHEN. Catholic Charities Community Services of Orange County, Administrative Offices: 224 Main St., 10924. Tel: 845-294-6124; Fax: 845-294-1289. Dr. Dean Scher, COO, Exec. Dir.**
- Early Learning Center, 59 St. John St., 10924. Tel: 845-294-7502. Montessori-based day care for 99 2.9-5 year olds.**
- Chemical Dependency Clinics: Medically supervised, outpatient clinics for chemically dependent adults and their families.**
- 224 Main St., 10924. Tel: 845-294-6688. Fax: 845-294-1402.**
- 305 North St., Middletown, 10940. Tel: 845-343-7876; Fax: 845-343-2501.**
- 101 Carpenter Pl., Monroe, 10950. Tel: 845-782-0295; Fax: 845-782-5184.**
- 280 Broadway, Newburgh, 12550. Tel: 845-562-8255; Fax: 845-562-4140.**
- Gateway Clinic, 48 Ros St., Newburgh, 12550. Tel: 845-569-0034; Fax: 845-569-0047.**
- 17 Sussex St., Port Jervis, 12771. Tel: 845-566-6344; Fax: 845-566-4091.**
- 8 Scofield St., Walden, 12588. Tel: 845-778-5020. Fax: 845-778-5168.**
- Housing Resource Center, 280 Broadway, Newburgh, 12550. Tel: 845-561-1665; Fax: 845-561-2825.**
- Provides eviction prevention services as part of collaborative effort among Catholic Charities Community Services of Orange County and the Orange County Department of Social Services.**
- Student Assistance Services, 305 North St., Middletown, 10940. Tel: 845-344-5565; Fax: 845-344-6982. Chemical dependency awareness, prevention, life skills education; Counseling, assessment, and referral services for students in Port Jervis School District.**
- Employee Assistance Program: Employee Assistance Programs for 45 corporations, business, governments, groups, etc. Provides confidential counseling assessment, and referral services to employees on a self-initiated or supervisor recommended basis. Training programs and related consultative services provided.**
- 305 North St., Middletown, 10940. Tel: 845-5565; Fax: 845-344-6982.**
- Community Outreach Services-Immigration assistance. Provides services to immigrants in need of assistance.**
- 305 North St., Middletown, 10940. Tel: 845-5565; Fax: 845-344-6982.**

Mount St. Ursula Speech Center
Balance Sheet
As of August 31, 2016

	<u>Aug 31, 16</u>
ASSETS	
Current Assets	
Checking/Savings	
140 Province Investments	105,284.61
Total Checking/Savings	<u>105,284.61</u>
Total Current Assets	105,284.61
Other Assets	
136 Escrow account	15,988.10
Total Other Assets	<u>15,988.10</u>
TOTAL ASSETS	<u><u>121,272.71</u></u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Other Current Liabilities	
202 Accounts Payable	3,500.00
Total Other Current Liabilities	<u>3,500.00</u>
Total Current Liabilities	<u>3,500.00</u>
Total Liabilities	3,500.00
Equity	
300 Net Assets	358,627.23
Retained Earnings	-250,740.24
Net Income	9,885.72
Total Equity	<u>117,772.71</u>
TOTAL LIABILITIES & EQUITY	<u><u>121,272.71</u></u>

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Accrual Basis

Mount St. Ursula Speech Center
Profit & Loss
September 2015 through August 2016

	<u>Sep '15 - Aug 16</u>
Income	
447 Investment Income	
448 Interest & Dividends	1,354.44
450 Capital Gains on Inv.	13,224.27
	<hr/>
Total 447 Investment Income	14,578.71
	<hr/>
Total Income	14,578.71
	<hr/>
Expense	
499 Administration	
502 Bank Fees	35.00
504 Professional Fees	4,657.99
	<hr/>
Total 499 Administration	4,692.99
	<hr/>
Total Expense	4,692.99
	<hr/>
Net Income	9,885.72
	<hr/> <hr/>

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10/26/16
Accrual Basis

Mount St. Ursula Speech Center
Balance Sheet
As of August 31, 2015

	<u>Aug 31, 15</u>
ASSETS	
Current Assets	
Checking/Savings	
101 Checking Chase	10,782.65
115 Payroll Chase	6,282.40
140 Province Investments	94,321.94
Total Checking/Savings	<u>111,386.99</u>
Total Current Assets	<u>111,386.99</u>
TOTAL ASSETS	<u><u>111,386.99</u></u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Other Current Liabilities	
202 Accounts Payable	3,500.00
Total Other Current Liabilities	<u>3,500.00</u>
Total Current Liabilities	<u>3,500.00</u>
Total Liabilities	3,500.00
Equity	
300 Net Assets	358,627.23
Retained Earnings	-202,044.41
Net Income	-48,695.83
Total Equity	<u>107,886.99</u>
TOTAL LIABILITIES & EQUITY	<u><u>111,386.99</u></u>

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10/26/15
Accrual Basis

Mount St. Ursula Speech Center
Profit & Loss
September 2014 through August 2015

	<u>Sep '14 - Aug 15</u>
Income	
400 Patient Revenue	
420 HMO	1,084.70
Total 400 Patient Revenue	<u>1,084.70</u>
445 Grants	15,000.00
447 Investment Income	
448 Interest & Dividends	1,516.55
450 Capital Gains on Inv.	-7,362.77
Total 447 Investment Income	<u>-5,846.12</u>
Total Income	<u>10,238.58</u>
Expense	
499 Administration	
500 Postage	376.69
502 Bank Fees	23.00
503 Accounting Fees	5,600.00
504 Professional Fees	742.50
510 Telephone	908.56
521 Payroll Fees	401.83
523 Office Supplies	739.75
524 Printing Expenses	4,292.18
533 Billing services	2,087.86
Total 499 Administration	<u>15,172.17</u>
539 Program	
562 Transportation Expense	0.00
Total 539 Program	<u>0.00</u>
580 Salaries	
581 Professional Salaries	30,373.86
583 Secretarial Salaries	0.00
584 Medical Salaries	0.00
585 Director - Salary	0.00
587 Security	0.00
Total 580 Salaries	<u>30,373.86</u>
590 Fringe Benefits	
591 FICA Expense	2,335.85
592 Disability Expense	21.94
593 Health - Lay	562.19
596 NY Metro Tax	0.00
Total 590 Fringe Benefits	<u>2,919.98</u>
600 Facility Costs	
601 Space Occupancy	10,148.40
605 Maint & Repairs	320.00
Total 600 Facility Costs	<u>10,468.40</u>
Total Expense	<u>58,934.41</u>
Net Income	<u><u>-48,695.83</u></u>

Mount St. Ursula Speech Center
Balance Sheet
As of August 31, 2014

	<u>Aug 31, 14</u>
ASSETS	
Current Assets	
Checking/Savings	
101 Checking Chase	3,516.58
105 Petty Cash	30.00
115 Payroll Chase	39,227.50
125 Money Market Chase	2,947.29
135 Grant Chase	617.58
140 Province Investments	110,168.06
Total Checking/Savings	<u>156,507.01</u>
Total Current Assets	<u>156,507.01</u>
TOTAL ASSETS	<u><u>156,507.01</u></u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Other Current Liabilities	
200 TDA Payable	-75.81
Total Other Current Liabilities	<u>-75.81</u>
Total Current Liabilities	<u>-75.81</u>
Total Liabilities	-75.81
Equity	
300 Net Assets	358,627.23
Retained Earnings	4,647.43
Net Income	-206,691.84
Total Equity	<u>156,582.82</u>
TOTAL LIABILITIES & EQUITY	<u><u>156,507.01</u></u>

Mount St. Ursula Speech Center
Profit & Loss
 September 2013 through August 2014

	<u>Sep '13 - Aug 14</u>
Income	
400 Patient Revenue	
1199	8,037.00
401 Fees	25,373.50
410 Medicaid	23,232.06
420 HMO	<u>367,500.72</u>
Total 400 Patient Revenue	424,143.28
429 Other Revenue	
430 Donations	<u>889.75</u>
Total 429 Other Revenue	889.75
445 Grants	15,000.00
447 Investment Income	
448 Interest & Dividends	2,235.77
450 Capital Gains on Inv.	<u>28,677.51</u>
Total 447 Investment Income	30,913.28
Total Income	470,946.31
Expense	
499 Administration	
500 Postage	196.34
502 Bank Fees	53.00
503 Accounting Fees	8,350.00
505 Cable	-185.14
510 Telephone	2,137.00
521 Payroll Fees	2,308.19
523 Office Supplies	4,086.16
524 Printing Expenses	1,982.92
526 Office repairs	178.00
530 Gift Expense	1,292.66
531 Lunch, B-Day, Etc.	110.23
533 Billing services	<u>27,820.75</u>
Total 499 Administration	48,330.11
539 Program	
540 Direct Program	1,463.11
550 Other Program Costs	4.36
555 Prof. Development	3,344.97
561 Malpractice Insurance	1,366.00
562 Transportation Expense	<u>9,000.00</u>
Total 539 Program	15,178.44
580 Salaries	
581 Professional Salaries	271,524.80
583 Secretarial Salaries	42,429.48
584 Medical Salaries	11,200.00
585 Director - Salary	126,000.00
587 Security	<u>20,240.40</u>
Total 580 Salaries	471,394.68
590 Fringe Benefits	
591 FICA Expense	33,394.06
592 Disability Expense	1,909.78
593 Health - Lay	67,040.90
596 NY Metro Tax	<u>403.85</u>
Total 590 Fringe Benefits	102,748.59

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Accrual Basis

Mount St. Ursula Speech Center

Profit & Loss

September 2013 through August 2014

	<u>Sep '13 - Aug 14</u>
600 Facility Costs	
601 Space Occupancy	26,134.10
603 General Insurance	4,715.00
605 Maint & Repairs	160.52
608 Space Utilities	7,992.50
	<hr/>
Total 600 Facility Costs	39,002.12
620 Capital Expenses	
623 Computer / Software	984.21
	<hr/>
Total 620 Capital Expenses	984.21
	<hr/>
Total Expense	677,638.15
	<hr/>
Net Income	<u>-206,691.84</u>

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Accrual Basis

Mount St. Ursula Speech Center

Balance Sheet

As of August 31, 2013

	<u>Aug 31, 13</u>
ASSETS	
Current Assets	
Checking/Savings	
101 Checking Chase	4,312.36
105 Petty Cash	30.28
115 Payroll Chase	51,059.47
125 Money Market Chase	22,441.78
135 Grant Chase	29,367.56
140 Province Investments	229,260.29
Total Checking/Savings	<u>336,471.76</u>
Total Current Assets	<u>336,471.76</u>
Other Assets	
161 Accounts Receivable	12,378.00
162 Grant receivable	16,750.00
Total Other Assets	<u>29,128.00</u>
TOTAL ASSETS	<u><u>365,599.76</u></u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Other Current Liabilities	
202 Accounts Payable	2,325.10
Total Other Current Liabilities	<u>2,325.10</u>
Total Current Liabilities	<u>2,325.10</u>
Total Liabilities	2,325.10
Equity	
300 Net Assets	358,627.23
Retained Earnings	103,142.20
Net Income	-98,494.77
Total Equity	<u>363,274.66</u>
TOTAL LIABILITIES & EQUITY	<u><u>365,599.76</u></u>

Mount St. Ursula Speech Center
Profit & Loss
September 2012 through August 2013

	Sep '12 - Aug 13
Income	
400 Patient Revenue	
1199	15,455.00
401 Fees	18,599.56
410 Medicaid	33,081.53
420 HMO	371,361.48
Total 400 Patient Revenue	438,497.57
429 Other Revenue	
430 Donations	40,993.72
440 Miscellaneous	509.00
Total 429 Other Revenue	41,502.72
441 Reimbursements	
444 Medical Transportation	9,695.00
Total 441 Reimbursements	9,695.00
445 Grants	16,750.00
447 Investment Income	
448 Interest & Dividends	3,193.97
450 Capital Gains on Inv.	34,055.32
Total 447 Investment Income	37,249.29
Total Income	543,694.58
Expense	
499 Administration	
500 Postage	904.04
502 Bank Fees	5.04
503 Accounting Fees	7,900.00
510 Telephone	2,063.84
521 Payroll Fees	2,333.90
523 Office Supplies	4,820.91
524 Printing Expenses	2,781.71
530 Gift Expense	850.00
531 Lunch, B-Day, Etc.	540.95
533 Billing services	32,044.76
Total 499 Administration	54,245.15
539 Program	
540 Direct Program	865.43
550 Other Program Costs	-4,390.13
554 Staff Development	454.99
561 Malpractice Insurance	1,366.00
562 Transportation Expense	11,550.00
Total 539 Program	9,846.29
580 Salaries	
581 Professional Salaries	258,499.68
583 Secretarial Salaries	41,889.63
584 Medical Salaries	8,290.00
585 Director - Salary	120,000.00
587 Security	21,514.09
Total 580 Salaries	450,193.40

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Accrual Basis

Mount St. Ursula Speech Center

Profit & Loss

September 2012 through August 2013

	<u>Sep '12 - Aug 13</u>
590 Fringe Benefits	
591 FICA Expense	33,398.79
592 Disability Expense	1,927.51
593 Health - Lay	50,344.04
595 Workers Comp Ins.	166.38
596 NY Metro Tax	0.00
Total 590 Fringe Benefits	<u>85,836.72</u>
600 Facility Costs	
601 Space Occupancy	27,901.20
603 General Insurance	5,314.00
605 Maint & Repairs	850.00
608 Space Utilities	8,002.59
Total 600 Facility Costs	<u>42,067.79</u>
Total Expense	<u>642,189.35</u>
Net Income	<u><u>-88,494.77</u></u>

Mount St. Ursula Speech Center
Balance Sheet
As of August 31, 2012

	<u>Aug 31, 12</u>
ASSETS	
Current Assets	
Checking/Savings	
101 Checking Chase	3,727.82
105 Petty Cash	4.90
115 Payroll Chase	80,609.40
125 Money Market Chase	2,401.89
135 Grant Chase	117.58
140 Province Investments	12,050.89
Total Checking/Savings	<u>98,912.48</u>
Total Current Assets	<u>98,912.48</u>
Other Assets	
160 Accounts Receivable- Metro	350,000.00
161 Accounts Receivable	45,000.00
162 Grant receivable	14,850.00
Total Other Assets	<u>409,850.00</u>
TOTAL ASSETS	<u><u>508,762.48</u></u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Other Current Liabilities	
200 TDA Payable	-5,499.96
202 Accounts Payable	2,493.01
204 Accrued Expenses	50,000.00
Total Other Current Liabilities	<u>46,993.05</u>
Total Current Liabilities	<u>46,993.05</u>
Total Liabilities	46,993.05
Equity	
300 Net Assets	358,627.23
Retained Earnings	-177,605.91
Net Income	280,748.11
Total Equity	<u>461,769.43</u>
TOTAL LIABILITIES & EQUITY	<u><u>508,762.48</u></u>

Mount St. Ursula Speech Center
Profit & Loss
September 2011 through August 2012

Sep '11 - Aug 12

Income	
400 Patient Revenue	
1199	2,150.00
401 Fees	31,411.67
410 Medicaid	42,276.75
420 HMO	493,602.22
Total 400 Patient Revenue	569,440.64
429 Other Revenue	
430 Donations	17,221.58
429 Other Revenue - Other	3,818.76
Total 429 Other Revenue	21,040.34
432 Metro Plus settlement	350,000.00
441 Reimbursements	
444 Medical Transportation	5,187.26
Total 441 Reimbursements	5,187.26
445 Grants	14,850.00
447 Investment Income	
448 Interest & Dividends	488.46
450 Capital Gains on Inv.	1,631.40
Total 447 Investment Income	2,119.86
Total Income	962,638.10
Expense	
499 Administration	
500 Postage	667.29
502 Bank Fees	64.00
503 Accounting Fees	7,900.00
510 Telephone	1,867.25
521 Payroll Fees	2,646.14
523 Office Supplies	7,452.41
524 Printing Expenses	3,617.37
530 Gift Expense	1,024.34
531 Lunch, B-Day, Etc.	299.28
533 Billing services	41,689.88
Total 499 Administration	67,227.96
539 Program	
540 Direct Program	1,322.43
550 Other Program Costs	69,854.25
555 Prof. Development	743.99
561 Malpractice Insurance	1,366.00
562 Transportation Expense	8,550.00
Total 539 Program	81,836.67
580 Salaries	
581 Professional Salaries	237,484.27
583 Secretarial Salaries	48,735.29
584 Medical Salaries	250.00
585 Director - Salary	111,722.64
587 Security	19,651.08
Total 580 Salaries	417,843.28

12:30 PM

10/26/16

Accrual Basis

Mount St. Ursula Speech Center

Profit & Loss

September 2011 through August 2012

	<u>Sep '11 - Aug 12</u>
590 Fringe Benefits	
591 FICA Expense	31,409.25
592 Disability Expense	1,602.21
593 Health - Lay	37,662.32
596 NY Metro Tax	713.80
Total 590 Fringe Benefits	<u>71,387.58</u>
600 Facility Costs	
601 Space Occupancy	26,742.05
603 General Insurance	5,679.62
605 Maint & Repairs	1,842.34
608 Space Utilities	8,307.22
Total 600 Facility Costs	<u>42,571.23</u>
620 Capital Expenses	
623 Computer / Software	295.23
627 Furn, Fixt & Equip	104.99
628 Building Improvements	623.05
Total 620 Capital Expenses	<u>1,023.27</u>
Total Expense	<u>681,889.99</u>
Net Income	<u>280,748.11</u>

12:29 PM
10/26/16
Accrual Basis

Mount St. Ursula Speech Center
Balance Sheet
As of August 31, 2011

	<u>Aug 31, 11</u>
ASSETS	
Current Assets	
Checking/Savings	
101 Checking Chase	5,521.68
105 Petty Cash	90.00
115 Payroll Chase	18,153.57
125 Money Market Chase	9,398.75
135 Grant Chase	18,097.58
140 Province Investments	89,934.17
Total Checking/Savings	<u>141,195.75</u>
Total Current Assets	<u>141,195.75</u>
Other Assets	
161 Accounts Receivable	28,626.44
162 Grant receivable	20,000.00
Total Other Assets	<u>48,626.44</u>
TOTAL ASSETS	<u><u>189,822.19</u></u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Other Current Liabilities	
202 Accounts Payable	4,982.11
205- Deferred Revenue	3,818.76
Total Other Current Liabilities	<u>8,800.87</u>
Total Current Liabilities	<u>8,800.87</u>
Total Liabilities	<u>8,800.87</u>
Equity	
300 Net Assets	358,627.23
Retained Earnings	-67,746.79
Net Income	-109,859.12
Total Equity	<u>181,021.32</u>
TOTAL LIABILITIES & EQUITY	<u><u>189,822.19</u></u>

12:30 PM
10/26/16
Accrual Basis

Mount St. Ursula Speech Center
Profit & Loss
September 2010 through August 2011

Sep '10 - Aug 11

Income	
400 Patient Revenue	
1199	900.00
401 Fees	19,909.78
410 Medicaid	19,044.00
420 HMO	509,166.92
Total 400 Patient Revenue	549,020.70
429 Other Revenue	
430 Donations	27,058.00
431 Fundraiser	723.94
429 Other Revenue - Other	8,669.54
Total 429 Other Revenue	36,451.48
441 Reimbursements	
444 Medical Transportation	21,691.36
Total 441 Reimbursements	21,691.36
445 Grants	20,000.00
447 Investment Income	
448 Interest & Dividends	1,063.99
450 Capital Gains on Inv.	11,232.40
Total 447 Investment Income	12,296.39
Total Income	639,459.93
Expense	
499 Administration	
500 Postage	423.27
502 Bank Fees	672.75
503 Accounting Fees	7,800.00
510 Telephone	2,029.75
521 Payroll Fees	2,806.74
523 Office Supplies	5,198.05
524 Printing Expenses	3,257.29
530 Gift Expense	1,250.60
531 Lunch, B-Day, Etc.	175.09
533 Billing services	43,092.10
Total 499 Administration	66,705.64
539 Program	
540 Direct Program	1,257.80
554 Staff Development	662.00
561 Malpractice Insurance	1,366.00
562 Transportation Expense	36,900.00
Total 539 Program	40,185.80
580 Salaries	
581 Professional Salaries	321,060.01
583 Secretarial Salaries	45,507.66
584 Medical Salaries	2,250.00
585 Director - Salary	108,468.60
587 Security	19,078.68
Total 580 Salaries	496,364.95

12:30 PM

10/28/16

Accrual Basis

Mount St. Ursula Speech Center
Profit & Loss
September 2010 through August 2011

	<u>Sep '10 - Aug 11</u>
590 Fringe Benefits	
591 FICA Expense	37,957.27
592 Disability Expense	2,486.29
593 Health - Lay	51,141.34
595 Workers Comp Ins.	333.60
596 NY Metro Tax	1,574.81
	<hr/>
Total 590 Fringe Benefits	93,503.31
600 Facility Costs	
601 Space Occupancy	25,796.16
603 General Insurance	5,844.66
605 Maint & Repairs	10,632.10
608 Space Utilities	8,669.54
	<hr/>
Total 600 Facility Costs	50,942.46
620 Capital Expenses	
623 Computer / Software	1,616.89
	<hr/>
Total 620 Capital Expenses	1,616.89
	<hr/>
Total Expense	749,319.05
	<hr/>
Net Income	-109,859.12
	<hr/> <hr/>

Mount St. Ursula Speech Center
Balance Sheet
As of August 31, 2010

	<u>Aug 31, 10</u>
ASSETS	
Current Assets	
Checking/Savings	
101 Checking Chase	6,441.58
105 Petty Cash	85.15
115 Payroll Chase	67,214.90
125 Money Market Chase	18,648.08
135 Grant Chase	2,877.58
140 Province Investments	77,868.81
Total Checking/Savings	<u>172,916.10</u>
Total Current Assets	172,916.10
Other Assets	
161 Accounts Receivable	118,019.64
162 Grant receivable	14,500.00
Total Other Assets	<u>132,519.64</u>
TOTAL ASSETS	<u><u>305,435.74</u></u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Other Current Liabilities	
202 Accounts Payable	2,067.00
205- Deferred Revenue	12,488.30
Total Other Current Liabilities	<u>14,555.30</u>
Total Current Liabilities	<u>14,555.30</u>
Total Liabilities	14,555.30
Equity	
300 Net Assets	358,627.23
Retained Earnings	-116,972.94
Net Income	49,226.15
Total Equity	<u>290,880.44</u>
TOTAL LIABILITIES & EQUITY	<u><u>305,435.74</u></u>

12:30 PM

10/26/16

Accrual Basis

Mount St. Ursula Speech Center

Profit & Loss

September 2009 through August 2010

Sep '09 - Aug 10

Income

- 400 Patient Revenue
 - 1199
 - 401 Fees
 - 410 Medical
 - 420 HMO

4,000.00
 30,326.27
 24,747.87
 615,311.25

Total 400 Patient Revenue

674,385.39

- 429 Other Revenue
 - 430 Donations
 - 431 Fundraiser

11,028.20
 289.00

Total 429 Other Revenue

11,317.20

- 441 Reimbursements
 - 444 Medical Transportation

15,768.40

Total 441 Reimbursements

15,768.40

445 Grants

14,500.00

- 447 Investment Income
 - 448 Interest & Dividends
 - 450 Capital Gains on Inv.

