

**STATE OF NEW YORK**  
**PUBLIC HEALTH AND HEALTH PLANNING COUNCIL**  
**SPECIAL ESTABLISHMENT AND PROJECT REVIEW COMMITTEE**

**AGENDA**

*April 8, 2021*

*Immediately following the Committee on Codes, Regulations and Legislation meeting  
(Scheduled to begin at 9:30 a.m.)*

*Via Live Webcasting*

**I. COMMITTEE ON ESTABLISHMENT AND PROJECT REVIEW**

Peter Robinson, Chair

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

**Acute Care Services – Establish/Construct**

<b><u>Number</u></b>	<b><u>Applicant/Facility</u></b>
211023 E	The New York Community Hospital of Brooklyn, Inc. (Kings County)

**Certified Home Health Agencies - Establish/Construct**

<b><u>Number</u></b>	<b><u>Applicant/Facility</u></b>
201038 E	St. Joseph's Health at Home (Onondaga County)

**B. Applications for Construction of Health Care Facilities/Agencies**

**Ambulatory Surgery Centers - Construction**

<b><u>Number</u></b>	<b><u>Applicant/Facility</u></b>
202093 C	Richmond Pain Management ASC (Richmond County) Mr. Kraut – Conflict



**Project # 211023-E**

**The New York Community Hospital of Brooklyn, Inc.**

**Program:** Hospital  
**Purpose:** Establishment

**County:** Kings  
**Acknowledged:** February 1, 2021

**Executive Summary**

**Description**

Maimonides Medical Center, (MMC) a voluntary not-for-profit corporation located at 4802 Tenth Avenue, Brooklyn, (Kings County), seeks approval to be established as the active parent and co-operator of The New York Community Hospital of Brooklyn, Inc., (NYCH), a 134-bed, voluntary not-for-profit corporation, Article 28 hospital, located at 2525 Kings Highway, Brooklyn (Kings County). MMC is a 711-bed acute care hospital whose sole member and passive parent is Maimonides Health Resources, Inc. Following PHHPC approval, MMC will become the sole corporate and voting member of NYCH.

As active parent and co-operator of NYCH, MMC will have authority over NYCH as stated in its Affiliation Agreement, its certificate of incorporation, bylaws, and the active parent powers as described in 10 NYCRR 405.1(c), including the following:

- Establish policies for the Corporation.
- Maintain quality patient care in the institutions of the Corporation.
- Provide for management of and planning for the institutions of the Corporation.
- Elect officers, appoint agents, remove any officer or agent elected or appointed by it, and fix the compensation of its agents and employees.
- Create and appoint committees of the Board and to delegate to the committee's powers and duties as the Board of Trustees may deem appropriate.
- Determine the manner and by whom checks, drafts, notes, releases, contracts, and other

written instruments shall be signed or countersigned on behalf of the Corporation.

- Determine who on behalf of the Corporation may execute assignments, transfers, exercise rights and options of securities owned by the Corporation.
- Borrow money with or without security on behalf of the Corporation for any authorized purpose of the Corporation to the extent permitted by law.
- Designate trustees and alternates on the board of trustees or other governing body of any subsidiary of the Corporation.

NYCH will remain a separate not-for-profit corporation maintaining a separate operating certificate following completion of the project. There will be no change to beds or services as a result of this application. BFA Attachment A and B presents the current and post-closing organizational charts of Maimonides Medical Center.

MMC has had a successful clinical affiliation with NYCH since 2018 resulting in expanded access and improved continuity of care. MMC and NYCH believe that the proposed active parent co-operator relationship will allow them to develop an integrated healthcare delivery system advancing the quality of healthcare within their communities. MMC expects the affiliation with NYCH will allow the network to serve more patients locally in Brooklyn through core sites at Maimonides in Borough Park, NYCH in Midwood/Madison Park, and an off campus emergency department in Bay Ridge, thereby reducing the need and travel time for patients that would otherwise need to seek care in Manhattan.

MMC has committed to supporting improvements in care clinically, operationally, and financially through the proposed affiliation with NYCH. MMC will work with NYCH on advancing cancer care, cardiovascular care, and surgery; an off-campus emergency department at the former Victory Memorial Hospital site in Bay Ridge; and increasing MRI capacity to improve diagnostics for neurological, orthopedic and stroke care. The operational focus will be on realizing economies of scale and other cost savings from integration. MMC will earmark and commit \$15,000,000 for NYCH programmatic initiatives and will make available a \$20,000,000 secured loan (interest at prime rate plus 2 percent). The loan amount will be forgiven when full integration occurs between the two hospitals that is targeted for July 1, 2021. These investments will support the 3-year strategic plan the organizations will mutually develop, per the Affiliation Agreement dated December 2, 2020.

The COVID-19 pandemic precipitated volume and revenue losses at both facilities due to closure of elective surgery, hesitancy in seeking care and fewer admissions. The proposed relationship is expected to be a key to the recovery of both organizations.

MMC had a net operating loss in 2020 but expects to reach a breakeven run rate by the fourth quarter of 2021 through a combination of revenue growth and expense reduction. MMC has demonstrated the ability to maintain a stable cash position through the pandemic, thus allowing the organization to make investments in the NYCH affiliation. Pre-COVID, NYCH was running an operational deficit of \$3.7M, but projects a positive net income by year 1 of the CON financial projections resulting from approval of this proposal.

**OPCHSM Recommendation**

Contingent Approval

**Need Summary**

There are no projected changes to beds, services or utilization at Maimonides Medical Center or The New York Community Hospital of Brooklyn as a result of this project. Their current affiliation and proposed active parent relationship stems naturally from the hospitals' overlapping service areas in Kings County. Both hospitals plans to work together to prevent chronic disease and improve health care for low income minority populations in Kings 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**

There are no project costs or working capital requirements associated with this application. The consolidated MMC/NYCH financial projections generate a positive net income of \$35.3M and \$38.9M in year 1 and 3, respectively. Financial projections for NYCH indicate a positive net income of \$604,000 and \$3.2M in years 1 and 3, respectively. These projections reflect incremental volume and revenue from service enhancements resulting from Maimonides capital projects, achieving clinical program growth from investments at NYCH and timely recovery to pre-pandemic volume levels for both organizations

The following represents the consolidated budgets for MMC and NYCH post affiliation:

	<u>Current Year</u> (2019)	<u>Year One</u> (2023)	<u>Year Three</u> (2025)
Revenue	\$1,509,203,467	\$1,591,624,126	\$1,609,521,316
Expense	\$1,496,315,126	\$1,556,263,652	\$1,570,619,346
Gain (Loss)	\$12,888,341	\$35,360,474	\$38,901,970

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

## 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 applicants fully executed Restated Certificate of Incorporation, 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**

**April 8, 2021**

## Need and Program Analysis

### Program Description

Maimonides Medical Center (MMC), a 711-bed acute care facility located at 4802 Tenth Avenue in Brooklyn (Kings County), requests approval for the establishment as the active parent and co-operator of The New York Community Hospital of Brooklyn, Inc (NYCH, the "Hospital"). Approval of this application will give MMC the ability to exercise all Article 28 active powers over NYCH. Other than having MMC listed as the co-operator, there will be no changes to the operating certificate as a result of this CON. NYCH is a 134-bed acute care hospital located at 2525 Kings Highway in Brooklyn (Kings County), approximately four miles from MMC. NYCH is a not for profit corporation with no member.

This goal of this affiliation will serve the purpose of developing an integrated healthcare delivery system to further the mission of advancing the quality of care with the communities served and to further the charitable activities in a manner consistent with their respective 501(c)(3) charitable purposes. Clinically, MMC will work with NYCH on advancements in cancer care, cardiovascular care, ED renovations, and increased MRI capacity to improve diagnostics for neurological, orthopedic, and stroke care. Operationally, the focus will be on reducing costs through shared administration and other planning.

### Analysis

New York Community Hospital shares the service areas of several Brooklyn facilities. Eighty five percent of NYCH discharges reside in fourteen zip codes, thirteen in Kings County and one in Queens. In six of these zip codes Maimonides Medical Center is already the majority provider of primary care / discharges.

**Market Share Analysis for 1293:NEW YORK COMMUNITY HOSPITAL OF BROOKLYN, INC**  
**Service area: 85% of hospital discharges based on patient Zip codes of origin**  
**----- including the facility with the biggest share in each zip code -----**  
**Source: SPARCS inpatient data (Apr. 1, 2019 - Mar. 31, 2020)- Date last update: 10/21/2020**

Patients' zip code	Post office name	Annual average discharges	Percent of facility's total discharges	Cumulative percent	Facility's share of zip code	Facility with biggest share of this zip code (%)
11235	BROOKLYN	864	14.8	14.8	8.6	1294: CONEY ISLAND HOSPITAL (23%)
11229	BROOKLYN	759	13.0	27.7	9.1	1305: MAIMONIDES MEDICAL CENTER (19%)
11230	BROOKLYN	605	10.3	38.0	6.4	1305: MAIMONIDES MEDICAL CENTER (34%)
11234	BROOKLYN	419	7.2	45.2	4.4	1324: MOUNT SINAI BROOKLYN (20%)
11236	BROOKLYN	386	6.6	51.8	3.5	1286: BROOKDALE HOSPITAL MEDICAL CENTER (18%)
11224	BROOKLYN	371	6.3	58.1	5.5	1294: CONEY ISLAND HOSPITAL (31%)
11223	BROOKLYN	304	5.2	63.3	3.9	1305: MAIMONIDES MEDICAL CENTER (24%)
11214	BROOKLYN	272	4.6	68.0	3.0	1305: MAIMONIDES MEDICAL CENTER (32%)
11210	BROOKLYN	262	4.5	72.4	4.1	1305: MAIMONIDES MEDICAL CENTER (15%)
11226	BROOKLYN	192	3.3	75.7	1.8	1301: KINGS COUNTY HOSPITAL CENTER (20%)
11239	BROOKLYN	127	2.2	77.9	4.5	1286: BROOKDALE HOSPITAL MEDICAL CENTER (20%)
11691	FAR ROCKAWAY	118	2.0	79.9	1.2	1635: ST JOHNS EPISCOPAL HOSPITAL SO SHORE (43%)
11208	BROOKLYN	115	2.0	81.9	1.0	1286: BROOKDALE HOSPITAL MEDICAL CENTER (18%)
11218	BROOKLYN	107	1.8	83.7	1.4	1305: MAIMONIDES MEDICAL CENTER (38%)

MMC is positioned as a tertiary care hub and a safety net provider to South Brooklyn's resident population. MMC is the largest Medicaid provider in the Borough of Brooklyn and 80% of its patient volume is drawn from those enrolled in Medicaid or Medicare. MMC performs between 8,000 and 9,000 births annually, more than 75% of whom are enrolled in Medicaid. Nearly 30% of babies born in Brooklyn are born at MMC. Maimonides Children's Hospital is one of New York City's principal pediatric hospitals, specifically focused on the treatment and care of infants, children, and adolescents.

In addition to providing an array of medical, surgical and specialty care programs, the Hospital is:

- Children's Hospital: a major New York City pediatric hospital.
- A New York State Department of Health Designated Stroke Center, Level 1 Adult Trauma Center and Level II Pediatric Trauma Center.

- A cardiovascular care center.
- A dedicated cancer center.
- A NYS-designated Regional Perinatal Center.

<b>Table 1: Facility Beds, Average Daily Census, and Occupancy. Source SPARCS</b>									
		<b>2016</b>		<b>2017</b>		<b>2018</b>		<b>2019</b>	
Facility / Service	Beds	ADC	Occ.	ADC	Occ.	ADC	Occ.	ADC	Occ.
<b>The New York Community Hospital Brooklyn</b>									
Med/Surg	134	100	74.6%	95	70.9%	94	70.1%	86	64.2%
Total	134	100	74.6%	95	70.9%	94	70.1%	86	64.2%
<b>Maimonides Medical Center</b>									
Med/Surg	498	338	67.9%	313	62.9%	357	71.7%	350	70.3%
Pediatric	43	25	58.1%	22	51.2%	24	55.8%	22	51.2%
Obstetric	69	67	97.1%	63	91.3%	65	94.2%	62	89.9%
General Psychiatric	70	65	92.9%	59	84.3%	62	88.6%	59	84.3%
High Risk Neonates	31	29	93.5%	29	93.5%	24	77.4%	22	71.0%
Total	711	528	74.3%	489	68.8%	535	75.2%	519	73.0%

NYCH has evolved to meet the needs of a growing and diverse community. With expanded facilities, state-of-the-art medical technology, and a patient centered approach to care, NYCH continues to provide quality healthcare. NYCH continues its commitment to serving its community by offering educational programs, support groups, health screenings and other outreach programs. These initiatives strive to encourage each member of the Midwood, Madison Park & Brighton Beach communities to take charge of their health.

**Character and Competence**

The Board of Maimonides Medical Center is comprised of the following individuals:

<u>Name</u>	<u>Title/Position</u>
Eugene Keilin, Chair	Trustee
Paul T. Addison	Trustee
Harry L. Adler, M.D.	Trustee
Donna Astion, M.D.	Trustee
Richard Barasch	Trustee
Irwin M. Birnbaum	Trustee
Joseph Bruno	Trustee
Rev. Msgr. David Cassato	Trustee
Chaim Fischer	Trustee
Richard D. Forman	Trustee
Kenneth D. Gibbs	Trustee
Jeremy Glick	Trustee
Jack A. Hidary	Trustee
Lofton Holder	Trustee
Mortimer N. Klaus	Trustee
Chaim H. Leshkowitz	Trustee
George Liu, M.D.	Trustee
Robert Machinist	Trustee
Donald Meltzer	Trustee
Frank A. Naccarato	Trustee
Azzam Obeid	Trustee
Martin Payson	Trustee
Trevor Price	Trustee
Peter Rebenwurz	Trustee
Erminia Rivera	Trustee
Alex Rovt, Ph.D.	Trustee
Mary Singh	Trustee
David Spira	Trustee
Aaron D. Twerski	Trustee
Michael L. Ziegler, Esq	Trustee
***George Weinberger***	Trustee

\*\*\*Member requiring C&C because he is new to the board\*\*\*

**Mr. George Weinberger** is the CEO of Integra Scripts, LLC for five (5) years. He develops cost containment strategies for pharmacies and other healthcare institutions. He was previously employed as the President and CEO at Siemens Medical Solution for over 16 years. He developed financial and clinical system for acute care hospitals. Mr. Washington held ownership interest in the following healthcare facility:

*New Vista Nursing and Rehabilitation Center*

*12/1998 to 02/2016*

Mr. Weinberger disclosed a lawsuit related to commercial contract arbitration. Mr. Weinberger sold his interest in New Vista in February 2016. Under the terms of the transaction, it was agreed the proposed adjacent dialysis facility, to be operated as a joint venture between Fresenius Medical Care and a group led by Mr. Weinberger would be retained by the seller. The new owners of New Vista did not comply, and as a result, Fresenius took the Weinberger group to arbitration. The arbitration was essentially a dispute between partners and has nothing to do with the quality of care provided by New Vista. The dialysis facility never opened and Mr. Weinberger never operated a dialysis facility.

Mr. Keilin disclosed suspension of his law license in 2013 due to failure to reapply for licensure. He has not practiced law since 1976 and did not need to reapply for licensure.

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.

**Prevention Agenda**

The New York Community Hospital of Brooklyn, Inc. states that the proposed project will advance local Prevention Agenda priorities by working together to continue preventing chronic diseases and strengthen methods for tracking progress by including at least one intermediate measure for each goal.

The New York Community Hospital of Brooklyn, Inc. is implementing interventions to support three goals of the 2019-2024 New York State Prevention Agenda:

- Promoting tobacco cessation in the Russian community under promote tobacco use cessation goal.
- Changing cafeteria nutrition standards by incorporating more healthy foods under increasing access to healthy and affordable foods and beverage goal
- Increasing hypertension screening, and stroke prevention and education under increase early detection of cardiovascular disease, diabetes, prediabetes and obesity goal.

The application states that The New York Community Hospital of Brooklyn, Inc. engaged numerous community partners, including public health officials, elected officials, faith-based organizations, public and non-profit social service providers, community associations and boards, in their Prevention Agenda efforts. The New York Community Hospital of Brooklyn, Inc. cites output data measures that it tracks to assess progress toward achieving local Prevention Agenda goals, including:

- Number of patients who receive tobacco cessation prescription and # referred to Quitline.
- Number served free meals in the cafeteria.
- Number of events and blood pressure screenings.

In 2018 the applicant spent \$67,937 on community health improvement services, representing 0.063% of total operating expenses.

**Conclusion**

The purpose of the transaction is to establish a coordinated, integrated system with the objectives of improving quality and expanding access to health care services locally, and to further the charitable activities of MMC and NYCH. There will be no change in beds or services. From a need perspective, approval is recommended. 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 Analysis**

**Consolidated Projections**

The following represents the consolidated budgets and assumptions detail for MMC and NYCH post affiliation:

	<u>Current Year</u> (2019)	<u>Year One</u> (2023)	<u>Year Three</u> (2025)
Total Revenues	\$1,509,203,467	\$1,591,624,126	\$1,609,521,316
Total Expenses	\$1,496,315,126	\$1,556,263,652	\$1,570,619,346
Net Income (Loss)	\$12,888,341	\$35,360,474	\$38,901,970



Total Discharges	49,840	53,124	53,693
Total Visits	489,818	535,646	541,571

The following is noted with respect to the submitted budget:

- Current Year revenues and expenses are based on the MMC and NYCH 2019 certified financial statements.
- Assumes full recovery of pre-COVID revenue and volume for both facilities by Year 1.
- Current Year revenues and expenses present the entire MMC enterprise, with items such as faculty practice, M2PC, capital assets, and pensions.
- The NYCH initiatives (advancing cancer care, cardiovascular care, and surgery) will generate incremental margin of approximately \$3.7M in Year 1 and \$5.7M in Year 3.
- The Year 1 and Year 3 projections assume completion of MMC's capital project (CON 181016), which will expand and modernize both the adult and pediatric services of the Emergency Department (ED), and improve key services impacted by the ED expansion. These services include renovations to Interventional Cardiology, the Neonatal, Intensive Care Unit (NICU) and Surgical Services. Construction on this project started September 8, 2020.
- Projections do not include NYCH cost savings as a result of the affiliation as that have not yet been quantified.
- Medicaid payments have been reduced by 1.5% in accordance with SFY 2020 Enacted State Budget

Utilization by payor for the consolidated MMC/NYCH is as follows:

Inpatient	Current Year		Year One		Year Three	
	Discharges	%	Discharges	%	Discharges	%
<u>Payors:</u>						
Medicaid-FFS	3,269	6.6%	3,528	6.6%	3,705	7%
Medicaid-MC	19,670	39.5%	20,998	39.5%	20,998	39%
Medicare-FFS	12,610	25.3%	13,410	25.2%	13,670	25%
Medicare-MC	5,862	11.8%	6,156	11.6%	6,156	11%
Commercial FFS	2,922	5.9%	3,166	6.0%	3,292	6%
Commercial MC	4,711	9.5%	4,987	9.4%	4,987	9%
Private Pay	471	0.9%	501	0.9%	501	1%
Charity Care	91	0.2%	91	0.2%	91	0%
<u>All Other</u>	<u>234</u>	<u>0.5%</u>	<u>287</u>	<u>0.5%</u>	<u>293</u>	<u>1%</u>
Total	49,840	100%	53,124	100%	53,693	100%
Outpatient	Current Year		Year One		Year Three	
	Visits	%	Visits	%	Visits	%
<u>Payors:</u>						
Medicaid-FFS	22,674	4.6%	29,919	5.6%	31,392	5.8%
Medicaid-MC	226,463	46.2%	239,065	44.6%	239,065	44.1%
Medicare-FFS	80,189	16.4%	94,561	17.7%	97,776	18.1%
Medicare-MC	49,696	10.1%	51,659	9.6%	51,659	9.5%
Commercial FFS	49,315	10.1%	56,256	10.5%	57,397	10.6%
Commercial MC	40,485	8.3%	41,877	7.8%	41,877	7.7%
Private Pay	11,446	2.3%	12,042	2.2%	12,042	2.2%
Charity Care	4,570	0.9%	4,742	0.9%	4,742	0.9%
<u>All Other</u>	<u>4,980</u>	<u>1.0%</u>	<u>5,525</u>	<u>1.0%</u>	<u>5,620</u>	<u>1.0%</u>
Total	489,818	100%	535,646	100%	541,571	100%

The following represents the budget for NYCH:

<u>NYCH Budget:</u>	<u>Current Year</u> <u>(2019)</u>	<u>Year One</u> <u>(2023)</u>	<u>Year Three</u> <u>(2025)</u>
Total Revenues	\$105,750,765	\$132,145,054	\$150,042,244
Total Expenses	\$109,494,914	\$131,541,483	\$146,137,502
Net Income (Loss)	(\$3,744,149)	\$603,571	\$3,904,742
Total Discharges	6,503	6,787	7,356
Total Visits	29,604	50,769	56,694

The following is noted with respect to the submitted budget:

- Current Year revenues and expenses are based on the NYCH 2019 certified financial statements.
- The First and Third-Year projection includes the positive financial impact of three clinical growth initiatives to collectively generate an incremental positive margin of \$10 million by year five post-affiliation. These initiatives are interventional cardiology, oncology infusion and surgical services. The oncology initiative received contingent CON Approval from New York State under Project No. 201180 on September 25, 2020.
- Maimonides and NYCH leadership indicate that the Year 1 projections assume NYCH will return to pre-COVID volume by year end 2021.
- Medicaid payments have been reduced by 1.5% in accordance with SFY 2020 Enacted State Budget.

### **Administrative Services Agreement**

MMC entered into an Administrative Services Agreement with NYCH. MMC will assess, consult and advise on certain services to NYCH. The applicant has submitted an executed agreement, which is summarized below:

Dated:	March 4, 2020
Facility:	The New York Community Hospital of Brooklyn, Inc. (NYCH)
Contractor:	Maimonides Medical Center (MMC)
Compensation:	Reasonable out-of-pocket costs (excludes compensation & benefits paid to MMC employees who provide the services and/or any portion of MMC overhead).
Contractor's Duties:	Assist in the following: identify & retain professionals, develop Bridge Operating Plan, develop "day one" integration initiatives, expand clinical integration, identify co-marketing opportunities. Recommend resources, inputs or clinical or administrative services that MMC can provide to NYCH to enable NYCH to expand various clinical programs.

The executed Administrative Service Agreement acknowledges NYCH and its Board of Directors (the "Board") shall at all times retain ultimate control and governance over the assets and operation of NYCH. Further, the Board shall remain the governing body of NYCH and shall remain ultimately responsible for the control, policymaking and direction of NYCH. By entering into this Agreement, NYCH does not delegate to MMC any of the powers, duties and responsibilities required to own or operate NYCH.

### **Capability and Feasibility**

There are no project costs associated with this application. The applicant has demonstrated the capability to proceed in a financially feasible manner and approval is recommended. Key drivers to attaining the year one and year three financial projections are realization of the incremental volume and revenue from Maimonides service enhancements and capital projects, achieving the projected clinical program growth from investments at NYCH and timely recovery to pre-pandemic volume levels for both organizations.

BFA Attachment C, Maimonides Medical Center's certified financial statements for years 2018 and 2019 shows the organization maintained positive working capital, a positive net asset position and had positive excess revenues over expenses of \$73,579,000 in 2018 and \$17,945,000 in 2019.

BFA Attachment D, Maimonides Medical Center's November 30, 2020 internal financial statements shows the organization maintained a positive working capital and positive net asset position. The \$15,906,577 deficiency of revenue over expenses for this time period includes approximately \$215M of federal stimulus program revenue and approximately \$33.7M of net operating loss from the M2 Medical Community Practice, P.C. (M2PC), which was partially offset by a federal Payroll Protection Plan loan of approximately \$6.7M. The applicant has an operations recovery plan in progress to return to pre-COVID financial performance and is on target year to date to achieve a positive monthly run rate by the fourth quarter of 2021. Despite the financial impact of the pandemic, MMC has demonstrated an ability to maintain a stable cash position to make this investment to NYCH with 133 days cash on hand as of November 2020 Internal Financial Statements.

BFA Attachment E, The New York Community Hospital of Brooklyn, Inc. certified financial statements for years 2018 and 2019 shows the organization maintained positive working capital, a positive net asset position and experienced a net operating loss of \$5,503,653 and \$3,744,149, respectively.

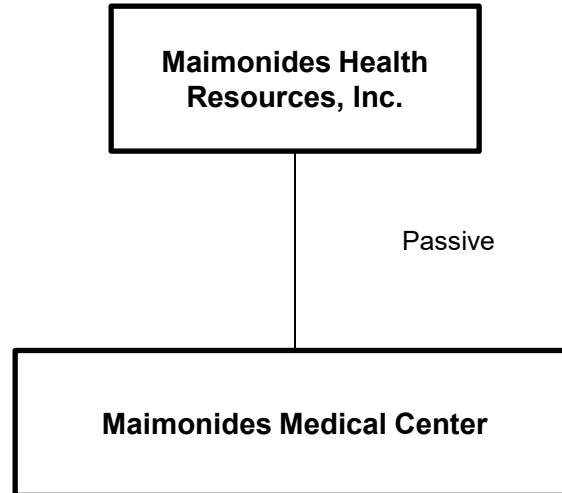
BFA Attachment F, The New York Community Hospital of Brooklyn, Inc October 31, 2020 internal financial statements shows the facility maintained positive working capital and a positive net asset position. The organization experienced a net operating loss of \$15,770,000 during this time period that was largely due to a decline in volume and revenue from the pandemic, This loss was offset by federal stimulus program revenue of \$15,977,000 and net of an unrealized loss of \$531,000 resulted in an adjusted operating loss of \$324,000 through October 31, 2020. NYCH has implemented an expense reduction plan to address part of this gap and, through the affiliation, will work with Maimonides to normalize and grow clinical service volume and revenue. NYCH leadership also reports a balance of approximately \$25M in remaining federal stimulus funds to help address the pandemic related revenue loss and expenses.

## **Attachments**

BFA Attachment A	Maimonides Medical Center – Current Organizational Chart
BFA Attachment B	Maimonides Medical Center – Post Closing Organizational Chart
BFA Attachment C	Maimonides Medical Center – 2018 and 2019 Certified Financial Statements
BFA Attachment D	Maimonides Medical Center – November 30, 2020 Internal Financial Statements
BFA Attachment E	The New York Community Hospital of Brooklyn, Inc - 2018 and 2019 Certified Financial Statements
BFA Attachment F	The New York Community Hospital of Brooklyn, Inc – October 31, 2020 internal financial statements

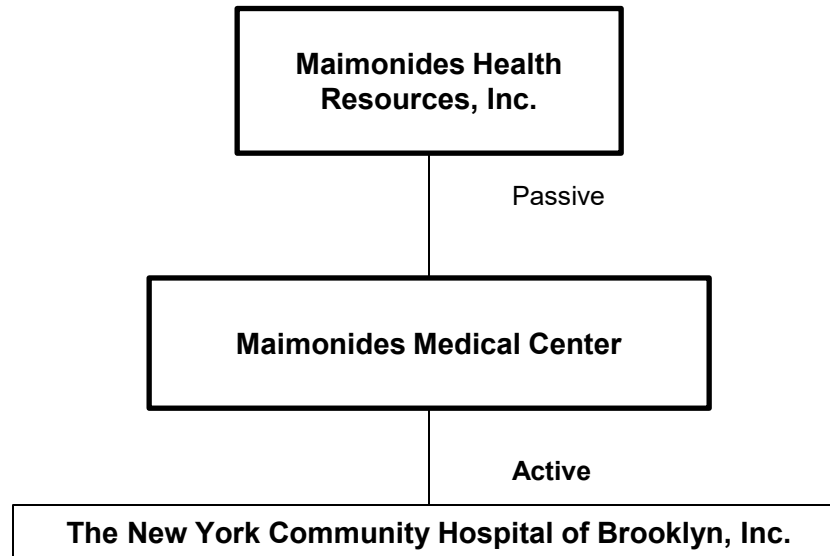
# Maimonides Medical Center

Current



# Maimonides Medical Center

As of Effective Date of the Affiliation



Maimonides Medical Center

Consolidated Statements of Financial Position  
(In Thousands)

	<b>December 31</b>	
	<b>2019</b>	<b>2018</b>
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 28,093	\$ 31,214
Short-term investments	50,185	79,365
Total cash, cash equivalents and short-term investments	<u>78,278</u>	110,579
Assets limited as to use, current portion:		
Board designated	288,178	141,336
DSRIP funds	121,106	99,494
Receivables for patient care, net	186,838	169,044
Due from affiliates, net, current portion	26,249	18,526
Supplies	13,549	11,915
Estimated insurance claims receivable, current portion	31,428	34,083
Other current assets	57,597	58,240
Total current assets	<u>803,223</u>	643,217
Assets limited as to use, less current portion:		
Sinking funds	15,233	14,531
Right-of-use assets – operating leases	108,953	–
Due from affiliates, net, less current portion	–	156
Property, plant and equipment, net	326,289	309,256
Equity in captive insurance program	36,061	173,505
Estimated insurance claims receivable, less current portion	178,092	193,135
Other assets	36,001	28,719
Total assets	<u><u>\$ 1,503,852</u></u>	<u><u>\$ 1,362,519</u></u>

	<b>December 31</b>	
	<b>2019</b>	<b>2018</b>
<b>Liabilities and net assets</b>		
Current liabilities:		
Accounts payable and accrued expenses	\$ 105,515	\$ 91,183
Construction payable	8,128	8,702
Accrued salaries and related liabilities	91,564	93,643
Current portion of long-term debt and finance lease obligations	25,765	39,848
Line of credit borrowings	25,516	25,516
Estimated insurance claims liabilities, current portion	31,428	34,083
Operating lease liabilities, current portion	20,867	–
Other current liabilities	140,632	108,885
Total current liabilities	<u>449,415</u>	<u>401,860</u>
Long-term debt and finance lease obligations, less current portion	224,377	199,491
Accrued pension and postretirement benefits	101,575	89,139
Other noncurrent liabilities	40,145	72,347
Professional liabilities	36,382	35,514
Operating lease liabilities, less current portion	86,200	–
Estimated insurance claims liabilities, less current portion	178,092	193,135
Total liabilities	<u>1,116,186</u>	<u>991,486</u>
Commitments and contingencies		
Net assets:		
Net assets without donor restrictions	365,397	350,155
Net assets with donor restrictions	22,269	20,878
Total net assets	<u>387,666</u>	<u>371,033</u>
Total liabilities and net assets	<u>\$ 1,503,852</u>	<u>\$ 1,362,519</u>

*See accompanying notes.*

## Maimonides Medical Center

### Consolidated Statements of Operations and Changes in Net Assets (In Thousands)

	<b>Year Ended December 31</b>	
	<b>2019</b>	<b>2018</b>
Medical Center operating revenue:		
Net patient service revenue	\$ 1,206,398	\$ 1,123,632
Other revenue	87,348	125,223
Net assets released from restrictions	687	967
Total Medical Center operating revenue	<b>1,294,433</b>	1,249,822
Medical Center operating expenses:		
Salaries and wages	650,574	624,360
Employee benefits	181,975	171,900
Supplies and other expenses	387,442	362,649
Depreciation and amortization	49,974	48,963
Interest and amortization of deferred financing costs	7,695	7,873
Total Medical Center operating expenses	<b>1,277,660</b>	1,215,745
Medical Center excess of operating revenue over operating expenses before other items	16,773	34,077
M2 Medical Community Practice, P.C.:		
Operating revenue	64,752	52,367
Operating expenses	(89,125)	(67,695)
Net M2 Medical Community Practice, P.C. activities	<b>(24,373)</b>	(15,328)
Gain on sale of buildings and land, net	-	61,029
Change in captive insurance program interest rate shortfall	-	8,345
Change in equity in captive insurance program	28,236	(12,534)
Other nonoperating losses	<b>(7,192)</b>	(2,010)
Excess of revenue over expenses before net change in unrealized gains and losses on investments and change in fair value of interest rate swap agreements	13,444	73,579
Net change in unrealized gains and losses on investments and change in fair value of interest rate swap agreements	<b>4,501</b>	(827)
Excess of revenue over expenses	17,945	72,752
Change in accrued pension and postretirement benefits liabilities to be recognized in future periods	<b>(11,026)</b>	1,738
Net assets released from restrictions used for capital asset acquisitions	<b>8,323</b>	392
Increase in net assets without donor restrictions	<b>15,242</b>	74,882
Net assets with donor restrictions:		
Restricted contributions, grants and other receipts	10,401	4,343
Net assets released from restrictions for:		
Operating expenses	(687)	(967)
Capital asset acquisitions	(8,323)	(392)
Increase in net assets with donor restrictions	<b>1,391</b>	2,984
Increase in net assets	16,633	77,866
Net assets at beginning of year	<b>371,033</b>	293,167
Net assets at end of year	<b>\$ 387,666</b>	\$ 371,033

See accompanying notes.





**Maimonides Medical Center**  
**Consolidated Statements of Financial Position**

	<b>November</b>	<b>Audited</b>		<b>November</b>	<b>Audited</b>
	<b>2020</b>	<b>December</b>		<b>2020</b>	<b>December</b>
	<b>(In Thousands)</b>			<b>(In Thousands)</b>	
<b>Assets</b>			<b>Liabilities and net assets</b>		
<b>Current assets:</b>			<b>Current liabilities:</b>		
Cash & cash equivalents	\$ 209,826	\$ 28,093	Accounts payable and accrued expenses	\$ 125,346	\$ 105,515
Short-term investments	39,796	50,185	Construction payable	5,514	8,128
Total cash, cash equivalents and short-term investments	<u>249,622</u>	<u>78,278</u>	Accrued salaries and related liabilities	105,964	91,564
Assets limited as to use, current portion:			Current portion of long-term debt and capital lease obligations	20,978	25,765
Board designated	280,126	288,178	Line of credit and short-term loan borrowings	25,516	25,516
DSRIP	64,429	121,106	Lease liability, current portion	28,519	20,867
Collateral	29,034	-	Estimated insurance claims liabilities, current portion	31,428	31,428
Receivables for patient care, net of allowance for doubtful accounts	143,401	186,838	Other current liabilities	112,331	140,632
Due from affiliates, net, current portion	39,271	26,249	<b>Total current liabilities</b>	<u>455,596</u>	<u>449,415</u>
Supplies	15,464	13,549	Long-term debt and capital lease obligations, less current portion	394,855	224,377
Estimated insurance claims receivable, current portion	31,428	31,428	Accrued pension and post retirement benefits	99,738	101,575
Other current assets	39,924	57,597	Other noncurrent liabilities	150,311	40,145
<b>Total current assets</b>	<u>892,699</u>	<u>803,223</u>	Professional liabilities	46,415	36,382
Assets limited as to use, less current portion:			Estimated insurance claims liabilities, less current portion	178,092	178,092
Sinking funds	22,970	15,233	Lease liability, less current portion	70,681	86,200
Bond Funds	139,254	-	<b>Total liabilities</b>	<u>1,395,688</u>	<u>1,116,186</u>
Right-of-use asset, less current portion	100,486	108,953	<b>Net assets</b>		
Property, plant and equipment, net	355,775	326,289	Net assets without donor restrictions	349,491	365,397
Equity in captive insurance program	36,061	36,061	Net assets with donor restrictions	21,146	22,269
Estimated insurance claims receivable, less current portion	178,092	178,092	<b>Total net assets</b>	<u>370,637</u>	<u>387,666</u>
Other assets	40,988	36,001	<b>Total liabilities and net assets</b>	<u>\$ 1,766,325</u>	<u>\$ 1,503,852</u>
<b>Total assets</b>	<u>\$ 1,766,325</u>	<u>\$ 1,503,852</u>			



**Maimonides Medical Center**  
**Consolidated Statement of Operations**  
**For the Eleven Months Ended November 30, 2020**