1,000.20
 6,815.41

Total 447 Investment Income

7,815.61

Total Income

723,786.60

Expense

- 499 Administration
 - 500 Postage
 - 502 Bank Fees
 - 503 Accounting Fees
 - 505 Cable
 - 510 Telephone
 - 521 Payroll Fees
 - 522 Water (Poland Springs)
 - 523 Office Supplies
 - 524 Printing Expenses
 - 525 Admin. Advertising
 - 530 Gift Expense
 - 531 Lunch, B-Day, Etc.
 - 533 Billing services

797.04
 142.30
 7,600.00
 478.63
 2,789.82
 2,221.41
 846.49
 4,985.71
 3,324.50
 25.00
 1,545.44
 53.52
 2,258.25

Total 499 Administration

27,066.11

- 539 Program
 - 540 Direct Program
 - 550 Other Program Costs
 - 554 Staff Development
 - 555 Prof. Development
 - 581 Malpractice Insurance
 - 582 Transportation Expense

1,527.76
 329.81
 868.84
 240.00
 1,386.00
 37,627.94

Total 539 Program

41,960.35

- 580 Salaries
 - 581 Professional Salaries
 - 583 Secretarial Salaries
 - 584 Medical Salaries
 - 585 Director - Salary
 - 587 Security

295,440.80
 58,967.16
 2,750.00
 99,512.40
 17,906.72

Total 580 Salaries

474,577.08

12:30 PM
10/26/16
Accrual Basis

Mount St. Ursula Speech Center
Profit & Loss
September 2009 through August 2010

	<u>Sep '09 - Aug 10</u>
590 Fringe Benefits	
591 FICA Expense	35,620.09
592 Disability Expense	1,991.15
593 Health - Lay	51,938.07
596 NY Metro Tax	1,833.30
	<hr/>
Total 590 Fringe Benefits	91,382.61
600 Facility Costs	
601 Space Occupancy	24,802.00
603 General Insurance	4,766.98
605 Maint & Repairs	2,019.62
608 Space Utilities	7,511.70
	<hr/>
Total 600 Facility Costs	39,100.30
620 Capital Expenses	
623 Computer / Software	474.00
	<hr/>
Total 620 Capital Expenses	474.00
	<hr/>
Total Expense	674,560.45
	<hr/>
Net Income	49,226.15
	<hr/> <hr/>

PLAN OF DISSOLUTION AND DISTRIBUTION OF ASSETS

OF

MOUNT SAINT URSULA SPEECH CENTER a New York Not-for-profit Corporation

The Board of Directors of MOUNT SAINT URSULA SPEECH CENTER at a special meeting duly convened on the 24th day of October, 2016 in New Rochelle New York, pursuant to notice given in accordance with the applicable law, a quorum being present at all times, having considered the advisability of voluntarily dissolving the corporation, unanimously decided that that dissolution is advisable and in the best interests of the Corporation. The Board came to this decision because the Corporation occupied premises which it did not own and those premises were being sold. In an exercise of due diligence, the Corporation sought other locations in various Church related buildings, but the necessary renovations were cost prohibitive, as was the rent in other buildings. Therefore, the Board having adopted, by unanimous vote, a plan for a voluntary dissolution of the corporation does hereby resolve that the corporation be dissolved in accordance with the following plan:

1. Upon resolution of the Board of Directors adopting this plan of dissolution, the Board shall submit the plan to a vote of the members of the corporation for approval.
2. Approval of the dissolution of the corporation is required to be obtained from the following government agencies or offices: New York State Department of Health Public Health Council and Attorney General of the State of New York which approvals will be obtained before filing the Certificate of Dissolution..
3. The corporation has cash Assets of \$117, 870 and such assets are not legally required to be used for any particular purpose. The corporation has no current liabilities, but has estimated legal and accounting fees not to exceed \$10,000.
4. The corporation has no assets that are legally required to be used for any particular purpose.
5. The assets owned by the corporation subject to any unpaid liabilities of the Corporation shall be distributed as stated in the Dissolution Clause of the amendment to the Certificate of Incorporation filed June 6, 2013 to URSULINE PROVINCIALATE, EASTERN PROVINCE OF THE UNITED STATES, INC., 1338 North Avenue, New Rochelle, New York 10804 – 100%, which qualifies as an exempt organization pursuant to Section 501(c)(3) of the Internal Revenue Code of 1986, as amended. Proof of such exemption is attached, as well as certified

copies of the Certificates of Incorporation and any Amendments thereto, and the by-laws of the not-for-profit corporation. In addition, as required by the Attorney General of the State of New York the corporate resolution and agreement of the recipient corporation to use the assets received for charitable and educational purposes will be attached prior to submitting the plan to the Attorney General. Attachments Exhibit C

6. Pursuant to N-PCL §201(b) and in accordance with the Certificate of Incorporation of MOUNT SAINT URSULA SPEECH CENTER the beneficiary organization is a charitable organization, exempt from taxation.

7. Within two hundred seventy days after the date on which the Attorney General approves the Plan of Dissolution and Distribution of Assets, the corporation shall carry out this Plan.

Certification

I, Patricia Russell, Secretary of MOUNT SAINT URSULA SPEECH CENTER hereby certify under penalties of perjury that a special meeting, at which a quorum was present, of the Board of Directors of the Corporation was duly held on notice on the 24th Day of October, 2016 at, URSULINE PROVINCIALATE, New Rochelle, New York and the within Plan of Dissolution was duly submitted and passed by a unanimous vote of the entire Board of Directors.

Patricia Russell, Secretary

Dated this _____ day of _____, 2017.

Sworn to before me this _____ day of _____ 2017

Notary (state commission expire date)

**CORPORATE RESOLUTION
MOUNT SAINT URSULA SPEECH CENTER**

The undersigned Secretary of the Corporation hereby certifies that the following resolutions are a copy of the resolutions adopted by the Board of Directors at a meeting held on notice to the Board of Directors, on the 24th day of October 2016, at which the entire Board of Directors was present:

That MOUNT SAINT URSULA SPEECH CENTER be dissolved according to the Laws of the State of New York; and

That the Plan of Dissolution and Distribution of Assets as presented to the Board, providing for the use of the remaining funds for the winding up of the corporation, the payment of any attorney and accountant fees and final staff fees, and the distribution of the remainder to Urasuine Provincialate Eastern Province of the United States, Inc. be adopted; and

That Patricia Russell, as President of the Corporation be authorized to sign any and all documents required for this dissolution.

Maureen Welch, Secretary

Ursuline - Bedford Park

Gifts			<u>Speech Center</u>
Paid to Speech Center	7/31/2009	20,000.00	20,000.00
Balance at 8/31/2009		<u>20,000.00</u>	
Paid to Speech Center	7/21/2011	<u>25,000.00</u> 25,000.00	25,000.00
Balance at 8/31/2011		<u>25,000.00</u>	
Paid to Speech Center	3/22/2012	15,000.00	15,000.00
Paid to Speech Center	8/1/2012	<u>15,000.00</u>	15,000.00
Balance at 8/31/2012		<u>30,000.00</u>	
Paid to Speech Center	12/13/2013	15,000.00	15,000.00
Paid to Speech Center	8/31/2014	15,000.00	15,000.00
Balance at 8/31/2014		<u>30,000.00</u>	
			<u>105,000.00</u>

STATE OF NEW YORK

DEPARTMENT OF STATE

I hereby certify that the annexed copy has been compared with the original document in the custody of the Secretary of State and that the same is a true copy of said original.



WITNESS my hand and official seal of the Department of State, at the City of Albany, on March 13, 2013.

A handwritten signature in black ink, appearing to read "Daniel E. Shapiro".

Daniel E. Shapiro
First Deputy Secretary of State

CT-07

**CERTIFICATE OF AMENDMENT
OF THE
CERTIFICATE OF INCORPORATION
OF
URSULINE PROVINCIALATE, EASTERN PROVINCE OF THE
UNITED STATES, INC.**

Under Section 803 of the Not-for-Profit Corporation Law

1. The name of the Corporation is Ursuline Provincialate, Eastern Province of the United States, Inc. The name under which the Corporation was formed is Ursuline Provincialate, Province of the North of the United States of America, Inc.

2. The Certificate of Incorporation was filed by the Department of State on February 8, 1913. The law the Corporation was formed under is the Membership Corporation Law.

3. The Corporation is a Corporation as defined in Section 102(a)(5) of the Not-for-Profit Corporation Law. The corporation is a Type B corporation under Section 201 of the Not-for-Profit Corporation Law.

4. The amendments to the Certificate of Incorporation are as follows:

Paragraph 1 of the Certificate of Incorporation relating to the purposes of the Corporation is hereby amended by adding the following paragraph:

To provide for the special needs of the Sisters, specifically the elderly, infirm or disabled members of the Roman Union of the Order of Saint Ursula, Eastern Province of the United States, including but not limited to their needs for housing, health care and relief from financial distress in a manner consistent with the Internal Revenue Code, regulations and rulings describing such purposes to be within the definition of public charity.

Paragraph 4 of the Certificate of Incorporation relating to the principal office of the Corporation is hereby amended to read in its entirety as follows:

The location of the office of the corporation shall be the City of New Rochelle, County of Westchester, State of New York.

Paragraph 7 of the Certificate of Incorporation relating to designation for service of process for the Corporation is hereby added to read in its entirety as follows:

The Secretary of State is designated as agent of the Corporation upon whom process against it may be served. The post office address to which the Secretary of State shall forward copies of process accepted on behalf of the Corporation is Ursuline Provincialate, Eastern Province of the United States, Inc., 1338 North Avenue, New Rochelle, NY 10804

Paragraph 8 of the Certificate of Incorporation relating to Members of the Corporation is hereby added to read in its entirety as follows:

The Corporation shall have no Members.

Paragraph 9 of the Certificate of Incorporation relating to dissolution provisions of the Corporation is hereby added to read in its entirety as follows:

Upon the dissolution or liquidation of the Corporation, whether such be de jure or de facto, in whole or in part, the Board of Directors shall, after paying or making provision for the payment of all of the liabilities of the Corporation, transfer the assets of the Corporation to the Roman Union of the Order of Saint Ursula, an Institute of the Roman Catholic Church, or its successor, provided that it is then in existence and qualified as a tax-exempt organization described in Section 501(c)(3) of the Internal Revenue Code. In the event that the Roman Union of the Order of Saint Ursula is no longer in existence, the assets will be distributed to such Roman Catholic non-profit organization or organizations organized and operated exclusively for religious, charitable, scientific or educational purposes and qualified as a tax-exempt organization or organizations described in Section 501(c)(3) of the Internal Revenue Code, as the Board of Directors of the Corporation shall determine. Any of such assets not so disposed of will be disposed of by the court of general jurisdiction of the County in which the principal office of the Corporation is then located exclusively for the purposes of the Corporation in such manner, or to such tax-exempt organization or organizations described in Section 501(c)(3) of the Internal Revenue Code, as such court shall determine.

5. The Corporation has no Members. This Certificate of Amendment was authorized by a vote of a majority of the Board of Directors of the Corporation.

Mary Sullivan
(Signature)

PRESIDENT
(Signer's Title)

MARY SULLIVAN
(Print or Type Signer's Name)

December 10, 2012
(Date Signed)

AFFIDAVIT

State of New York

County of Westchester

BEFORE ME, the undersigned authority, personally appeared ^{MARY} SULLIVAN, an authorized officer acting on behalf of Ursuline Provincialate, Eastern Province of the United States, Inc., who, after being duly sworn, states the following:

1) My name is MARY SULLIVAN and I am the PRESIDENT of Ursuline Provincialate, Eastern Province of the United States, Inc. (the "Corporation"); and

2) The current assets of the Corporation shall be used for the current purposes of the Corporation; and

3) Only the future assets of the Corporation shall be used for the purposes as stated in the Certificate of Amendment to Certificate of Incorporation.

Ursuline Provincialate, Eastern Province of the United States, Inc.

By: Mary Sullivan

Name: MARY SULLIVAN

Title: President

Sworn to and subscribed before me this 10th day of December, 2012 by Mary Sullivan as the President of the Corporation, who is personally known to me.

Marie-Celine Miranda
Notary Public

My Commission Expires: 12/28/14

MARIE-CELINE MIRANDA
Notary Public, State of New York
No. 5006248
Qualified In Westchester County
Commission Expires December 28, 2014

I, Hon. Crazio P. Bellantoni, a Justice of the Supreme Court of the State of
New York for the Ninth Judicial District do hereby approve of the foregoing
Certificate of Amendment of the Certificate of Incorporation of Ursuline Provincialate, Eastern
Province of the United States and consent that the same be filed.

Date: February 11, 2013
White Plains, New York

Crazio P. Bellantoni
J.S.C.
HON. CRAZIO P. BELLANTONI
J.S.C.

THE ATTORNEY GENERAL HAS NO OBJECTION
TO THE GRANTING OF JUDICIAL APPROVAL
HEREON, ACKNOWLEDGES RECEIPT OF
STATUTORY NOTICE AND DEMANDS SERVICE
OF THE FILED CERTIFICATE. SAID NO OBJECTION
IS CONDITIONED ON SUBMISSION OF THE
MATTER TO THE COURT WITHIN 60 DAYS HEREAFTER.

by Laura Werner
ASSISTANT ATTORNEY GENERAL DATE
Laura Werner January 11, 2013

State of New York }
Department of State }^{ss:}

I hereby certify that the annexed copy has been compared with the original document in the custody of the Secretary of State and that the same is a true copy of said original.

Witness my hand and seal of the Department of State on JAN 03 1997



A handwritten signature in cursive script, appearing to read "J. Clark", followed by a long horizontal line.

Special Deputy Secretary of State

KNOW ALL MEN BY THESE PRESENTS:

That, we Mary McMahon, Katharine Weiss, Katherine Dunn, Elisabeth Gill and Lucy M. Gill, being all of full age and at least two-thirds of us citizens of the United States and at least one of us a resident of the State of New York desiring to form a corporation under the provisions of the Membership Corporations Law do make, acknowledge and file this certificate:

51

1. The particular objects for which the corporation is to be formed are the supervision, government and direction of the Ursuline Order of teaching and charity nuns of the Catholic Church in the northern part of the United States and general benevolent purposes.

2. The name of the proposed corporation is "Ursuline Provincialate, Province of the North of the United States of America, Inc."

3. The territory in which its operations are to be principally conducted is the United States of America and its insular possessions.

4. The city in which its principal office is to be located is the City of New York.

5. The number of its directors shall be five.

6. The names and places of residence of the persons to be its directors until its first annual meeting are as follows:

Mary McMahon, Bedford Park, Bronx, New York,
Katharine Weiss, Bedford Park, Bronx, New York,
Katherine Dunn, Bedford Park, Bronx, New York,
Elizabeth Gill, Castle Place, New Rochelle, New York,
Lucy M. Gill, Castle Place, New Rochelle, New York,
at least two-thirds of whom are citizens of the United States of America and all of whom are residents of the State of New York.

IN WITNESS WHEREOF we have hereunto set our hands and seals the fourth day of February in the year one thousand nine hundred and thirteen.

Sealed and delivered
in presence of

Mary M. McMahon
Katharine Weiss
Katherine Dunn
Elizabeth M. Gill
Lucy M. Gill

STATE of NEW YORK,)
COUNTY of NEW YORK,)

SS:

On the fourth day of February 1913 personally appeared before me Mary McMahon, Katharine Weiss, Katherine Dunn, Elizabeth Gill and Lucy M. Gill to me known

to be the persons described in and who executed the fore-
going certificate and they severally acknowledged to me that
they executed the same.

Wm. Brunken
Solarly Clerk 75
New York County

1219-51-3

I, Peter A. Hendrick, one of the Justices
of the Supreme Court of the State of New York in and for
the First Department including the County of New York, do
certify that I approve of the foregoing certificate of in-
corporation and allow its filing in the Office of the
Clerk of the County of New York and in the Office of the
Secretary of the State of New York.

Dated, February 4 1913.

Peter A. Hendrick

Justice of the Supreme Court.

1219-51-4

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SEARCHED
INDEXED
FEB 6 1913
BY

CERTIFICATE OF INCORPORATION

-pt-

URSULINE PROVINCIALATE, PROV-
INCORPORATED OF THE NORTH OF THE
UNITED STATES OF AMERICA,
Inc.

Dated, February 4th, 1913.

Wiley

EDWARD J. McGUIRE,
51 Chambers Street,
New York, N. Y.

STATE OF NEW YORK
Office of SECRETARY OF STATE

Filed and
Recorded FEB 8 1913

Mitchell May
SECRETARY OF STATE

**AMENDED AND RESTATED
BYLAWS
OF THE
URSULINE PROVINCIALATE, EASTERN PROVINCE
OF THE UNITED STATES, INC.**

1.

Offices

Section 1.01. Office. The office of Ursuline Provincialate, Eastern Province of the United States; Inc. shall be located at 1338 North Avenue, New Rochelle, State of New York.

2.

Board of Directors

Section 2.01. Directors. The business of this Corporation shall be managed by its Board of Directors.

Section 2.02. Qualifications of Directors. Each Director shall be at least eighteen years of age and the Directors shall be the Provincial and the Council of the Roman Union of the Order of Saint Ursula, Eastern Province of the United States, or their respective successors or designees.

Section 2.03. Term of Directors. The term of office of the Directors of the Corporation shall be the same as the Provincial and Provincial Council of the Roman Union of the Order of Saint Ursula, Eastern Province of the United States.

Section 2.04. Quorum. One-half of the entire Board shall constitute a quorum for the transaction of business or of any specified item of business and the vote of a majority of the Board of Directors present at the time of the vote, shall be the act of the Board of Directors.

Section 2.05. Meetings of the Board. The first meeting of each newly elected Board of Directors shall be held at the office of the Corporation (or at any other place upon due notice to all Directors) on the first business day following the beginning of the new Board's term or as soon thereafter as practicable. Regular meetings of the Board of Directors may be held without notice at such time and place as fixed by the Board of Directors. Special meetings of the Board of Directors shall be held upon notice to the Directors mailed or given personally at least 10 days prior to the time appointed for the meeting. A majority of the Directors present, whether or not a quorum is present, may adjourn any meeting to another time and place.

Section 2.06. Notice of Meetings of the Board. The first meeting of each newly elected Board of Directors may be held without notice. Regular meetings may also be held without notice to the Directors. Special meetings may be held upon written notice to the Directors at the call of the President or the Secretary or a majority of the Directors. The notice of a special meeting shall state the name of the persons calling the meeting and the purpose thereof. This notice shall be given personally or by mail, not less than 5 nor more than 30 days before the date of the meeting. Such notice shall be deemed to be given when delivered to the mailbox. Meetings may be held

without previous notice, provided all of the Directors shall be present or waive notice of the meeting in writing.

Section 2.07. Meetings by Conference Call. Any one or more Directors may participate in a meeting of the Board of Directors by means of a conference telephone call or similar equipment which allows all persons participating in the meeting to hear each other at the same time. Participation by this means shall constitute presence in person at the meeting.

Section 2.08. Compensation of Directors. No Director shall receive any compensation for services as a Director.

3.

Officers

Section 3.01. Officers. The Officers of the Corporation shall consist of a President, who shall be the Provincial, a Vice President, a Secretary, and a Treasurer appointed by the other officers.

Any two of the foregoing positions may be occupied by the same person, except for those of President and Secretary. The Directors of the Corporation may elect one additional Vice President as needed.

Section 3.02. Vacancies. A vacancy in any of these offices shall be filled by the Board of Directors at the first regular meeting after the vacancy occurs.

Section 3.03. The President. The President shall preside at all meetings of the Board of Directors.

Section 3.04. The Vice President. The Vice President shall act in the place of the President in the latter's absence or inability to act and shall perform such other duties as the President or the Board of Directors may prescribe.

Section 3.05. The Secretary. The Secretary shall record all the proceedings of all meetings and all corporate resolutions and shall perform such other duties as shall be required.

Section 3.06. The Treasurer. The Treasurer shall administer the funds of the Corporation. She shall report quarterly to the Board of Directors on the condition of the finances of the Corporation.

4.

Property of the Corporation

Section 4.01. The Property. All of the assets of the Corporation, whether real or personal or in whatever form are held in trust for the religious institute, Roman Union of the Order of Saint Ursula, Eastern Province of the United States.

5.

Repeal of Bylaws

Section 5.01. Repeal or Amendment. These Bylaws may be repealed or amended or new Bylaws adopted by the Directors.

6.

Dissolution

Section 6.01. Dissolution. Upon the dissolution or liquidation of the Corporation, whether such be de jure or de facto, in whole or in part, the Members shall, after paying or making provision for the payment of all of the liabilities of the Corporation, transfer the assets of the Corporation to the Roman Union of the Order of Saint Ursula, an Institute of the Roman Catholic Church, or its successor, provided that it is then in existence and qualified as a tax-exempt organization described in Section 501(c)(3) of the Internal Revenue Code. In the event that the Roman Union of the Order of Saint Ursula is no longer in existence, the assets will be distributed to such Roman Catholic non-profit organization or organizations organized and operated exclusively for religious, charitable, scientific or educational purposes and qualified as a tax-exempt organization or organizations described in Section 501(c)(3) of the Internal Revenue Code, as the Members of the Corporation shall determine. Any of such assets not so disposed of will be disposed of by the court of general jurisdiction of the County in which the principal office of the Corporation is then located exclusively for the purposes of the Corporation in such manner, or to such tax-exempt organization organizations described in Section 501(c)(3) of the Internal Revenue Code, as such court shall determine.

Note from the USCCB Office of General Counsel: The EIN below belongs to the USCCB and is to be used only to confirm that the USCCB as group ruling holder is recognized by the IRS as a 501(c)(3) organization. It is not to be used by any other organization in the group ruling for any purpose. Every subordinate organization in the group ruling has its own EIN that must be used for all official purposes.

Internal Revenue Service
P.O. Box 2508
Cincinnati, OH 45201

Department of the Treasury

Date: May 27, 2016

Person to Contact:

R. Meyer ID# 0110429

Toll Free Telephone Number:

877-829-5500

United States Conference of Catholic
Bishops
3211 4th Street, NE
Washington, DC 20017-1194

Employer Identification Number:

53-0198617

For use by
the USCCB
only.

Group Exemption Number:

0928

Dear Sir/Madam:

This responds to your May 23, 2016, request for information regarding the status of your group tax exemption.

Our records indicate that you were issued a determination letter in March 1946, that you are currently exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code, and are not a private foundation within the meaning of section 509(a) of the Code because you are described in sections 509(a)(1) and 170(b)(1)(A)(i).

With your request, you provided a copy of the *Official Catholic Directory for 2016*, which includes the names and addresses of the agencies and instrumentalities and the educational, charitable, and religious institutions operated by the Roman Catholic Church in the United States, its territories, and possessions that are subordinate organizations under your group tax exemption. Your request indicated that each subordinate organization is a non-profit organization, that no part of the net earnings thereof inures to the benefit of any individual, and that no substantial part of their activities is for promotion of legislation. You have further represented that none of your subordinate organizations is a private foundation under section 509(a), although all subordinates do not all share the same sub-classification under section 509(a). Based on your representations, the subordinate organizations in the *Official Catholic Directory for 2016* are recognized as exempt under section 501(c)(3) of the Code under GEN 0928.

Donors may deduct contributions to you and your subordinate organizations as provided in section 170 of the Code. Bequests, legacies, devises, transfers, or gifts to them or for their use are deductible for federal estate and gifts tax purposes if they meet the applicable provisions of section 2055, 2106, and 2522 of the Code.


Subordinate organizations under a group exemption do not receive individual exemption letters. Most subordinate organizations are not separately listed in Publication 78 or the EO Business Master File. Donors may verify that a subordinate organization is included

in your group exemption by consulting the *Official Catholic Directory*, the official subordinate listing approved by you, or by contacting you directly. IRS does not verify the inclusion of subordinate organizations under your group exemption. See IRS Publication 4573, *Group Exemption*, for additional information about group exemptions.

Each subordinate organization covered in a group exemption should have its own EIN. Each subordinate organization must use its own EIN, not the EIN of the central organization, in all filings with IRS.

If you have any questions, please call us at the telephone number shown in the heading of this letter.

Sincerely,

A handwritten signature in black ink, appearing to read "Jeffrey I. Cooper". The signature is stylized and cursive.

Jeffrey I. Cooper
Director, Exempt Organizations
Rulings and Agreements

CALIFORNIA • MICHIGAN • MINNESOTA • MISSISSIPPI • MISSOURI • WEST VIRGINIA • NEW YORK • NEVADA
ALABAMA • COLORADO • ARIZONA • MAINE • TEXAS • UTAH • ALASKA
IOWA • LOUISIANA • WISCONSIN • TENNESSEE • IDAHO
GEORGIA • DELAWARE • ILLINOIS • KANSAS • NORTH CAROLINA • OREGON • NEBRASKA • KENTUCKY
NEW HAMPSHIRE • NEW JERSEY • NEW MEXICO • CONNECTICUT • FLORIDA • MASSACHUSETTS
NORTH DAKOTA • PENNSYLVANIA • SOUTH CAROLINA • SOUTH DAKOTA • MARYLAND • ARKANSAS
INDIANA • OKLAHOMA • RHODE ISLAND • MONTANA
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1817

2016



The Official Catholic Directory

Anno
Domini

2016

Published Annually by
P. J. Kennedy & Sons

- Sisters of the Renewal, *Convent of San Damiano*, 1661 Haight Ave., 10461. Tel: 718-829-9466; Fax: 718-239-6321. Web: www.franciscansisterscf.com.
- Mother Lucille Cotrona, C.F.R., Community Servant (Motherhouse, Novitiate House, Convent of Damiano) Sisters 10.
- Franciscan Sisters of the Renewal, 3537 Bainbridge Ave., 10467. Tel: 718-547-9840; Fax: 718-547-0995.
- Sisters Mary Pieta Geiser, C.F.R., Local Servant; Francis O'Donnell, C.F.R., Treas. (Franciscans Sisters of the Renewal) Sisters 7.
- Missionaries of Charity, Inc., 335 E. 145th St., 10451. Tel: 718-292-0019; Fax: 718-292-2929.
- Sisters M. Rose Clara, M.C., Regl. Supr.; M. Regi Paul, M.C., Supr. 406 W. 127th St., 10027. Tel: 212-222-7229. Sr. M. Noreen, M.C., Supr. 657 Washington St., 10014. Tel: 212-645-0587. Sr. M. Consuela, M.C., Supr.
- Sisters of St. John the Baptist, Provincial Residence, 3308 Campbell Dr., 10465-1358. Tel: 718-518-7820. Fax: 718-518-8930. Email: armcacle@hotmail.com. Web: baptistines.org. Sr. Mary Cecile Swanton, C.S.J.B., Prov. Supr. In Province 76; In Archdiocese 69.
- Mt. St. John Convent, 150 Anderson Hill Rd., Purchase, 10577. Tel: 914-761-7965; Fax: 914-761-2315. Sr. Claudette Marie Jaszczynski, C.S.J.B., Supr. (Retired Sisters' Residence) Sisters in Residence 25.
- Franciscan Sisters of the Atonement (1898) St. Francis Convent - Graymoor, 41 Old Highland Tpke., 10524. Tel: 845-424-3625; Fax: 845-424-3298. Email: ncmboy@graymoor.org. Web: www.graymoor.org. Sisters Nancy Conboy, S.A., Mtd. Gen.; Leila Spaulding, S.A., Motherhouse Coord.
- Franciscan Sisters of the Atonement, Inc. Sisters 122.
- Mother Lurana House of Graymoor, 166 Old W. Point Rd., E., 10524. Tel: 845-424-3184; Fax: 845-424-4137. Web: www.graymoor.org. Sr. Loreta Betner, S.A.; Admin. Franciscan Sisters of the Atonement.
- Our Lady of the Atonement Retreat House, St. Francis Convent, 41 Old Highland Tpke., 10524. Tel: 845-424-3300; Fax: 845-230-8400. Email: retreathouse@graymoor.org. Web: www.graymoor.org. Sr. Eleanor White, S.A., Directress, Franciscan Sisters of the Atonement, Graymoor, Sisters 2.
- MARYDALE Institute of the Sisters of Mercy of the Americas, Mid-Atlantic Community, 150 Ridge Rd., 10530-2205. Tel: 914-328-3200; Fax: 914-328-3761. Web: www.mercymidatlantic.org. Sr. Patricia Vetrano, R.S.M., Pres.
- The Sisters of Mercy, Inc. Sisters of Mercy, Sisters of Mercy of the Americas 927.
- MARYSTRAW Sisters of St. Francis of Peace (1986) Congregation Center, 20 Ridge St., 10927-1198. Tel: 845-942-2527; Fax: 845-429-8141. Email: bwacker@ispnet.org. Web: www.ispnet.org. Sr. Helen Wacker, F.S.P., Congregation Min.
- HAWTHORNE Motherhouse & Novitiate of the Sisters of St. Dominic, Congregation of St. Rose of Lima (1900) 10532. Tel: 914-769-0114; Fax: 914-769-0827. Web: www.hawthorne-dominicans.org. Sr. Mary Francis, O.P., Supr. Gen.; Rev. Richard Jastrzebski, O.P., B.A., M.A., M.Div., Chap.
- Motherhouse and Dominican Sisters, Congregation of St. Rose of Lima. Professed Sisters 49; Sisters in Community 52; In Archdiocese 25.
- HIGHLAND MILLS Religious of Jesus and Mary (1911) 15 Bethany Dr., 10930-1003. Tel: 845-928-2213; Fax: 845-928-9437. Email: RJMClairD@aol.com. Web: www.bethanyspiritualcenter.org. Sr. Claire Dandenean, R.J.M., Supr. Sisters 12.
- HOPEWELL JUNCTION St. Aloysius Novitiate, 306 Beekman Rd., P.O. Box 98, 12533. Tel: 845-226-5671. Fax: 845-226-5671. Email: jstb35097@aol.com. Web: www.oblatestotheblessedtrinity.org. Sr. Gloria Castro, Supr. Gen. Perpetually Professed Sisters 30; Temporary Professed Sisters 5; Novices 4; Postulants 3.
- Blessed Kateri Takawitha Religious Education Center, 16 Frankie Ln., Box 1011, 12754. Tel: 845-292-9100; Fax: 845-292-9100. Email: BJT4@verizon.net. Dominican Sisters.
- LIVINGSTON MANOR Monastic Sisters of Bethlehem and of the Assumption of the Virgin (1951) 393 Our Lady of Lourdes Camp Rd., 12758. Tel: 845-439-4300; Fax: 845-439-3069. Sr. Amena Figeat, M.S.B.A.V., Supr. Total in Residence 15.
- MARYKNOLL Maryknoll Communities, Inc., 77 Ryder Rd., P.O. Box 133, 10545-0133. Tel: 914-941-7590; Fax: 914-944-3628. Email: rcallahan@maryknoll.org. Web: www.maryknoll.org.
- Maryknoll Residential Care Skilled Nursing home for the Maryknoll sisters only, Maryknoll Sisters Center, 10545-0811. Tel: 914-941-9230; Fax: 914-941-0213. Email: pedmiston@mk sisters.org. Web: www.maryknoll.org. Sr. Patricia Edmiston, M.M., Admin. Bed Capacity 42; Sisters 33.
- Maryknoll Sisters Charitable Trust, Treasury Office, P.O. Box 306, 10545-0306. Tel: 914-941-7590; Fax: 914-944-3628. Email: rcallahan@maryknoll.org. Web: www.maryknoll.org. Rev. Richard B. Callahan, M.M., Trustee.
- Maryknoll Sisters Contemplative Community Contemplative Community of the Maryknoll Sisters of St. Dominic, P.O. Box 311, 10545-0311. Tel: 914-941-7575; Fax: 914-923-0733. Email: mkcontemplative@optimum.net. Sr. Grace Myerjack, M.M., Coord. Sisters 9.
- Maryknoll Sisters of St. Dominic Inc. (1912) P.O. Box 311, 10545-0311. Tel: 914-941-7575; Fax: 914-941-5535. Email: secretariat@mk sisters.org. Web: www.maryknoll.org. Sr. Patricia Edmiston, M.M., Center-Rogers Coord. Professed Sisters 222; Total in Residence 222.
- MILLBROOK Franciscan Missionaries of Mary (1941) P.O. Box K, 12545. Tel: 845-677-6789; Fax: 845-677-9530. Email: fmch@aol.com. Web: fmmsa.org. Sisters Anne Turbini, F.M.M.; Jacqueline LaVie, F.M.M.; Martha Vu, F.M.M.; Phi Uong, F.M.M. Sisters 4.
- MONROE Parish Visitors of Mary Immaculate (1920) *Maryrest Convent*, 164 Quaker Hill Rd., P.O. Box 658, 10949-0658. Tel: 845-783-2251; Fax: 845-783-2085. Sisters Carole Marie Truskowski, Gen. Supr.; Maria Catherine, Novice Dir. A contemplative-missionary community serving the Church by person-to-person evangelization through visiting parish families on behalf of their priests; religious education for children and adults not connected with the Catholic schools, giving spiritual counsel and serving as a liaison for social service needs of family members. Total in Community 60.
- Queen of Apostles Convent Provincial Retirement Home and Provinciate of the Sisters of the Catholic Apostolate (Palottine), 98 Harriman Heights Rd., 10950. Tel: 845-492-5000; Fax: 845-492-5070. Email: qoconvent@hotmail.com. Web: www.palottinesisters.org. Sisters Ann Joachim Firreno, O.S.A.C., Supr.; Olivia Reginella, C.S.A.C., Prov.; Rev. Michael F. Keane, Chap. Sisters 36.
- MONSEY St. Zita's Villa Motherhouse and Novitiate of Sisters of Reparation of the Congregation of Mary, 50 Saddle River Rd., N., 10952. Tel: 845-356-2011; Fax: 845-364-6520. Sr. Maureen Francis, S.R.C.M., Supr. Sisters 2.
- NEW ROCHELLE Ursuline Bedford Park Convent (1855) 1338 North Ave., 10804. Tel: 914-636-3456; Fax: 914-576-2620.
- Ursuline Communities, Inc. (1997) 1338 North Ave., 10804. Tel: 914-712-0060; Fax: 914-712-3134. Email: ursrupe@aol.com.
- Ursuline Convent of St. Teresa's, 39 Willow Dr., 10805. Tel: 914-632-1199; Fax: 914-633-5281. Sr. Jeanne Giebelhouse, O.S.U., Supr.
- Ursuline Convent of St. Teresa's, New York Sisters 23.
- Ursuline Provinciate, 1338 North Ave., 10804-2121. Tel: 914-712-0060; Fax: 914-712-3134. Email: ursrupe@aol.com. Provinciate of the Ursulines of the Roman Union, Eastern Province. Sisters in Province 98.
- Ursuline Residence, Inc., 1338 North Ave., 10804. Tel: 914-712-0060; Fax: 914-712-3134.
- NEW WINDSOR Sisters of the Presentation of the Blessed Virgin Mary, Inc., Mt. St. Joseph Administration Center, 84 Presentation Way, 12553. Tel: 845-564-0513; Fax: 845-567-0219. Email: pbvmsadministration@hvcrr.com. Web: sistersofthepresentation.org. Sisters Patricia Anastasio, P.B.V.M., Pres.; Margaret Muller, P.B.V.M., Community Archivist. Ministry in the field of academic education in parochial elementary and high schools; pastoral services; health care; social services. Sisters 115.
- NEWSBURGH Daughters of Mary Immaculate (1898) Italian Apostolate in Sacred Heart Church, 15 Stori Rd., 12550. Tel: 845-565-5034. Sr. Alba Danese, F.M.I., Supr. Total Assisted 57; Total Staff 2.
- NYACK Sisters of Our Lady of Christian Doctrine aka Institute of Christian Doctrine Visitation House, 629 N. Midland Ave., 10960-1032. Tel: 845-512-8669; Fax: 845-358-7663. Email: veromrkd@gmail.com. Web: www.sistersrcd.org. Sr. Veronica Mendez, R.C.D., Pres. Sisters 18.
- Marycell Faith & Life Center, 640 N. Midland Ave., 10960. Tel: 845-358-5399; Fax: 845-358-1671.
- OSSINGO Dominican Sisters of Hope (1995) 299 N. Highland Ave., Bldg. 5, 10562-2327. Tel: 914-941-4420; Fax: 914-941-1125. Email: lalcok@ophope.org. Web: www.ophope.org. Sr. Lorelle Elcock, O.P., Prioress. Total in Community 168.
- Dominicare, Inc. (2001) Office of the President, 299 N. Highland Ave., Bldg. 5, 10562-2327. Tel: 914-941-4420; Fax: 914-941-1125. Email: lalcok@ophope.org.
- ophope.org. Web: www.ophope.org.
- Sisters of St. Dominic Charitable Trust, 299 N. Highland Ave., Bldg. 5, 10562. Tel: 914-941-4465; Fax: 914-502-0574. Email: hdowney@ophope.org. Hugh R. Downey, Trustee.
- PREEKSKILL Mt. St. Francis, Motherhouse & Infirmary of Franciscan Missionary Sisters of Sacred Heart Canonical Name: Franciscan Missionary Sisters of the Sacred Heart, 250 South St., 10568. Tel: 914-737-5409; Fax: 914-736-9614. Email: slmfsc@mail.com. Web: fmscusa.org. Sr. Laura Morgan, F.M.S.C., Prov. Supr.
- Missionary Sisters of the Third Order of St. Francis
- RHINEBECK Linwood Spiritual Center, 50 Linwood Rd., 12572-2507. Tel: 845-876-4178; Fax: 845-876-1920. Email: isoffice@t-ursula.org. Web: www.linwoodspiritualctr.org. Sr. Maureen Steeley, S.U., Dir. Spiritual Center. Society of St. Ursula.
- RYE Convent of the Holy Child, 25 Convent Ln., 10580-1904. Tel: 914-967-5544; Fax: 914-925-2575. Email: rye@shcj.org. Sisters of the Holy Child Jesus 18.
- SCARSDALE Blessed Sacrament Monastery, 86 Dromore Rd., 10583-1706. Tel: 914-722-1857; Fax: 914-722-1865. Email: obany@optonline.net. Web: www.catholic.org/macc. Sr. Mary Francis Blackmore, O.S.S., Prioress. Sacramentine Nuns. Sisters 6.
- SLOATSBURG St. Mary's Villa, Spiritual & Educational Center, 150 Sisters Servants Ln., P.O. Box 9, 10974-0009. Tel: 845-753-6100; Fax: 845-753-1956. Email: ssmny@aol.com. Sisters Servants of Mary Immaculate.
- SPARKILL Dominican Convent of Our Lady of the Rosary (1876) Motherhouse and General Novitiate of Dominican Sisters of Congregation of Our Lady of the Rosary, 175 Rte. 340, 10976-1047. Tel: 845-359-4088; Fax: 845-359-4083. Email: lorraine.larocca@sparkill.org. Web: www.sparkill.org. Sr. Mary Murray, O.P., Pres.; Rev. George Turak, Chap. Sisters 289.
- STATEN ISLAND Daughters of St. Paul, Pious Society (1915) 236 Richmond Ter., 10301. Tel: 718-447-5071; Fax: 718-818-1332. Email: statenland@pauline.org. Web: www.pauline.org. Sr. Sean Marie-David Mayer, Supr. Missionary Sisters of the Communications Media. Sisters 5.
- Pious Disciples of the Divine Master, Regional and Formation House, 60 Sunset Ave., 10314. Tel: 718-761-2323; Fax: 718-494-8597; Fax: 718-494-2123. Web: www.pddm.us. Sr. M. Josephine Fallon, P.D.D.M., Regl. Supr. Sisters 8.
- SUFFERN Sisters of Life, Annunciation, 38 Montebello Rd., 10901. Tel: 845-357-3547; Fax: 845-357-5040. Mother Agnes Mary Donovan, S.V., Supr. Gen. Professed Sisters 66; Novices 18; Postulants 10.
- Sacred Heart of Jesus (Sisters of Life) (1991) 450 W. 51st St., 10019. Tel: 212-397-1396; Fax: 212-397-1397. Sisters Catherine Marie, S.V., Local Supr.; Maria Filumena, S.V.; Lucy Marie, S.V.; Mary Kolbe, S.V.; Mariae Agnes Dei, S.V.; Shirley Ann, S.V.; Marie Veritas, S.V.; Talitha Guadalupe, S.V.; Maria Laetitia, S.V.
- St. Frances de Chantal (Sisters of Life), 198 Hollywood Ave., Bronx, 10465. Tel: 718-863-2264; Fax: 718-792-9645. Sisters Antoniana Maria, S.V., Dir. Vocations; Charlotte Ann Marie, S.V., Local Supr., Postulant Dir.
- Sisters of Life Center (Mission to Serve Pregnant Women), 257 E. 71st St., 10021. Tel: 877-777-1277; 212-737-0221.
- TARRYTOWN Provincial Center, Religious Sacred Heart of Mary, 60 Wilson Park Dr., 10591-3023. Tel: 914-631-8872; Fax: 914-631-7803. Email: delourdes@rahmeap.org. Web: www.rshm.org. Sisters Catherine M. Patten, R.S.H.M., Prov. Supr.; Monica Walsh, R.S.H.M., Councillor; Catherine Vincie, R.S.H.M., Councillor; Mary Alice Young, R.S.H.M., Dir., Advancement; Mary Lou Bloomingdale, R.S.H.M., Archivist; Anna Maria Lionetti, R.S.H.M., Vocation Dir.
- Sisters of the Sacred Heart of Mary Total Staff 16.
- WALDEN Little Sisters of the Assumption, 98 Gladstone Ave., 12586-0677. Tel: 845-778-0678. Sr. Annette Allain, L.S.A., Territory Coord. Sisters 1.
- WAPPINGERS FALLS Monastery of St. Clare - Franciscan Poor Clare Nuns (1915) 70 Nelson Ave., 12590-1121. Tel: 845-297-1685; Fax: 845-297-7657. Email: claresny@gmail.com. Web: www.poorclaresny.com. Sr. Mary Michael Boisseau, O.S.C., Abbess.
- Franciscan Poor Clare Nuns Sisters 10.
- WARWICK Mt. Alverno Center, Bon Secours Charity Health System, 20 Grand St., 10990. Tel: 845-986-2267; Fax: 845-986-9269. Web: <http://bschs.bonsecours.com>. Jeff Reilly, Senior Vice Pres. & Admin.; Clare Brady, Senior Vice Pres.



A Mission of Service. A Vision for Change.

**URSULINE PROVINCIALATE
STATEMENT OF ACTIVITIES**

	9/1/15-8/31/16
EXPENSES	
SPIRITUALITY GR RETREAT EXP	436
GENERAL PROVINCE	80,386
ADMINISTRATION	223,583
COLLABORATION	10,000
FINANCE OFFICE	338,025
ADVANCEMENT	674
DEVELOPMENT	218,969
ONGOING FORMATION	3,190
ASSOCIATES	3,236
PROV. HOUSING	21,764
PROVINCE CENTER	607,198
ARCHIVES	9,108
SOCIAL CONCERNS	2,592
SUBVENTION EXPENSES	4,000
GENERALATE SUBVENTION	8,458
PROVINCE COMMITTEES	49
OFFICE DEV OF PROPERTY	2,208
WILMINGTON EXPENDITURES	17,535
GIFTS/DONATIONS	484,188
BENEFITS TO COMMUNITIES	603,462
MANAGEMENT FEES	120
SERVIAM MINISTRY EXPENSE	14,668
MINISTRY GRANTS	112,000
DEPRECIATION EXPENSE	99,408
INSURANCE PREMIUM EXPENSE	233,569
	<hr/>
TOTAL EXPENSES	3,098,828
	<hr/>
NET INCOME/(LOSS)	\$ 8,418,874

Unaudited Financial Statements

Ursuline Provincialate • Eastern Province of the United States

1338 North Avenue, New Rochelle, NY 10804-2121 • 914.712.0060 • Fax 914.712.3134 • ursruepr@aol.com



A Mission of Service. A Vision for Change.

**URSULINE PROVINCIALATE
STATEMENT OF ACTIVITIES**

	9/1/15-8/31/16
INCOME	
SUBVENTION	\$ 174,875
EARNINGS-PROVINCE GROUP	191,692
SOCIAL SECURITY BENEFITS	547,223
EMPLOYER RETIREMENT CONTRIB	73,894
INVESTMENT INCOME	719,521
USE OF PROVINCE HOUSES	58,524
SPIRITUALITY GRP RETREAT	930
S.S. FICA INC/(EXP)	1,645
GIFTS / DONATIONS	7,926,566
INSURANCE PROCEEDS	1,300,000
NAT'L/DIOC RET COLLECTION	23,528
DOWRY INCOME	12,559
OTHER INCOME	25,038
DEVELOPMENT	364,149
1338 SRS - USE OF CENTER	97,559
	<hr/>
TOTAL INCOME	11,517,702

Unaudited Financial Statements

Ursuline Provincialate • Eastern Province of the United States

1338 North Avenue, New Rochelle, NY 10804-2121 • 914.712.0060 • Fax 914.712.3134 • ur:ruzpr@aol.com



A Mission of Service. A Vision for Change.

**URSULINE PROVINCIALATE
STATEMENT OF FINANCIAL POSITION**

	<u>8/31/2016</u>
ASSETS	
CASH	259,538.73
INVESTMENTS	13,783,422
ACCOUNTS RECEIVABLE	1,510,556
EXCHANGE	(36,505)
PREPAID EXPENSES	26,316
LOAN RECEIVABLES	22,310
FIXED ASSETS	1,411,712
TOTAL ASSETS	<u><u>\$ 16,977,350</u></u>
LIABILITIES & EQUITY	
LIABILITIES	
ACCOUNTS PAYABLE	8,556
LOAN PAYABLE	4,788,965
AGENCY PAYABLE	726,740
ESTATES/DOWRY PAYABLE	1,070,790
	<u>6,595,051</u>
EQUITY	
FUND BALANCE	1,963,425
NET INCOME/(LOSS)	8,418,874
TOTAL EQUITY	<u><u>10,382,299</u></u>
TOTAL LIABILITIES & EQUITY	<u><u>\$ 16,977,350</u></u>

Unaudited Financial Statements

Ursuline Provincialate • Eastern Province of the United States

1358 North Avenue, New Rochelle, NY 10804-2121 • 914.712.0060 • Fax: 914.712.3134 • ursruepr@aol.com

**URSULINE PROVINCIALATE,
EASTERN PROVINCE OF THE UNITED STATES, INC.**

FINANCIAL STATEMENTS

AUGUST 31, 2014 AND 2013

**Certified Public Accountants
& Success Consultants**

URSULINE PROVINCIALATE,
EASTERN PROVINCE OF THE UNITED STATES, INC.

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INDEPENDENT ACCOUNTANTS' REVIEW REPORT

Ursuline Provincialate,
Eastern Province of the United States, Inc.
New Rochelle, New York

We have reviewed the accompanying statements of financial position of Ursuline Provincialate, Eastern Province of the United States, Inc. at August 31, 2014 and 2013, and the related statements of activities and change in net assets, functional expenses and cash flows for the years then ended. A review includes primarily applying analytical procedures to management's financial data and making inquiries of company management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. We believe that the results of our procedures provide a reasonable basis for our report.

Based on our reviews, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

Grassi & Co., CPAs, P.C.

GRASSI & CO., CPAs, P.C.

New York, New York
November 24, 2014

URSULINE PROVINCIALATE,
EASTERN PROVINCE OF THE UNITED STATES, INC.
STATEMENTS OF FINANCIAL POSITION
AUGUST 31, 2014 AND 2013

	<u>2014</u>	<u>2013</u>
Assets		
Current Assets:		
Cash and cash equivalents	\$ 759,813	\$ 401,145
Retired members' benefits receivable	69,747	107,546
Total Current Assets	<u>829,560</u>	<u>508,691</u>
 Investments at Fair Value	 <u>11,129,522</u>	 <u>11,025,800</u>
 Due from Marian Residence Fund Trust	 <u>2,008,498</u>	 <u>1,842,843</u>
 Property and Equipment:		
Land, building and equipment	3,164,024	3,164,024
Less: Accumulated depreciation	1,584,492	1,454,492
Net Property and Equipment	<u>1,579,532</u>	<u>1,709,532</u>
 Total Assets	 <u>\$ 15,547,112</u>	 <u>\$ 15,086,866</u>
 Liabilities and Net Assets		
Current Liabilities:		
Accounts payable	\$ 3,854	\$ 3,853
 Noncurrent Liabilities:		
Due to OSU Charitable Trust	5,215,476	5,666,125
Payable to Estates and Dowry Funds	832,538	771,638
Agency funds payable	4,100,141	4,516,411
Total Noncurrent Liabilities	<u>10,148,155</u>	<u>10,954,174</u>
 Total Liabilities	 <u>10,152,009</u>	 <u>10,958,027</u>
 Net Assets:		
Unrestricted	4,467,724	3,201,460
Temporarily restricted	927,379	927,379
Total Net Assets	<u>5,395,103</u>	<u>4,128,839</u>
 Total Liabilities and Net Assets	 <u>\$ 15,547,112</u>	 <u>\$ 15,086,866</u>

See independent accountants' review report and notes to financial statements.

URSULINE PROVINCIALATE,
EASTERN PROVINCE OF THE UNITED STATES, INC.
STATEMENTS OF ACTIVITIES AND CHANGE IN NET ASSETS
FOR THE YEARS ENDED AUGUST 31, 2014 AND 2013

	2014			2013		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
Revenues:						
Support from Sisters	\$ 167,024	\$ -	\$ 167,024	\$ 172,979	\$ -	\$ 172,979
Support from Community	1,157,840	-	1,157,840	347,112	-	347,112
Ministry income	135,050	-	135,050	150,165	-	150,165
Facility rental	219,887	-	219,887	294,406	-	294,406
Employer retirement payments	70,048	-	70,048	63,311	-	63,311
Social security payments	610,947	-	610,947	637,551	-	637,551
Dividend and interest income	125,431	-	125,431	146,647	-	146,647
Net realized gains on sale of investments	40,843	-	40,843	119,753	-	119,753
Net change in unrealized appreciation of investments	867,668	-	867,668	729,253	-	729,253
Death benefit proceeds	500,000	-	500,000	800,000	-	800,000
Dowry interest	14,224	-	14,224	2,195	-	2,195
Gifts and bequests	234,206	-	234,206	1,133,689	-	1,133,689
Miscellaneous income	24,538	-	24,538	30,510	-	30,510
Development	379,588	-	379,588	584,963	-	584,963
Total Revenues	<u>4,547,294</u>	<u>-</u>	<u>4,547,294</u>	<u>5,212,534</u>	<u>-</u>	<u>5,212,534</u>
Expenses:						
Member support	1,642,893	-	1,642,893	1,451,140	-	1,451,140
Ministry support	583,593	-	583,593	586,673	-	586,673
Development	221,809	-	221,809	232,375	-	232,375
General and administrative	342,542	-	342,542	250,332	-	250,332
Depreciation	130,000	-	130,000	107,595	-	107,595
Bond sponsor fee	1,000	-	1,000	1,000	-	1,000
Sisters' stipends	284,124	-	284,124	301,985	-	301,985
Life insurance premiums	75,069	-	75,069	275,246	-	275,246
Total Expenses	<u>3,281,030</u>	<u>-</u>	<u>3,281,030</u>	<u>3,206,346</u>	<u>-</u>	<u>3,206,346</u>
Change in net assets	1,266,264	-	1,266,264	2,006,188	-	2,006,188
Net assets, beginning of year	<u>3,201,460</u>	<u>927,379</u>	<u>4,128,839</u>	<u>1,195,272</u>	<u>927,379</u>	<u>2,122,651</u>
Net assets, end of year	<u>\$ 4,467,724</u>	<u>\$ 927,379</u>	<u>\$ 5,395,103</u>	<u>\$ 3,201,460</u>	<u>\$ 927,379</u>	<u>\$ 4,128,839</u>

See independent accountants' review report and notes to financial statements.

URSULINE PROVINCIALATE,
EASTERN PROVINCE OF THE UNITED STATES, INC.
STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED AUGUST 31, 2014 AND 2013

	2014					2013				
	Sisters' Stipends	Salaries and Fringe Benefits	House Subsidies	Other Expenses	Total Expenses	Sisters' Stipends	Salaries and Fringe Benefits	House Subsidies	Other Expenses	Total Expenses
Member Support:										
Senior member support	\$ 284,124	\$ -	\$ 728,158	\$ -	\$ 1,012,282	\$ 301,985	\$ -	\$ 530,489	\$ -	\$ 832,474
Other houses	-	146,358	768,377	-	914,735	-	147,304	773,347	-	920,651
Total Member Support	<u>284,124</u>	<u>146,358</u>	<u>1,496,535</u>	<u>-</u>	<u>1,927,017</u>	<u>301,985</u>	<u>147,304</u>	<u>1,303,836</u>	<u>-</u>	<u>1,753,125</u>
Ministry support	21,687	11,091	112,772	438,043	583,593	30,816	15,760	160,244	379,853	586,673
Development	-	-	-	221,809	221,809	-	-	-	232,375	232,375
General and Administrative:										
Finance office	41,909	169,657	-	57,018	268,584	27,818	133,319	-	44,805	205,942
Vocation and archives	20,898	619	-	2,285	23,802	16,123	477	-	1,763	18,363
Social concerns	11,566	1,478	-	9,388	22,432	10,458	1,337	-	8,488	20,283
Province subvention	3,507	14,244	-	4,787	22,538	622	2,528	-	850	4,000
Province committees	2,674	342	-	2,170	5,186	899	115	-	730	1,744
Total General and Administrative	<u>80,554</u>	<u>186,340</u>	<u>-</u>	<u>75,648</u>	<u>342,542</u>	<u>55,920</u>	<u>137,776</u>	<u>-</u>	<u>56,636</u>	<u>250,332</u>
Depreciation	-	-	-	130,000	130,000	-	-	-	107,595	107,595
Bond sponsor fee	-	-	-	1,000	1,000	-	-	-	1,000	1,000
Life insurance premiums	-	-	-	75,069	75,069	-	-	-	275,246	275,246
Total Expenses	\$ 386,365	\$ 343,789	\$ 1,609,307	\$ 941,569	\$ 3,281,030	\$ 388,721	\$ 300,840	\$ 1,464,080	\$ 1,052,705	\$ 3,206,346

See independent accountants' review report and notes to financial statements.