<u>Description</u>	<u>Month</u>			<u>Year-to-Date</u>		
	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Inpatient Service Revenue	72,502,682	61,169,432	(11,333,250)	775,740,341	693,422,989	(82,317,352)
Outpatient Revenue (Incl. Faculty Practice)	34,423,050	28,121,357	(6,301,693)	386,185,617	287,713,735	(98,471,882)
<b>Net Patient Service Revenue</b>	<b>106,925,732</b>	<b>89,290,789</b>	<b>(17,634,943)</b>	<b>1,161,925,958</b>	<b>981,136,724</b>	<b>(180,789,234)</b>
Other Operating Revenues	4,846,119	2,715,576	(2,130,543)	56,501,039	71,587,036	15,085,997
Stimulus Program Revenue	-	16,983,423	16,983,423	-	214,768,980	214,768,980
<b>Total Operating Revenue</b>	<b>111,771,851</b>	<b>108,989,788</b>	<b>(2,782,063)</b>	<b>1,218,426,997</b>	<b>1,267,492,740</b>	<b>49,065,743</b>
<b>Operating Expenses</b>						
Salaries	53,911,124	53,552,516	358,608	584,390,130	629,637,480	(45,247,350)
Supplies & Expenses	30,089,276	30,199,575	(110,299)	334,238,653	349,642,148	(15,403,495)
Employee Benefits	15,339,283	15,151,775	187,508	173,400,826	169,912,366	3,488,460
Depreciation	4,548,873	4,648,873	(100,000)	50,037,598	50,937,598	(900,000)
Interest	780,271	627,014	153,257	8,267,136	6,863,107	1,404,029
Insurance	4,777,672	4,810,035	(32,363)	52,554,398	52,836,207	(281,809)
<b>Total Operating Expenses</b>	<b>109,446,499</b>	<b>108,989,788</b>	<b>456,711</b>	<b>1,202,888,741</b>	<b>1,259,828,906</b>	<b>(56,940,165)</b>
<b>Medical Center Net Profit (Loss)</b>	<b>2,325,352</b>	<b>(0)</b>	<b>(2,325,352)</b>	<b>15,538,256</b>	<b>7,663,834</b>	<b>(7,874,422)</b>
<b>M2PC Loss from Operation</b>	<b>(1,856,121)</b>	<b>(2,291,792)</b>	<b>(435,671)</b>	<b>(16,975,837)</b>	<b>(33,762,516)</b>	<b>(16,786,679)</b>
<b>M2PC Stimulus Program and Payroll Protection Plan</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,761,907</b>	<b>6,761,907</b>
<b>Total Operating Profit (Loss) before Other Items</b>	<b>469,231</b>	<b>(2,291,792)</b>	<b>(2,761,023)</b>	<b>(1,437,581)</b>	<b>(19,336,775)</b>	<b>(17,899,194)</b>
<b>Unrealized Gains (Losses) on Investments</b>		320,310			3,563,611	
<b>Change in Fair Value of Interest Rate Swap Agreements</b>		47,332			(133,413)	
<b>Excess (Deficiency) of Revenue Over Expenses</b>		<b>(1,924,150)</b>			<b>(15,906,577)</b>	

**The New York Community Hospital of Brooklyn, Inc.**  
**Balance Sheets**  
**December 31, 2019 and 2018**

	<b>2019</b>	<b>2018</b>
<b>Assets</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 2,087,638	2,758,983
Investments	8,418,913	16,581,345
Certificate of deposit	-	300,000
Patient accounts receivable (net of allowance for doubtful accounts of \$22,400,000 in 2018)	14,924,818	14,452,453
Inventory	1,832,846	1,070,854
Other current assets	801,381	599,491
Estimated amounts due from third-party payors	4,698,056	3,685,295
Assets limited as to use - current	1,730,000	1,730,000
Total current assets	34,493,652	41,178,421
<b>Noncurrent Assets</b>		
Assets limited as to use	12,423,857	13,516,101
Property and equipment, net	19,898,087	19,373,631
Insurance recovery receivable	175,000	175,000
Total assets	\$ 66,990,596	\$ 74,243,153
<b>Liabilities and Net Assets</b>		
<b>Current Liabilities</b>		
Accounts payable and accrued expenses	9,131,205	7,522,233
Accrued compensation and related costs	4,609,244	6,116,027
Estimated malpractice costs	1,730,000	1,730,000
Estimated amounts due to third-party payors	4,056,035	6,174,642
Total current liabilities	19,526,484	21,542,902
<b>Long-Term Liabilities</b>		
Accrued pension costs	7,133,756	5,326,939
Estimated malpractice costs	13,757,500	15,569,996
Total liabilities	40,417,740	42,439,837
<b>Net Assets, Without Donor Restrictions</b>	26,572,856	31,803,316
Total liabilities and net assets	\$ 66,990,596	\$ 74,243,153

**The New York Community Hospital of Brooklyn, Inc.**  
**Statements of Operations and Changes in Net Assets**  
**Years Ended December 31, 2019 and 2018**

	<b>2019</b>	<b>2018</b>
<b>Revenues and Gains Without Donor Restrictions</b>		
Patient service revenues (net of contractual discounts and allowances)	\$ -	\$ 106,331,690
Provision for bad debt	-	(2,550,000)
	102,841,174	103,781,690
Patient services revenues (less provision for bad debt for 2018)		
Other operating revenues	1,120,000	1,189,131
	103,961,174	104,970,821
<b>Expenses</b>		
Salaries and wages	54,327,440	52,715,947
Employee benefits	20,563,339	19,753,228
Professional fees, supplies and other expenses	31,653,965	32,831,230
Depreciation and amortization	2,950,170	3,043,913
	109,494,914	108,344,318
Total operating expenses		
<b>Operating Loss</b>	<b>(5,533,740)</b>	<b>(3,373,497)</b>
<b>Other Income (Expense)</b>		
Investment return - trading securities	2,049,304	(736,730)
Investment return - other	-	(1,181,500)
Net periodic pension costs	(259,713)	(211,926)
	1,789,591	(2,130,156)
Total nonoperating income		
<b>Excess of Expenses Over Revenues</b>	<b>(3,744,149)</b>	<b>(5,503,653)</b>
Change in defined benefit pension plan gains and losses	(1,486,311)	1,203,906
<b>Decrease in Net Assets Without Donor Restrictions</b>	<b>(5,230,460)</b>	<b>(4,299,747)</b>
<b>Net Assets, Beginning of Year</b>	<b>31,803,316</b>	<b>36,103,063</b>
<b>Net Assets, End of Year</b>	<b>\$ 26,572,856</b>	<b>\$ 31,803,316</b>



**THE NEW YORK COMMUNITY HOSPITAL OF BROOKLYN, INC.**  
**BALANCE SHEET**  
**10/31/2020**

Project 211023  
BFA Attachment F

	<u>10/31/2020</u>	Audited <u>12/31/2019</u>		<u>10/31/2020</u>	Audited <u>12/31/2019</u>
<b>ASSETS</b>			<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT ASSETS</b>			<b>CURRENT LIABILITIES</b>		
Cash and Cash Equivalents	1,674,259	\$ 2,087,638	Accounts Payable and Accrued Expenses	6,992,669	\$ 9,131,205
Short Term Investments	10,424,067	8,418,913	Accrued Salaries and Related Liabilities	6,097,675	4,609,244
Patient Accounts Receivable - Gross	33,689,388	41,306,774	Current Portion of Est Self-Insured Professional Liab.	1,498,950	1,730,000
Patient Accounts Receivable - Allowance	(19,636,572)	(26,381,956)	Due to 3rd Party	4,198,815	4,056,030
Inventories	1,814,208	1,832,846	Other Current Liabilities:		
Prepaid Expenses and Other Current Assets	960,971	801,381	Medicare Advance	22,533,209	-
Due from Third Party Reimbursement Payors- current	3,265,234	4,698,051	HHS CARES	17,988,969	-
Assets Limited To Use:					
Malpractice	1,498,950	1,730,000			
Medicare Advance	22,533,209	-			
HHS- CARES	17,988,969	-			
<b>TOTAL CURRENT ASSETS</b>	<b>74,212,685</b>	<b>34,493,647</b>	<b>TOTAL CURRENT LIABILITIES</b>	<b>59,310,287</b>	<b>19,526,479</b>
<b>NONCURRENT ASSETS</b>			<b>NONCURRENT LIABILITIES</b>		
Assets Limited To Use:			HHS Stimulus- Deferred Revenue	12,000,000	-
HHS- CARES	12,000,000	-	Accrued Pension Liability	7,043,217	7,133,756
Malpractice	13,742,935	12,423,857	Portion of Est Self-Insured Professional Liability	14,989,503	13,757,500
Property, Plant, and Equipment - Net	18,417,844	19,898,087			
Property, Plant, and Equipment - COVID	1,043,164	-			
Insurance Recovery Receivable	175,000	175,000			
<b>TOTAL NONCURRENT ASSETS</b>	<b>45,378,942</b>	<b>32,496,944</b>	<b>TOTAL NONCURRENT LIABILITIES</b>	<b>34,032,721</b>	<b>20,891,256</b>
<b>TOTAL ASSETS</b>	<b><u>\$ 119,591,627</u></b>	<b><u>\$ 66,990,591</u></b>	<b>NET ASSETS</b>	<b>26,248,619</b>	26,572,856
			<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b><u>\$ 119,591,627</u></b>	<b><u>\$ 66,990,591</u></b>



**The New York Community Hospital of Brooklyn, Inc.**  
**Income Statement**  
**10/31/2020**  
(In Thousands)

Project 211023  
BFA Attachment F cont

	Month to Date				Year to Date			
	Oct Actual	Oct Budget	Fav/ (Unfav)	Prior Year Actual	YTD Actual	YTD Budget	Fav/ (Unfav)	Prior Year Actual
<b>Operating Revenues:</b>								
Net Inpatient Revenue	7,297	6,923	374	7,088	70,010	68,137	1,873	68,336
Net Outpatient Revenue	1,746	2,126	(380)	2,219	14,187	20,924	(6,737)	18,865
Provision for Bad Debts	(212)	(212)	-	(212)	(4,784)	(2,120)	(2,664)	(2,120)
Net Patient Service Revenue Less Provision for Bad Debts	<u>8,831</u>	<u>8,837</u>	<u>(6)</u>	<u>9,095</u>	<u>79,413</u>	<u>86,941</u>	<u>(7,527)</u>	<u>85,081</u>
Faculty Practice	208	218	(10)	261	2,076	2,095	(18)	2,492
Other Operating Revenue	381	132	249	42	1,404	1,349	54	941
<b>Total Operating Revenues</b>	<b><u>9,420</u></b>	<b><u>9,187</u></b>	<b><u>233</u></b>	<b><u>9,398</u></b>	<b><u>82,894</u></b>	<b><u>90,385</u></b>	<b><u>(7,491)</u></b>	<b><u>88,514</u></b>
<b>Operating Expenses:</b>								
Payroll & Fringe Benefits								
Payroll	4,936	4,630	(306)	4,534	46,847	45,558	(1,288)	44,935
Fringe Benefits	1,799	1,822	23	1,714	17,262	17,928	666	17,664
Total Payroll & Fringe Benefits	<u>6,735</u>	<u>6,453</u>	<u>(282)</u>	<u>6,248</u>	<u>64,109</u>	<u>63,486</u>	<u>(623)</u>	<u>62,599</u>
Other Expenses	3,618	2,599	(1,018)	2,502	30,317	25,772	(4,545)	26,840
Insurance	80	167	87	327	754	1,671	917	2,048
Depreciation	246	246	0	244	2,456	2,456	0	2,452
Leases Expenses	123	117	(7)	104	1,028	1,165	137	1,139
<b>Total Operating Expenses</b>	<b><u>10,801</u></b>	<b><u>9,581</u></b>	<b><u>(1,220)</u></b>	<b><u>9,425</u></b>	<b><u>98,664</u></b>	<b><u>94,550</u></b>	<b><u>(4,113)</u></b>	<b><u>95,078</u></b>
<b>Net Operating Income / (Loss)</b>	<b><u>(1,382)</u></b>	<b><u>(395)</u></b>	<b><u>(987)</u></b>	<b><u>(27)</u></b>	<b><u>(15,770)</u></b>	<b><u>(4,165)</u></b>	<b><u>(11,605)</u></b>	<b><u>(6,564)</u></b>
US HHS Stimulus- COVID grant	1,253	-	1,253	-	15,977	-	15,977	-
Unrealized Gain/(Loss)	374	-	374	70	(531)	-	(531)	1,326
<b>Adjusted Operating Income / (Loss)</b>	<b><u><u>245</u></u></b>	<b><u><u>(395)</u></u></b>	<b><u><u>640</u></u></b>	<b><u><u>43</u></u></b>	<b><u><u>(324)</u></u></b>	<b><u><u>(4,165)</u></u></b>	<b><u><u>3,841</u></u></b>	<b><u><u>(5,238)</u></u></b>



Project # 201038-E
St. Joseph's Health at Home

Program: Certified Home Health Agency
Purpose: Establishment

County: Onondaga
Acknowledged: February 5, 2020

Executive Summary

Description

St. Joseph's Health at Home (St. Joseph's) requests to become the operator and Trinity Home Health Services and Trinity Health request approval to become the co-operators and active parents of St. Joseph's Hospital Health Center CHHA (the CHHA), an existing Article 36 Certified Home Health Agency located at 7246 Janus Park Drive, Liverpool (Onondaga County), which is currently operated by St. Joseph's Hospital Health Center (SJHHC).

The CHHA is licensed to provide nursing, home health aide, medical social services, medical supplies equipment and appliances, nutritional, occupational therapy, speech language pathology, respiratory therapy, and physical therapy services in Cayuga, Cortland, Lewis, Madison, Oneida, Onondaga, and Oswego counties.

SJHHC is part of Trinity Health (Trinity) an Indiana not-for-profit corporation that runs a national health care system with health care operations in 22 states. Trinity is in the process of consolidating all its home care entities under the umbrella of Trinity Home Health Services (THHS), a wholly-owned Michigan not-for-profit corporation, to achieve administrative and financial efficiencies.

Accordingly, SJHHC seeks to transfer its ownership of the CHHA to St. Joseph's. St. Joseph's is a to-be-formed New York not-for-profit corporation whose sole purpose will be to establish and operate a certified home health agency pursuant to Article 36 of the PHL. St. Joseph's sole member will be THHS, and St. Joseph and THHS will have mirror boards. As

set forth in its certificate of incorporation and bylaws, St. Joseph's grants certain powers and authorities to THHS (as its member) and Trinity Health (as its grandparent). These powers and authorities are presented in BFA Attachment F.

OPCHSM Recommendation

Contingent Approval

Need Summary

This request represents a change in control without impact to the daily operations of the CHHA.

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

There are no project costs associated with this application. The projected budget (in '000s) is as follows:

Table with 4 columns: Category, Current, Year One, Year Three. Rows: Revenues, Expenses, Gain.

THHS indicated that it will cover any operating losses incurred by St. Joseph's to the extent the entity is unable to cover such losses through its CHHA operations.

## **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 applicant's executed Certificate of Incorporation, acceptable to the Department. [CSL]
2. Submission of a photocopy of an executed Restated Certificate of Incorporation of St. Joseph's Hospital Health Center, 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**

April 8, 2021



## **Need and Program Analysis**

### **Proposal**

St. Joseph's Health at Home, a proposed not-for-profit corporation, requests approval to become the new operator of St. Joseph's Hospital Health Center CHHA, a Certified Home Health Agency, under Article 36 of the Public Health Law.

Currently, St. Joseph's Hospital Health Center CHHA is operated by St. Joseph's Hospital Health Center, an Article 28 hospital which is part of the Trinity Health Care System ("Trinity"), which operates healthcare facilities in 22 states. Please see Programmatic Attachment A – New York State Facilities and Programmatic Attachment B – Out-of-State Facilities for further details regarding Trinity's ownership affiliations.

In order to achieve administrative and financial efficiencies, Trinity is currently in the process of consolidating all of their home care entities under the umbrella of Trinity Home Health Services d/b/a Trinity Health at Home, a not-for-profit corporation formed in Michigan with the authority to do business in New York State. Trinity Home Health operates eleven Certified Home Health Agencies in nine states. The sole member of Trinity Home Health Services is Trinity Health, a not-for-profit corporation formed in Indiana with authority to do business in New York State.

In accordance with Trinity's consolidation efforts, St. Joseph's Hospital Health Center seeks to transfer their ownership of St. Joseph's Hospital Health Center CHHA to St. Joseph's Health at Home. The sole member of St. Joseph's Health at Home is Trinity Home Health Services, with Trinity Health as a grandparent.

The Board of Directors of St. Joseph's Health at Home will mirror the Board of Directors of Trinity Home Health Services. Trinity has adopted this structure, in which Trinity Home Health Services is the sole member of the local home care subsidiary and the Board of Directors of the local home care subsidiary mirrors the Board of Directors of Trinity Home Health Services, for all its Medicare certified home health agencies operated nationally. This structure has enabled Trinity to appoint experienced and knowledgeable industry leaders to the Board of Directors of Trinity Home Health Services and its local home care subsidiaries and to focus on improving quality, implementing financial and operational best practices, and achieving economical efficiencies. This approach has helped to achieve fiscal stability for financially challenged home care agencies within the Trinity system and to improve operations and quality, resulting in high CMS Star Ratings.

The Board of Directors of Trinity Home Health Services has 12 members, including Arthur Henkel, a New York State Resident, who also chairs the Board of Director's Finance Committee. The Executive Director of St. Joseph's Health at Home will report directly to the Chief Operating Officer of Trinity Home Health Services, who reports directly to the President and Chief Executive Office of Trinity Home Health Services, ensuring a direct line of communication within the management structure..

To address local issues, the Board of Directors of St. Joseph's Health at Home will have a Performance Improvement/Professional Advisory Committee that reports quarterly to the Quality Committee of the Board of Directors of Trinity Home Health Services. The Quality Committee provides direction and education to agencies, implements survey and accreditation readiness activities, identifies quality assurance initiatives, and standardizes approaches to improving home care performance.

The Performance Improvement/Professional Advisory Committee of St. Joseph's Health at Home will focus on specific performance improvement initiatives for St. Joseph's Health at Home, to achieve regulatory and quality compliance, single digit hospitalization rates and a CMS 4 Star rating or higher. The St. Joseph's Health at Home's Performance Improvement/Professional Advisory Committee reports to the Board Quality Committee quarterly and will have 14 local members, consisting of representatives

from St. Joseph's Hospital Health Center and one community representative. This body will oversee the implementation of St. Joseph's Quality Assurance and Performance Improvement Plan and Indicators and serves to connect the local agency to the broader Trinity Home Health Service's organization.

The applicant states being part of Trinity Home Health Services will allow St. Joseph's Health at Home to better serve the local community because this structure allows focus to occur solely on home care operations, quality improvement initiatives and improved financial performance,

There will be no changes to the services provided or counties served as a result of this project. In addition, St. Joseph's Health at Home will employ all of the St. Joseph's Hospital Health Center employees who currently staff the CHHA program.