URSULINE PROVINCIALATE,
EASTERN PROVINCE OF THE UNITED STATES, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED AUGUST 31, 2014 AND 2013

	<u>2014</u>	<u>2013</u>
Cash Flows From Operating Activities:		
Change in net assets	\$ 1,266,264	\$ 2,006,188
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:		
Net realized gains on sale of investments	(40,843)	(119,753)
Net change in unrealized appreciation of investments	(867,668)	(729,253)
Depreciation	130,000	107,595
Changes in assets (increase) decrease:		
Retired members' benefits receivable	37,799	(270,548)
Due from Marian Residence Fund Trust	(165,655)	(214,430)
Changes in liabilities (decrease) increase:		
Accounts payable	1	-
Due to OSU Charitable Trust	(450,649)	(375,575)
Payable to Estates and Dowry Funds	60,900	(9,643)
Due to/from Agency funds	(939,114)	(287,933)
Net Cash (Used in) Provided by Operating Activities	<u>(968,965)</u>	<u>106,648</u>
Cash Flows From Investing Activities:		
Proceeds from sale of investments	913,193	2,104,774
Purchase of investments	(1,029,274)	(1,724,472)
Net change in invested cash	1,443,714	(490,182)
Purchase of property and equipment	-	(34,350)
Net Cash Provided by (Used in) Investing Activities	<u>1,327,633</u>	<u>(144,230)</u>
Net change in cash and cash equivalents	358,668	(37,582)
Cash and cash equivalents, beginning of year	<u>401,145</u>	<u>438,727</u>
Cash and cash equivalents, end of year	<u>\$ 759,813</u>	<u>\$ 401,145</u>

See independent accountants' review report and notes to financial statements.

URSULINE PROVINCIALATE,
EASTERN PROVINCE OF THE UNITED STATES, INC.
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2014 AND 2013

Note 1 - Nature of Organization

The Ursuline Provincialate, Eastern Province of the United States, Inc. (the "Provincialate") is a New York not-for-profit corporation. The Provincialate services various entities including separately incorporated convents and educational institutions of the Ursulines of the Roman Union Eastern Province of the United States. The financial statements of the Provincialate include only the assets, liabilities, net assets, and financial activities of the Provincialate. The statements do not include Ursuline convents or ministries which carry on their own activities through separate corporate and governing structures.

Note 2 - Summary of Significant Accounting Policies

Method of Accounting

The Provincialate prepares its financial statements utilizing the accrual basis of accounting. Accordingly, revenues and gains are recorded when earned and expenses and losses are recognized when incurred.

Basis of Presentation

The Provincialate is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Unrestricted net assets include those resources which may be used for any purpose.

Temporarily restricted net assets may be used only after the passage of a donor-stipulated period of time or for a donor-specified purpose. The Provincialate reports Dowry funds as temporarily restricted net assets.

Permanently restricted net assets must be maintained intact; however, the income derived from these may be expended according to donor-specified terms. The Provincialate has no permanently restricted net assets.

Estimates and Assumptions

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of receipts and disbursements during the reporting period. Actual results could differ from those estimates.

URSULINE PROVINCIALATE,
EASTERN PROVINCE OF THE UNITED STATES, INC.
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2014 AND 2013

Note 2 - Summary of Significant Accounting Policies (cont'd.)

Cash and Cash Equivalents

For purposes of the statements of cash flows, the Provincialate considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Property and Equipment

Property and equipment is reported at cost, or for donated property, fair value at the date of gift. Depreciation is provided over the estimated useful lives using the straight-line method.

Long-Lived Assets

The Provincialate reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. An asset is considered to be impaired when the sum of the undiscounted future net cash flows expected to result from the use of the asset and its eventual disposition is less than its carrying amount. The amount of impairment loss, if any, is measured as the difference between the net book value of the asset and its estimated fair value. There was no such impairment loss during the years ended August 31, 2014 and 2013.

Income Taxes

The Provincialate is qualified as a tax-exempt 501(c)(3) public charity under the group ruling issued annually by the Internal Revenue Service for organizations listed in the Official Catholic Directory.

The Provincialate follows the accounting standard for uncertainty in income taxes. This standard provides guidance for how uncertain tax positions should be recognized, measured, presented and disclosed in the financial statements. At August 31, 2014 and 2013, the Provincialate did not have any uncertain tax positions.

Investment Valuation and Income Recognition

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statements of financial position. Unrealized gains and losses are included in the change in net assets. Investment income and gains restricted by a donor are reported as increases in unrestricted net assets if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized.

Dividends and interest income are recognized when received and realized capital gains or losses are recognized upon the sale of the security using the trade-date basis. The majority of the investment portfolios is administered and held by professional managers and custodians.

URSULINE PROVINCIALATE,
EASTERN PROVINCE OF THE UNITED STATES, INC.
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2014 AND 2013

Note 2 - Summary of Significant Accounting Policies (cont'd.)

Contributions

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted net assets depending on the existence or nature of any donor restrictions. With the exception of funds held for Estate and Dowry purposes, the Provincialate always satisfies any gift restrictions or expends more money for restricted purposes than it receives in the same year. The temporarily restricted amounts held for Estate and Dowry purposes at August 31, 2014 and 2013 were \$927,379. There are no permanently restricted net assets at either date.

Functional Allocation of Expenses

The costs of providing the various programs, development, and other activities have been summarized on a functional basis in the statements of functional expenses.

Reclassifications

Certain accounts relating to the prior year have been reclassified to conform to the current year's presentation. These reclassifications have no effect on the change in net assets previously reported.

Note 3 - Agency Funds

The Provincialate serves as an investment custodian for several Ursuline convents and ministries. Funds are added and withdrawn from investments at the direction of the convents. The Provincialate also has a portion of its own funds invested with the Agency funds.

Investment income earned by these pooled investments is allocated ratably among the investors on the basis of the amounts invested. The Provincialate also administers members' Patrimony funds.

Note 4 - Fair Value Measurements

Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 820, *Fair Value Measurements and Disclosures*, provides the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Provincialate has the ability to access.

URSULINE PROVINCIALATE,
EASTERN PROVINCE OF THE UNITED STATES, INC.
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2014 AND 2013

Note 4 - Fair Value Measurements (cont'd.)

Level 2 - Inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

At August 31, 2014 and 2013, the Provincialate's investments consist of the following:

	<u>2014</u>	<u>2013</u>
Cash and money market funds	\$ 1,200,708	\$ 2,644,422
Equities	9,374,216	7,956,898
Fixed income	554,598	424,480
	<hr/>	<hr/>
	11,129,522	11,025,800
Historical cost	6,401,243	7,657,654
	<hr/>	<hr/>
Unrealized gain - cumulative	4,728,279	3,368,146
Unrealized gain applicable to Agency investments (Note 3)	4,326,584	3,197,118
	<hr/>	<hr/>
Unrealized gain applicable to the Provincialate	\$ 401,695	\$ 171,028
	<hr/> <hr/>	<hr/> <hr/>

URSULINE PROVINCIALATE,
EASTERN PROVINCE OF THE UNITED STATES, INC.
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2014 AND 2013

Note 4 - Fair Value Measurements (cont'd.)

The following tables set forth by level, within the fair value hierarchy, the Provincialate's investments at fair value at August 31, 2014 and 2013:

	<u>Investments at Fair Value at August 31, 2014</u>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Cash and money market funds	\$ 1,200,708	\$ -	\$ -	\$ 1,200,708
Equities	9,374,216	-	-	9,374,216
Fixed income	-	554,598	-	554,598
Total Investments, at fair value	\$ 10,574,924	\$ 554,598	\$ -	\$ 11,129,522

	<u>Investments at Fair Value at August 31, 2013</u>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Cash and money market funds	\$ 2,644,422	\$ -	\$ -	\$ 2,644,422
Equities	7,956,898	-	-	7,956,898
Fixed income	-	424,480	-	424,480
Total Investments, at fair value	\$ 10,601,320	\$ 424,480	\$ -	\$ 11,025,800

Note 5 - Property and Equipment

Property and equipment, net consists of the following at August 31, 2014 and 2013:

	<u>2014</u>	<u>2013</u>
Land	\$ 105,000	\$ 105,000
Buildings and improvements	2,780,907	2,780,907
Furniture	220,517	220,517
Automobiles	57,600	57,600
	<u>3,164,024</u>	<u>3,164,024</u>
Less: Accumulated depreciation	1,584,492	1,454,492
	<u>\$ 1,579,532</u>	<u>\$ 1,709,532</u>

Depreciation expense for the years ended August 31, 2014 and 2013 amounted to \$130,000 and \$107,595, respectively.

URSULINE PROVINCIALATE,
EASTERN PROVINCE OF THE UNITED STATES, INC.
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2014 AND 2013

Note 6 - Line of Credit Arrangement with OSU Charitable Trust

During 2004, the Provincialate issued secured bonds in the amount of \$3,500,000. The proceeds from the issuance of the bonds were used to pay the initial annual premiums on life insurance policies on the lives of certain members of the Eastern and Northeastern Provinces of the Ursuline Nuns of the Roman Union, to pay the cost of the issuance of the bonds, and to fund certain reserves required by the terms of the bond indenture.

On June 30, 2011, these bonds were redeemed and replaced by a \$3,500,000 line of credit from Morgan Stanley Bank N.A. consisting of a \$2,000,000 line at a fixed rate of 3.435% through June 30, 2016 and a \$1,500,000 variable line at 100 basis points over the 30-day LIBOR rate (0.156% at August 31, 2014). Interest is payable monthly and repayment of proceeds of the line of credit is at the discretion of the OSU Charitable Trust. The lines of credit are general obligations of the OSU Charitable Trust and are secured by assets of the Trust. For the years ended August 31, 2014 and 2013, the OSU Charitable Trust incurred interest expense of \$79,283 and \$86,473, respectively.

The Provincialate of the Eastern Province entered into a participation agreement with the Provincialate of the Northeastern Province. The Provinces agreed to share in the gains or losses realized on this life insurance investment program. The Eastern Province is an 80% participant and the Northeastern Province is a 20% participant.

Note 7 - Related Party Transactions

The Provincialate enters into various transactions with Ursuline convents and institutions. The following is a summary of such transactions reported in the statements of activities and change in net assets during the years ended August 31, 2014 and 2013.

	<u>2014</u>	<u>2013</u>
Amounts received by the Provincialate:		
Support from Sisters	\$ 167,024	\$ 172,979
Support from Community	1,157,840	347,112
Facility rental	219,887	294,406
Amounts paid by the Provincialate:		
Sisters' stipends	\$ 284,124	\$ 301,985
Member support	1,642,893	1,451,140
Ministry support	583,593	586,673

URSULINE PROVINCIALATE,
EASTERN PROVINCE OF THE UNITED STATES, INC.
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2014 AND 2013

Note 8 - Risks and Uncertainties

The Provincialate maintains its cash accounts primarily in commercial banks in the metropolitan New York City area. Interest and noninterest-bearing accounts are insured by the Federal Deposit Insurance Corporation ("FDIC") for up to \$250,000 per institution. From time to time, the Provincialate's balances may exceed these limits.

The Provincialate invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the financial statements.

Note 9 - Subsequent Events

The Provincialate has evaluated all events or transactions that occurred after August 31, 2014 through the date of these financial statements, which is the date that the financial statements were available to be issued. During this period, there were no material subsequent events requiring disclosure.

Proposed letter from Recipient Ursuline Provincialate Eastern Province of the United States, Inc.
Regarding use of assets received from MOUNT SAINT URSULA SPEECH CENTER

April _____ 2017

ATTORNEY GENERAL OF THE STATE OF NEW YORK
120 Broadway
New York, New York 10271

Re: Dissolution of MOUNT SAINT URSULA SPEECH CENTER

As President of URSULINE PROVINCIALATE EASTERN PROVINCE OF THE UNITED STATES, INC. which is the civil law arm of the New York branch or Province ("Province") of the Roman Catholic Religious order known as the Ursulines of the Roman Union ("Order"), I write to confirm that all assets received from the dissolving Corporation, MOUNT SAINT URSULA SPEECH CENTER will be used in pursuit of the educational and charitable ministries conducted by members of the religious Order.

Throughout the history of the Corporation, the Province has supported the individual Sisters (members of the Order) working for the corporation and has also provided space for the Corporation's operations and financial assistance as needed.

Sincerely,

Jane Finnerty, OSU, President

**MOUNT SAINT URSULA SPEECH CENTER
RESOLUTION OF MEMBERS CONSENTING TO CORPORATION ACTION**

At a meeting held on notice on the 24th day of October 2016 at which all of the Members of the corporation were present, the Members of the corporation of MOUNT SAINT SPEECH URSULA CENTER, after receiving from the Board of Directors, the Plan of Dissolution adopted October 24, 2016 the Members of the Corporation unanimously adopted, the following resolution approving the plan of DISSOLUTION of MOUNT SAINT SPEECH URSULA CENTER

RESOLVED, that the Plan of Dissolution and the Distribution of assets OF MOUNT SAINT SPEECH URSULA CENTER according to that plan adopted on the 26th day of October, 2016, a copy of which is annexed hereto be and the same is hereby adopted and approved. And be it further

RESOLVED, that the President of MOUNT SAINT SPEECH URSULA CENTER Patricia Russell be authorized to execute all documents on behalf of the Corporation and to represent the Corporation in this merger.

The undersigned Secretary of the Corporation hereby certifies that this is an exact copy of the resolution adopted by the Members of the Corporation on the dated stated above.


Dated: March ____ 2017

Maureen Welch, Secretary



MEMORANDUM

To: Public Health and Health Planning Council (PHHPC)

From: Richard J. Zahnleuter
General Counsel 

Date: May 2, 2017

Subject: LI Replacement, LLC: Correction to the Certificate of Amendment of Articles of Organization

The applicant received notice of PHHPC consent to file a Certificate of Amendment of Articles of Organization via letter dated, May 27, 2016; such consent allowed the applicant to effectuate a change to the LLC name from LI Replacement, LLC to Commack Dialysis, LLC.

The State of New York Department of State rejected the filing on two grounds: 1) The Certificate was mistakenly titled Commack Dialysis, LLC when it should have been labeled LI Replacement, LLC; 2) the Third section of the Certificate needed to be re-worded so that language therein related to what the LLC was seeking to amend.

Since consent was inadvertently given to Commack Dialysis, LLC instead of to LI Replacement, LLC, due to the applicant's error, PHHPC would have to re-issue such consent for the applicant to file a correctly titled Certificate of Amendment.

There is no legal objection to the proposed Certificate of Amendment of the Articles of Organization of LI Replacement, LLC. The proposed Certificate of Amendment of the Articles of Organization of LI Replacement, LLC is in legally acceptable form.

Attachments

New York State
Department of State
Division of Corporations, State Records
and Uniform Commercial Code
One Commerce Plaza, 99 Washington Avenue
Albany, NY 12231
www.dos.state.ny.us

CERTIFICATE OF AMENDMENT
OF
ARTICLES OF ORGANIZATION
OF
LI REPLACEMENT, LLC

Under Section 211 of the Limited Liability Company Law

FIRST: The name under which the limited liability company was organized is LI Replacement, LLC.

SECOND: The date of filing of the articles of organization is: September 12, 2007.

THIRD: The amendments effected by this certificate of amendment are as follows:

Paragraph **FIRST** of the Articles of Organization relating to the limited liability company name is hereby amended to read in its entirety as follows:

***FIRST:** The name of the limited liability company is Commack Dialysis, LLC.*

Paragraph **THIRD** of the Articles of Organization relating to the limited liability company service of process address is hereby amended to read in its entirety as follows:

***THIRD:** The Secretary of State of the State of New York is hereby designated as the agent of the limited liability company upon whom all processes in any action or proceeding against the limited liability company may be served within the State of New York. The address to which the Secretary of State shall mail a copy of any process against the limited liability company which may be served upon him pursuant to law is in care of Davidoff Hutcher & Citron, LLP, 605 Third Avenue, New York, New York 10158.*

Paragraph **FIFTH** of the Articles of Organization relating to the management of the limited liability company location is hereby amended to read in its entirety as follows:

***FIFTH:** The limited liability company shall be managed by one or more of its members, and neither the management structure nor the provision setting forth*


such structure may be deleted, modified or amended without the prior approval of the New York State Department of Health.

FOURTH: The Articles of Organization are further amended to include the following paragraphs:

SIXTH: The powers and purposes of the limited liability company are limited to the ownership and operation of the New York Public Health Law Article 28 outpatient renal dialysis facility known as Commack Dialysis LLC located at 68 Hauppauge Road, Commack, New York, Suffolk County.

SEVENTH: The location and principal office of the LLC shall be located at 68 Hauppauge Road, Commack, New York, Suffolk County.

EIGHTH: Notwithstanding anything to the contrary in the Articles of Organization or the Operating Agreement, transfers, assignments or other dispositions of New York State Department of Health membership interests or voting rights must be effectuated in accordance with section 2801-a(4)(b) of the Public Health Law.

By: 
Island Rehabilitative Services, Inc.
Member, LI Replacement, LLC

By: Morton J. Kleiner, M.D.
Title: President, Island
Rehabilitative Services, Inc.

**CERTIFICATE OF AMENDMENT
OF
ARTICLES OF ORGANIZATION
OF
LI REPLACEMENT, LLC**

Under Section 211 of the Limited Liability Company Law

**Filed by: Davidoff Hutcher & Citron, LLP
605 Third Avenue
New York, New York 10158**

STATE OF NEW YORK
DEPARTMENT OF STATE
ONE COMMERCE PLAZA
99 WASHINGTON AVENUE
ALBANY, NY 12231-0001
WWW.DOS.NY.GOV

ANDREW M. CUOMO
Governor
ROSSANA ROSADO
Secretary of State

January 04, 2017

07 - C T CORPORATION SYSTEM - 07
Drop box: 27

RE: Amendment of LI REPLACEMENT, LLC

Dear Sir/Madam:

Thank you for your recent submission. The enclosed document(s) has been reviewed pursuant to the appropriate statutes. We regret we have not been able to file this document(s) and it is being returned to you for the following reasons:

The public health consent cannot refer to the new name which is not yet filed. It must make reference to the present name or it may read re: certificate of amendment of articles of organization of (present name) changing its name to (new name).

Delete the bracketed material in the Third section referring to "location" and replace it with what is being amended which is the "service of process address." Please remove the public health consents that do not apply as indicated.

Please return a copy of this letter with your re-submission to facilitate the processing of your certificate(s).

Sincerely,

Lynn P.
Division of Corporations
(518) 473-2492

170104000308



Department
of State

PHHPC

PUBLIC HEALTH AND HEALTH PLANNING COUNCIL

Empire State Plaza, Corning Tower, Room 1805
Albany, New York 12237

(518) 402-0964
PHHPC@health.ny.gov

May 27, 2016

Robert S. Shapiro
Pinnacle Health Consultants, LLC
1890 Palmer Avenue
Larchmont, New York 10538

Re: Certificate of Amendment of Articles of Organization of Commack Dialysis, LLC

Dear Mr. Shapiro:

AFTER INQUIRY and INVESTIGATION and in accordance with action taken at a meeting of the Public Health Council held on the 19th day of December, 2010, I hereby certify that the Public Health Council consents to the filing of the Certificate of Amendment of Articles of Organization of Commack Dialysis, LLC, dated as attached.

Sincerely,


Colleen M. Leonard
Colleen M. Leonard
Executive Secretary

/cl



MEMORANDUM

To: Public Health and Health Planning Council (PHHPC)

From: Richard J. Zahnleuter,
General Counsel 

Date: May 1, 2017

Subject: NYU Hospitals Center: 1) Restated Certificate of Incorporation to Effectuate a Corporate Name Change; 2) Change in Assumed Name to Three Related Facilities

NYU Hospitals Center (the "Hospital") seeks PHHPC approval to change its corporate name to NYU Langone Hospitals. The Hospital also asks for approval to change the assumed name of three related facilities; NYU Hospital for Joint Diseases Orthopedic Institute, NYU Lutheran Medical Center, and NYULMC-Cobble Hill. Respectively, the new assumed name of these facilities will, if approved, be; NYU Langone Orthopedic Hospital, NYU Langone Hospital-Brooklyn, and NYU Langone Health-Cobble Hill.

The changes are being conducted to honor a "transformative gift" from Kenneth Langone and to "unify branding identity".

PHHPC approval of the corporate name change and changes to the assumed names of the related facilities is required pursuant to Not-for-Profit Corporation Law § 804 and 10 NYCRR § 600.11.

There is no legal objection to the proposed Restated Certificate of Incorporation of NYU Hospitals Center nor is there an objection to the corporate name change or the change in assumed names. The proposed Restated Certificate of Incorporation of NYU Hospitals Center, dated April 19, 2017 is in legally acceptable form. The proposed Certificates of Assumed Name are in legally acceptable form.

Attachments.



April 13, 2017

Ms. Colleen Leonard, Executive Secretary
Public Health and Health Planning Council
New York State Department of Health
Empire State Plaza
Corning Tower, Room 1805
Albany, New York 12237

Re: Request Approval to Name Change of NYU Hospitals Center

Dear Ms. Leonard:

I am writing to request approval for NYU Hospitals Center (the "Hospital") to change its corporate name to "NYU Langone Hospitals", and to rename three of its facilities, as identified below:

- a) Rename the facility currently known as NYU Hospital for Joint Diseases Orthopaedic Institute to "NYU Langone Orthopedic Hospital";
- b) Rename the facility currently known as NYU Lutheran Medical Center to "NYU Langone Hospital-Brooklyn"; and
- c) Rename the facility currently known as NYULMC-Cobble Hill to "NYU Langone Health-Cobble Hill."

The desire for the name change was precipitated by the transformative gift made by Kenneth Langone, Chairman of the Hospital's Board of Trustees, and his wife in 2008. In honor of the gift, the Hospital and NYU School of Medicine (the "SOM") renamed the academic medical center they jointly operate as NYU Langone Medical Center (the "Medical Center"). Since 2008, Lutheran Medical Center merged into the Hospital and a corporate restructuring was undertaken whereby NYU Langone Health System (the "System") became the sole corporate member of the Hospital and the healthcare providers previously controlled by Lutheran. These events, coupled with the Medical Center's tremendous growth and expansion, has created the need for a unified branding identity.

We understand that only the name change for the Hospital requires approval by the Public Health and Health Planning Council, and renaming the three facilities identified above may be approved administratively. Accordingly, enclosed please find the Hospital's draft Amended and Restated Certificate of Incorporation reflecting the Hospital's change of name and the proposed Certificates of Assumed Name with respect to the renaming of the three facilities. Please note that the draft Certificate of Incorporation is being submitted to the Secretary of State and the Education Department for review as well.



We also wish to advise you that a marketing campaign will soon be implemented which positions "NYU Langone Health" as the institutional masterbrand for the Medical Center's academic, research and clinical missions.

Please advise if there is any further information you require in connection with this request. You may contact me at shari.liss@nyumc or via telephone at (212) 404-3883.

Thank you in advance for your attention.

Sincerely,

A handwritten signature in cursive script that reads "Shari M. Liss".

Shari Liss

Attachments

cc: Barbara DelCogliano, Deputy Director, Division of Health Facility Planning

RESTATED CERTIFICATE OF INCORPORATION
OF
NYU HOSPITALS CENTER

Under Section 805 of the New York Not-for-Profit Corporation Law

I, the undersigned, being the Chief Executive Officer of NYU Hospitals Center (hereinafter the "Corporation"), do hereby certify as follows:

1. The name of the Corporation is NYU Hospitals Center.
2. The Corporation's Certificate of Incorporation was filed by the New York State Department of State on November 11, 1997.
3. The Corporation was formed under the Not-For-Profit Corporation Law of the State of New York (the "NPCL").
4. The Corporation is a corporation as defined in subparagraph (5) of paragraph (a) of Section 102 of the NPCL and is a charitable corporation as defined under Section 201 of the NPCL.
5. The Certificate of Incorporation of the Corporation is amended to effect the following amendments authorized by the NPCL:
 - a) Paragraph First, regarding the name of the Corporation, is hereby amended to read as follows:

"FIRST: The name of the Corporation is NYU Langone Hospitals (the "Corporation")."
 - b) Paragraph Second, which describes the corporation type under the NPCL, is hereby amended to read as follows:

"SECOND: The Corporation is a corporation as defined in subparagraph (5) of paragraph (a) of Section 102 of the Not-for-Profit Corporation Law of the State of New York (the "Not-For-Profit Corporation Law") and is a charitable corporation as defined under Section 201 of the Not-For-Profit Corporation Law."
 - c) Paragraph Sixth, which prohibits pecuniary profit or financial gain to the benefit of private individuals, is hereby amended to read as follows:

"SIXTH: No part of the Corporation's assets, net earnings, income or profits shall inure to the benefit of, or be distributable to, any trustee, director, officer or employee of the Corporation or other private person; provided, however, that the Corporation shall be

authorized and empowered to pay reasonable compensation to any person for services rendered to or for the Corporation in furtherance of one or more of its purposes. No trustee, director, officer or employee of the Corporation or any private person shall be entitled to share in the distribution of any of the corporate assets on dissolution of the Corporation."

d) Paragraph Ninth, stating the County within which the Corporation is located, is hereby amended to read as follows:

"NINTH: The office of the Corporation shall be located in the Borough of Manhattan, County of New York, State of New York."

e) Paragraph Tenth, regarding the initial Trustees of the Corporation, is hereby deleted.

f) Paragraph Eleventh, regarding disposition of the Corporation's assets upon dissolution, is renumbered as Paragraph TENTH and is hereby amended to read as follows:

"TENTH: In the event of dissolution of the Corporation, all of the remaining assets and property of the Corporation shall, after payment of or provision for all necessary expenses and liabilities thereof, be distributed to:

- (1) NYU Langone Health System or New York University or one or more of their respective affiliates or successors, as determined by the Board of Trustees of the Corporation; provided that such successor(s) or affiliate(s) are then in good standing and qualifying under Section 501(c)(3) of the Code, for use by such entities in furtherance of charitable, scientific and educational purposes substantially similar to those of the Corporation; or
- (2) In the event the entities described in Article TENTH, clause (1) above and its successors have ceased to exist or are not then qualifying under Section 501(c)(3) of the Code, then to one or more charitable, educational and/or scientific organizations as are then in existence and qualifying under Section 501(c)(3) of the Code, or to the Federal, State and/or local governments for a related public purpose, in such proportions as the Board of Trustees of the Corporation shall determine, for use by such entities in furtherance of charitable, scientific and educational purposes substantially similar to those of the Corporation, in either case, subject to compliance with applicable laws of the State of New York."

g) Paragraph Twelfth, regarding the Corporation's designated agent and mailing address, is renumbered as Paragraph Fourteenth and is hereby amended to read as follows:

"FOURTEENTH: The Secretary of State is designated as agent of the Corporation upon whom process against it may be served. The address to which the Secretary of State shall forward copies of process accepted on behalf of the Corporation is:

NYU Langone Hospitals
550 First Avenue, HCC-15
New York, New York 10016
Attention: General Counsel

h) The following new Paragraphs Eleventh, Twelfth and Thirteenth are hereby added:

"ELEVENTH: In accordance with Section 508(e) of the Code, if in any taxable year the Corporation is a private foundation as defined in Section 509(a) of the Code, then in such year:

- (1) The Corporation shall distribute such amounts for each taxable year at such time and in such manner so as not to subject the Corporation to tax on undistributed income under Section 4942 of the Code;
- (2) The Corporation shall not engage in any act of self-dealing which is subject to tax under Section 4941(d) of the Code;
- (3) The Corporation shall not retain any excess business holdings which are subject to tax under Section 4943(c) of the Code;
- (4) The Corporation shall not make any investments in such manner so as to subject the Corporation to tax under Section 4944 of the Code; and
- (5) The Corporation shall not make any taxable expenditures which are subject to tax under Section 4945 of the Code.

TWELFTH: No trustee, director or officer of the Corporation shall have any personal liability to the Corporation or its members for damage resulting from any breach of such trustee's, director's or officer's duties as a trustee, director or officer of the Corporation; provided, however, that this Article TWELFTH shall not eliminate or limit the liability of any trustee, director or officer: (1) if a judgment or other final adjudication adverse to such trustee, director or officer establishes that his or her acts or omissions (a) were in bad faith or involved intentional misconduct or a knowing

violation of law or that such trustee, director or officer personally gained in fact a financial profit or other advantage to which he or he was not legally entitled, or (b) violated Section 719 of the Not-For-Profit Corporation Law, unless the Not-For-Profit Corporation Law is amended or supplemented to so limit or eliminate such liability; or (2) to the extent that such personal liability is otherwise required by, or can not otherwise be eliminated in accordance with, the Not-For-Profit Corporation Law.

THIRTEENTH: All references herein to the Code are to the Internal Revenue Code of 1986, and shall be deemed to include both amendments thereto and corresponding provisions of future United States Internal Revenue Laws which superseded the Code or particular provisions thereof."

6. The text of the Certificate of Incorporation is hereby restated as amended to read herein set forth in full:

FIRST: The name of the Corporation is NYU Langone Hospitals (the "Corporation").

SECOND: The Corporation is a corporation as defined in subparagraph (5) of paragraph (a) of Section 102 of the Not-for-Profit Corporation Law of the State of New York (the "Not-For-Profit Corporation Law") and is a charitable corporation as defined under Section 201 of the Not-For-Profit Corporation Law.

THIRD: The purposes for which the Corporation is formed are as follows:

- (1) To establish, conduct, operate and maintain indefinitely a general hospital licensed pursuant to Article 28 of the Public Health Law and Article 31 of the Mental Hygiene Law of the State of New York;
- (2) To provide medical services, rehabilitation services, mental health services and dental services for the prevention, diagnosis and treatment of human illness, diseases, disability, injury or other condition, including but not limited to inpatient services and outpatient services, including medical services of the kind customarily furnished most effectively by hospitals, pursuant to Section 242 of the National Housing Act, as amended;
- (3) To support the purposes and mission of the School of Medicine of New York University and NYU Langone Health System and any charitable and federally tax-exempt organizations that are affiliated with NYU Langone Health System;
- (4) To carry on any educational and training activities relating to the rendering of care to the sick and injured and to the training of physicians,

dentists, nurses and other health care professionals, including non-credit certificate programs in health-related professions and to provide facilities for educational programs for medical students and graduates of medical schools for post-graduate training; provided, that nothing herein shall authorize the Corporation to operate or maintain an institution of higher learning or to grant degrees or to offer programs leading to licensure in professions subject to Title VIII of the Education Law;

- (5) To promote, participate in and carry on any activity designed to promote the general health of the community;
- (6) To promote and carry on scientific and research activities related to the provision and implementation of the services and activities described in paragraphs (1), (2), (3), (4) and (5) above; and
- (7) To provide, establish and maintain facilities and equipment for the provision of the services and activities described in paragraphs (1), (2), (3), (4) and (5) above.

FOURTH: In furtherance of the foregoing purpose, the Corporation shall have all of the general powers enumerated in Section 202 of the Not-For-Profit Corporation Law together with the power to solicit grants and contributions for any corporate purposes and the power to maintain a fund or funds of real or personal property for any corporate purposes. The Corporation will have the right to exercise such other powers as now are, or hereafter may be conferred by law upon a corporation organized for the purposes hereinabove set forth or necessary or incidental to the powers so conferred, or conducive to the furtherance thereof, subject to the limitation and condition that, notwithstanding any other provision of this Article FOURTH, the Corporation shall not have the power to carry on any activity not permitted to be carried on by a corporation exempt from Federal income taxation under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (or the corresponding provision of any future United States Law which replaces the Internal Revenue Code).

FIFTH: The Corporation shall be empowered to solicit funds from the public to support the purposes of the Corporation.

SIXTH: No part of the Corporation's assets, net earnings, income or profits shall inure to the benefit of, or be distributable to, any trustee, director, officer or employee of the Corporation or other private person; provided, however, that the Corporation shall be authorized and empowered to pay reasonable compensation to any person for services rendered to or for the Corporation in furtherance of one or more of its purposes. No trustee, director, officer or employee of the Corporation or any private person shall be entitled to share in the distribution of any of the corporate assets on dissolution of the Corporation.

SEVENTH: Nothing herein shall authorize the Corporation, directly or indirectly, to engage in or include among its purposes any of the activities mentioned in Section 404 (b-n), (p), (r-s), (u) and (v) of the Not-for-Profit Corporation Law.

EIGHTH: No substantial part of the activities of the Corporation shall be devoted to carrying on propaganda, or otherwise attempting to influence legislation (except to the extent authorized by Internal Revenue Code Section 501(h) as amended, or the corresponding provision of any future United States Law which replaces the Internal Revenue Code, during any fiscal year or years in which the Corporation has chosen to utilize the benefits authorized by that statutory provision) and the Corporation shall not participate in or intervene (including the publishing or distributing of statements) in any political campaign on behalf of any candidate for public office.

NINTH: The office of the Corporation shall be located in the Borough of Manhattan, County of New York, State of New York.

TENTH: In the event of dissolution of the Corporation, all of the remaining assets and property of the Corporation shall, after payment of or provision for all necessary expenses and liabilities thereof, be distributed to:

- (1) NYU Langone Health System or New York University or one or more of their respective affiliates or successors, as determined by the Board of Trustees of the Corporation; provided that such successor(s) or affiliate(s) are then in good standing and qualifying under Section 501(c)(3) of the Code, for use by such entities in furtherance of charitable, scientific and educational purposes substantially similar to those of the Corporation; or
- (2) In the event the entities described in Article TENTH, clause (1) above and its successors have ceased to exist or are not then qualifying under Section 501(c)(3) of the Code, then to one or more charitable, educational and/or scientific organizations as are then in existence and qualifying under Section 501(c)(3) of the Code, or to the Federal, State and/or local governments for a related public purpose, in such proportions as the Board of Trustees of the Corporation shall determine, for use by such entities in furtherance of charitable, scientific and educational purposes substantially similar to those of the Corporation, in either case, subject to compliance with applicable laws of the State of New York.

ELEVENTH: In accordance with Section 508(e) of the Code, if in any taxable year the Corporation is a private foundation as defined in Section 509(a) of the Code, then in such year:

- (1) The Corporation shall distribute such amounts for each taxable year at such time and in such manner so as not to subject the Corporation to tax on undistributed income under Section 4942 of the Code;
- (2) The Corporation shall not engage in any act of self-dealing which is subject to tax under Section 4941(d) of the Code;
- (3) The Corporation shall not retain any excess business holdings which are subject to tax under Section 4943(c) of the Code;
- (4) The Corporation shall not make any investments in such manner so as to subject the Corporation to tax under Section 4944 of the Code; and
- (5) The Corporation shall not make any taxable expenditures which are subject to tax under Section 4945 of the Code.

TWELFTH: No trustee, director or officer of the Corporation shall have any personal liability to the Corporation or its members for damage resulting from any breach of such trustee's, director's or officer's duties as a trustee, director or officer of the Corporation; provided, however, that this Article TWELFTH shall not eliminate or limit the liability of any trustee, director or officer: (1) if a judgment or other final adjudication adverse to such trustee, director or officer establishes that his or her acts or omissions (a) were in bad faith or involved intentional misconduct or a knowing violation of law or that such trustee, director or officer personally gained in fact a financial profit or other advantage to which he or she was not legally entitled, or (b) violated Section 719 of the Not-for-Profit Corporation Law, unless the Not-for-Profit Corporation Law is amended or supplemented to so limit or eliminate such liability; or (2) to the extent that such personal liability is otherwise required by, or can not otherwise be eliminated in accordance with, the Not-for-Profit Corporation Law.

THIRTEENTH: All references herein to the Code are to the Internal Revenue Code of 1986, and shall be deemed to include both amendments thereto and corresponding provisions of future United States Internal Revenue Laws which superseded the Code or particular provisions thereof.

FOURTEENTH: The Secretary of State is designated as agent of the Corporation upon whom process against it may be served. The address to which the Secretary of State shall forward copies of process accepted on behalf of the Corporation is:

NYU Langone Hospitals
550 First Avenue, HCC-15
New York, New York 10016
Attention: General Counsel

7. This restatement of the Corporation's Certificate of Incorporation was authorized by a vote of the sole member of the Corporation at a meeting duly called and held on February 24, 2017.

[Remainder of page intentionally left blank. Signature page follows.]

IN WITNESS WHEREOF, the undersigned has subscribed this certificate and hereby affirms it as true under penalties of perjury this 11 day of April, 2017.



Robert I. Grossman, MD
Chief Executive Officer

RESTATED CERTIFICATE OF INCORPORATION

OF

NYU HOSPITALS CENTER


Under Section 805 of the New York Not-for-Profit Corporation Law

**Filed By: Sheila Eisenberg, Esq.
NYU Hospitals Center
1 Park Avenue, 3rd fl.
New York, NY 10016**



MEMORANDUM

To: Public Health and Health Planning Council (PHHPC)

From: Richard J. Zahnleuter,
General Counsel 

Date: May 1, 2017

Subject: NYU Hospitals Center: 1) Restated Certificate of Incorporation to Effectuate a Corporate Name Change; 2) Change in Assumed Name to Three Related Facilities

NYU Hospitals Center (the "Hospital") seeks PHHPC approval to change its corporate name to NYU Langone Hospitals. The Hospital also asks for approval to change the assumed name of three related facilities; NYU Hospital for Joint Diseases Orthopedic Institute, NYU Lutheran Medical Center, and NYULMC-Cobble Hill. Respectively, the new assumed name of these facilities will, if approved, be; NYU Langone Orthopedic Hospital, NYU Langone Hospital-Brooklyn, and NYU Langone Health-Cobble Hill.

The changes are being conducted to honor a "transformative gift" from Kenneth Langone and to "unify branding identity".

PHHPC approval of the corporate name change and changes to the assumed names of the related facilities is required pursuant to Not-for-Profit Corporation Law § 804 and 10 NYCRR § 600.11.

There is no legal objection to the proposed Restated Certificate of Incorporation of NYU Hospitals Center nor is there an objection to the corporate name change or the change in assumed names. The proposed Restated Certificate of Incorporation of NYU Hospitals Center, dated April 19, 2017 is in legally acceptable form. The proposed Certificates of Assumed Name are in legally acceptable form.

Attachments.



April 13, 2017

Ms. Colleen Leonard, Executive Secretary
Public Health and Health Planning Council
New York State Department of Health
Empire State Plaza
Corning Tower, Room 1805
Albany, New York 12237

Re: Request Approval to Name Change of NYU Hospitals Center

Dear Ms. Leonard:

I am writing to request approval for NYU Hospitals Center (the "Hospital") to change its corporate name to "NYU Langone Hospitals", and to rename three of its facilities, as identified below:

- a) Rename the facility currently known as NYU Hospital for Joint Diseases Orthopaedic Institute to "NYU Langone Orthopedic Hospital";
- b) Rename the facility currently known as NYU Lutheran Medical Center to "NYU Langone Hospital-Brooklyn"; and
- c) Rename the facility currently known as NYULMC-Cobble Hill to "NYU Langone Health-Cobble Hill."

The desire for the name change was precipitated by the transformative gift made by Kenneth Langone, Chairman of the Hospital's Board of Trustees, and his wife in 2008. In honor of the gift, the Hospital and NYU School of Medicine (the "SOM") renamed the academic medical center they jointly operate as NYU Langone Medical Center (the "Medical Center"). Since 2008, Lutheran Medical Center merged into the Hospital and a corporate restructuring was undertaken whereby NYU Langone Health System (the "System") became the sole corporate member of the Hospital and the healthcare providers previously controlled by Lutheran. These events, coupled with the Medical Center's tremendous growth and expansion, has created the need for a unified branding identity.

We understand that only the name change for the Hospital requires approval by the Public Health and Health Planning Council, and renaming the three facilities identified above may be approved administratively. Accordingly, enclosed please find the Hospital's draft Amended and Restated Certificate of Incorporation reflecting the Hospital's change of name and the proposed Certificates of Assumed Name with respect to the renaming of the three facilities. Please note that the draft Certificate of Incorporation is being submitted to the Secretary of State and the Education Department for review as well.



We also wish to advise you that a marketing campaign will soon be implemented which positions "NYU Langone Health" as the institutional masterbrand for the Medical Center's academic, research and clinical missions.

Please advise if there is any further information you require in connection with this request. You may contact me at shari.liss@nyumc or via telephone at (212) 404-3883.

Thank you in advance for your attention.

Sincerely,

A handwritten signature in cursive script that reads "Shari M. Liss".

Shari Liss

Attachments

cc: Barbara DelCogliano, Deputy Director, Division of Health Facility Planning



**Division of Corporations,
State Records and
Uniform Commercial Code**

New York State
Department of State
Division of Corporations,
State Records and
Uniform Commercial Code
One Commerce Plaza
99 Washington Avenue
Albany, NY 12231
www.dos.ny.gov

Certificate of Assumed Name

(Pursuant to General Business Law §130)

1. REAL NAME OF ENTITY:

NYU Langone Hospitals

1a. FICTITIOUS NAME, IF ANY, OF FOREIGN ENTITY (Not Assumed Name):

2. THE ENTITY WAS FORMED OR AUTHORIZED UNDER THE FOLLOWING NEW YORK LAW (Check one):

- Business Corporation Law
 Limited Liability Company Law
 Religious Corporations Law
 Education Law
 Not-for-Profit Corporation Law
 Revised Limited Partnership Act
 Other (specify law): _____

3. ASSUMED NAME OF ENTITY:

NYU Langone Hospital for Orthopedics

4. PRINCIPAL PLACE OF BUSINESS IN NEW YORK STATE (MUST INCLUDE NUMBER AND STREET). IF NONE, CHECK THIS BOX AND PROVIDE OUT-OF- STATE ADDRESS:

550 First Avenue, NY, NY 10018

5. COUNTY(IES) IN WHICH ENTITY DOES OR INTENDS TO DO BUSINESS:

ALL COUNTIES (or check applicable county(ies) below)

- | | | | | | | | |
|-----------------------------------|--------------------------------------|-------------------------------------|---------------------------------------|-----------------------------------|------------------------------------|--------------------------------------|--|
| <input type="checkbox"/> Albany | <input type="checkbox"/> Cattaraugus | <input type="checkbox"/> Chenango | <input type="checkbox"/> Delaware | <input type="checkbox"/> Franklin | <input type="checkbox"/> Hamilton | <input type="checkbox"/> Lewis | <input type="checkbox"/> Montgomery |
| <input type="checkbox"/> Allegany | <input type="checkbox"/> Cayuga | <input type="checkbox"/> Clinton | <input type="checkbox"/> Dutchess | <input type="checkbox"/> Fulton | <input type="checkbox"/> Herkimer | <input type="checkbox"/> Livingston | <input type="checkbox"/> Nassau |
| <input type="checkbox"/> Bronx | <input type="checkbox"/> Chautauque | <input type="checkbox"/> Columbia | <input type="checkbox"/> Erie | <input type="checkbox"/> Genesee | <input type="checkbox"/> Jefferson | <input type="checkbox"/> Madison | <input checked="" type="checkbox"/> New York |
| <input type="checkbox"/> Broome | <input type="checkbox"/> Chemung | <input type="checkbox"/> Cortland | <input type="checkbox"/> Essex | <input type="checkbox"/> Greene | <input type="checkbox"/> Kings | <input type="checkbox"/> Monroe | <input type="checkbox"/> Niagara |
| <input type="checkbox"/> Oneida | <input type="checkbox"/> Orleans | <input type="checkbox"/> Queens | <input type="checkbox"/> St. Lawrence | <input type="checkbox"/> Schuyler | <input type="checkbox"/> Sullivan | <input type="checkbox"/> Warren | <input type="checkbox"/> Wyoming |
| <input type="checkbox"/> Onondaga | <input type="checkbox"/> Oswego | <input type="checkbox"/> Rensselaer | <input type="checkbox"/> Saratoga | <input type="checkbox"/> Seneca | <input type="checkbox"/> Tioga | <input type="checkbox"/> Washington | <input type="checkbox"/> Yates |
| <input type="checkbox"/> Ontario | <input type="checkbox"/> Otsego | <input type="checkbox"/> Richmond | <input type="checkbox"/> Schenectady | <input type="checkbox"/> Steuben | <input type="checkbox"/> Tompkins | <input type="checkbox"/> Wayne | |
| <input type="checkbox"/> Orange | <input type="checkbox"/> Putnam | <input type="checkbox"/> Rockland | <input type="checkbox"/> Schoharie | <input type="checkbox"/> Suffolk | <input type="checkbox"/> Ulster | <input type="checkbox"/> Westchester | |

6. ADDRESS OF EACH LOCATION, INCLUDING NUMBER AND STREET, IF ANY, OF EACH PLACE WHERE THE ENTITY CARRIES ON, CONDUCTS OR TRANSACTS BUSINESS IN NEW YORK STATE. (Use page 2 if needed. The address(es) must be a number and street, city, state and zip code. The address(es) must be within the county(ies) indicated in paragraph 5.) If none, check this box : No New York State Business Location.

301 East 17th Street, New York, NY 10003

Print or Type Name of Signer: Sheila Eisenberg


Signature:

Capacity of Signer (Check one): Authorized Person Officer of the Corporation General Partner of the Limited Partnership Member of the Limited Liability Company Manager of the Limited Liability Company



MEMORANDUM

To: Public Health and Health Planning Council (PHHPC)

From: Richard J. Zahnleuter,
General Counsel 

Date: May 1, 2017

Subject: NYU Hospitals Center: 1) Restated Certificate of Incorporation to Effectuate a Corporate Name Change; 2) Change in Assumed Name to Three Related Facilities

NYU Hospitals Center (the "Hospital") seeks PHHPC approval to change its corporate name to NYU Langone Hospitals. The Hospital also asks for approval to change the assumed name of three related facilities; NYU Hospital for Joint Diseases Orthopedic Institute, NYU Lutheran Medical Center, and NYULMC-Cobble Hill. Respectively, the new assumed name of these facilities will, if approved, be; NYU Langone Orthopedic Hospital, NYU Langone Hospital-Brooklyn, and NYU Langone Health-Cobble Hill.

The changes are being conducted to honor a "transformative gift" from Kenneth Langone and to "unify branding identity".

PHHPC approval of the corporate name change and changes to the assumed names of the related facilities is required pursuant to Not-for-Profit Corporation Law § 804 and 10 NYCRR § 600.11.

There is no legal objection to the proposed Restated Certificate of Incorporation of NYU Hospitals Center nor is there an objection to the corporate name change or the change in assumed names. The proposed Restated Certificate of Incorporation of NYU Hospitals Center, dated April 19, 2017 is in legally acceptable form. The proposed Certificates of Assumed Name are in legally acceptable form.

Attachments.



April 13, 2017

Ms. Colleen Leonard, Executive Secretary
Public Health and Health Planning Council
New York State Department of Health
Empire State Plaza
Corning Tower, Room 1805
Albany, New York 12237

Re: Request Approval to Name Change of NYU Hospitals Center

Dear Ms. Leonard:

I am writing to request approval for NYU Hospitals Center (the "Hospital") to change its corporate name to "NYU Langone Hospitals", and to rename three of its facilities, as identified below:

- a) Rename the facility currently known as NYU Hospital for Joint Diseases Orthopaedic Institute to "NYU Langone Orthopedic Hospital";
- b) Rename the facility currently known as NYU Lutheran Medical Center to "NYU Langone Hospital-Brooklyn"; and
- c) Rename the facility currently known as NYULMC-Cobble Hill to "NYU Langone Health-Cobble Hill."

The desire for the name change was precipitated by the transformative gift made by Kenneth Langone, Chairman of the Hospital's Board of Trustees, and his wife in 2008. In honor of the gift, the Hospital and NYU School of Medicine (the "SOM") renamed the academic medical center they jointly operate as NYU Langone Medical Center (the "Medical Center"). Since 2008, Lutheran Medical Center merged into the Hospital and a corporate restructuring was undertaken whereby NYU Langone Health System (the "System") became the sole corporate member of the Hospital and the healthcare providers previously controlled by Lutheran. These events, coupled with the Medical Center's tremendous growth and expansion, has created the need for a unified branding identity.

We understand that only the name change for the Hospital requires approval by the Public Health and Health Planning Council, and renaming the three facilities identified above may be approved administratively. Accordingly, enclosed please find the Hospital's draft Amended and Restated Certificate of Incorporation reflecting the Hospital's change of name and the proposed Certificates of Assumed Name with respect to the renaming of the three facilities. Please note that the draft Certificate of Incorporation is being submitted to the Secretary of State and the Education Department for review as well.



We also wish to advise you that a marketing campaign will soon be implemented which positions "NYU Langone Health" as the institutional masterbrand for the Medical Center's academic, research and clinical missions.

Please advise if there is any further information you require in connection with this request. You may contact me at shari.liss@nyumc or via telephone at (212) 404-3883.

Thank you in advance for your attention.

Sincerely,

A handwritten signature in cursive script that reads "Shari M. Liss".