## **Character and Competence Review**

St. Joseph's Health at Home and Trinity Home Health Services have identical boards. The membership is as follows:

**John A. Capasso**, NHA – Board Member  
Executive Vice President, Continuing Care, Trinity Health

### Affiliations

- Catholic Health System of Buffalo

**Thomas A. Cornwell, MD**

Medical Director, Physician, Northwestern Medicine HomeCare Physicians (IL)  
CEO, Home Centered Care Institute (IL)

### Affiliation

- Trinity Home Health Services

**Joanne Handy, RN**

Self- Employed, Health Care Consultant

### Affiliations

- Trinity Health at Home
- Trinity Senior Communities
- Trinity PACE
- Covia Group (CCRC, CA)

**Arthur J. Henkel** – Board Member

Retired

### Affiliations

- Trinity Continuing Care Services
- Trinity Health PACE
- Trinity Home Health Services

**William L. Minnix**

Retired

**LeJon Poole**

Program Director, Campbell University

### Affiliation

- Trinity Health

**Anna Marie Tag, NHA (MA) – Board Member**

Affiliations

- McAuley Hall Health Care Center (SNF, NJ) (2013- 2019)
- De La Salle Hall (SNF, NJ) (2015 – 2019)
- Trinity Health Continuing Care (2018 – 2019)

**Marjorie E. Tapia, RN (NJ)– Board Member**

Director of Health and Aging Services, The Religious Teachers Filippini

Affiliations

- Mercy Center Nursing Unit (SNF, PA)
- Trinity Health Continuing Care

**Antonia M. Villarruel, Ph.D, RN – Board Member**

Director, WHO Collaborating Center for Nursing and Midwifery Leadership

Margaret Bond Simon Dean of Nursing, School of Nursing, University of Pennsylvania

**Waybon D. Wells – Board Member**

Economic Justice Alliance of MI

Affiliations

- Trinity Continuing Care
- St. Joseph’s Mercy Oakland (Hospital)

**Mark K. McPherson – President/CEO, Treasurer**

Chief Financial Officer, National Health Ministries

Affiliations

- Trinity Health at Home (Treasurer/Secretary)
- Trinity Health Senior Communities (Treasurer/Secretary)
- Trinity Health PACE (Treasurer/Secretary)

**Beverly Jones- Board Member**

Retired

**Mandi Murray, Esq., RN – Secretary**

Vice President and Managing Counsel, Provider Operations, Trinity Health System

General Counsel, National Ministry, Trinity Health System

The Board of Directors of Trinity Health is as follows:

**Kevin P. Barnett – Board Member**

Senior Investigator, Public Health Institute

Affiliation

- Trinity Health Corporation

**James D. Bentley, PhD – Chair**

Retired

Affiliations

- Trinity Health Corporation
- CHE Trinity, Inc. (May 2013 – November 2014)
- Catholic Health East (May 2013 – June 2014)

**Joseph R. Betancourt, MD – Board Member**

Physician, Vice President, Chief Equity Inclusion Officer, Massachusetts General Hospital

President, Co-Founder, Quality Interactions

**Rita D. Brogley – Board Member**

Independent Director, Chair of Compensation Committee, Strategic Education, Inc.

Affiliation

- Trinity Health Corporation

**Linda M. Falquette, RSM – Board Member**

Parish Accountant, St. Aloysius

Affiliation

- Trinity Health

**Mary M. Fanning, RSM – Board Member**

Retired

Affiliation

- Trinity Health Corporation (March 2017 – Present)
- Mercy Health Services (Hospital, MD) (2015 – 2019)

**Barret Hatches, PhD – Board Member**

CEO, Chicago Family Health Center

Affiliation

- Trinity Health Corporation

**Mary Catherine Karl – Board Member**

Retired

Affiliations

- Catholic Health East (2007 – 2014)
- Surgical Safety Institute (2004 – Present)
- Trinity Health Corporation (2013 – Present)

**George M. Philip – Board Member**

Retired

**Michael A. Slubowski – President, CEO**

President, CEO, Trinity Health Corporation

Affiliations

- Trinity Health Corporation
- SCL Health (January 2011 – May 2017)

**David N. Southwell – Board Member**

Retired

**Joan Marie Steadman, CSC – Board Member**

Affiliation

- Trinity Health Corporation

**Roberta L. Waite, RN – Board Member**

Professor; Associate Dean for Community-Centered Health & Wellness and Academic Integration, Drexel University

Affiliation

- Trinity Health Corporation

**Larry Warren – Board Member**

Retired

**Cynthia A. Clemence – Interim CFO, Treasurer**  
Interim CFO and Treasurer, Trinity Health Corporation

**Linda S. Ross, Esq.** - Executive Vice President, Chief Legal Officer  
Executive Vice President, Chief Legal Officer, Trinity Health

The following legal actions were disclosed:

Linda S. Ross was named as a defendant in a lawsuit along with her former law firm and former colleague. The lawsuit was brought by a physician client whose prescribing privileges were suspended. The claim was denied at the circuit court level and the client appealed to the Michigan Court of Appeals where it was also dismissed on March 16, 2017.

A search of the individuals and entities 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, the New York State Physician Profile and the Office of Professional Medical Conduct, where appropriate, indicate no issues with the licensure of the health professionals associated with this application. The California Board of Nursing, the Illinois Department of Financial and Professional Regulation, the Pennsylvania Department of State, Bureau of Professional and Occupational Affairs and the Massachusetts Board of Registration in Medicine and the Massachusetts Office of Health and Human Services, the Michigan Department of Licensing and Regulatory Affairs, and the Colorado Department of Regulatory Agencies, indicate no issues with the licensure of the health professionals 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.

#### Facility Compliance/Enforcement

The NYS Department of Health Division of Hospitals and Diagnostic and Treatment Centers has reviewed the compliance histories of the affiliated Hospitals and Ambulatory Surgery Centers for the time-period 2011 through 2018, and reports as follows:

- An enforcement action was taken against St. Joseph's Hospital Health Center in September 2012, based on a survey completed in August 2010, for an incident relating to a patient's fall. A civil penalty in the amount of \$22,000 was imposed and paid.
- An enforcement action was taken against St. Peter's Hospital in August 2016, based on a survey completed in January 2016, for an Immediate Jeopardy situation in Food and Dietetic Services. A civil penalty in the amount of \$2000 was imposed and paid.

The NYS Department of Health Division of Hospitals and Diagnostic and Treatment Centers reported that the remaining affiliated Hospitals and Ambulatory Surgery Centers have no histories of enforcement action taken.

The NYS Department of Health Division of Nursing Homes and Intermediate Care Facilities/IID has reviewed the compliance histories of the affiliated Nursing Homes for the time-period 2011 to 2018, and reports as follows:

- An enforcement action was taken against Capital Region Geriatric Center, Inc., d/b/a Eddy Village Green (RHCF) in March 2017, based on a survey completed on August 17, 2016, citing a violation in 10 NYCRR 415.12 Quality of Care: Highest Practicable Potential. A state civil penalty in the amount of \$2000 was imposed and paid. In addition, a federal Civil Monetary Penalty of \$3963 was imposed and paid.
- An enforcement action was taken against Iroquois Nursing Home, Inc. (RHCF) in January 2017, based on a survey completed on April 13, 2016, citing Immediate Jeopardy and violations in 10

NYCRR 415.4(b) Staff Treatment of Residents: Free from Mistreatment, Neglect, and Misappropriation of Property; 415.4(b) Staff Treatment of Residents: Policy and Procedure Manual Development Regarding Staff Treatment of Residents; 415.4(b)(1)(i) Abuse: Verbal, Sexual, Physical, Mental, Corporal Punishment, and Involuntary Seclusion; and 415.26 Administration. A state civil penalty in the amount of \$16,000 was imposed and paid. No federal Civil Monetary Penalty was imposed.

- Iroquois Nursing Home, Inc. has an open Civil Monetary Penalty collection in the amount of \$1000 for findings during a CMS Survey (CDC Report) conducted on September 28, 2020.
- Beverwyck, Inc. d/b/a Eddy Village Green at Beverwyck was fined \$2000 pursuant to a Stipulation and Order dated November 23, 2019 for inspection findings on August 21, 2018 for violations of Article 28 of the Public Health Law and 10 NYCRR Part 415. The provider was also fined a Civil Monetary Penalty in the amount of \$6893.
- St. Peter's Nursing and Rehab is currently not in substantial compliance based on a Recertification Survey conducted on October 7, 2020. The Division of Nursing Homes is awaiting a Plan of Corrections.

The NYS Department of Health Division of Nursing Homes and Intermediate Care Facilities/IID reported the remaining affiliated Nursing Homes have no histories of enforcement action taken.

The NYS Department of Health Division of Home and Community Based Services reviewed the compliance histories of the affiliated Certified Home Health Agencies, Licensed Home Care Services Agencies, and Hospice, and reports as follows:

- An enforcement action was taken against McAuley – Seton Home Care Corporation (CHHA) in June 2013, based on a survey completed on September 15, 2011, citing violations in 10 NYCRR 763.11(b) Governing Authority; 763.5(a) Patient Referral, Admission, and Discharge; 763.6(b) Patient Assessment and Plan of Care; 763.6(c) Patient Assessment and Plan of Care; and 763.7(a) Clinical Records. A civil penalty in the amount of \$5500 was imposed and paid.

The NYS Department of Health Division of Home and Community Based Services reported that the remaining affiliated Certified Home Health Agencies, Licensed Home Care Services Agencies, and Hospice have no histories of enforcement action taken.

The NYS Department of Health Division of Adult Care Facilities and Assisted Living Programs reviewed the compliance histories of the affiliated Adult Care Facilities/Assisted Living Programs and Enriched Housing Programs and reports as follows:

- An enforcement action was taken against Hawthorne Ridge, Inc. (ACF) in March 2012, based on an inspection completed on September 14, 2010, citing a violation in 18 NYCRR 486.5(a)(4)(iii) Systemic Endangerment. A civil penalty in the amount of \$1000 was imposed and paid.
- Hawthorne Ridge was fined nine hundred twenty-four dollars pursuant to a stipulation and order dated August 15, 2018 for inspection findings on November 23, 2016 and March 8, 2018. Upon inspection, violations of Article 7 of the Social Services Law, Article 46-B of the Public Health Law and 10 NYCRR 1001.7(k)(5).

The NYS Department of Health Division of Adult Care Facilities and Assisted Living Programs reported that the remaining affiliated Adult Care Facilities/Assisted Living Programs and Enriched Housing Programs have no histories of enforcement action taken.

The NYS Department of Health Office of Health Insurance Programs, Bureau of Managed Long-Term Care, reviewed the compliance histories of the affiliated PACE / LIFE Programs for the time-period 2011 to 2018, and reported that during that time-period, the affiliated PACE / LIFE Programs have all remained in compliance with no histories of enforcement action taken.

The out-of-state compliance information used for this review was taken from Project 181268, which received final approval from the Public Health and Health Planning Council on January 11, 2019.

- The State of Maryland reports that, during the time-period 2011 – 2018, an enforcement action was taken against Holy Cross Rehabilitation and Nursing (Sanctuary at Holy Cross), a nursing home located in Maryland, in September 2016, based on a February 2016 standard survey, citing violations in Quality of Care: Accidents/Hazards/Environment/Supervision. A federal Civil Monetary Penalty of \$74,700 was imposed and paid. The remaining Maryland providers / facilities have no histories of enforcement for the time-period 2011 – 2018, and all providers / facilities are in current compliance.
- The State of Indiana reports that, during the time-period 2011 – 2018, an enforcement action was taken against Sanctuary at Holy Cross, a nursing home located in Indiana, in January 2017, based on a September 2016 standard recertification survey, citing violations in Quality of Care: Necessary Care and Services/Highest Practicable Well-Being. A state civil penalty of \$3000 was imposed and paid. The remaining Indiana providers / facilities have no histories of enforcement for the time-period 2011 – 2018, and all providers / facilities are in current compliance.
- The State of Iowa reports no enforcements, but does report the following three issues for the time-period 2011 - 2018:
  - An Immediate Jeopardy situation was identified at Mercy Medical Center (Hospital) in January 2017, citing violations in the federal Conditions of Participation for 42 CFR 482.12 Governing Body; 42 CFR 482.21 Quality Assessment and Performance Improvement Program; 42 CFR 482.23 Nursing Services; and 42 CFR 482.27 Laboratory Services. However, the Immediate Jeopardy and citations were ultimately not enforced.
  - Condition level non-compliance was identified at Mercy Home Care (CHHA), a deemed Home Health Agency surveyed by an accreditation agency, in June 2016. Per federal requirements, the agency was ultimately prohibited from providing home health aide training and testing for the two-year period from 6/29/2016 through 06/29/2018. No state enforcement was imposed.
  - Ellen Kennedy Assisted Living Center (ALP) had violations cited in September 2016, in Sufficient Staffing and Nursing Reviews. The matter was resolved in November 2016, with no civil penalty enforcement action taken.
- The State of California reports that, during the time-period 2011 – 2018, three separate enforcement actions were taken against Saint Agnes Medical Center, a hospital located in Fresno, California, as follows:
  - Violations based on a survey conducted on January 13, 2012, resulted in a civil penalty of \$50,000 imposed on September 26, 2012. Violations based on a survey conducted on November 17, 2015, resulted in a civil penalty of \$4750 imposed on March 24, 2016. Violations based on a survey conducted on January 11, 2017, resulted in a civil penalty of \$11,250 imposed on February 2, 2017. The State of California reports that none of these enforcement actions involved repetitive violations, and all were resolved as noted above.
- The State of Florida reports that, during the time-period 2011 – 2018, the following enforcement actions were taken:
  - Winter Haven Hospital was assessed an administrative penalty of \$1000 in January 2011 for violations in the areas of Nursing Assessment, Goals, Evaluation, Intervention, and Documentation; an administrative penalty of \$1000 in January 2011 for violations in the area of Emergency Department Services; an administrative penalty of \$1000 in March 2011 for violations in the area of Emergency Department Services; an administrative penalty of \$1000 in August 2012 for violations in the area of Emergency Department Services; and an administrative penalty of \$1000 in October 2013 for violations in the area of Inappropriate Restraints.
  - Mease Dunedin Hospital was assessed an administrative penalty of \$6000 in June 2012 for violations in the areas of Patient Assessment and Emergency Department Services;

- and an administrative penalty of \$320 in August 2013 for nonpayment of Life Safety Code survey fee.
- Morton Plant Hospital was assessed an administrative penalty of \$800 in March 2011 for violations in the areas of Nursing Assessment, Goals, Evaluation, Intervention, and Documentation; an administrative penalty of \$1000 in December 2011 for violations in the area of Nursing Department Policies and Procedures; an administrative penalty of \$1000 in July 2012 for violations in the area of Nursing Assessment, Goals, Evaluation, Intervention, and Documentation; an administrative penalty of \$1000 in April 2013 for violations in the area of Nursing Assessment, Goals, Evaluation, Intervention, and Documentation; and an administrative penalty of \$1000 in July 2013 for violations in the area of Nursing Assessment, Goals, Evaluation, Intervention, and Documentation.
  - Morton Plant North Bay Hospital was assessed an administrative penalty of \$2000 in October 2011 for violations in the areas of Nursing Assessment, Goals, Evaluation, Intervention, and Documentation.
  - St. Anthony's Hospital was assessed an administrative penalty of \$5000 in July 2011 for violations in the areas of MRI Alterations, Renovations, and Installation; an administrative penalty of \$600 in January 2014 for nonpayment of Life Safety Code survey fee; an administrative penalty of \$1000 in March 2015 for violations in the area of Nursing Management Functions; an administrative penalty of \$5500 in April 2016 for a violation in the area of Failure to Notify Florida State Agency for Health Care Administration of Ownership Change in 2014; and an administrative fee of \$471.36, and a reimbursement to the State of \$5553.31, for a total payment of \$6024.67, in September 2017 for recoupment of Medicaid overpayments.
  - St. Joseph's Hospital was assessed an administrative penalty of \$1000 in October 2012 for violations in the area of Discharge Planning; and an administrative penalty of \$21,500 in April 2016 for a violation in the area of Failure to Notify Florida State Agency for Health Care Administration of Ownership Changes in 2014 at St. Joseph's Hospital, St. Joseph's Hospital North, St. Joseph's Hospital South, and St. Joseph's Hospital Behavioral Health Center.
  - Bartow Regional Medical Center was assessed an administrative penalty of \$480 in May 2014 for nonpayment of Life Safety Code survey fee.
  - Holy Cross Hospital was assessed an administrative fee of \$572.59, and a reimbursement to the State of \$11,364.51, for a total payment of \$11,937.10, in April 2013 for recoupment of Medicaid overpayments; was assessed an administrative fee of \$73.84, and a reimbursement to the State of \$86,982.65, for a total payment of \$87,056.49, in October 2015 for recoupment of Medicaid overpayments; and was assessed a reimbursement payment to the State of a total payment of \$97,620.48, in September 2017 for recoupment of Medicaid overpayments.

The applicant has submitted a signed affidavit attesting to out-of-state findings from January 2019 – Present.

- St. Agnes Medical Center was fined \$10,000 on June 15, 2020 by the California Department of Public Health Radiologic Branch for permitting CV techs to perform fluoro duties outside of their scope. The enforcement action is now closed.
- The State of Connecticut Occupational Health and Safety Administration (OSHA) fined Johnson Memorial Hospital a total of \$5,600 in fines for four violations between January 1, 2019 and November 9, 2020. The action is now closed.
- A survey of the Outpatient Dialysis Center of Loyola University Medical Center conducted by the Illinois Department of Public Health on behalf of CMS on October 22, 2020 resulted in Immediate Jeopardy findings related to the performance of the chlorine water testing process. The facility failed to ensure that the testing was performed in accordance with their policy. An Immediate Jeopardy Removal Plan was submitted on October 23, 2020. On November 12, 2020 the facility was resurveyed, it was found that the immediate jeopardy had been removed and the facility had



returned to compliance.

- A complaint survey conducted on August 19, 2020 at MercyOne Siouxland Medical Center by the Kansas City Regional Office on behalf of CMS resulted in Immediate Jeopardy due to failure to adequately supervise patients on suicide precautions. An Immediate Jeopardy Removal Plan was submitted as well as a plan of correction of additional citations. A revisit was conducted on October 19, 2020 and the hospital was found to be in compliance with no further deficiencies identified. On October 23, 2020, CMS notified The Joint Commission that the hospital is restored to Accredited status.
- Mount St. Joseph Nursing Home (ME) was fined a Civil Money Penalty of \$5,000 on June 24, 2020 for findings of non-compliance related to infection control.
- Mercy Health Muskegon (MI) was fined \$7,500 on October 24, 2019 by the Michigan Department of Health and Human Services for failing to meet minimum volume requirements for Mobile MRI. They were fined \$10,500 on December 20, 2019 for failing to meet minimum volume requirements and failing to serve two approved host sites.
- Mercy Health Muskegon (MI) was fined \$150,000 on July 27, 2015 for failing to meet the required volume of 300 cases annually in 2013 and 2014 for Open Heart Surgery Services. They entered into a settlement agreement and the organization is fulfilling the terms.
- Mercy Health Muskegon (MI) was fined \$4,000 on November 12, 2018 for failing to meet all terms and conditions, specifically regarding accreditation for Cardiac Catheterization Services.
- Mercy Health St. Mary's (MI) was fined \$7,500 on November 28, 2017 for failing to meet volume requirements for 3 MRT units.
- Mercy Health St. Mary's (MI) was fined \$71,260 for using a replacement CT scanner before final CON approval.
- The Ohio Department of Health surveyed Mount Carmel West on behalf of CMS. The survey resulted in findings of violations of the Conditions of Participation for pharmaceutical services resulting in Immediate Jeopardy. On February 11, 2019 a resurvey removed the Immediate Jeopardy. An additional survey on March 8, 2019 removed pharmaceutical services Condition Level finding but incurred Physical Environment findings which were resolved on a resurvey on July 3, 2019. The Ohio Board of Pharmacy initiated an investigation of Mount Carmel West's terminal distributor license pertaining to pharmacy policies, policy deficiencies, policy implementation failures and related patient deaths. On October 17, 2019 the Board of Pharmacy issued a Notice of Opportunity for Hearing and Mount Carmel requested a hearing. A settlement agreement was negotiated, and Mount Carmel West was required to pay a fine of \$400,000 as well as \$77,492.73 for investigative costs. Mount Carmel West's operational license was placed on probation for 3 years. During the probation period Mount Carmel must retain a Board of Pharmacy approved consultant to review compliance with the Board of Pharmacy rules and regulations and submit biannual reports regarding compliance.