Shari Liss

Attachments

cc: Barbara DelCogliano, Deputy Director, Division of Health Facility Planning



Certificate of Assumed Name

(Pursuant to General Business Law §150)

1. REAL NAME OF ENTITY:

NYU Langone Hospitals

1a. FICTITIOUS NAME, IF ANY, OF FOREIGN ENTITY (Not Assumed Name):

2. THE ENTITY WAS FORMED OR AUTHORIZED UNDER THE FOLLOWING NEW YORK LAW (Check one):

- Business Corporation Law
- Education Law
- Limited Liability Company Law
- Not-for-Profit Corporation Law
- Religious Corporations Law
- Revised Limited Partnership Act
- Other (specify law): _____

3. ASSUMED NAME OF ENTITY:

NYU Langone Hospital-Brooklyn

4. PRINCIPAL PLACE OF BUSINESS IN NEW YORK STATE (MUST INCLUDE NUMBER AND STREET). IF NONE, CHECK THIS BOX AND PROVIDE OUT-OF-STATE ADDRESS:

550 First Avenue, NY, NY 10018

5. COUNTY(IES) IN WHICH ENTITY DOES OR INTENDS TO DO BUSINESS:

ALL COUNTIES (or check applicable county(ies) below)

- | | | | | | | | |
|-----------------------------------|--------------------------------------|-------------------------------------|---------------------------------------|-----------------------------------|---|--------------------------------------|-------------------------------------|
| <input type="checkbox"/> Albany | <input type="checkbox"/> Cattaraugus | <input type="checkbox"/> Chenango | <input type="checkbox"/> Delaware | <input type="checkbox"/> Franklin | <input type="checkbox"/> Hamilton | <input type="checkbox"/> Lewis | <input type="checkbox"/> Montgomery |
| <input type="checkbox"/> Allegany | <input type="checkbox"/> Cayuga | <input type="checkbox"/> Clinton | <input type="checkbox"/> Dutchess | <input type="checkbox"/> Fulton | <input type="checkbox"/> Herkimer | <input type="checkbox"/> Livingston | <input type="checkbox"/> Nassau |
| <input type="checkbox"/> Bronx | <input type="checkbox"/> Chautauque | <input type="checkbox"/> Columbia | <input type="checkbox"/> Erie | <input type="checkbox"/> Genesee | <input type="checkbox"/> Jefferson | <input type="checkbox"/> Madison | <input type="checkbox"/> New York |
| <input type="checkbox"/> Broome | <input type="checkbox"/> Chemung | <input type="checkbox"/> Cortland | <input type="checkbox"/> Essex | <input type="checkbox"/> Greene | <input checked="" type="checkbox"/> Kings | <input type="checkbox"/> Monroe | <input type="checkbox"/> Niagara |
| <input type="checkbox"/> Oneida | <input type="checkbox"/> Orleans | <input type="checkbox"/> Queens | <input type="checkbox"/> St. Lawrence | <input type="checkbox"/> Schuyler | <input type="checkbox"/> Sullivan | <input type="checkbox"/> Warren | <input type="checkbox"/> Wyoming |
| <input type="checkbox"/> Onondaga | <input type="checkbox"/> Oswego | <input type="checkbox"/> Rensselaer | <input type="checkbox"/> Seneca | <input type="checkbox"/> Seneca | <input type="checkbox"/> Tioga | <input type="checkbox"/> Washington | <input type="checkbox"/> Yates |
| <input type="checkbox"/> Ontario | <input type="checkbox"/> Otsego | <input type="checkbox"/> Richmond | <input type="checkbox"/> Schoharie | <input type="checkbox"/> Steuben | <input type="checkbox"/> Tompkins | <input type="checkbox"/> Wayne | |
| <input type="checkbox"/> Orange | <input type="checkbox"/> Putnam | <input type="checkbox"/> Rockland | <input type="checkbox"/> Schoharie | <input type="checkbox"/> Suffolk | <input type="checkbox"/> Ulster | <input type="checkbox"/> Westchester | |

6. ADDRESS OF EACH LOCATION, INCLUDING NUMBER AND STREET, IF ANY, OF EACH PLACE WHERE THE ENTITY CARRIES ON, CONDUCTS OR TRANSACTS BUSINESS IN NEW YORK STATE. (Use page 2 if needed. The address(es) must be a number and street, city, state and zip code. The address(es) must be within the county(ies) indicated in paragraph 5.) If none, check this box No New York State Business Location.

150 55th Street, Brooklyn, NY 11220

Print or Type Name of Signer: Sheila Eisenberg


Signature:

Capacity of Signer (Check one): Authorized Person Officer of the Corporation General Partner of the Limited Partnership Member of the Limited Liability Company Manager of the Limited Liability Company



MEMORANDUM

To: Public Health and Health Planning Council (PHHPC)

From: Richard J. Zahnleuter,
General Counsel 

Date: May 1, 2017

Subject: NYU Hospitals Center: 1) Restated Certificate of Incorporation to Effectuate a Corporate Name Change; 2) Change in Assumed Name to Three Related Facilities

NYU Hospitals Center (the "Hospital") seeks PHHPC approval to change its corporate name to NYU Langone Hospitals. The Hospital also asks for approval to change the assumed name of three related facilities; NYU Hospital for Joint Diseases Orthopedic Institute, NYU Lutheran Medical Center, and NYULMC-Cobble Hill. Respectively, the new assumed name of these facilities will, if approved, be; NYU Langone Orthopedic Hospital, NYU Langone Hospital-Brooklyn, and NYU Langone Health-Cobble Hill.

The changes are being conducted to honor a "transformative gift" from Kenneth Langone and to "unify branding identity".

PHHPC approval of the corporate name change and changes to the assumed names of the related facilities is required pursuant to Not-for-Profit Corporation Law § 804 and 10 NYCRR § 600.11.

There is no legal objection to the proposed Restated Certificate of Incorporation of NYU Hospitals Center nor is there an objection to the corporate name change or the change in assumed names. The proposed Restated Certificate of Incorporation of NYU Hospitals Center, dated April 19, 2017 is in legally acceptable form. The proposed Certificates of Assumed Name are in legally acceptable form.

Attachments.



April 13, 2017

Ms. Colleen Leonard, Executive Secretary
Public Health and Health Planning Council
New York State Department of Health
Empire State Plaza
Corning Tower, Room 1805
Albany, New York 12237

Re: Request Approval to Name Change of NYU Hospitals Center

Dear Ms. Leonard:

I am writing to request approval for NYU Hospitals Center (the "Hospital") to change its corporate name to "NYU Langone Hospitals", and to rename three of its facilities, as identified below:

- a) Rename the facility currently known as NYU Hospital for Joint Diseases Orthopaedic Institute to "NYU Langone Orthopedic Hospital";
- b) Rename the facility currently known as NYU Lutheran Medical Center to "NYU Langone Hospital-Brooklyn"; and
- c) Rename the facility currently known as NYULMC-Cobble Hill to "NYU Langone Health-Cobble Hill."

The desire for the name change was precipitated by the transformative gift made by Kenneth Langone, Chairman of the Hospital's Board of Trustees, and his wife in 2008. In honor of the gift, the Hospital and NYU School of Medicine (the "SOM") renamed the academic medical center they jointly operate as NYU Langone Medical Center (the "Medical Center"). Since 2008, Lutheran Medical Center merged into the Hospital and a corporate restructuring was undertaken whereby NYU Langone Health System (the "System") became the sole corporate member of the Hospital and the healthcare providers previously controlled by Lutheran. These events, coupled with the Medical Center's tremendous growth and expansion, has created the need for a unified branding identity.

We understand that only the name change for the Hospital requires approval by the Public Health and Health Planning Council, and renaming the three facilities identified above may be approved administratively. Accordingly, enclosed please find the Hospital's draft Amended and Restated Certificate of Incorporation reflecting the Hospital's change of name and the proposed Certificates of Assumed Name with respect to the renaming of the three facilities. Please note that the draft Certificate of Incorporation is being submitted to the Secretary of State and the Education Department for review as well.



We also wish to advise you that a marketing campaign will soon be implemented which positions "NYU Langone Health" as the institutional masterbrand for the Medical Center's academic, research and clinical missions.

Please advise if there is any further information you require in connection with this request. You may contact me at shari.liss@nyumc or via telephone at (212) 404-3883.

Thank you in advance for your attention.

Sincerely,

A handwritten signature in cursive script that reads "Shari M. Liss".

Shari Liss

Attachments

cc: Barbara DelCogliano, Deputy Director, Division of Health Facility Planning



**Division of Corporations,
State Records and
Uniform Commercial Code**

New York State
Department of State
Division of Corporations,
State Records and
Uniform Commercial Code
One Commerce Plaza
99 Washington Avenue
Albany, NY 12231
www.dcs.ny.gov

Certificate of Assumed Name

(Pursuant to General Business Law §130)

1. REAL NAME OF ENTITY:

NYU Langone Hospitals

1a. FICTITIOUS NAME, IF ANY, OF FOREIGN ENTITY (Not Assumed Name):

2. THE ENTITY WAS FORMED OR AUTHORIZED UNDER THE FOLLOWING NEW YORK LAW (Check one):

- Business Corporation Law Limited Liability Company Law Religious Corporations Law
 Education Law Not-for-Profit Corporation Law Revised Limited Partnership Act
 Other (specify law): _____

3. ASSUMED NAME OF ENTITY:

NYU Langone Health-Cobble Hill

4. PRINCIPAL PLACE OF BUSINESS IN NEW YORK STATE (MUST INCLUDE NUMBER AND STREET). IF NONE, CHECK THIS BOX AND PROVIDE OUT-OF- STATE ADDRESS:

550 First Avenue, NY, NY 10018

5. COUNTY(IES) IN WHICH ENTITY DOES OR INTENDS TO DO BUSINESS:

ALL COUNTIES (or check applicable county(ies) below)

- | | | | | | | | |
|-----------------------------------|--------------------------------------|-------------------------------------|---------------------------------------|-----------------------------------|---|--------------------------------------|--|
| <input type="checkbox"/> Albany | <input type="checkbox"/> Cattaraugus | <input type="checkbox"/> Chenango | <input type="checkbox"/> Delaware | <input type="checkbox"/> Franklin | <input type="checkbox"/> Hamilton | <input type="checkbox"/> Lewis | <input type="checkbox"/> Montgomery |
| <input type="checkbox"/> Allegany | <input type="checkbox"/> Cayuga | <input type="checkbox"/> Clinton | <input type="checkbox"/> Dutchess | <input type="checkbox"/> Fulton | <input type="checkbox"/> Herkimer | <input type="checkbox"/> Livingston | <input type="checkbox"/> Nassau |
| <input type="checkbox"/> Bronx | <input type="checkbox"/> Chautauque | <input type="checkbox"/> Columbia | <input type="checkbox"/> Erie | <input type="checkbox"/> Genesee | <input type="checkbox"/> Jefferson | <input type="checkbox"/> Madison | <input checked="" type="checkbox"/> New York |
| <input type="checkbox"/> Broome | <input type="checkbox"/> Chemung | <input type="checkbox"/> Cortland | <input type="checkbox"/> Essex | <input type="checkbox"/> Greene | <input checked="" type="checkbox"/> Kings | <input type="checkbox"/> Monroe | <input type="checkbox"/> Niagara |
| <input type="checkbox"/> Oneida | <input type="checkbox"/> Orleans | <input type="checkbox"/> Queens | <input type="checkbox"/> St. Lawrence | <input type="checkbox"/> Schuyler | <input type="checkbox"/> Sullivan | <input type="checkbox"/> Warren | <input type="checkbox"/> Wyoming |
| <input type="checkbox"/> Onondaga | <input type="checkbox"/> Oswego | <input type="checkbox"/> Rensselaer | <input type="checkbox"/> Saratoga | <input type="checkbox"/> Seneca | <input type="checkbox"/> Tioga | <input type="checkbox"/> Washington | <input type="checkbox"/> Yates |
| <input type="checkbox"/> Ontario | <input type="checkbox"/> Otsego | <input type="checkbox"/> Richmond | <input type="checkbox"/> Schoharie | <input type="checkbox"/> Steuben | <input type="checkbox"/> Tompkins | <input type="checkbox"/> Wayne | |
| <input type="checkbox"/> Orange | <input type="checkbox"/> Putnam | <input type="checkbox"/> Rockland | <input type="checkbox"/> Schoharie | <input type="checkbox"/> Suffolk | <input type="checkbox"/> Ulster | <input type="checkbox"/> Westchester | |

6. ADDRESS OF EACH LOCATION, INCLUDING NUMBER AND STREET, IF ANY, OF EACH PLACE WHERE THE ENTITY CARRIES ON, CONDUCTS OR TRANSACTS BUSINESS IN NEW YORK STATE. (Use page 2 if needed. The address(es) must be a number and street, city, state and zip code. The address(es) must be within the county(ies) indicated in paragraph 5.) If none, check this box No New York State Business Location.

63 Arny Street, Brooklyn, NY 11201-8004

Print or Type Name of Signer: Sheila Eisenberg


Signature:

Capacity of Signer (Check one): Authorized Person Officer of the Corporation General Partner of the Limited Partnership
 Member of the Limited Liability Company Manager of the Limited Liability Company



MEMORANDUM

To: Public Health and Health Planning Council (PHHPC)

From: Richard J. Zahrlauter
General Counsel 

Date: May 4, 2017

Subject: Certificate of Amendment to the Certificate of Incorporation of At Home Care, Inc. Relative to Application #162036, an Application which Received PHHPC Final Approval on January 12, 2017

NYSE-CON application 162036 established Bassett Healthcare Network as the active parent of six hospitals, a residential health care facility, a certified home health agency, and a licensed home care services agency.

The applicant received final PHHPC approval over the application on January 12, 2017. In accordance with this approval, the applicant requests PHHPC approval to file a Certificate of Amendment of the Certificate of Incorporation of At Home Care, Inc. The changes made to said Certificate reflect that Bassett Healthcare Network has "active-parent" powers.

PHHPC's consent to filing this amended Certificate is required pursuant to NY N-PCL § 804.

The documents submitted by the Corporation have been reviewed. There is no legal objection to the proposed Certificate of Amendment to the Certificate of Incorporation of At Home Care, Inc. and it is in legally acceptable form.

Attachments

**CERTIFICATE OF AMENDMENT OF THE
CERTIFICATE OF INCORPORATION
OF
AT HOME CARE, INC.**

UNDER SECTION 803 OF THE NOT-FOR-PROFIT CORPORATION LAW

FILED BY:

**PERSUN & HAMLIN, P.C.
1700 Bent Creek Boulevard
Suite 160
P.O. Box 659
Mechanicsburg, PA 17055-0659**

**CERTIFICATE OF AMENDMENT OF THE
CERTIFICATE OF INCORPORATION
OF
AT HOME CARE, INC.**

**UNDER SECTION 803 OF THE
NOT-FOR-PROFIT CORPORATION LAW**

(Pursuant to Section 803 of the Not-For-Profit Corporation Law)

We, the undersigned, Laurie Neander, MS, RN, President and Mark Wright, Chairman of the Board of Directors of At Home Care, Inc., a corporation duly existing under the Not-for-Profit Corporation Law of the State of New York, do hereby make, sign and acknowledge this Certificate and do certify as follows:

1. The name of the corporation is At Home Care, Inc. (the "Corporation").
2. The certificate of incorporation of the Corporation was filed in the office of the Secretary of State on November 17, 1986.
3. The law the Corporation was formed under is the Not-for-Profit Corporation Law.
4. The Corporation is a corporation as defined in subparagraph (5) of paragraph (a) of Section 102 of the Not-for-Profit Corporation Law.
5. The certificate of incorporation is hereby amended by adding a new Article 4-A as follows:

4-A. Pursuant to Section 701 of the Not-for-Profit Corporation Law, the management of the affairs of the corporation shall be vested in a board of directors, except that Bassett Healthcare Network shall be delegated the following powers:

- (a) appointment and removal with or without cause of all persons that serve on the corporation's board of directors;
- (b) appointment of the chair of the corporation's board of directors;


- (c) appointment of the president of the corporation, who will serve in a chief executive role for the corporation;
 - (d) approval of any new mission statement or change to an existing mission statement of the corporation;
 - (e) general oversight of the governance of the corporation, including approval of all investment policies;
 - (f) coordination of the policies and procedures of the corporation;
 - (g) approval of all operating and capital budgets of the corporation;
 - (h) approval of all capital expenditures that exceed budgeted capital expenditures by five percent (5%) or more or the reallocation of capital expenditures contained in an approved budget by five percent (5%) or more;
 - (i) approval of all indebtedness of the corporation other than vendor indebtedness not otherwise included in the corporation's approved budget;
 - (j) approval of all third-party payer agreements, including managed care contracts, for the corporation;
 - (k) as determined by Bassett Healthcare Network's chief executive officer, approval of all substantive clinical program changes of the corporation;
 - (l) approval of all mergers, consolidations, divisions, liquidations, dissolutions and conversions involving the corporation;
 - (m) approval of all certificate of need applications of the corporation;
- and
- (n) approval of all amendments to the certificates of incorporation and bylaws of the corporation.

6. This amendment to the certificate of incorporation of the Corporation was authorized by a vote of the two members, The Mary Imogene Bassett Hospital and Aurelia Osborn Fox Memorial Hospital Society, at meetings of their governing boards.


7. The Secretary of the State of New York is hereby designated the agent of the Corporation upon whom process in any action or proceeding against the Corporation may be served. The post office address to which the Secretary of State shall mail a copy of any process against the Corporation served upon him or her as agent of the Corporation is:

At Home Care, Inc.
25 Elm Street
Oneonta, NY 13820

IN WITNESS WHEREOF, the undersigned has subscribed this certificate and affirmed the statements herein as true under the penalties of perjury this 27th day of April 2017.



Laurie Neander, MS, RN
President

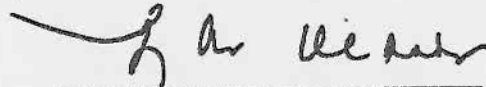


Mark Wright, Chairman

VERIFICATION

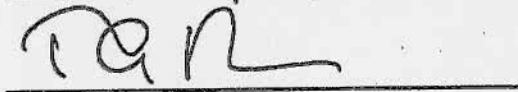
STATE OF NEW YORK)
)
COUNTY OF OTSEGO) ss.:

LAURIE NEANDER, MS, RN, being duly sworn, deposes and says: I am the President of At Home Care, Inc., I have read the foregoing Certificate of Amendment to the Certificate of Incorporation of At Home Care, Inc. and know the contents thereof and the same is true of my knowledge.



Laurie Neander, MS, RN

Sworn to before me this
27th day of April, 2017.



Notary Public

TIMOTHY A RAETHKA
Notary Public, State of New York
Reg. No. 01RAS208329
Qualified in Otsego County
Commission Expires July 27, 2017

VERIFICATION

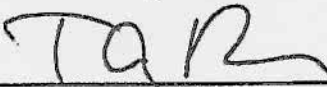
STATE OF NEW YORK)
)
COUNTY OF OTSEGO) ss.:

MARK WRIGHT, being duly sworn, deposes and says: I am the Chairman of the Board of Directors of At Home Care, Inc., I have read the foregoing Certificate of Amendment to the Certificate of Incorporation of At Home Care, Inc. and know the contents thereof and the same is true of my knowledge.



Mark Wright

Sworn to before me this
27th day of April, 2017.




Notary Public

TIMOTHY A RAETHKA
Notary Public, State of New York
Reg. No. 01RAB200329
Qualified in Otsego County
Commission Expires July 27, 17



MEMORANDUM

To: Public Health and Health Planning Council (PHHPC)

From: Richard J. Zahnleuter
General Counsel 

Date: May 4, 2017

Subject: Certificate of Amendment to the Certificate of Incorporation of Aurelia Osborn Fox Memorial Hospital Society Relative to Application #162036, an Application which Received PHHPC Final Approval on January 12, 2017

NYSE-CON application 162036 established Bassett Healthcare Network as the active parent of six hospitals, a residential health care facility, a certified home health agency, and a licensed home care services agency.

The applicant received final PHHPC approval over the application on January 12, 2017. In accordance with this approval, the applicant requests PHHPC approval to file a Certificate of Amendment of the Certificate of Incorporation of Aurelia Osborn Fox Memorial Hospital Society. The changes made to said Certificate reflect that Bassett Healthcare Network has "active-parent" powers.

The documents submitted by the Corporation have been reviewed. There is no legal objection to the proposed Certificate of Amendment to the Certificate of Incorporation of Aurelia Osborn Fox Memorial Hospital Society and it is in legally acceptable form.

Attachments

**CERTIFICATE OF AMENDMENT OF THE
CERTIFICATE OF INCORPORATION
OF
AURELIA OSBORN FOX MEMORIAL HOSPITAL SOCIETY
UNDER SECTION 803 OF THE NOT-FOR-PROFIT CORPORATION LAW**

FILED BY:

**PERSUN & HAMLIN, P.C.
1700 Bent Creek Boulevard
Suite 160
P.O. Box 659
Mechanicsburg, PA 17055-0659**

**CERTIFICATE OF AMENDMENT OF THE
CERTIFICATE OF INCORPORATION
OF**

AURELIA OSBORN FOX MEMORIAL HOSPITAL SOCIETY

**UNDER SECTION 803 OF THE
NOT-FOR-PROFIT CORPORATION LAW**

(Pursuant to Section 803 of the Not-For-Profit Corporation Law)

We, the undersigned, Jeffery Joyner, President and Lorraine Zimniewicz, Secretary of Aurelia Osborn Fox Memorial Hospital Society, a corporation duly existing under the Not-for-Profit Corporation Law of the State of New York, do hereby make, sign and acknowledge this certificate and do certify as follows:

1. The name of the corporation is Aurelia Osborn Fox Memorial Hospital Society (the "Corporation").
2. The certificate of incorporation of the Corporation was filed in the office of the Secretary of State on June 26, 1900.
3. The law the Corporation was formed under is the Membership Corporations Law.
4. The Corporation is a corporation as defined in subparagraph (5) of paragraph (a) of Section 102 of the Not-for-Profit Corporation Law Section.
5. The certificate of incorporation is hereby amended by adding a new Article V as follows:

Article V. Pursuant to Section 701 of the Not-for-Profit Corporation Law, the management of the affairs of the corporation shall be vested in a board of directors, except that the sole member of the corporation, Bassett Healthcare Network, shall be delegated the following powers:

1. appointment and removal with or without cause of all persons that serve on the corporation's board of directors;
2. appointment of the chairperson of the corporation's board of directors;
3. appointment of the president of the corporation, who will serve in a chief executive role for the corporation;
4. approval of any new mission statement or change to an existing mission statement of the corporation;
5. general oversight of the governance of the corporation, including approval of all investment policies;
6. coordination of the policies and procedures of the corporation;
7. approval of all operating and capital budgets of the corporation;
8. approval of all capital expenditures that exceed budgeted capital expenditures by five percent (5%) or more or the reallocation of capital expenditures contained in an approved budget by five percent (5%) or more;
9. approval of all indebtedness of the corporation other than vendor indebtedness not otherwise included in the corporation's approved budget;
10. approval of all third-party payer agreements, including managed care contracts, for the corporation;
11. as determined by the Bassett Healthcare Network's chief executive officer, approval of all substantive clinical program changes of the corporation;
12. approval of all mergers, consolidations, divisions, liquidations, dissolutions and conversions involving the corporation;

13. approval of all certificate of need applications of the corporation;
and

14. approval of all amendments to the certificate of incorporation and
bylaws of the corporation.

6. This amendment to the certificate of incorporation of the Corporation was
authorized by the sole member of the Corporation on April 18, 2017.

7. The Secretary of the State of New York is hereby designated the agent of the
Corporation upon whom process in any action or proceeding against the Corporation may be
served. The post office address to which the Secretary of State shall mail a copy of any process
against the Corporation served upon him or her as agent of the Corporation is:

Aurelia Osborn Fox Memorial Hospital Society
1 Norton Avenue
Oneonta, NY 13820

IN WITNESS WHEREOF, the undersigned has subscribed this certificate and affirmed
the statements herein as true under the penalties of perjury this 27th day of April,
2017.



Jeffrey Jbyner, President



Lorraine Zimmewicz, Secretary

VERIFICATION

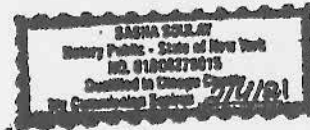
STATE OF NEW YORK)
)
COUNTY OF OTSEGO) SS.:

JEFFERY JOYNER, being duly sworn, deposes and says: I am the President of Aurelia Osborn Fox Memorial Hospital Society, I have read the foregoing Certificate of Amendment to the Certificate of Incorporation of Aurelia Osborn Fox Memorial Hospital Society and know the contents thereof and the same is true of my knowledge.


Jeffery Joyner

Sworn to before me this
27th day of April, 2017.


Notary Public






NEW YORK
STATE OF
OPPORTUNITY.

Department
of Health

MEMORANDUM

To: Public Health and Health Planning Council (PHHPC)

From: Richard J. Zahnleuter
General Counsel 

Date: May 4, 2017

Subject: Certificate of Amendment to the Certificate of Incorporation of Bassett Hospital of Schoharie County Relative to Application #162036, an Application which Received PHHPC Final Approval on January 12, 2017

NYSE-CON application 162036 established Bassett Healthcare Network as the active parent of six hospitals, a residential health care facility, a certified home health agency, and a licensed home care services agency.

The applicant received final PHHPC approval over the application on January 12, 2017. In accordance with this approval, the applicant requests PHHPC approval to file a Certificate of Amendment of the Certificate of Incorporation of Bassett Hospital of Schoharie County. The changes made to said Certificate reflect that Bassett Healthcare Network has "active-parent" powers.

The documents submitted by the Corporation have been reviewed. There is no legal objection to the proposed Certificate of Amendment to the Certificate of Incorporation of Bassett Hospital of Schoharie County and it is in legally acceptable form.

Attachments

**CERTIFICATE OF AMENDMENT OF THE
CERTIFICATE OF INCORPORATION
OF
BASSETT HOSPITAL OF SCHOHARIE COUNTY
UNDER SECTION 803 OF THE NOT-FOR-PROFIT CORPORATION LAW**

FILED BY:

**PERSUN & HAMLIN, P.C.
1700 Bent Creek Boulevard
Suite 160
P.O. Box 659
Mechanicsburg, PA 17055-0659**

**CERTIFICATE OF AMENDMENT OF THE
CERTIFICATE OF INCORPORATION
OF**

BASSETT HOSPITAL OF SCHOHARIE COUNTY

UNDER SECTION 803 OF THE NOT-FOR-PROFIT CORPORATION LAW

(Pursuant to Section 803 of the Not-For-Profit Corporation Law)

We, the undersigned, Eric H. Stein, FACHE, President and Glenn A. Perrone, Secretary of Bassett Hospital of Schoharie County, a corporation duly existing under the Not-for-Profit Corporation Law of the State of New York, do hereby make, sign and acknowledge this certificate and do certify as follows:

1. The name of the corporation is Bassett Hospital of Schoharie County (the "Corporation").
2. The certificate of incorporation of the Corporation was filed in the office of the Secretary of State on June 27, 1994.
3. The law the Corporation was formed under is the Not-for-Profit Corporation Law.
4. The Corporation is a corporation as defined in subparagraph (5) of paragraph (a) of Section 102 of the Not-for-Profit Corporation Law Section.
5. The certificate of incorporation is hereby amended by adding a new Article 7-A as follows:
 - 7-A. Pursuant to Section 701 of the Not-for-Profit Corporation Law, the management of the affairs of the corporation shall be vested in a board of trustees, except that the sole member of the corporation, Bassett Healthcare Network, shall be delegated the following powers:
 - (a) appointment and removal with or without cause of all persons that serve on the corporation's board of trustees;

- (b) appointment of the chairperson of the corporation's board of trustees;
 - (c) appointment of the president of the corporation, who will serve in a chief executive role for the corporation;
 - (d) approval of any new mission statement or change to an existing mission statement of the corporation;
 - (e) general oversight of the governance of the corporation, including approval of all investment policies;
 - (f) coordination of the policies and procedures of the corporation;
 - (g) approval of all operating and capital budgets of the corporation;
 - (h) approval of all capital expenditures that exceed budgeted capital expenditures by five percent (5%) or more or the reallocation of capital expenditures contained in an approved budget by five percent (5%) or more;
 - (i) approval of all indebtedness of the corporation other than vendor indebtedness not otherwise included in the corporation's approved budget;
 - (j) approval of all third-party payer agreements, including managed care contracts, for the corporation;
 - (k) as determined by the Bassett Healthcare Network's chief executive officer, approval of all substantive clinical program changes of the corporation;
 - (l) approval of all mergers, consolidations, divisions, liquidations, dissolutions and conversions involving the corporation;
 - (m) approval of all certificate of need applications of the corporation;
- and

(n) approval of all amendments to the certificate of incorporation and bylaws of the corporation.

6. This amendment to the certificate of incorporation of the Corporation was authorized by the unanimous vote of the members of the Corporation on April 18, 2017.

7. The Secretary of the State of New York is hereby designated the agent of the Corporation upon whom process in any action or proceeding against the Corporation may be served. The post office address to which the Secretary of State shall mail a copy of any process against the Corporation served upon him or her as agent of the Corporation is:

Bassett Hospital of Schoharie County
178 Grandview Drive
Cobleakill, New York 12043

IN WITNESS WHEREOF, the undersigned has subscribed this certificate and affirmed the statements herein as true under the penalties of perjury this 27 day of April, 2017.



Eric H. Stein, FACHE, President



Glenn A. Perrone, Secretary

VERIFICATION

STATE OF NEW YORK)
)
COUNTY OF SCHOHARIE) ss.:

ERIC H. STEIN, being duly sworn, deposes and says: I am the President of Bassett Hospital of Schoharie County, I have read the foregoing Certificate of Amendment to the Certificate of Incorporation of Bassett Hospital of Schoharie County and know the contents thereof and the same is true of my knowledge.



Eric H. Stein

Sworn to before me this,
22nd day of April, 2017.




Notary Public

CAROL A. SPAULDING
Notary Public, State Of New York
No. 018P8038820
Qualified In Schoharie County
Commission Expires November 22, 20 17

VERIFICATION


STATE OF NEW YORK)
)
COUNTY OF NEW YORK) ss.:

GLENN A. PERRONE, being duly sworn, deposes and says: I am the Secretary of Bassett Hospital of Schoharie County, I have read the foregoing Certificate of Amendment to the Certificate of Incorporation of Bassett Hospital of Schoharie County and know the contents thereof and the same is true of my knowledge.



Glenn A. Perrone

Sworn to before me this .
20th day of April, 2017.



Notary Public

CAROL A. SPAULDING
Notary Public, State Of New York
No. 01SP0038020
Qualified in Schoharie County
Commission Expires November 22, 20 12




NEW YORK
STATE OF
OPPORTUNITY.

Department
of Health

MEMORANDUM

To: Public Health and Health Planning Council (PHHPC)

From: Richard J. Zahnleuter
General Counsel 

Date: May 4, 2017

Subject: Certificate of Amendment to the Certificate of Incorporation of Friends of Bassett, Inc. Relative to Application #162036, an Application which Received PHHPC Final Approval on January 12, 2017

NYSE-CON application 162036 established Bassett Healthcare Network as the active parent of six hospitals, a residential health care facility, a certified home health agency, and a licensed home care services agency.

The applicant received final PHHPC approval over the application on January 12, 2017. In accordance with this approval, the applicant requests PHHPC approval to file a Certificate of Amendment of the Certificate of Incorporation of Friends of Bassett, Inc. The changes made to said Certificate reflect that Bassett Healthcare Network has "active-parent" powers.

The documents submitted by the Corporation have been reviewed. There is no legal objection to the proposed Certificate of Amendment to the Certificate of Incorporation of Friends of Bassett, Inc. and it is in legally acceptable form.

Attachments

**CERTIFICATE OF AMENDMENT OF THE
CERTIFICATE OF INCORPORATION
OF
FRIENDS OF BASSETT, INC.
UNDER SECTION 803 OF THE NOT-FOR-PROFIT CORPORATION LAW**

FILED BY:

**PERSUN & HAMLIN, P.C.
1700 Bent Creek Boulevard
Suite 160
P.O. Box 659
Mechanicsburg, PA 17055-0659**

**CERTIFICATE OF AMENDMENT OF THE
CERTIFICATE OF INCORPORATION
OF
FRIENDS OF BASSETT, INC.**

**UNDER SECTION 803 OF THE
NOT-FOR-PROFIT CORPORATION LAW**

(Pursuant to Section 803 of the Not-For-Profit Corporation Law)

We, the undersigned, Maureen F. Murray, R.N., President and William J. Moseley, Secretary of Friends of Bassett, Inc., a corporation duly existing under the Not-for-Profit Corporation Law of the State of New York, do hereby make, sign and acknowledge this certificate and do certify as follows:

1. The name of the corporation is Friends of Bassett, Inc. (the "Corporation").
2. The certificate of incorporation of the Corporation was filed in the office of the Secretary of State on May 29, 1969
3. The law the Corporation was formed under is the Membership Corporations Law.
4. The Corporation is a corporation as defined in subparagraph (5) of paragraph (a) of Section 102 of the New York Not-for-Profit Corporation Law.
5. The certificate of incorporation is hereby amended by adding a new paragraph 2-A. as follows:
 - 2-A. Pursuant to Section 701 of the Not-for-Profit Corporation Law, the management of the affairs of the corporation shall be vested in a board of directors, except that the sole member of the corporation, Bassett Healthcare Network, shall be delegated the following powers:
 - (a) appointment and removal with or without cause of all persons that serve on the board of directors of the corporation;


- (b) appointment of the chairperson of the board of directors of the corporation;
- (c) appointment of the president of the corporation, who will serve in a chief executive role for the corporation;
- (d) general oversight of the governance of the corporation, including approval of all investment policies;
- (e) coordination of the policies and procedures of the corporation;
- (f) approval of all operating and capital budgets of the corporation;
- (g) approval of all capital expenditures that exceed budgeted capital expenditures by five percent (5%) or more or the reallocation of capital expenditures contained in an approved budget by five percent (5%) or more;
- (h) approval of all indebtedness of the corporation other than vendor indebtedness not otherwise included in the corporation's approved budget;
- (i) approval of all mergers, consolidations, divisions, liquidations, dissolutions and conversions involving the corporation; and
- (j) approval of all amendments to the certificate of incorporation and bylaws of the corporation.


6. This amendment to the certificate of incorporation of the Corporation was authorized by the sole member of the Corporation on April 18, 2017.

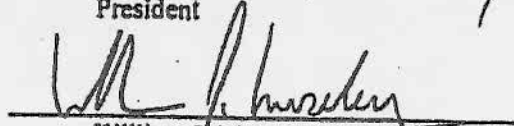
7. The Secretary of the State of New York is hereby designated the agent of the Corporation upon whom process in any action or proceeding against the Corporation may be served. The post office address to which the Secretary of State shall mail a copy of any process against the Corporation served upon him or her as agent of the Corporation is:

Friends of Bassett, Inc.
One Atwell Road
Cooperstown, New York 13326-21394

IN WITNESS WHEREOF, the undersigned has subscribed this certificate and affirmed
the statements herein as true under the penalties of perjury this 27 day of APRIL
2017.


AMY L. BRESSETT
NOTARY PUBLIC, State of New York
No. 01BR6009603
Qualified in Otsego County
Commission Expires 6/24/18


Maureen F. Murray, R.N.
President


William J. Moseley, Secretary

WENDY D. TRIMBLE, Notary Public
State of New Hampshire
My Commission Expires February 10, 2021

VERIFICATION

STATE OF NEW YORK)
)
COUNTY OF OTSEGO) ss.:

MAUREEN F. MURRAY, being duly sworn, deposes and says: I am the President of Friends of Bassett, Inc., I have read the foregoing Certificate of Amendment to the Certificate of Incorporation of Friends of Bassett, Inc. and know the contents thereof and the same is true of my knowledge.

Maureen F. Murray
Maureen F. Murray

Sworn to before me this
25th day of April, 2017.

Amy L. Bressett
Notary Public

AMY L. BRESSETT
NOTARY PUBLIC, State of New York
No. 01BR6009605
Qualified in Otsego County
Commission Expires 07-29-18

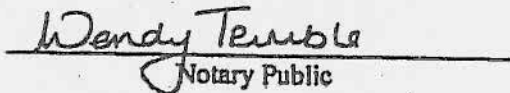
VERIFICATION

STATE OF NEW YORK)
)
COUNTY OF OTSEGO) ss.:

WILLIAM J. MOSELEY, being duly sworn, deposes and says: I am the Secretary of Friends of Bassett, Inc., I have read the foregoing Certificate of Amendment to the Certificate of Incorporation of Friends of Bassett, Inc. and know the contents thereof and the same is true of my knowledge.


William J. Moseley

Sworn to before me this
27 day of APRIL, 2017.



Notary Public

WENDY D. TRIMBLE, Notary Public
State of New Hampshire
My Commission Expires February 10, 2021



MEMORANDUM

To: Public Health and Health Planning Council (PHHPC)

From: Richard J. Zahnleuter
General Counsel 

Date: May 4, 2017

Subject: Certificate of Amendment to the Certificate of Incorporation of Little Falls Hospital Relative to Application #162036, an Application which Received PHHPC Final Approval on January 12, 2017

NYSE-CON application 162036 established Bassett Healthcare Network as the active parent of six hospitals, a residential health care facility, a certified home health agency, and a licensed home care services agency.

The applicant received final PHHPC approval over the application on January 12, 2017. In accordance with this approval, the applicant requests PHHPC approval to file a Certificate of Amendment of the Certificate of Incorporation of Little Falls Hospital. The changes made to said Certificate reflect that Bassett Healthcare Network has "active-parent" powers.

The documents submitted by the Corporation have been reviewed. There is no legal objection to the proposed Certificate of Amendment to the Certificate of Incorporation of Little Falls Hospital and it is in legally acceptable form.

Attachments

**CERTIFICATE OF AMENDMENT OF THE
CERTIFICATE OF INCORPORATION
OF
LITTLE FALLS HOSPITAL
UNDER SECTION 803 OF THE NOT-FOR-PROFIT CORPORATION LAW**

FILED BY:

**PERSUN & HAMLIN, P.C.
1700 Bent Creek Boulevard
Suite 160
P.O. Box 659
Mechanicsburg, PA 17055-0659**

**CERTIFICATE OF AMENDMENT OF THE
CERTIFICATE OF INCORPORATION
OF
LITTLE FALLS HOSPITAL**

**UNDER SECTION 803 OF THE
NOT-FOR-PROFIT CORPORATION LAW**

(Pursuant to Section 803 of the Not-For-Profit Corporation Law)

We, the undersigned, Michael L. Ogden, President and Gerard J. Snyder, Secretary of Little Falls Hospital, a corporation duly existing under the Not-for-Profit Corporation Law of the State of New York, do hereby make, sign and acknowledge this certificate and do certify as follows:

1. The name of the corporation is Little Falls Hospital (the "Corporation").
2. The certificate of incorporation of the Corporation was filed in the office of the Secretary of State on March 23, 1894.
3. The Corporation was formed under Chapter 319 of the Laws of 1848, entitled "An Act for the Incorporation of Benevolent, Charitable, Scientific and Missionary Societies."
4. The Corporation is a corporation as defined in subparagraph (5) of paragraph (a) of Section 102 of the Not-for-Profit Corporation Law.
5. The certificate of incorporation is hereby amended by adding a new Article FIFTH as follows:

FIFTH: Pursuant to Section 701 of the Not-for-Profit Corporation Law, the management of the affairs of the corporation shall be vested in a board of trustees, except that the sole member of the corporation, Bassett Healthcare Network, shall be delegated the following powers:

1. appointment and removal with or without cause of all persons that serve on the corporation's board of trustees;
2. appointment of the chairperson of the corporation's board of trustees;
3. appointment of the president of the corporation, who will serve in a chief executive role for the corporation;
4. approval of any new mission statement or change to an existing mission statement of the corporation;
5. general oversight of the governance of the corporation, including approval of all investment policies;
6. coordination of the policies and procedures of the corporation;
7. approval of all operating and capital budgets of the corporation;
8. approval of all capital expenditures that exceed budgeted capital expenditures by five percent (5%) or more or the reallocation of capital expenditures contained in an approved budget by five percent (5%) or more;
9. approval of all indebtedness of the corporation other than vendor indebtedness not otherwise included in the corporation's approved budget;
10. approval of all third-party payer agreements, including managed care contracts, for the corporation;
11. as determined by the Bassett Healthcare Network's chief executive officer, approval of all substantive clinical program changes of the corporation;
12. approval of all mergers, consolidations, divisions, liquidations, dissolutions and conversions involving the corporation;

13. approval of all certificate of need applications of the corporation;
and

14. approval of all amendments to the certificate of incorporation and
bylaws of the corporation.


6. This amendment to the certificate of incorporation of the Corporation was
authorized by the unanimous vote of the members of the Corporation on April 18, 2017.

7. The Secretary of the State of New York is hereby designated the agent of the
Corporation upon whom process in any action or proceeding against the Corporation may be
served. The post office address to which the Secretary of State shall mail a copy of any process
against the Corporation served upon him or her as agent of the Corporation is:


Little Falls Hospital
140 Burwell Street
Little Falls, NY 13365

IN WITNESS WHEREOF, the undersigned has subscribed this certificate and affirmed
the statements herein as true under the penalties of perjury this 2nd day of May,
2017.

NATHY REESE
Notary Public in the State of New York
Qualified in Herkimer County
Registration #01RE5097849
My Commission Expires February 23, 20 19



Michael L. Ouden, President

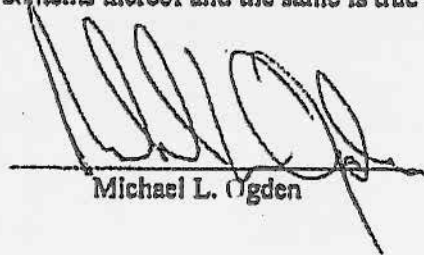


Gerard J. Snyder, Secretary

VERIFICATION

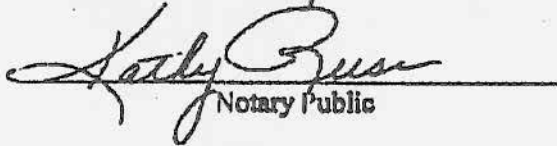
STATE OF NEW YORK)
)
COUNTY OF HERKIMER) ss.:

MICHAEL L. OGDEN, being duly sworn, deposes and says: I am the President of Little Falls Hospital, I have read the foregoing Certificate of Amendment to the Certificate of Incorporation of Little Falls Hospital and know the contents thereof and the same is true of my knowledge.



Michael L. Ogden

Sworn to before me this
2nd day of May, 2017.



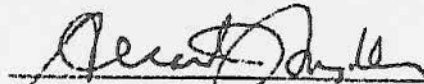
Notary Public

KATHY REESE
Notary Public in the State of New York
Qualified in Herkimer County
Registration #01RE503734B
My Commission Expires February 23, 20 19


VERIFICATION

STATE OF NEW YORK)
)
COUNTY OF HERKIMER) ss.:

GERARD J. SNYDER, being duly sworn, deposes and says: I am the Secretary of Little Falls Hospital, I have read the foregoing Certificate of Amendment to the Certificate of Incorporation of Little Falls Hospital and know the contents thereof and the same is true of my knowledge.


Gerard J. Snyder

Sworn to before me this
20 day of May, 2017.



Notary Public

KATHY REESE
Notary Public in the State of New York
Qualified in Herkimer County
Registration # D1RES037849
My Commission Expires February 23, 20 19



MEMORANDUM

To: Public Health and Health Planning Council (PHHPC)

From: Richard J. Zahnleuter
General Counsel 

Date: May 4, 2017

Subject: Certificate of Amendment to the Certificate of Incorporation of O'Connor Hospital
Relative to Application #162036, an Application which Received PHHPC Final
Approval on January 12, 2017

NYSE-CON application 162036 established Bassett Healthcare Network as the active parent of six hospitals, a residential health care facility, a certified home health agency, and a licensed home care services agency.

The applicant received final PHHPC approval over the application on January 12, 2017. In accordance with this approval, the applicant requests PHHPC approval to file a Certificate of Amendment of the Certificate of Incorporation of O'Connor Hospital. The changes made to said Certificate reflect that Bassett Healthcare Network has "active-parent" powers.

The documents submitted by the Corporation have been reviewed. There is no legal objection to the proposed Certificate of Amendment to the Certificate of Incorporation of O'Connor Hospital and it is in legally acceptable form.

Attachments

**CERTIFICATE OF AMENDMENT OF THE
CERTIFICATE OF INCORPORATION
OF
O'CONNOR HOSPITAL
UNDER SECTION 803 OF THE NOT-FOR-PROFIT CORPORATION LAW**

FILED BY:

**PERSUN & HAMLIN, P.C.
1700 Bent Creek Boulevard
Suite 160
P.O. Box 659
Mechanicsburg, PA 17055-0659**

**CERTIFICATE OF AMENDMENT OF THE
CERTIFICATE OF INCORPORATION
OF**

O'CONNOR HOSPITAL

**UNDER SECTION 803 OF THE
NOT-FOR-PROFIT CORPORATION LAW**

(Pursuant to Section 803 of the Not-For-Profit Corporation Law)

We, the undersigned, Scott Bonderoff, President and Connie Pellegrino, Secretary of O'Connor Hospital, a corporation duly existing under the Not-for-Profit Corporation Law of the State of New York, do hereby make, sign and acknowledge this certificate and do certify as follows:

1. The name of the corporation is O'Connor Hospital (the "Corporation").
2. The certificate of incorporation of the Corporation was filed in the office of the Secretary of State on December 26, 1997.
3. The law the Corporation was formed under is the Not-for-Profit Corporation Law.
4. The Corporation is a corporation as defined in subparagraph (5) of paragraph (a) of Section 102 of the Not-for-Profit Corporation Law.
5. The certificate of incorporation is hereby amended by adding a new paragraph 7A as follows:

7A: Pursuant to Section 701 of the Not-for-Profit Corporation Law, the management of the affairs of the corporation shall be vested in a board of trustees, except that the sole member of the corporation, Bassett Healthcare Network, shall be delegated the following powers:

- (a) appointment and removal with or without cause of all persons that serve on the corporation's board of trustees;

- (b) appointment of the chairperson of the corporation's board of trustees;
 - (c) appointment of the president of the corporation, who will serve in a chief executive role for the corporation;
 - (d) approval of any new mission statement or change to an existing mission statement of the corporation;
 - (e) general oversight of the governance of the corporation, including approval of all investment policies;
 - (f) coordination of the policies and procedures of the corporation;
 - (g) approval of all operating and capital budgets of the corporation;
 - (h) approval of all capital expenditures that exceed budgeted capital expenditures by five percent (5%) or more or the reallocation of capital expenditures contained in an approved budget by five percent (5%) or more;
 - (i) approval of all indebtedness of the corporation other than vendor indebtedness not otherwise included in the corporation's approved budget;
 - (j) approval of all third-party payer agreements, including managed care contracts, for the corporation;
 - (k) as determined by the Bassett Healthcare Network's chief executive officer, approval of all substantive clinical program changes of the corporation;
 - (l) approval of all mergers, consolidations, divisions, liquidations, dissolutions and conversions involving the corporation;
 - (m) approval of all certificate of need applications of the corporation;
- and

(n) approval of all amendments to the certificate of incorporation and bylaws of the corporation.

6. This amendment to the certificate of incorporation of the Corporation was authorized by the unanimous vote of the members of the Corporation on April 18, 2017.

7. The Secretary of the State of New York is hereby designated the agent of the Corporation upon whom process in any action or proceeding against the Corporation may be served. The post office address to which the Secretary of State shall mail a copy of any process against the Corporation served upon him or her as agent of the Corporation is:

O'Connor Hospital
460 Andes Road
Delhi, NY 13753

IN WITNESS WHEREOF, the undersigned has subscribed this certificate and affirmed the statements herein as true under the penalties of perjury this 1 day of May 2017, 2017.



Scott Bonderoff, President



Connie Pellegrino, Secretary

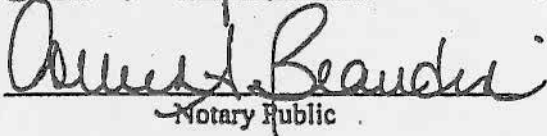
VERIFICATION

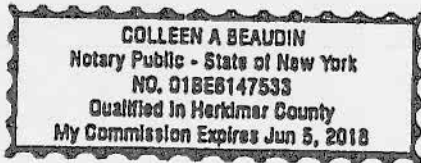
STATE OF NEW YORK)
)
COUNTY OF DELAWARE) ss.:

SCOTT BONDEROFF, being duly sworn, deposes and says: I am the President of O'Connor Hospital, I have read the foregoing Certificate of Amendment to the Certificate of Incorporation of O'Connor Hospital and know the contents thereof and the same is true of my knowledge.


Scott Bonderoff

Sworn to before me this 27th day of April, 2017.


Notary Public



VERIFICATION

STATE OF NEW YORK)
)
COUNTY OF OTSEGO) ss.:

CONNIE PELLEGRINO, being duly sworn, deposes and says: I am the Secretary of O'Connor Hospital, I have read the foregoing Certificate of Amendment to the Certificate of Incorporation of O'Connor Hospital and know the contents thereof and the same is true of my knowledge.

Connie D. Pellegrino
Connie Pellegrino

Sworn to before me this
1 day of May, 2017.


Pamela K VOGT
Notary Public

PAMELA K VOGT
Notary Public - State of New York
NO. 01V06155278
Qualified in Delaware County
My Commission Expires 12/16/2018



MEMORANDUM

To: Public Health and Health Planning Council (PHHPC)

From: Richard J. Zahner
General Counsel 

Date: May 4, 2017

Subject: Certificate of Amendment to the Certificate of Incorporation of The Mary Imogene Bassett Hospital Relative to Application #162036, an Application which Received PHHPC Final Approval on January 12, 2017

NYSE-CON application 162036 established Bassett Healthcare Network as the active parent of six hospitals, a residential health care facility, a certified home health agency, and a licensed home care services agency.

The applicant received final PHHPC approval over the application on January 12, 2017. In accordance with this approval, the applicant requests PHHPC approval to file a Certificate of Amendment of the Certificate of Incorporation of The Mary Imogene Bassett Hospital. The changes made to said Certificate reflect that Bassett Healthcare Network has "active-parent" powers.

The documents submitted by the Corporation have been reviewed. There is no legal objection to the proposed Certificate of Amendment to the Certificate of Incorporation of The Mary Imogene Bassett Hospital and it is in legally acceptable form.

Attachments

**CERTIFICATE OF AMENDMENT OF THE
CERTIFICATE OF INCORPORATION
OF
THE MARY IMOGENE BASSETT HOSPITAL
UNDER SECTION 803 OF THE NOT-FOR-PROFIT CORPORATION LAW**

FILED BY:

**PERSUN & HAMLIN, P.C.
1700 Bent Creek Boulevard
Suite 160
P.O. Box 659
Mechanicsburg, PA 17055-0659**

**CERTIFICATE OF AMENDMENT OF THE
CERTIFICATE OF INCORPORATION
OF
THE MARY IMOGENE BASSETT HOSPITAL**

**UNDER SECTION 803 OF THE
NOT-FOR-PROFIT CORPORATION LAW**

(Pursuant to Section 803 of the Not-For-Profit Corporation Law)

We, the undersigned, Vance M. Brown, M.D., President and William T. Burdick, Secretary of The Mary Imogene Bassett Hospital, a corporation duly existing under the Not-for-Profit Corporation Law of the State of New York, do hereby make, sign and acknowledge this certificate and do certify as follows:

1. The name of the corporation is The Mary Imogene Bassett Hospital (the "Corporation").
2. The certificate of incorporation of the Corporation was filed in the office of the Secretary of State on November 26, 1921.
3. The law the Corporation was formed under is the Membership Corporations Law.
4. The Corporation is a corporation as defined in subparagraph (5) of paragraph (a) of Section 102 of the Not-for-Profit Corporation Law.
5. The certificate of incorporation is hereby amended by adding a new Article SIXTH-A as follows:

SIXTH-A: Pursuant to Section 701 of the Not-for-Profit Corporation Law, the management of the affairs of the corporation shall be vested in a board of trustees, except that the sole member of the corporation, Bassett Healthcare Network, shall be delegated the following powers:

1. appointment and removal with or without cause of all persons that serve on the corporation's board of trustees;

2. appointment of the chairperson of the corporation's board of trustees;
 3. appointment of the president of the corporation, who will serve in a chief executive role for the corporation;
 4. approval of any new mission statement or change to an existing mission statement of the corporation;
 5. general oversight of the governance of the corporation, including approval of all investment policies;
 6. coordination of the policies and procedures of the corporation;
 7. approval of all operating and capital budgets of the corporation;
 8. approval of all capital expenditures that exceed budgeted capital expenditures by five percent (5%) or more or the reallocation of capital expenditures contained in an approved budget by five percent (5%) or more;
 9. approval of all indebtedness of the corporation other than vendor indebtedness not otherwise included in the corporation's approved budget;
 10. approval of all third-party payer agreements, including managed care contracts, for the corporation;
 11. as determined by the Bassett Healthcare Network's chief executive officer, approval of all substantive clinical program changes of the corporation;
 12. approval of all mergers, consolidations, divisions, liquidations, dissolutions and conversions involving the corporation;
 13. approval of all certificate of need applications of the corporation;
- and

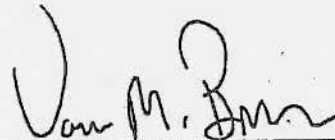
14. approval of all amendments to the certificate of incorporation and bylaws of the corporation.