### **CMS Star Ratings**

<b>CHHA Quality of Patient Care Star Ratings</b> as of February 4, 2021	
<b>CHHA Name</b>	<b>Quality of Care Rating</b>
St. Joseph's Hospital Health Center CHHA	2.5 out of 5 stars
Oswego Health Home Care, LLC	3 out of 5

## **Conclusion**

This is an existing CHHA that has established relationships with hospitals and other health providers in its service area and has an existing patient base. The change in ownership will result in no changes to the services provided or the counties being served by the CHHA. Review of the Personal Qualifying Information indicates that the applicant has the required character and competence to operate a certified home health agency.

## Financial Analysis

### Financial Analysis

The applicant has provided an executed Medicaid affidavit in which the applicant agrees to be liable and responsible for any Medicaid overpayments made to the agency with respect to the period of time prior to acquiring its interest. As of July 9, 2020, the CHHA had \$30,239.50 in outstanding Medicaid overpayment liabilities.

### Operating Budget

The applicant has provided an operating budget, in 2020 dollars, for the first and third year subsequent to the change of operator of the CHHA. The budget is summarized below:

Revenues	Current Year		Year One		Year Three	
	Per Visit	Total	Per Visit	Total	Per Visit	Total
Commercial FFS	\$96.56	\$844,000	\$91.33	\$959,000	\$111.12	\$1,231,000
Medicare FFS	\$166.96	5,975,000	\$140.58	6,280,000	\$157.75	7,435,000
Medicare MC	\$118.18	4,615,000	\$80.81	3,090,000	\$113.10	4,564,000
Medicaid FFS	\$235.33	838,000	\$182.05	872,000	\$167.13	846,000
Medicaid MC	\$123.07	1,286,000	\$117.22	1,232,000	\$167.15	1,855,000
Private Pay	\$118.93	71,000	\$93.33	14,000	\$110.34	16,000
All Other		814,000		572,000		0
<b>Total Revenues</b>		<b>\$14,443,000</b>		<b>\$13,019,000</b>		<b>\$15,947,000</b>
<b>Expenses</b>						
Operating	\$208.70	\$20,490,977	\$194.06	\$21,151,700	\$195.95	\$22,534,776
<b>Total Expenses</b>		<b>\$20,490,977</b>		<b>\$21,151,700</b>		<b>\$22,534,776</b>
<b>Net Income</b>		<b><u>(\$6,047,977)</u></b>		<b><u>(\$8,132,700)</u></b>		<b><u>(\$6,587,776)</u></b>
Visits		98,184		108,998		115,002

The following is noted with respect to the submitted budget:

- As a hospital based CHHA, the financials of the agency are included in the financial statements of Trinity Health, which includes St Joseph's Health and Hospital Center. The Hospital funds losses experienced by individual programs.
- Notwithstanding any agreement, arrangement or understanding between THHS and St. Joseph's Health At Home to the contrary, and subject to the consummation of the proposed ownership transfer, THHS agrees that it will cover any operating losses incurred by St. Joseph's Health at Home to the extent St. Joseph's Health at Home is unable to cover such losses through its CHHA operations.
- Revenues, expenses, and utilization assumptions are based on the historical experience of St. Joseph's Health at Home.
- All Other revenues include intercompany supplies and fees (\$224K) and nonpatient program revenue (\$590K).

- Utilization by payor source is as follows:

<u>Payor</u>	<u>Current Year</u>	<u>Year One</u>	<u>Year Three</u>
Commercial FFS	8.9%	9.6%	9.6%
Medicare FFS	36.5%	41.0%	41.0%
Medicare MC	39.8%	35.1%	35.1%
Medicaid FFS	3.6%	4.4%	4.4%
Medicaid MC	10.6%	9.7%	9.7%
Private Pay	0.6%	0.1%	0.1%
Charity Care	0.0%	0.1%	0.1%
Total	100.0%	100.0%	100.0%

- The applicant's charity care policy is to assess the individual based on income to determine eligibility fee, reduced fees, and/or charity care. Their commitment includes providing uncompensated services to uninsured patients lacking the financial resources to pay.

### **Capability and Feasibility**

There are no project costs associated with this application.

The working capital requirement of \$3,525,283, based on two months of the first year's expenses, will be satisfied by an intercompany (Due to/Due From) DTDF amount from THHS/Trinity for the remainder of the estimated 2 months of expenses for year one of operations. This amount does not reflect a loan but rather a current payable amount due to the parent company. BFA Attachment E is the pro-forma balance sheet as of the first day of operation, which indicates positive net assets of \$502,000 for the operation.

BFA Attachment A is the fiscal year (FY) 2019 certified financial statements of Trinity Health and shows the entity maintained a positive working capital position, net asset position, and had an operating income of \$160,840,000. BFA Attachment B is the FY 2019 Supplemental Condensed Consolidating financial statements of Trinity Home Health Services as of June 30, 2019, which shows it maintained a positive working capital position, a net asset position, and had an operating loss of \$889,000.

### **Conclusion**

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

## **Attachments**

BFA Attachment A	Trinity Health – FY 2019 and 2018 Certified Financial Statements
BFA Attachment B	Trinity Home Health Services – FY 2019 Supplemental Condensed Consolidating financial statements
BFA Attachment C	St. Joseph's Hospital Health Center – Internal Financial Income Statement as of June 30, 2020
BFA Attachment D	Trinity Health - Organizational Chart
BFA Attachment E	St. Joseph's Health at Home - Pro Forma Balance Sheet
BFA Attachment F	Reserved Powers
Programmatic Attachment A	New York State Facilities
Programmatic Attachment B	Out-of-State Facilities
Programmatic Attachment C	Committee Organizational Chart
Programmatic Attachment D	St. Joseph's Home at Health Performance Improvement/Professional Advisory Committee Membership

## TRINITY HEALTH

### CONSOLIDATED BALANCE SHEETS

JUNE 30, 2019 AND 2018

(In thousands)

ASSETS	2019	2018
CURRENT ASSETS:		
Cash and cash equivalents	\$ 474,314	\$ 971,726
Investments	4,833,039	3,846,190
Security lending collateral	264,435	275,228
Assets limited or restricted as to use - current portion	403,799	352,231
Patient accounts receivable, net of allowance for doubtful accounts of \$480.8 million at June 30, 2018	2,012,354	2,070,567
Estimated receivables from third-party payers	267,181	213,563
Other receivables	374,818	360,477
Inventories	297,804	292,945
Assets held for sale	-	67,793
Prepaid expenses and other current assets	179,124	172,819
Total current assets	<u>9,106,868</u>	<u>8,623,539</u>
ASSETS LIMITED OR RESTRICTED AS TO USE - Noncurrent portion:		
Held by trustees under bond indenture agreements	5,828	6,865
Self-insurance, benefit plans and other	867,132	865,949
By Board	3,474,947	3,881,021
By donors	460,836	498,871
Total assets limited or restricted as to use - noncurrent portion	<u>4,808,743</u>	<u>5,252,706</u>
PROPERTY AND EQUIPMENT - Net	8,359,974	8,025,580
INVESTMENTS IN UNCONSOLIDATED AFFILIATES	3,876,028	3,493,495
GOODWILL	437,403	438,460
OTHER ASSETS	383,088	361,920
TOTAL ASSETS	<u>\$ 26,972,104</u>	<u>\$ 26,195,700</u>

<b>LIABILITIES AND NET ASSETS</b>	<b>2019</b>	<b>2018</b>
<b>CURRENT LIABILITIES:</b>		
Commercial paper	\$ 99,493	\$ 99,904
Short-term borrowings	686,670	711,020
Current portion of long-term debt	126,727	276,295
Accounts payable and accrued expenses	1,435,939	1,548,741
Salaries, wages and related liabilities	919,055	863,143
Payable under security lending agreements	264,435	275,228
Liabilities held for sale	-	32,440
Estimated payables to third-party payers	375,116	395,970
Current portion of self-insurance reserves	282,364	272,842
Total current liabilities	4,189,799	4,475,583
LONG-TERM DEBT - Net of current portion	6,222,908	5,982,141
SELF-INSURANCE RESERVES - Net of current portion	1,036,697	1,002,274
ACCRUED PENSION AND RETIREE HEALTH COSTS	933,238	688,259
OTHER LONG-TERM LIABILITIES	754,054	703,427
Total liabilities	13,136,696	12,851,684
<b>NET ASSETS:</b>		
Net assets without donor restrictions	13,047,732	12,581,754
Noncontrolling ownership interest in subsidiaries	234,987	176,156
Total net assets without donor restrictions	13,282,719	12,757,910
Net assets with donor restrictions	552,689	586,106
Total net assets	13,835,408	13,344,016
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 26,972,104</b>	<b>\$ 26,195,700</b>

**TRINITY HEALTH**

**CONSOLIDATED STATEMENTS OF OPERATIONS AND  
CHANGES IN NET ASSETS**

**YEARS ENDED JUNE 30, 2019 AND 2018**

**(In thousands)**

	<b>2019</b>	<b>2018</b>
<b>OPERATING REVENUE:</b>		
Patient service revenue, net of contractual and other allowances		\$ 16,406,252
Provision for bad debts		(574,954)
Net patient service revenue	\$ 16,601,888	15,831,298
Premium and capitation revenue	1,060,900	1,067,582
Net assets released from restrictions	39,184	50,510
Other revenue	1,591,251	1,396,015
Total operating revenue	<u>19,293,223</u>	<u>18,345,405</u>
<b>EXPENSES:</b>		
Salaries and wages	8,331,228	7,949,446
Employee benefits	1,646,679	1,525,511
Contract labor	315,601	296,611
Total labor expenses	<u>10,293,508</u>	<u>9,771,568</u>
Supplies	3,228,199	2,983,635
Purchased services and medical claims	2,642,804	2,490,091
Depreciation and amortization	861,009	857,154
Occupancy	780,984	748,346
Interest	238,944	224,882
Other	921,954	868,437
Total expenses	<u>18,967,402</u>	<u>17,944,113</u>
OPERATING INCOME BEFORE OTHER ITEMS	<u>325,821</u>	<u>401,292</u>
Restructuring costs	(82,384)	-
Loss on transfer of Lourdes Health System	(57,405)	-
Asset impairment charges	(25,192)	(264,366)
OPERATING INCOME	<u>160,840</u>	<u>136,926</u>
<b>NONOPERATING ITEMS:</b>		
Investment earnings	421,163	488,715
Equity in earnings of unconsolidated affiliates	318,510	328,353
Change in market value and cash payments of interest rate swaps	(54,215)	25,671
Loss from early extinguishment of debt	(7,067)	(39,857)
Other, including income taxes	(4,926)	9,322
Total nonoperating items	<u>673,465</u>	<u>812,204</u>
EXCESS OF REVENUE OVER EXPENSES	834,305	949,130
<b>EXCESS OF REVENUE OVER EXPENSES ATTRIBUTABLE TO</b>		
<b>NONCONTROLLING INTEREST</b>	<u>(48,334)</u>	<u>(47,619)</u>
EXCESS OF REVENUE OVER EXPENSES, net of noncontrolling interest	<u>\$ 785,971</u>	<u>\$ 901,511</u>

BFA Attachment A  
(Cont'd) CON 201038

	<u>2019</u>	<u>2018</u>
NET ASSETS WITHOUT DONOR RESTRICTIONS:		
Net assets without donor restrictions attributable to Trinity Health:		
Excess of revenue over expenses	\$ 785,971	\$ 901,511
Net assets released from restrictions for capital acquisitions	57,306	31,900
Net change in retirement plan related items - consolidated organizations	(418,622)	394,751
Net change in retirement plan related items - unconsolidated organizations	7,762	(14,501)
Other	33,561	(14,340)
Increase in net assets without donor restrictions attributable to Trinity Health	<u>465,978</u>	<u>1,299,321</u>
Net assets without donor restrictions attributable to noncontrolling interests:		
Excess of revenue over expenses attributable to noncontrolling interests	48,334	47,619
Sale of noncontrolling interest in subsidiaries	56,715	-
Noncontrolling interests related to acquisitions	-	9,454
Dividends	(46,218)	(44,142)
Other	-	(10,478)
Increase in net assets without donor restrictions attributable to noncontrolling interests	<u>58,831</u>	<u>2,453</u>
NET ASSETS WITH DONOR RESTRICTIONS:		
Contributions:		
Program and time restrictions	95,686	112,140
Endowment funds	3,877	7,350
Net investment gains:		
Program and time restrictions	3,667	12,367
Endowment funds	1,547	7,266
Net assets released from restrictions	(96,490)	(82,410)
Other	(41,704)	102
(Decrease) increase in net assets with donor restrictions	<u>(33,417)</u>	<u>56,815</u>
INCREASE IN NET ASSETS	491,392	1,358,589
NET ASSETS - BEGINNING OF YEAR	<u>13,344,016</u>	<u>11,985,427</u>
NET ASSETS - END OF YEAR	<u>\$ 13,835,408</u>	<u>\$ 13,344,016</u>



**TRINITY HEALTH**  
**Supplemental Condensed Consolidating Balance Sheets -**  
**Information**  
**June 30, 2019**  
**(In thousands)**

	Holy Cross Hospital, Inc., Flt. Lauderdale, Florida	Trinity Continuing Care Services	Trinity Home Health Services	Trinity Health PACE	Pittsburgh Mercy Health System Inc., Pittsburgh, Pennsylvania	Mercy Primary Care Center, Detroit, Michigan	Trinity Health Consolidated Labs	Trinity Health Warde Lab LLC	Global Health Ministry
<b>ASSETS</b>									
<b>CURRENT ASSETS:</b>									
Cash, cash equivalents and investments	\$ 24,296	\$ 65,985	\$ 13,665	\$ 31,016	\$ 12,360	\$ 9,174	\$ 4,603	\$ 3,185	\$ 5,599
Assets limited or restricted as to use - current portion	8,159	2,036	20	-	-	-	-	-	10
Patient and other receivables, net	83,016	45,296	18,755	5,172	25,503	63	6,237	-	(10)
Other current assets	10,431	2,314	467	443	612	-	3,027	-	-
Total current assets	125,902	115,631	32,907	36,631	38,475	9,237	13,867	3,185	5,599
<b>ASSETS LIMITED OR RESTRICTED AS TO USE -</b>									
Noncurrent portion:									
Held in trust	14,043	12,997	85	-	149	-	-	-	-
By Board	37,615	995	-	1,067	98,074	-	-	-	-
By donors	34,751	4,350	316	351	1,530	414	-	-	309
Total assets limited or restricted as to use - noncurrent portion	86,409	18,342	401	1,418	99,753	414	-	-	309
<b>PROPERTY AND EQUIPMENT, Net</b>	223,007	283,565	1,067	9,606	13,629	135	2,792	6,653	-
<b>OTHER ASSETS</b>	44,789	25,490	5,245	14,215	11,954	-	854	-	-
<b>TOTAL ASSETS</b>	<u>\$ 480,107</u>	<u>\$ 443,028</u>	<u>\$ 39,620</u>	<u>\$ 61,870</u>	<u>\$ 163,811</u>	<u>\$ 9,786</u>	<u>\$ 17,513</u>	<u>\$ 9,838</u>	<u>\$ 5,908</u>
<b>LIABILITIES AND NET ASSETS</b>									
<b>CURRENT LIABILITIES</b>	\$ 74,320	\$ 50,997	\$ 18,046	\$ 24,084	\$ 5,130	\$ 382	\$ 9,094	\$ -	\$ 1,564
LONG-TERM DEBT, Net of current portion	157,549	235,403	513	21,226	474	-	2,161	-	-
<b>OTHER LIABILITIES</b>	39,891	101,617	86	472	482	-	139	-	649
<b>NET ASSETS:</b>									
Net assets without donor restrictions	171,741	50,660	20,626	15,737	156,178	8,990	6,119	9,838	3,459
Net assets with donor restrictions	36,606	4,351	349	351	1,547	414	-	-	236
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 480,107</u>	<u>\$ 443,028</u>	<u>\$ 39,620</u>	<u>\$ 61,870</u>	<u>\$ 163,811</u>	<u>\$ 9,786</u>	<u>\$ 17,513</u>	<u>\$ 9,838</u>	<u>\$ 5,908</u>

**TRINITY HEALTH**

**Supplemental Condensed Consolidating Statements of Operations and Changes in Net Assets - Information**

June 30, 2019

(In thousands)

	Holy Cross Hospital, Inc., Ft. Lauderdale, Florida	Trinity Continuing Care Services	Trinity Home Health Services	Trinity Health PACE	Pittsburgh Mercy Health System Inc., Pittsburgh, Pennsylvania	Mercy Primary Care Center, Detroit, Michigan	Trinity Health Consolidated Labs	Trinity Health Waarde Lab LLC	Global Health Ministry
<b>Operating revenue:</b>									
Net patient service revenue	\$ 482,246	\$ 197,026	\$ 140,364	\$ (548)	\$ 67,009	\$ 390	\$ -	\$ -	\$ -
Other	17,690	170,467	2,691	114,057	39,703	1,080	703	4,149	4,149
Total operating revenue	499,936	367,493	143,055	113,509	106,712	1,470	703	4,149	4,149
<b>Expenses:</b>									
Labor costs	273,437	202,953	111,963	42,325	73,918	1,518	-	-	1,245
Purchased services and medical claims	69,584	56,006	13,109	43,362	4,907	232	-	-	65
Depreciation, amortization and interest	29,418	33,436	1,292	3,592	1,695	328	308	308	-
Other	135,717	68,906	17,114	22,231	23,936	1,145	-	-	2,734
Total expenses	508,156	361,301	143,478	111,510	104,456	3,223	308	308	4,044
<b>OPERATING INCOME (LOSS) BEFORE OTHER ITEMS</b>	(8,220)	6,192	(423)	1,999	2,256	(1,753)	212	395	105
Other items	(1,440)	(5,242)	(466)	(573)	-	-	-	-	-
<b>OPERATING INCOME (LOSS)</b>	(9,660)	949	(889)	1,426	2,256	(1,753)	212	395	105
<b>NONOPERATING ITEMS:</b>									
Investment income and interest rate swaps	2,673	1,602	700	1,438	11,896	475	303	171	289
Loss from early extinguishment of debt	-	-	-	-	-	-	-	-	-
Other	(110)	-	-	-	-	-	-	-	-
Total nonoperating items	2,563	1,602	700	1,438	11,896	475	303	171	289
<b>EXCESS OF REVENUE OVER EXPENSES</b>	(7,097)	2,551	(189)	2,864	14,132	(1,278)	515	566	394
<b>EXCESS OF REVENUE OVER EXPENSES ATTRIBUTABLE TO NONCONTROLLING INTEREST</b>	(348)	-	-	-	-	-	-	-	-
<b>EXCESS OF REVENUE OVER EXPENSES - net of noncontrolling interest</b>	(7,445)	2,551	(189)	2,864	14,152	(1,278)	515	566	394
<b>CHANGES IN NET ASSETS</b>									
INCREASE (DECREASE) IN NET ASSETS WITHOUT DONOR RESTRICTIONS	(11,148)	(1,860)	(2,806)	10,558	15,249	886	206	566	377
INCREASE (DECREASE) IN NET ASSETS WITH DONOR RESTRICTIONS	3,088	(90)	(184)	(108)	(5,155)	(132)	-	-	-
INCREASE (DECREASE) IN NET ASSETS	(8,060)	(1,950)	(2,990)	10,450	10,094	754	206	566	377
NET ASSETS, Beginning of year	216,407	56,961	23,965	5,638	147,631	8,650	5,913	9,272	3,318
NET ASSETS, End of year	208,347	55,011	20,975	16,088	157,725	9,404	6,119	9,838	3,695