6. This amendment to the certificate of incorporation of the Corporation was authorized by the sole member of the Corporation on April 18, 2017.

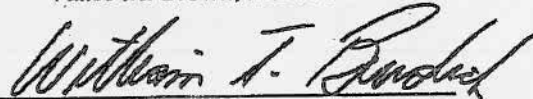
7. The Secretary of the State of New York is hereby designated the agent of the Corporation upon whom process in any action or proceeding against the Corporation may be served. The post office address to which the Secretary of State shall mail a copy of any process against the Corporation served upon him or her as agent of the Corporation is:

The Mary Imogene Bassett Hospital
One Atwell Road
Cooperstown, NY 13326-1394

IN WITNESS WHEREOF, the undersigned has subscribed this certificate and affirmed the statements herein as true under the penalties of perjury this 1st day of MAY, 2017.



Vance M. Brown, M.D. President

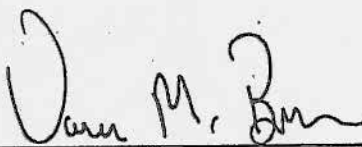


William T. Burdick, Secretary

VERIFICATION


STATE OF NEW YORK)
)
COUNTY OF OTSEGO) ss.:

VANCE M. BROWN, M.D., being duly sworn, deposes and says: I am the President of The Mary Imogene Bassett Hospital, I have read the foregoing Certificate of Amendment to the Certificate of Incorporation of The Mary Imogene Bassett Hospital and know the contents thereof and the same is true of my knowledge.

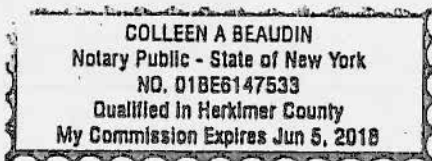


Vance M. Brown, M.D.

Sworn to before me this
10th day of May, 2017.



Notary Public



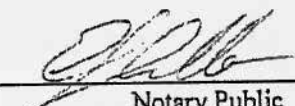
VERIFICATION

STATE OF NEW YORK)
)
COUNTY OF NEW YORK) ss.:

WILLIAM T. BURDICK, being duly sworn, deposes and says: I am the Secretary of The Mary Imogene Bassett Hospital, I have read the foregoing Certificate of Amendment to the Certificate of Incorporation of The Mary Imogene Bassett Hospital and know the contents thereof and the same is true of my knowledge.


William T. Burdick

Sworn to before me this
1st day of May, 2017.



Notary Public

EDWARD J. ANELLO
NOTARY PUBLIC, STATE OF NEW YORK
Registration No. 01AN4889754
Qualified In Putnam County
Commission Expires July 23, 2018



MEMORANDUM

To: Public Health and Health Planning Council (PHHPC)

From: Richard J. Zahner
General Counsel

Date: May 4, 2017

Subject: Certificate of Amendment to the Certificate of Incorporation of Tri Town Regional Healthcare Relative to Application #162036, an Application which Received PHHPC Final Approval on January 12, 2017

NYSE-CON application 162036 established Bassett Healthcare Network as the active parent of six hospitals, a residential health care facility, a certified home health agency, and a licensed home care services agency.

The applicant received final PHHPC approval over the application on January 12, 2017. In accordance with this approval, the applicant requests PHHPC approval to file a Certificate of Amendment of the Certificate of Incorporation of Tri Town Regional Healthcare. The changes made to said Certificate reflect that Bassett Healthcare Network has "active-parent" powers.

The documents submitted by the Corporation have been reviewed. There is no legal objection to the proposed Certificate of Amendment to the Certificate of Incorporation of Tri Town Regional Healthcare and it is in legally acceptable form.

Attachments

**CERTIFICATE OF AMENDMENT OF THE
CERTIFICATE OF INCORPORATION
OF
TRI TOWN REGIONAL HEALTHCARE
UNDER SECTION 803 OF THE NOT-FOR-PROFIT CORPORATION LAW**

FILED BY:

**PERSUN & HAMLIN, P.C.
1700 Bent Creek Boulevard
Suite 160
P.O. Box 659
Mechanicsburg, PA 17055-0659**

**CERTIFICATE OF AMENDMENT OF THE
CERTIFICATE OF INCORPORATION
OF
TRI TOWN REGIONAL HEALTHCARE**

**UNDER SECTION 803 OF THE
NOT-FOR-PROFIT CORPORATION LAW**

(Pursuant to Section 803 of the Not-For-Profit Corporation Law)

We, the undersigned, Jeffery Joyner, President and Gail Hoffman, Secretary of Tri Town Regional Healthcare, a corporation duly existing under the Not-for-Profit Corporation Law of the State of New York, do hereby make, sign and acknowledge this certificate and do certify as follows:

1. The name of the corporation is Tri Town Regional Healthcare (the "Corporation").
2. The certificate of incorporation of the Corporation was filed in the office of the Secretary of State on April 25, 2007.
3. The law the Corporation was formed under is the Not-for-Profit Corporation Law.
4. The Corporation is a corporation as defined in subparagraph (5) of paragraph (a) of Section 102 of the Not-for-Profit Corporation Law.
5. The certificate of incorporation is hereby amended by adding a new Article FOURTH-A as follows:

FOURTH-A: Pursuant to Section 701 of the Not-for-Profit Corporation Law, the management of the affairs of the corporation shall be vested in a board of trustees, except that the sole member of the corporation, Bassett Healthcare Network, shall be delegated the following powers:

- (a) appointment and removal with or without cause of all persons that serve on the corporation's board of trustees;

- (b) appointment of the chairperson of the corporation's board of trustees;
 - (c) appointment of the president of the corporation, who will serve in a chief executive role for the corporation;
 - (d) approval of any new mission statement or change to an existing mission statement of the corporation;
 - (e) general oversight of the governance of the corporation, including approval of all investment policies;
 - (f) coordination of the policies and procedures of the corporation;
 - (g) approval of all operating and capital budgets of the corporation;
 - (h) approval of all capital expenditures that exceed budgeted capital expenditures by five percent (5%) or more or the reallocation of capital expenditures contained in an approved budget by five percent (5%) or more;
 - (i) approval of all indebtedness of the corporation other than vendor indebtedness not otherwise included in the corporation's approved budget;
 - (j) approval of all third-party payer agreements, including managed care contracts, for the corporation;
 - (k) as determined by the Bassett Healthcare Network's chief executive officer, approval of all substantive clinical program changes of the corporation;
 - (l) approval of all mergers, consolidations, divisions, liquidations, dissolutions and conversions involving the corporation;
 - (m) approval of all certificate of need applications of the corporation;
- and

(n) approval of all amendments to the certificate of incorporation and bylaws of the corporation.

6. This amendment to the certificate of incorporation of the Corporation was authorized by the unanimous vote of the members of the Corporation on April 18, 2017.

7. The Secretary of the State of New York is hereby designated the agent of the Corporation upon whom process in any action or proceeding against the Corporation may be served. The post office address to which the Secretary of State shall mail a copy of any process against the Corporation served upon him or her as agent of the Corporation is:

Tri Town Regional Healthcare
43 Pearl Street West
Sidney, NY 13838

IN WITNESS WHEREOF, the undersigned has subscribed this certificate and affirmed the statements herein as true under the penalties of perjury this 1st day of May, 2017.


Peter Joynce, President


Gail Hoffman, Secretary

VERIFICATION

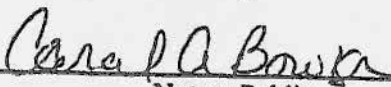
STATE OF NEW YORK)
)
COUNTY OF DELAWARE) ss.:

JEFFERY JOYNER, being duly sworn, deposes and says: I am the President of Tri Town Regional Healthcare, I have read the foregoing Certificate of Amendment to the Certificate of Incorporation of Tri Town Regional Healthcare and know the contents thereof and the same is true of my knowledge.



Jeffery Joyner

Sworn to before me this
1 day of May, 2017.



Notary Public

CAROL A. BOWKER
Notary Public - State of New York
No. 01BO5044099
Qualified in Delaware County
My Commission Expires 5/22 2019

VERIFICATION

STATE OF NEW YORK)
)
COUNTY OF DELAWARE) ss.:

GAIL HOFFMAN, being duly sworn, deposes and says: I am the Secretary of Tri Town Regional Healthcare, I have read the foregoing Certificate of Amendment to the Certificate of Incorporation of Tri Town Regional Healthcare and know the contents thereof and the same is true of my knowledge.

Gail Hoffman
Gail Hoffman

Sworn to before me this
1 day of May, 2017.


Carol A. Bowker
Notary Public

CAROL A. BOWKER
Notary Public - State of New York
No. 01BO5044099
Qualified in Delaware County
My Commission Expires 5/22 2019



MEMORANDUM

To: Public Health and Health Planning Council (PHHPC)

From: Richard J. Zahnleuter
General Counsel 

Date: May 4, 2017

Subject: Certificate of Amendment to the Certificate of Incorporation of Valley Health Services, Inc. Relative to Application #162036, an Application which Received PHHPC Final Approval on January 12, 2017

NYSE-CON application 162036 established Bassett Healthcare Network as the active parent of six hospitals, a residential health care facility, a certified home health agency, and a licensed home care services agency.

The applicant received final PHHPC approval over the application on January 12, 2017. In accordance with this approval, the applicant requests PHHPC approval to file a Certificate of Amendment of the Certificate of Incorporation of Valley Health Services, Inc. The changes made to said Certificate reflect that Bassett Healthcare Network has "active-parent" powers.

The documents submitted by the Corporation have been reviewed. There is no legal objection to the proposed Certificate of Amendment to the Certificate of Incorporation of Valley Health Services, Inc. and it is in legally acceptable form.

Attachments

**CERTIFICATE OF AMENDMENT OF THE
CERTIFICATE OF INCORPORATION
OF**

VALLEY HEALTH SERVICES, INC.

UNDER SECTION 803 OF THE NOT-FOR-PROFIT CORPORATION LAW

FILED BY:

**PERSUN & HAMLIN, P.C.
1700 Bent Creek Boulevard
Suite 160
P.O. Box 659
Mechanicsburg, PA 17055-0659**

**CERTIFICATE OF AMENDMENT OF THE
CERTIFICATE OF INCORPORATION
OF
VALLEY HEALTH SERVICES, INC.**

**UNDER SECTION 803 OF THE
NOT-FOR-PROFIT CORPORATION LAW**

(Pursuant to Section 803 of the Not-For-Profit Corporation Law)

We, the undersigned, Mary Little Smith, President and Anna Lyga, Secretary of Valley Health Services, Inc., a corporation duly existing under the Not-for-Profit Corporation Law of the State of New York, do hereby make, sign and acknowledge this certificate and do certify as follows:

1. The name of the corporation is Valley Health Services, Inc. (the "Corporation").
2. The certificate of incorporation of the Corporation was filed in the office of the Secretary of State on March 27, 1984.
3. The law the Corporation was formed under is the Not-for-Profit Corporation Law.
4. The Corporation is a corporation as defined in subparagraph (5) of paragraph (a) of Section 102 of the Not-for-Profit Corporation Law.
5. The certificate of incorporation is hereby amended by adding a new Article IV-A

as follows:

IV-A: Pursuant to Section 701 of the Not-for-Profit Corporation Law, the management of the affairs of the corporation shall be vested in a board of directors, except that the sole member of the corporation, Bassett Healthcare Network, shall be delegated the following powers:

- (a) appointment and removal with or without cause of all persons that serve on the board of directors of the corporation;

- (b) appointment of the chairperson of the corporation's board of directors;
- (c) appointment of the president of the corporation, who will serve in a chief executive role for the corporation;
- (d) appointment of the administrator of the corporation;
- (e) approval of any new mission statement or change to an existing mission statement of the corporation;
- (f) general oversight of the governance of the corporation, including approval of all investment policies;
- (g) coordination of the policies and procedures of the corporation;
- (h) approval of the operating and capital budgets of the corporation;
- (i) approval of all capital expenditures of the corporation that exceed budgeted capital expenditures by five percent (5%) or more or the reallocation of capital expenditures contained in an approved budget by five percent (5%) or more;
- (j) approval of all indebtedness of the corporation other than vendor indebtedness not otherwise included in the corporation's approved budget;
- (k) approval of all third-party payer agreements, including managed care contracts, for the corporation;
- (l) as determined by the Bassett Healthcare Network chief executive officer, approval of all substantive clinical program changes of the corporation;
- (m) approval of all mergers, consolidations, divisions, liquidations, dissolutions and conversions involving the corporation;

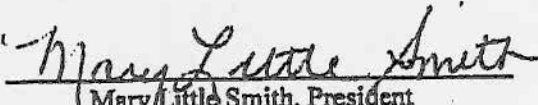
- (n) approval of all certificate of need applications of the corporation;
- and
- (o) approval of all amendments to the certificate of incorporation and bylaws of the corporation.

6. This amendment to the certificate of incorporation of the Corporation was authorized by the unanimous vote of the members of the Corporation on April 18, 2017.

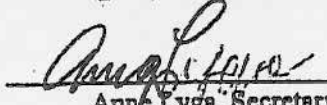
7. The Secretary of the State of New York is hereby designated the agent of the Corporation upon whom process in any action or proceeding against the Corporation may be served. The post office address to which the Secretary of State shall mail a copy of any process against the Corporation served upon him or her as agent of the Corporation is:

Valley Health Services, Inc.
690 West German Street
Herkimer, NY 13350

IN WITNESS WHEREOF, the undersigned has subscribed this certificate and affirmed the statements herein as true under the penalties of perjury this 27 day of April, 2017.



Mary Little Smith, President



Anne Lyga, Secretary

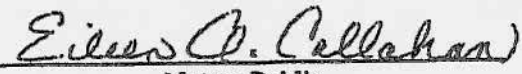
VERIFICATION

STATE OF NEW YORK)
)
COUNTY OF HERKIMER) ss.:

MARY LITTLE SMITH, being duly sworn, deposes and says: I am the President of Valley Health Services, Inc., I have read the foregoing Certificate of Amendment to the Certificate of Incorporation of Valley Health Services, Inc. and know the contents thereof and the same is true of my knowledge.


Mary Little Smith

Sworn to before me this
27 day of April, 2017.



Notary Public

EILEEN A. CALLAHAN
Notary Public, State Of New York
Qualified In Herkimer County
My Comm. Expires January 18, 21

VERIFICATION

STATE OF NEW YORK)
)
COUNTY OF HERKIMER) ss.:

ANNA LYGA, being duly sworn, deposes and says: I am the Secretary of Valley Health Services, Inc., I have read the foregoing Certificate of Amendment to the Certificate of Incorporation of Valley Health Services, Inc. and know the contents thereof and the same is true of my knowledge.



Anna Lyga

Sworn to before me this
27 day of April, 2017.



Notary Public

EILEEN A. CALLAHAN
Notary Public, State Of New York
Qualified In Herkimer County
My Comm. Expires January 18, 21




NEW YORK
STATE OF
OPPORTUNITY.

Department
of Health

MEMORANDUM

To: Public Health and Health Planning Council (PHHPC)

From: Richard J. Zahnleuter
General Counsel 

Date: May 4, 2017

Subject: Certificate of Amendment to the Certificate of Incorporation of Valley Residential Services, Inc. Relative to Application #162036, an Application which Received PHHPC Final Approval on January 12, 2017

NYSE-CON application 162036 established Bassett Healthcare Network as the active parent of six hospitals, a residential health care facility, a certified home health agency, and a licensed home care services agency.

The applicant received final PHHPC approval over the application on January 12, 2017. In accordance with this approval, the applicant requests PHHPC approval to file a Certificate of Amendment of the Certificate of Incorporation of Valley Residential Services, Inc. The changes made to said Certificate reflect that Bassett Healthcare Network has "active-parent" powers.

PHHPC's consent to filing this amended Certificate is required pursuant to NY N-PCL § 804.

The documents submitted by the Corporation have been reviewed. There is no legal objection to the proposed Certificate of Amendment to the Certificate of Incorporation of Valley Residential Services, Inc. and it is in legally acceptable form.

Attachments

**CERTIFICATE OF AMENDMENT OF THE
CERTIFICATE OF INCORPORATION
OF
VALLEY RESIDENTIAL SERVICES, INC.
UNDER SECTION 803 OF THE NOT-FOR-PROFIT CORPORATION LAW**

FILED BY:

**PERSUN & HAMLIN, P.C.
1700 Bent Creek Boulevard
Suite 160
P.O. Box 659
Mechanicsburg, PA 17055-0659**

**CERTIFICATE OF AMENDMENT OF THE
CERTIFICATE OF INCORPORATION
OF
VALLEY RESIDENTIAL SERVICES, INC.**

**UNDER SECTION 803 OF THE
NOT-FOR-PROFIT CORPORATION LAW**

(Pursuant to Section 803 of the Not-For-Profit Corporation Law)

We, the undersigned, Mary Little Smith, President and Anna Lyga, Secretary of Valley Residential Services, Inc., a corporation duly existing under the Not-for-Profit Corporation Law of the State of New York, do hereby make, sign and acknowledge this certificate and do certify as follows:

1. The name of the corporation is Valley Residential Services, Inc. (the "Corporation").
2. The certificate of incorporation of the Corporation was filed in the office of the Secretary of State on September 5, 2013.
3. The law the Corporation was formed under is the Not-for-Profit Corporation Law.
4. The Corporation is a corporation as defined in subparagraph (5) of paragraph (a) of Section 102 of the Not-for-Profit Corporation Law.
5. The certificate of incorporation is hereby amended by adding a new Article 4-A as follows:
 - 4-A. Pursuant to Section 701 of the Not-for-Profit Corporation Law, the management of the affairs of the corporation shall be vested in a board of directors, except that the sole member of the corporation, Bassett Healthcare Network, shall be delegated the following powers:
 - (a) appointment and removal with or without cause of all persons that serve on the board of directors of the corporation;

- (b) appointment of the chairperson of the corporation's board of directors;
- (c) appointment of the president of the corporation, who will serve in a chief executive role for the corporation;
- (d) appointment of the administrator of the corporation;
- (e) approval of any new mission statement or change to an existing mission statement of the corporation;
- (f) general oversight of the governance of the corporation, including approval of all investment policies;
- (g) coordination of the policies and procedures of the corporation;
- (h) approval of the operating and capital budgets of the Corporation;
- (i) approval of all capital expenditures of the corporation that exceed budgeted capital expenditures by five percent (5%) or more or the reallocation of capital expenditures contained in an approved budget by five percent (5%) or more;
- (j) approval of all indebtedness of the corporation other than vendor indebtedness not otherwise included in the corporation's approved budget;
- (k) approval of all third-party payer agreements, including managed care contracts, for the corporation;
- (l) as determined by the Bassett Healthcare Network chief executive officer, approval of all substantive clinical program changes of the corporation;
- (m) approval of all mergers, consolidations, divisions, liquidations, dissolutions and conversions involving the corporation;

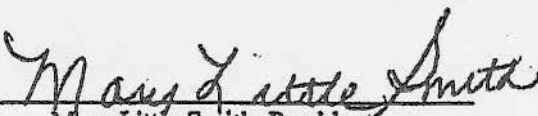
- (n) approval of all certificate of need applications of the corporation;
and
(o) approval of all amendments to the certificate of incorporation and
bylaws of the corporation.

6. This amendment to the certificate of incorporation of the Corporation was authorized by the unanimous vote of the members of the Corporation on April 18, 2017.


7. The Secretary of the State of New York is hereby designated the agent of the Corporation upon whom process in any action or proceeding against the Corporation may be served. The post office address to which the Secretary of State shall mail a copy of any process against the Corporation served upon him or her as agent of the Corporation is:

Valley Residential Services, Inc.
690 West German Street
Herkimer, NY 13350

IN WITNESS WHEREOF, the undersigned has subscribed this certificate and affirmed the statements herein as true under the penalties of perjury this 27 day of April 2017.



Mary Little Smith, President

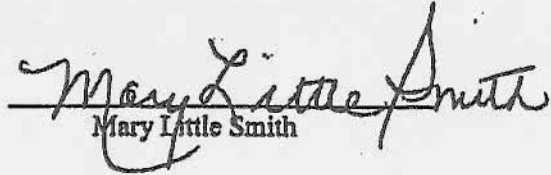


Anna Lyga, Secretary

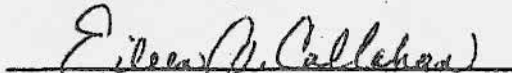
VERIFICATION

STATE OF NEW YORK)
)
COUNTY OF HERKIMER) ss.:

MARY LITTLE SMITH, being duly sworn, deposes and says: I am the President of Valley Residential Services, Inc., I have read the foregoing Certificate of Amendment to the Certificate of Incorporation of Valley Residential Services, Inc. and know the contents thereof and the same is true of my knowledge.


Mary Little Smith

Sworn to before me this
27 day of April, 2017.


Notary Public

EILEEN A. CALLAHAN
Notary Public, State of New York
Qualified to perform duty
My Comm. Expires January 16, 21

VERIFICATION

STATE OF NEW YORK)
)
COUNTY OF HERKIMER) ss.:

ANNA LYGA, being duly sworn, deposes and says: I am the Secretary of Valley Residential Services, Inc., I have read the foregoing Certificate of Amendment to the Certificate of Incorporation of Valley Residential Services, Inc. and know the contents thereof and the same is true of my knowledge.



Anna Lyga

Sworn to before me this
27 day of April, 2017.



Notary Public

EILEEN A. CALLAHAN
Notary Public, State Of New York
Qualified In Herkimer County
My Comm. Expires January 18, 21

MEMORANDUM

TO: Members of the Health Planning Committee

FROM: Charles Abel, Deputy Director
Center for Health Facility Planning, Licensure and Finance

DATE: May 08, 2017

SUBJECT: **Application for Designation as Hospital Stroke Center – Woman’s Christian Association Hospital – Jamestown, NY**

Enclosed is the staff recommendation requesting support to designate the University of Pittsburgh Medical Center (UPMC) Chautauqua Woman’s Christian Association (WCA) Hospital in Jamestown, NY as a NYS Designated Stroke Center.

WCA Hospital applied for designation in November 2016. In December 2016, the facility joined the UPMC System and serves as the Chautauqua Campus for this health system. They are now officially referred to as UPMC Chautauqua WCA.

The application to become a designated stroke center was reviewed by staff in the Western Regional and Albany Offices and found to be acceptable. Following the application review, a site visit was conducted by staff from the Western and Central Regional Offices on April 27, 2017. This visit confirmed that the facility satisfies all the key elements of a NYS Designated Stroke Center.

The NYS Stroke Designation Program recommends designating this facility as a stroke center. The Department is seeking the Council’s endorsement of this recommendation.

Once UPMC Chautauqua WCA is approved, Chautauqua County will have its first stroke center. Designating UPMC Chautauqua WCA fills a need for this area as the next closest stroke center is at least 1.5 hours to the east (Jones Memorial in Alleghany County) or northeast (the six centers in Buffalo). Two stroke centers closed over the past year so designating UPMC Chautauqua will bring the number of NYS Designated Stroke Centers back to 120.

Once designated, the regional emergency medical services council will be notified and local EMS can begin directing patients to UPMC Chautauqua WCA. EMS protocol provides for bypass of hospitals which are not stroke designated.

APPLICATION FOR DESIGNATED STROKE CENTER
Staff Report

Hospital: Betsy Wright
President / CEO
UPMC Chautauqua WCA
207 Foote Avenue
Jamestown, NY 14701

Findings:

- The facility has demonstrated that they meet the criteria for designation of a stroke center.
- The stroke center has been established and is operational with written policy and procedures.
- The stroke center has a designated stroke unit.
- There is a dedicated acute stroke team and it is staffed by qualified healthcare professionals.
- The medical director meets the criteria for training as delineated by the Department.
- Evidence of cerebrovascular education for physicians, nurses, and mid-level providers who are members of the stroke team as delineated by the Department.
- Evidence of bi-annual cerebrovascular education for PT/OT/ST personnel and EMS as delineated by the Department.
- Evidence of ongoing patient and community education services as delineated by the Department.
- Neuro-imaging services available 24/7 to perform and read CT/MRI scans consistent with time targets acceptable to Department.
- Policies and procedures exist for laboratory services 24/7 with laboratory results for acute stroke patients being a priority.
- Policies and procedures exist for neurosurgery services 24/7 with services received within two hours of when it is deemed necessary.
- Quality improvement (QI) committee has been established and QI activities are aligned with the expectations of the Department.
- Data for performance measures, time targets, and EMS measures are tracked as delineated by the Department.

Recommendation:

- Approval