DESCRIPTION-8	DESCRIPTION-7	Actual June 30, 2020
GROSS HOME CARE REVENUE	Home Health Rev	(13,358,131)
GROSS HOME CARE REVENUE	Total GROSS HOME CARE REVENUE	13,358,131
GROSS HOME CARE REVENUE	Total Gross Patient Revenue	13,358,131
	Total Contractual Allowances	(1,482,657)
<b>Bad Debts</b>	<b>Total Net Patient Revenue</b>	<b>11,875,474</b>
Net Assets Released from Restr		
Net Assets Released from Restr	Interco Fees & Supplies Revenu	
Net Assets Released from Restr	Interco Income Fees & Supplies	
Net Assets Released from Restr	Nonpatient Program Revenue	562,107
Net Assets Released from Restr	Total Other Operating Revenue	562,107
<b>Net Assets Released from Restr</b>	<b>Total Operating Revenue</b>	<b>12,437,581</b>
Salaries & Wages	WD Prod Clin Care RN NS	3,935,876
Salaries & Wages	WD Prod Clin Care Phys Therapy	1,778,368
Salaries & Wages	WD Prod Clin Care Occ Therapy	443,203
Salaries & Wages	WD Prod Clin Care Speech Thera	115,524
Salaries & Wages	WD Prod Clin Care Lic Caregvr	137,160
Salaries & Wages	WD Prod Clin Care Lic Caregvr	762,644
Salaries & Wages	WD Prod Clin Care Other Caregv	717,785
Salaries & Wages	WD Prod Admin Physician NS	25,137
Salaries & Wages	WD Prod Admin Management NS	1,310,147
Salaries & Wages	WD Prod Admin Professional NS	895,802
Salaries & Wages	WD Prod Admin Skill & Spec NS	64,297
Salaries & Wages	WD Prod Admin Supp Serv NS	-
Salaries & Wages	WD Prod Admin Clerical NS	402,171
Salaries & Wages	WD Prod Teaching Physician NS	30,000
Salaries & Wages	WD Prod OT RN NS	819
Salaries & Wages	WD Prod OT Lic Caregvr L2 NS	80,448
Salaries & Wages	WD Prod OT Other Caregvr NS	23,852
Salaries & Wages	WD Prod OT Management NS	-
Salaries & Wages	WD Prod OT Professional NS	14,132
Salaries & Wages	WD Prod OT Skill & Spec NS	787
Salaries & Wages	WD Prod OT Supp Serv NS	-
Salaries & Wages	WD Prod OT Clerical NS	22,528
Salaries & Wages	WD Prod Train & Ed RN NS	83,088
Salaries & Wages	WD Prod Train & Ed Phys Therap	22,907
Salaries & Wages	WD Prod Train & Ed Occ Therapy	3,287
Salaries & Wages	WD Prod Train & Ed Lic Caregvr	-
Salaries & Wages	WD Prod Train & Ed Management	1,304
Salaries & Wages	WD Prod Train & Ed Professiona	3,851
Salaries & Wages	WD Prod Train & Ed Supp Serv N	-
Salaries & Wages	WD Prod Prem & Oth RN NS	74,792
Salaries & Wages	WD Prod Prem & Oth Phys Therap	17,626
Salaries & Wages	WD Prod Prem & Oth Occ Therapy	1,810
Salaries & Wages	WD Prod Prem & Oth Speech Ther	-
Salaries & Wages	WD Prod Prem & Oth Lic Caregvr	80

Patient Supplies	Special Med Supplies	-
Patient Supplies	Anesthesia/Respiratory Supply	434
Patient Supplies	Pharmaceuticals	-
Patient Supplies	Solutions	-
Patient Supplies	IV Supplies/Invasive Lines	7
Patient Supplies	Dietary Supplies	723
Patient Supplies	Total Medical & Surgical Suppl	532,168
Non-Patient Supplies	Instruments	-
Non-Patient Supplies	Envir/Personal Hygiene Supply	10
Non-Patient Supplies	Office & Admin Supplies	16,495
Non-Patient Supplies	Electrical/Lighting Supplies	66
Non-Patient Supplies	Hardware Supplies	73
Non-Patient Supplies	HVAC Supplies	907
Non-Patient Supplies	Plumbing Supplies	8
Non-Patient Supplies	Maintenance Tools	-
Non-Patient Supplies	Non-Med Minor Equip&Parts	-
Non-Patient Supplies	Non-Med Minor Furniture	757
Non-Patient Supplies	Other Non Medical Supplies	6,422
Non-Patient Supplies	Freight	47,717
Non-Patient Supplies	Total Non Medical Supplies	55,951
<b>COST OF SALES</b>	<b>Total Supplies</b>	<b>588,119</b>
Professional Fees	Medical - Physicians	
Professional Fees	Total Professional Fees	
Purchased Services	Consulting & Management	
Purchased Services	Other Professional	
Purchased Services	Medical-Purchased Svcs	
Purchased Services	Interco Shared Expenses HCMA	
Purchased Services	Interco Shared Expenses FHS SV	19,604
Purchased Services	Other Purchased Services	261,860
Purchased Services	Other Purchased Services-Trini	62,420
Purchased Services	Printing & Duplication	57,627
Purchased Services	Advertising - Employment	
Purchased Services	Advertising (not employment)	20,700
<b>Purchased Services</b>	<b>Total Purchased Services</b>	<b>422,210</b>
Depreciation & Amortization		
Occupancy	Electricity	1,827
Occupancy	Telephone	6,414
Occupancy	Maint&Repairs-Purchased Svc	1,079
Occupancy	Maintenance Contracts	94,163
Occupancy	Common Area Expense	1,980
Occupancy	Interco Rent Expense Propertie	317,044
Occupancy	Lease/Rent Other	
Occupancy	RE ROU Operating Lease Exp	12,680
<b>Occupancy</b>	<b>Total Occupancy</b>	<b>435,187</b>
Other Operating Expenses	Food - Employee Recognition	
Other Operating Expenses	Food - Floor Stock	1,678
Other Operating Expenses	Food - Business Meals	480

Salaries & Wages	WD Prod Prem & Oth Lic Caregvr	28,908
Salaries & Wages	WD Prod Prem & Oth Other Careg	39,189
Salaries & Wages	WD Prod Prem & Oth Management	8,356
Salaries & Wages	WD Prod Prem & Oth Professiona	9,485
Salaries & Wages	WD Prod Prem & Oth Skill & Spe	2,101
Salaries & Wages	WD Prod Prem & Oth Supp Serv N	
Salaries & Wages	WD Prod Prem & Oth Clerical NS	5,613
Salaries & Wages	WD NP PTO RN NS	626,267
Salaries & Wages	WD NP PTO Phys Therapy NS	396,246
Salaries & Wages	WD NP PTO Occ Therapy NS	67,865
Salaries & Wages	WD NP PTO Speech Therapy NS	20,471
Salaries & Wages	WD NP PTO Lic Caregvr L1 NS	30,697
Salaries & Wages	WD NP PTO Lic Caregvr L2 NS	129,449
Salaries & Wages	WD NP PTO Other Caregvr NS	114,977
Salaries & Wages	WD NP PTO Management NS	232,000
Salaries & Wages	WD NP PTO Professional NS	157,833
Salaries & Wages	WD NP PTO Skill & Spec NS	6,973
Salaries & Wages	WD NP PTO Supp Serv NS	-
Salaries & Wages	WD NP PTO Clerical NS	68,924
Salaries & Wages	WD NP Other Adv Prac Prov NS	2,500
Salaries & Wages	WD NP Other RN NS	75,977
Salaries & Wages	WD NP Other Phys Therapy NS	7,202
Salaries & Wages	WD NP Other Lic Caregvr L2 NS	-
Salaries & Wages	WD NP Other Other Caregvr NS	22,764
Salaries & Wages	WD NP Other Management NS	1,844
Salaries & Wages	WD NP Other Professional NS	8,486
<b>Salaries &amp; Wages</b>	<b>Total Salaries &amp; Wages</b>	<b>13,033,550</b>
Employee Benefits	WD FICA	957,493
Employee Benefits	WD EE Health insurance-medical	98
Employee Benefits	WD EE Health insurance-dental	(69)
Employee Benefits	WD ST Disability payment	63,850
Employee Benefits	WD EE STdisability contributio	(5,971)
Employee Benefits	WD ER Unemployment tax state	11
Employee Benefits	WD EE Reim Tuition	57,861
	Additional benefits	2,215,704
<b>Employee Benefits</b>	<b>Total Employee Benefits</b>	<b>3,288,977</b>
Contract Labor	Temporary Employment Services	3,264
Contract Labor	Skilled & Specialist	4,452
Contract Labor	Support Services	343
<b>Contract Labor</b>	<b>Total Contract Labor</b>	<b>8,059</b>
Contract Labor	Total Labor Expenses	16,330,587
Supplies		
Patient Supplies	Patient Care Supplies	530,315
Patient Supplies	Medical/Surgical Stores	656
Patient Supplies	Surgical/Procedural Supplies	-
Patient Supplies	Personal Protective Equipment	33
Patient Supplies	Anti-Embolism Products	-

Other Operating Expenses	Dues, Books, Subscriptions	17,170
Other Operating Expenses	Training, Seminars, Travel Exp	17,860
Other Operating Expenses	Travel - Mileage	
Other Operating Expenses	Postage	36
Other Operating Expenses	Other Expenses	10,429
Other Operating Expenses	Charit Care	99
Other Operating Expenses	WD EE Reim Travel	387,177
Other Operating Expenses	WD EE Reim Meals & Entertainme	267
Other Operating Expenses	WD EE Reim Education	164
Other Operating Expenses	WD EE Reim Othe Misc Exp	462
Other Operating Expenses	Total Other Operating Expenses	435,824
Other Operating Expenses	Total Operating Expenses	18,211,926
<b>Other Operating Expenses</b>	<b>Total Operating Income (Loss)</b>	<b>(5,774,345)</b>

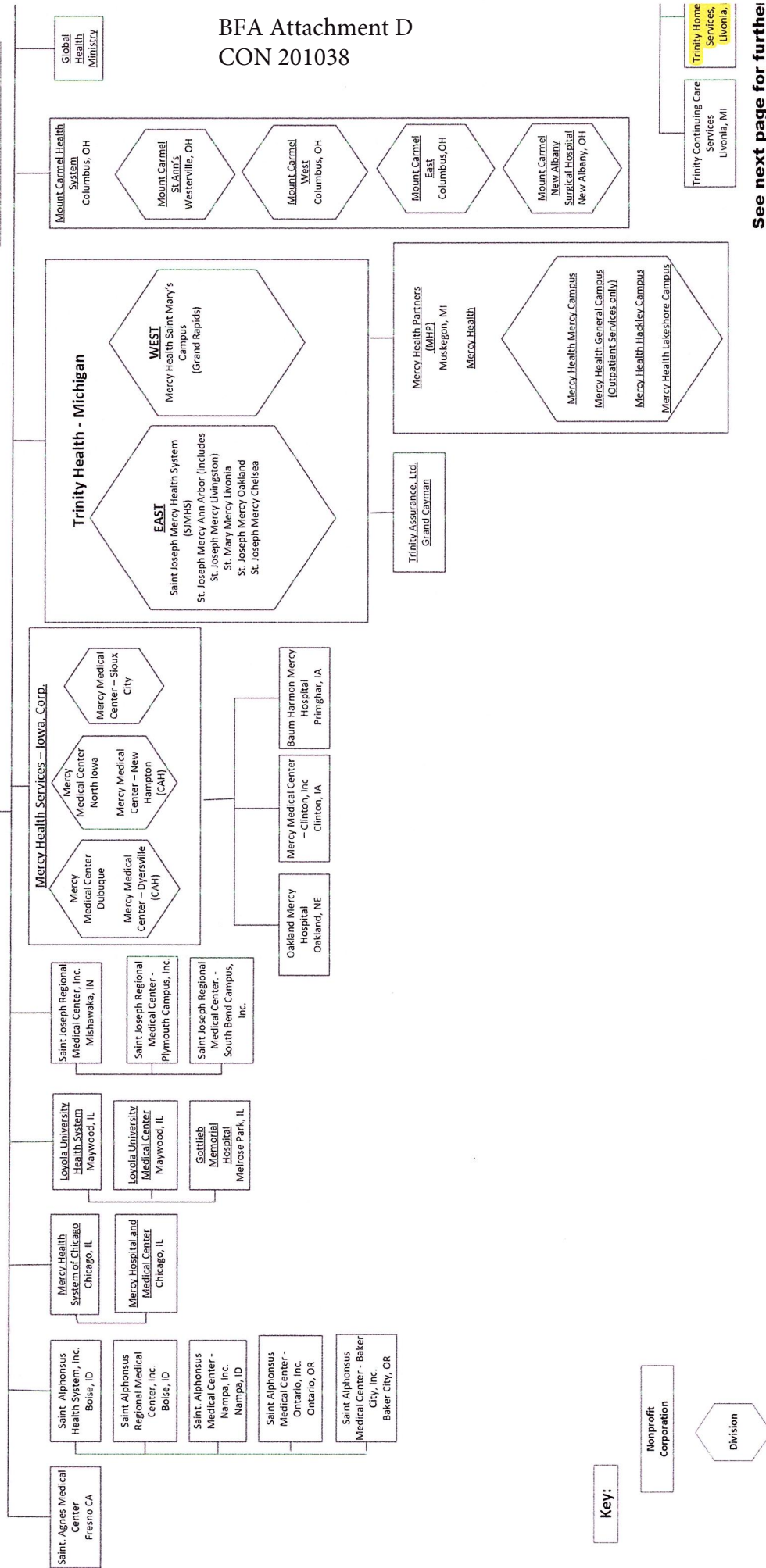
**ST. JOSEPH'S HEALTH AT HOME**  
**CON Application**  
**Schedule 21G Additional Legal Information for CHHA Ownership Transfers**  
**21G-2 Organizational Chart – After Ownership Transfer**  
**THC-THHS Org Chart**



Trinity Health

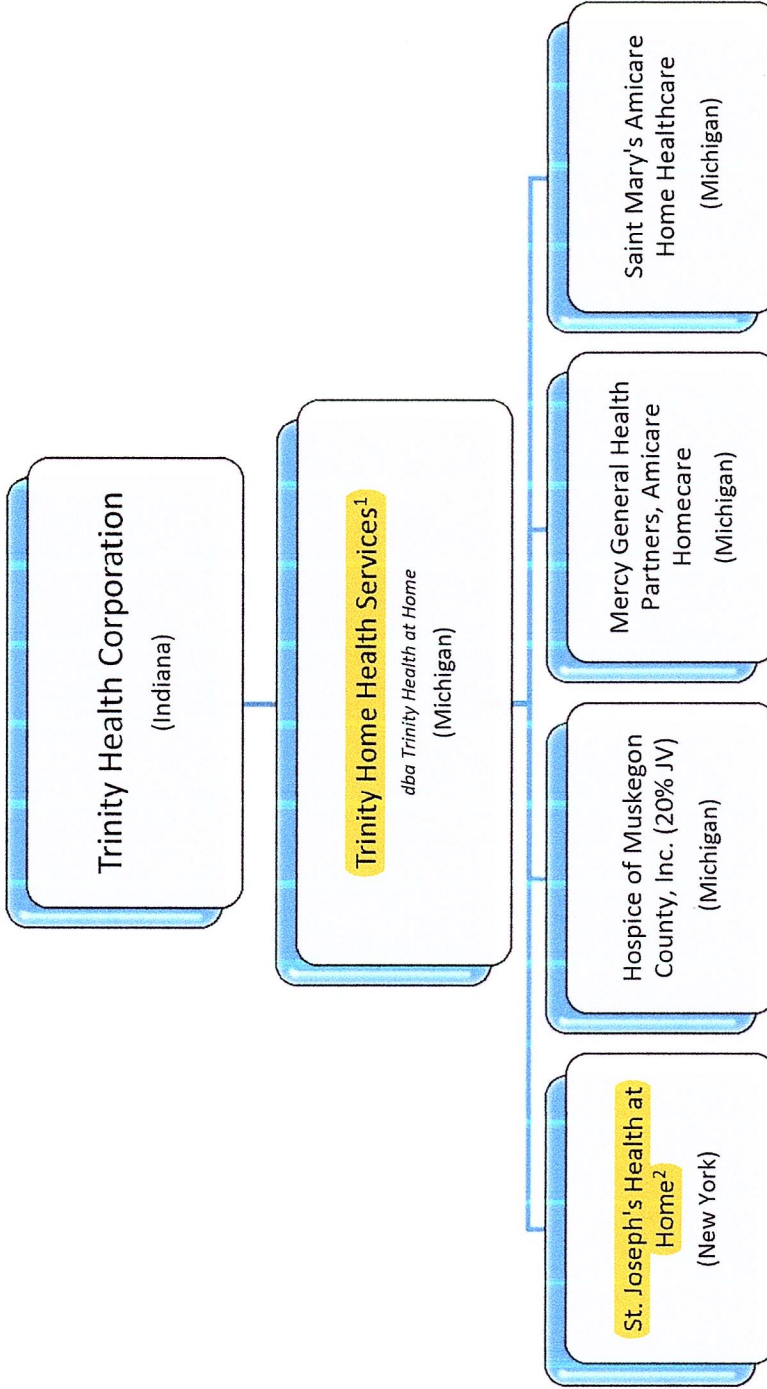
**Trinity Health Coporation**  
**an Indiana nonprofit**

**West/Midwest**  
**Organizational Structure**



See next page for further

Trinity Home Health Services  
as of January 1, 2020



1 Operator of:

- Saint Agnes Home Health and Hospice Fresno (California)
- Trinity Health of New England at Home (Connecticut)
- Loyola Medicine Home Care and Hospice (Illinois)
- Saint Joseph Health System VNA Home Care (Indiana)
- Mercy Home Care (Iowa)
- Trinity Health of New England at Home (Massachusetts)
- Holy Cross Home Care and Hospice Silver Spring (Maryland)
- St. Joseph Mercy Home Care and Hospice, southeast Michigan (Michigan)
- Mercy Health Home Care, Grand Rapids (Michigan)
- Mercy Health VNS Muskegon (Michigan)
- Mount Carmel Home Care Columbus (Ohio)

2 Pending approval by NYSDOH/PHHPC.



New Co  
Consolidated Balance Sheet  
As of July 1, 2020  
(dollars in thousands)

BFA Attachment E  
CON 201038

ASSETS	Actual July 1, 2020	Notations
<b>Current assets:</b>		
		Total cash sources: \$500K equity transfer - St. Joseph's Health (Note 1); \$2,750K I/C transfer from THAH/TH.
Cash and investments	\$3,525	
Assets limited as to use:		
By donors, current	0	
Assets limited as to use, cur	0	
Patient Accounts Receivable, net:		
Patient AR, net of cont allow	0	
Allowance for charity	0	
Allowance for oper adjustmnts	0	
Allow for doubtful accounts	0	
Patient AR, net	0	
Est rec from 3rd party payors	0	
Other receivables, external	0	
Inventory	0	
Prepaid expense & other	0	
Total current assets	<u>3,525</u>	
<b>Assets limited or restricted as to use:</b>		
Self ins, benefit plan & other	0	
By Board	0	
By donors	0	
Assets limited as to use	<u>0</u>	
<b>Other assets:</b>		
Property and equipment, net	2	Transfers of existing fixed assets from Oldco.
Operating lease assets	0	
Invest in unconsol affiliates	0	
Excess cost over net asset acq	0	
Other intangible assets	0	
Other long-term assets	0	
Total assets	<u>\$3,527</u>	
<b>LIABILITIES AND NET ASSETS</b>		
<b>Current liabilities:</b>		
External debt, current	0	
IC debt, current	0	
Operating lease liab ST	0	
I/C payable	3,025	I/C transfer to cash flow Newco for the first 2 months of operations (Note 1).
Accrued expenses	0	
Salaries, wages & related liab	0	
Estimated pay to 3rd parties	0	
Total current liabilities	<u>3,025</u>	
Long-term debt	0	
IC LT debt, net of curr port	0	
Op lease liab LT	0	
Accrd pension & retiree health	0	
Other long term liabilities	0	
Total liabilities	<u>3,025</u>	
<b>Net assets:</b>		
NA without donor restrictions	502	Represents equity transfer from St. Joseph's Health.
NCI without donor restrict NA	0	
Tot NA without donor restrictions	<u>502</u>	
Donor restricted NA CI	0	
Total net assets	<u>502</u>	
<b>Total liabilities &amp; net assets</b>	<u>\$3,527</u>	

1 of 1

**Assumptions:**

**Note 1:** Equity transfer above is calculated by estimating the number of visits that would be performed on patients who were under Oldco's service as of 6.30.20 but whose episodic period and related visits were serviced by Newco post 7.1.20. To calculate the estimated number of visits, management utilized patient history from FY19 and calculated the visits performed on all episodes that started in May and June with visits in July. This total number of visits was then multiplied by an average cost per visit of \$180 to derive the amount. This estimate assumes consistent payor mix, scope of care and direct cost of care mix. It also assumes that Newco can recertify in the 2nd 30 day episode of a 2-30 day episodic period.

The remaining working capital is sourced of an intercompany DTF amount from THAH/TH for the remainder of the estimated 2 months of expenses for year 1 of operations. This amount does not reflect a loan but rather a current payable amount due to the parent company.

**Note 2:** Note there is no comparison year over year to the THAH consolidated financial statements. This is because this proforma represents Newco, which will be a fully consolidated, wholly owned subsidiary of THAH.

Total Year 1 expenses from Table 21D-2 Certified Home Health Agency Allocation of Operating Costs - Year 1	\$	21,151,701
monthly expense	\$	1,762,642
<b>2 months of expense</b>	<b>\$</b>	<b>3,525,284</b>

As set forth in its certificate of incorporation and bylaws, St. Joseph's reserves the following powers and authorities to THHS (as its member) and Trinity Health (as its grandparent):

**As reserved to Trinity Health Home Services:**

- Approve the amendment or restatement of the Certificate of Incorporation and Bylaws of the Corporation, in whole or in part, and recommend the same to Trinity Health for adoption;
- Elect, appoint, evaluate and remove (with or without cause) members of the Corporation's Board of Directors;
- Elect and remove the President and Chief Executive Officer of the Corporation;
- Approve the strategic plan of the Corporation, and if required by the System Authority Matrix, recommend the same to Trinity Health for adoption as part of the consolidated strategic plan of the Regional Health Ministry in which the Corporation participates;
- Approve those Significant Finance Matters which pursuant to the System Authority Matrix are subject to the authority of the Member, and if required by the System Authority Matrix, recommend the same to Trinity Health for adoption and authorization, provided that such right of approval, adoption and authorization shall not permit the Member or Trinity Health to exercise any of governance authority prohibited under applicable regulations;
- Approve the annual operating and capital budgets of the Corporation, and recommend the same to Trinity Health for adoption as part of the consolidated operating and capital budgets of the Regional Health Ministry in which the Corporation participates;
- Approve any merger, consolidation, transfer or relinquishment of membership rights, or the sale of all or substantially all of the operating assets of the Corporation (certain transactions and transfers of real property and immovable goods may also be subject to the approval of Catholic Health Ministries), and if required by the System Authority Matrix, recommend the same to Trinity Health for adoption and authorization;
- Approve any dissolution, winding up or abandonment of operations, liquidation, filing of action in bankruptcy, receivership or similar action affecting the Corporation, and if required by the System Authority Matrix, recommend the same to Trinity Health for adoption and authorization;
- Approve any formation or dissolution of Affiliates, partnerships, co-sponsorships, joint membership arrangements, and other joint ventures involving the Corporation, and if required by the System Authority Matrix, recommend the same to Trinity Health for adoption and authorization;
- Subject to the requirements of the New York Not-For-Profit Corporation Law, approve any pledge or encumbrance of assets whether pursuant to a sale, capital lease, mortgage, disposition, hypothecation, or other transaction in excess of limits established by Trinity Health (pledges or encumbrances of certain real property and immovable goods may also be subject to the approval of Catholic Health Ministries), and if required by the System Authority Matrix, recommend the same to Trinity Health for adoption and authorization;
- Approve any change to the structure or operations of the Corporation which would affect its status as a not-for-profit entity, exempt from taxation under Section 501(c)(3) of the Internal Revenue Code, and recommend the same to Trinity Health for approval;
- Approve all other matters and take all other actions reserved to members of not-for-profit corporations (or shareholders of for-profit-corporations, as the case may be) by the New York Not-For-Profit Corporation Law or as reserved in the Governance Documents of the Corporation;
- Effect the transfer of assets of the Corporation to the extent required by the terms of the Corporation's participation in an Obligated Group, as may be approved by the New York State Public Health and Health Planning Council.

**CON 201038**  
**BFA Attachment F (cont.)**

**As reserved to Trinity Health:**

- Adopt, amend, modify or restate the Certificate of Incorporation and Bylaws of the Corporation, in whole or in part, or if Trinity Health receives a recommendation as to any such action, approve such action as recommended;
- Approve those Significant Finance Matters which pursuant to the System Authority Matrix are subject to the authority of Trinity Health, or if Trinity Health receives a recommendation as to any such action, approve such action as recommended, provided that such right of approval shall not permit Trinity Health to exercise any of governance authority prohibited under applicable regulations;
- Approve any merger, consolidation, transfer or relinquishment of membership rights, or the sale of all or substantially all of the operating assets of the Corporation (certain transactions and transfers of real property and immovable goods may also be subject to the approval of Catholic Health Ministries), or if Trinity Health receives a recommendation as to any such action, approve such action as recommended;
- Approve any dissolution, winding up or abandonment of operations, liquidation, filing of action in bankruptcy, receivership or similar action affecting the Corporation, or if Trinity Health receives a recommendation as to any such action, approve such action as recommended;
- Approve any formation or dissolution of affiliates, partnerships, co-sponsorships, joint membership arrangements, and other joint ventures involving the Corporation, or if Trinity Health receives a recommendation as to any such action, approve such action as recommended;
- Subject to the requirements of the New York Not-For-Profit Corporation Law, approve any pledge or encumbrance of assets whether pursuant to a sale, capital lease, mortgage, disposition, hypothecation, or other transaction in excess of limits established by Trinity Health (pledges or encumbrances of certain real property and immovable goods may also be subject to the approval of Catholic Health Ministries), or if Trinity Health receives a recommendation as to any such action, approve such action as recommended;
- Approve any change to the structure or operation of the Corporation which would affect its status as a not-for-profit entity, exempt from taxation under Section 501(c)(3) of the Internal Revenue Code, or if Trinity Health receives a recommendation as to any such action, approve such action as recommended;
- Appoint and remove the independent fiscal auditor of the Corporation; and
- Require the Corporation to timely participate in such programs and services as Trinity Health provides to its other Regional Health Ministries and which Trinity Health, in its sole discretion after consultation with the Corporation, believes to be of value to the Corporation consistent with Trinity Health policies, mission and purposes, and the Corporation's mission and purposes.

Programmatic Attachment A: New York State Facilities

Project# 201038

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Type	Facility Name
Home Health	McAuley-Seton Home Care Corporation (CHHA)
Home Health	Niagara Homemaker Services, Inc. d/b/a Mercy Home Care of Western New York (LHCSA)
Hospital	Kenmore Mercy Hospital
Hospital	Mercy Hospital of Buffalo
Hospital	Mount St. Mary's Hospital
Hospital	Sisters of Charity Hospital of Buffalo, NY
PACE/LIFE	Catholic Health System Program of All-Inclusive Care for the Elderly, Inc.
PACE/LIFE	CHS LIFE
SNF	WNY Catholic Long Term Care, Inc.
	Alsace Abbott Corporation
	Aurora Mercy Corp.
	Catholic Health Home Respiratory, LLC
	Catholic Health System Infusion Pharmacy, Inc.
	Mount St. Mary's Child Care Center
	Niagara Medicine, PC
	Orchard Park Mercy Corp.
	Our Lady of Victory Community Housing Development Organization, Inc.
	Our Lady of Victory Renaissance Corporation
	Smithtown GP, LLC
	St. Clare Apartments
	Trinity Medical WNY, PC
	Victory Ridge Apartments, L.P.
ASC	St. Joseph's North Ambulatory Surgery Center
ASC	St. Joseph's Northeast Ambulatory Surgery Center
Home Care	Franciscan Health Support, Inc. (LHCSA)

Programmatic Attachment A: New York State Facilities

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Type	Facility Name
Home Care	Oswego Home Health, LLC (CHHA)
Home Care	St. Joseph's Certified Home Health Care Agency (CHHA)
Hospital	St. Joseph's Hospital Health Center
PACE/LIFE	PACE CNY - Loretto and St. Joseph's Partnership
SNF	Iroquois Nursing Home, Inc.
ASC	St. Peter's Ambulatory Surgery Center LLC
Assisted Living	Beverwyck, Inc. dba Eddy Village Green at Beverwyck
Assisted Living	Eddy Memorial Geriatric Center
Assisted Living	Glen Eddy, Inc.
Assisted Living	Hawthorne Ridge, Inc.
Assisted Living	Marjorie Doyle Rockwell Center
Home Health	Eddy Licensed Home Care Agency (LHCSA)
Home Health	Eddy Visiting Nurse & Rehab Association (CHHA)
Hospice	The Community Hospice, Inc
Hospital	Samaritan Hospital
Hospital	St. Peter's Hospital
Hospital	Sunnyview Hospital and Rehabilitation
Independent Living	Beverwyck, Inc. dba Eddy Village Green at Beverwyck
Independent Living	Glen Eddy, Inc.
Independent Living	Hawthorne Ridge, Inc.
PACE/LIFE	Eddy Senior Care
SNF	Eddy Heritage House Nursing Center, NY
SNF	Eddy Village Green at Beverwyck, NY
SNF	Eddy Village Green Capital Reg Geriatric Cntr, NY
SNF	James A Eddy Memorial Geriatric Center, NY

Programmatic Attachment A: New York State Facilities

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Type	Facility Name
SNF	Our Lady of Mercy Life Center, NY
SNF	Schuyler Ridge, NY
SNF	St. Peter's Nursing and Rehab, NY

Programmatic Attachment B: Out-of-State Facilities

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Type	Facility Name	Address	City	State
PACE/LIFE	Mercy LIFE of Alabama	2900 Springhill Avenue	Mobile	AL
ASC	Saint Agnes Outpatient Surgery North	1105 E. Spruce Avenue	Fresno	CA
Home Health	Saint Agnes Home Health	6729 N. Willow Avenue	Fresno	CA
Hospice	Saint Agnes Hospice	6729 N. Willow Avenue	Fresno	CA
Hospital	Saint Agnes Medical Center	1303 E. Herndon Avenue	Fresno	CA
Assisted Living	Frances Warde Apartments	2021 Albany Avenue	West Hartford	CT
Assisted Living	The McAuley	275 Steele Road	West Hartford	CT
Independent Living	The McAuley	275 Steele Road	West Hartford	CT
SNF	St. Mary Home, CT	2021 Albany Avenue	West Hartford	CT
Home Health	Home & Community Health Services	101 Phoenix Avenue, 1st Floor	Enfield	CT
Hospital	Johnson Memorial Medical Center	201 Chestnut Hill Road	Stafford Springs	CT
Hospital	Mount Sinai Rehabilitation Hospital	490 Blue Hills Avenue	Hartford	CT
Hospital	Saint Francis Hospital & Medical Center	114 Woodland Street	Hartford	CT
Hospital	St. Mary's Health System	56 Franklin Street	Waterbury	CT
Home Health	St. Francis Home Care	1070 Justison Street	Wilmington	DE
Hospital	St. Francis Hospital	701 N. Clayton Street	Wilmington	DE
PACE/LIFE	St. Francis LIFE	1072 Justison Street	Wilmington	DE
ASC	Physicians Outpatient Surgery Center	1000 NE 56th Street	Fort Lauderdale	FL
Home Health	Holy Cross Hospital Home Health Agency	5601 N Dixie Highway	Fort Lauderdale	FL
Hospital	Holy Cross Hospital	4725 N Federal Hwy	Fort Lauderdale	FL
Hospital	Emory Saint Joseph's Hospital - Atlanta	5665 Peachtree Dunwoody Rd NE	Atlanta	GA

Programmatic Attachment B: Out-of-State Facilities

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Type	Facility Name	Address	City	State
Hospital	Saint Joseph's Mercy Care Services, Inc.	424 Decatur Street	Atlanta	GA
Assisted Living	Highland Hills Village	1660 Jennings Mill Road	Watkinsville	GA
Home Care	St. Mary's Home Care & Hospice	1021 Jamestown Blvd.	Watkinsville	GA
Hospice	St. Mary's Hospice (Outpatient)	1021 Jamestown Blvd.	Watkinsville	GA
Hospice	Hospice House	1161 Jennings Mill Road	Watkinsville	GA
Hospital	St. Mary's Good Samaritan Hospital - Critical Access	1201 Siloam Road	Greensboro	GA
Hospital	St. Mary's Hospital	1230 Baxter Street	Athens	GA
Hospital	St. Mary's Sacred Heart Hospital	367 Clear Creek Drive	Lavonia	GA
Independent Living	Highland Hills Village	1660 Jennings Mill Road	Watkinsville	GA
Assisted Living	Ellen Kennedy Living Center	1177 7th Street SW #1	Dyersville	IA
Home Care	Mercy Home Care	910 N Eisenhower Ave	Mason City	IA
Home Health	Mercy Home Care, Clinton	638 S. Bluff Boulevard	Clinton	IA
Home Health	Mercy Home Care, Dubuque	250 Mercy Drive	Dubuque	IA
Home Health	Mercy Home Care, North Iowa	1000 4th St. SW	Mason City	IA
Home Health	Mercy Home Care, Sioux City	801 Fifth Street	Sioux City	IA
Hospice	Mercy Hospice, Clinton	638 S. Bluff Boulevard	Clinton	IA
Hospice	Mercy Hospice, North Iowa	232 2 <sup>nd</sup> Street SE	Mason City	IA
Hospital	Baum-Harmon Mercy Hospital - Critical Access	255 N Welch Avenue	Primghar	IA
Hospital	Mercy Medical Center - Clinton	1410 N. Fourth Street	Clinton	IA
Hospital	Mercy Medical Center - Dubuque (Dyersville) - Critical Access	1111 Third Street, SW	Dyersville	IA
Hospital	Mercy Medical Center - New Hampton - Critical Access	308 North Maple Avenue	New Hampton	IA



Programmatic Attachment B: Out-of-State Facilities

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Type	Facility Name	Address	City	State
Hospital	Mercy Medical Center - North Iowa	1000 N. Eisenhower	Mason City	IA
Hospital	Mercy Medical Center - Sioux City	801 Fifth Street	Sioux City	IA
Hospital	Mercy Medical Center Dubuque	250 Mercy Drive	Dubuque	IA
Independent Living	Ellen Kennedy Living Center	1177 7th Street SW #1	Dyersville	IA
Independent Living	The Willows	1000 N. Eisenhower	Mason City	IA
SNF	Mercy Health Services-Iowa Corp, IA	910 North Eisenhower Avenue	Mason City	IA
SNF	Mercy Living Center North, IA	600 14TH Avenue North	Clinton	IA
SNF	Mercy Living Center South, IA	638 South Bluff Boulevard	Clinton	IA
SNF	Mercy Medical Center - Dubuque, IA	250 Mercy Drive	Dubuque	IA
Surgery Center	The Tri-State Surgery Center	1500 Associates Drive	Dubuque	IA
SNF	The Alverno Health Care Center, IA	849 13TH Avenue North	Clinton	IA
Hospice	Hospice of North Iowa	232 2nd St SE	Mason City	IA
Hospital	Saint Alphonsus Medical Center - Nampa	1512 12th Avenue Road	Nampa	ID
Hospital	Saint Alphonsus Medical Center - Nampa	4402 E. Flamingo Ave.	Nampa	ID
Hospital	Saint Alphonsus Regional Medical Center	1055 North Curtis Road	Boise	ID
Surgery Center	General Surgery - Boise	1072 N. Liberty Street	Boise	ID
Surgery Center	General Surgery - Nampa	401 E. Hawaii	Nampa	ID
Home Health	LUMC for Home Care and Hospice	2301 W. 22nd Street, Suite 107	Oak Brook	IL
Hospice	Loyola Center for Hospice	701 West North Avenue	Melrose Park	IL
Hospital	Gottlieb Memorial Hospital	701 West North Avenue	Melrose Park	IL
Hospital	Loyola University Medical Center	2160 South First Avenue	Maywood	IL

Programmatic Attachment B: Out-of-State Facilities

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Type	Facility Name	Address	City	State
SNF	Gottlieb Memorial Hospital	701 West North Avenue	Melrose Park	IL
Hospital	Mercy Hospital & Medical Center	2525 South Michigan Avenue	Chicago	IL
Home Health	Saint Joseph VNA Home Care	60101 Bodnar Boulevard	Mishawaka	IN
Hospital	Mishawaka Medical Center	5215 Holy Cross Parkway	Mishawaka	IN
Hospital	Plymouth Medical Center	1915 Lake Avenue	Plymouth	IN
SNF	Sanctuary at Holy Cross - Indiana, IN	17475 Dugdale Drive	South Bend	IN
Assisted Living	Sanctuary at St. Paul's	3602 South Ironwood Drive	South Bend	IN
Independent Living	Sanctuary at St. Paul's	3602 South Ironwood Drive	South Bend	IN
Independent Living	Sanctuary at Trinity Tower	316 S. Saint Joseph Street	South Bend	IN
SNF	Sanctuary at St. Pauls, IN	3602 South Ironwood Drive	South Bend	IN
PACE/LIFE	St. Joseph PACE	250 East Day Road	Mishawaka	IN
Home Health	Mercy Home Care	2112 Riverdale Street	West Springfield	MA
Hospice	Mercy Hospice	2112 Riverdale Street	West Springfield	MA
Assisted Living	Beaven Kelly Home	25 Brightside Drive	Holyoke	MA
Assisted Living	St. Luke's Home	85 Spring Street	Springfield	MA
Hospital	Mercy Medical Center	271 Carew Street	Springfield	MA
Hospital	Providence Behavioral Health Hospital	1233 Main Street	Holyoke	MA
PACE/LIFE	Mercy LIFE (MA)	2112 Riverdale Street	West Springfield	MA
SNF	Farren Care Center, MA	340 Motague City Road	Turners Falls	MA
SNF	Mount St. Vincent, MA	35 Holy Family Road	Holyoke	MA
Home Health	Holy Cross Home Care and Hospice Agency Administrative Offices	10720 Columbia Pike	Silver Spring	MD

Programmatic Attachment B: Out-of-State Facilities

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Type	Facility Name	Address	City	State
Home Health	Holy Cross Home Care	11800 Tech Road, Suite 240	Silver Springs	MD
Hospice	Holy Cross Home Care and Hospice Agency Administrative Offices	10720 Columbia Pike	Silver Spring	MD
Hospice	Holy Cross Hospice	11800 Tech Road, Suite 240	Silver Springs	MD
Hospital	Holy Cross Hospital	1500 Forest Glen Road	Silver Springs	MD
Hospital	Holy Cross Hospital - Germantown	19801 Observation Drive	Germantown	MD
SNF	Holy Cross Rehab & Nursing, MD	3415 Greencastle Road	Burtonsville	MD
SNF	Mount St. Joseph	7 Highwood Street	Waterville	ME
Freestanding ER	Southwest	2373 64th St	Byron Center	MI
Home Health	Mercy Home Care, Oakland	1111 W. Long Lake Rd., Suite 102	Troy	MI
Home Health	Mercy Home Health - Grand Rapids	1430 Monroe NW	Grand Rapids	MI
Home Health	Mercy Home Health - Port Huron	505 Huron Avenue	Port Huron	MI
Home Health	Mercy VNS and Hospice Services	888 Terrace	Muskegon	MI
Hospice	Mercy Hospice Services, Muskegon	888 Terrace	Muskegon	MI
Hospital	Mercy Health - Lakeshore - Critical Access	72 South State Street	Shelby	MI
Hospital	Mercy Health - Muskegon	1500 E. Sherman Blvd.	Muskegon	MI
Hospital	Mercy Health Saint Mary's - Grand Rapids	200 Jefferson Street, SE	Grand Rapids	MI
Hospital	Saint Mary's Healthcare - Pine Rest	2303 Kalamazoo Ave SE	Grand Rapids	MI
PACE/LIFE	LifeCircles (Joint Venture)	506 Seminole Road	Muskegon	MI
SNF	Sanctuary at McAuley, MI	1380 E Sherman Boulevard	Muskegon	MI
SNF	Sanctuary at St. Mary's, MI	1050 Four Mile NW	Grand Rapids	MI
SNF	Sanctuary at the Park, MI	570 S Harvey Street	Muskegon	MI

Programmatic Attachment B: Out-of-State Facilities

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Type	Facility Name	Address	City	State
SNF	Sanctuary at the Shore, MI	900 S Beacon Boulevard	Grand Haven	MI
Home Health	St. Joseph Mercy Home Care, Ann Arbor	3075 Clark Road, Suite 200	Ypsilanti	MI
Home Health	St. Joseph Mercy Home Care, Livingston	907 Fowler	Howell	MI
Hospice	St. Joseph Mercy Hospice, Ann Arbor	3075 Clark Road, Suite 200	Ypsilanti	MI
Hospice	St. Joseph Mercy Hospice, Livingston	8273 W. Grand River, Ste. 110	Brighton	MI
Hospice	St. Joseph Mercy Hospice, Oakland	1111 W. Long Lake Rd., Suite 102	Troy	MI
Hospital	St. Joseph Mercy Ann Arbor	5301 McAuley Drive	Ypsilanti	MI
Hospital	St. Joseph Mercy Chelsea	775 South Main Street	Chelsea	MI
Hospital	St. Joseph Mercy Livingston	620 Byron Road	Howell	MI
Hospital	St. Joseph Mercy Oakland	44405 Woodward Avenue	Pontiac	MI
Hospital	St. Mary Mercy Livonia	36475 Five Mile Road	Livonia	MI
SNF	Care and Rehabilitation Center at Glacier Hills	1200 Earhart Road	Ann Arbor	MI
SNF	Marycrest Manor, MI	15475 Middlebelt Road	Livonia	MI
SNF	Sanctuary at Bellbrook, MI	873 W Avon Road	Rochester Hills	MI
SNF	Sanctuary at Fraser Villa, MI	33300 Utica Road	Fraser	MI
SNF	Sanctuary at White Lake, MI	10770 Elizabeth Lake Road	White Lake	MI
Surgery Center	Alice Gustafson Outpatient Surgery Center	44405 Woodward Avenue	Pontiac	MI
Assisted Living	Glacier Hills	1200 Earhart Road	Ann Arbor	MI
Assisted Living	Huron Woods	5361 McAuley Drive	Ypsilanti	MI
Assisted Living	Sanctuary at Bellbrook	873 West Avon Road	Rochester Hills	MI
Assisted Living	Sanctuary at Fraser Villa	33300 Utica Road	Fraser	MI

Programmatic Attachment B: Out-of-State Facilities

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Type	Facility Name	Address	City	State
Assisted Living	Sanctuary at Mercy Village	4170 24th Avenue	Fort Gratiot Township	MI
Assisted Living	Sanctuary at St. Joseph's Village	5341 McAuley Drive	Ypsilanti	MI
Assisted Living	Sanctuary at the Oaks	1740 Village Drive	Muskegon	MI
Assisted Living	Sanctuary at Woodland	7533 Grand River Road	Brighton	MI
Independent Living	Glacier Hills	1200 Earhart Road	Ann Arbor	MI
Independent Living	Marycrest Heights	15495 Middlebelt Road	Livonia	MI
Independent Living	Sanctuary at Bellbrook	873 West Avon Road	Rochester Hills	MI
Independent Living	Sanctuary at Clinton Villa	17825 15 Mile Road	Clinton Township	MI
Independent Living	Sanctuary at Maple Vista	600 Maple Vista Street	Imlay City	MI
Independent Living	Sanctuary at Marian Oakland	29250 West 10 Mile Road	Farmington Hills	MI
Independent Living	Sanctuary at Marian Place	408 West Front Street	Monroe	MI
Independent Living	Sanctuary at Maryhaven	11350 Reeck Road	Southgate	MI
Independent Living	Sanctuary at Mercy Village	4170 24th Avenue	Fort Gratiot Township	MI
Independent Living	Sanctuary at St. Joseph's Village	5341 McAuley Drive	Ypsilanti	MI
Independent Living	Sanctuary at the Oaks	1740 Village Drive	Muskegon	MI
Independent Living	Sanctuary at Villa Marie	15131 Newburgh Road	Livonia	MI
Independent Living	Sanctuary at Woodland	7533 Grand River Road	Brighton	MI
Home Health	Chelsea Care Home Health	775 S Main	Chelsea	MI
Assisted Living	Coventry	105 Gossman Road	Southern Pines	NC
Assisted Living	Savannah Family Care	128 N Carlisle St	Southern Pines	NC
Independent Living	Belle Meade	100 Waters Drive	Southern Pines	NC

Programmatic Attachment B: Out-of-State Facilities

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Type	Facility Name	Address	City	State
Independent Living	Pine Kroll	590 Central Drive	Southern Pines	NC
PACE/LIFE	LIFE St. Joseph of the Pines	4900 Raeford Road	Fayetteville	NC
SNF	St. Joseph of The Pines Health, NC	103 Gossman Drive	Southern Pines	NC
Hospital	Oakland Mercy Hospital - Critical Access	601 East 2nd Street	Oakland	NE
Hospital	Lourdes Medical Center Burlington	218 A Sunset Road	Willingboro	NJ
Hospital	Our Lady of Lourdes Medical Center	1600 Haddon Avenue	Camden	NJ
PACE/LIFE	LIFE at Lourdes	2475 McClellan Avenue	Pennsauken Township	NJ
Hospital	St. Francis Medical Center	601 Hamilton Avenue	Trenton	NJ
PACE/LIFE	LIFE St. Francis	1435 Liberty Street	Trenton	NJ
ASC	Eastwind Surgical, LLC	955 Eastwind Dr #150	Westerville	OH
ASC	New Albany Surgery Center	5040 Forest Drive	New Albany	OH
ASC	Taylor Station Surgical Center	275 Taylor Station Road	Columbus	OH
Home Health	Mount Carmel Home Care	501 W. Schrock Road, Suite 350	Westerville	OH
Hospice	Mount Carmel Hospice	1144 Dublin Road	Columbus	OH
Hospital	Diley Ridge Medical Center	7911 Diley Rd	Canal Winchester	OH
Hospital	Mount Carmel East	6001 East Broad Street	Columbus	OH
Hospital	Mount Carmel New Albany	7333 Smith Mill Road	New Albany	OH
Hospital	Mount Carmel St. Ann's	500 S. Cleveland Avenue	Westerville	OH
Hospital	Mount Carmel West	793 West State Street	Columbus	OH
Hospital	Saint Alphonsus Medical Center - Baker City - Critical Access	3325 Pocahontas Road	Baker City	OR
Hospital	Saint Alphonsus Medical Center - Ontario	351 SW Ninth Street	Ontario	OR

Programmatic Attachment B: Out-of-State Facilities

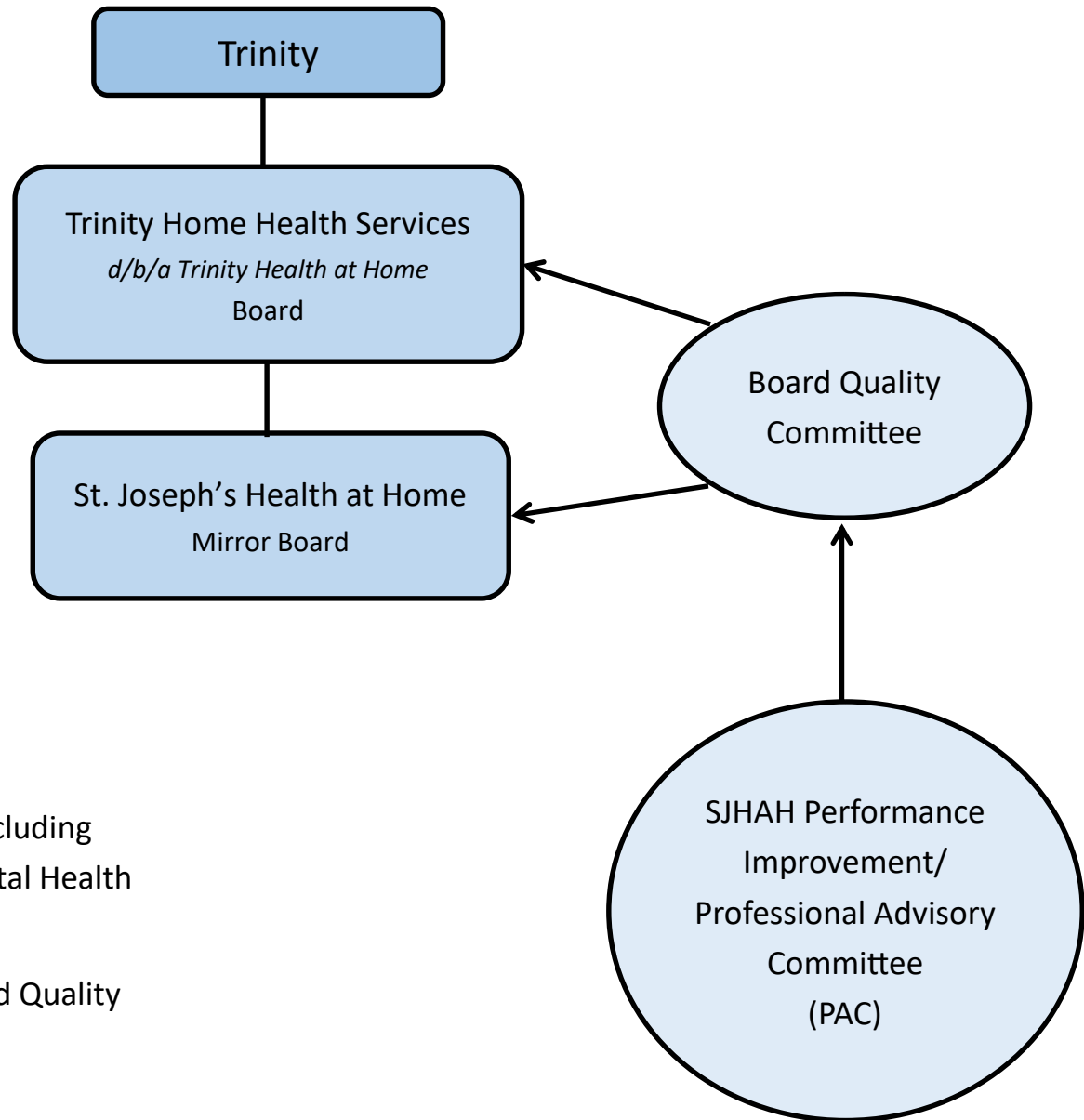
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Type	Facility Name	Address	City	State
Home Health	Mercy Home Health - Administration	1001 Baltimore Pike	Springfield	PA
Home Health	Mercy Home Health - Newtown Square	4677 West Chester Pike	Newtown Square	PA
Home Health	Mercy Home Health - Philadelphia	1930 South Broad Street	Philadelphia	PA
Hospital	Mercy Fitzgerald Hospital	1500 Lansdowne Avenue	Darby	PA
Hospital	Mercy Hospital of Philadelphia	501 South 54th Street	Philadelphia	PA
Hospital	Nazareth Hospital	2601 Holme Avenue	Philadelphia	PA
PACE/LIFE	Mercy LIFE - N. Hancock (Fictitious Name of St. Agnes Continuing Care Center)	3240 N. Hancock Street	Philadelphia	PA
PACE/LIFE	Mercy LIFE - S. Broad St (Fictitious Name of St. Agnes Continuing Care Center)	1930 S. Broad Street	Philadelphia	PA
PACE/LIFE	Mercy Life - Sharon Hill (Fictitious Name of St. Agnes Continuing Care Center)	701 Chester Pike	Sharon Hill	PA
PACE/LIFE	Mercy LIFE - Valley View (Fictitious Name of St. Agnes Continuing Care Center)	111 Elwyn Road	Media	PA
SNF	Nazareth Hospital, PA	2601 Holme Avenue	Philadelphia	PA
Home Health	Mercy Life Center Corporation	1200 Reedsdale Street	Pittsburgh	PA
PACE/LIFE	Living Independence for the Elderly Pittsburgh, Inc.	875 Greentree Road, No. 200	Pittsburgh	PA
Hospital	St. Mary Medical Center	1201 Langhorne Newtown Road	Langhorne	PA
Hospital	St. Mary Rehabilitation Hospital	1208 Langhorne Newtown Road	Langhorne	PA
PACE/LIFE	LIFE St. Mary	2500 Interplex Drive	Feasterville-Trevose	PA
Hospital	Dunes Surgical Hospital	600 Sioux Point Road	Dakota Dunes	SD

St. Joseph's Health at Home

(Project #201038)



- SJHAH PAC has 14 local members, including representatives of St. Joseph's Hospital Health Center and 1 community member
- SJHAH PAC reports quarterly to Board Quality Committee



### Attachment 3 Committee Member List



#### St. Joseph's Home Health PAC

*Membership*  
March 25, 2021

SJCHHA PAC		
Last Name	First Name	Title
Allard	Melissa	RN BSN MHA Administrator/Director
Hafler	Amy	Speech Therapist
Fischer	Jessica	DNP, RN-BC, COS-C PI Manager
Gingrich	Stacey	RN BSN Team Manager
Mitchell	Cindy	Social Work Coordinator St. Joseph's Hospital
Eggleston	Marsha	Occupational Therapist
O'Connor	John	Community Representative
Porter	Beth	Intake Manager
Rutkowski	Dr. Michael	Medical Director
Sedlock	Rich	PT Rehab Manager
Reed	Kimberlee	RN BSN Educator
Guancial	Deb	RN BSN Team Manager
Garafalo	Mary Ann	RN BSN Team Manager
Pagano	Kris	RN BSN Team Manager

St. Joseph's Health at Home  
(Project #201038)



Project # 202093-C
Richmond Pain Management ASC

Program: Diagnostic and Treatment Center
Purpose: Construction
County: Richmond
Acknowledged: November 4, 2020

Executive Summary

Description

Richmond ASC, LLC d/b/a Richmond Pain Management ASC (the Center), a single specialty Article 28 freestanding ambulatory surgery center (FASC) located at 1360 Hylan Boulevard, Staten Island (Richmond County), requests approval to be established as a multi-specialty FASC. The Center was approved by the Public Health and Health Planning Council (PHHPC) under CON 132340 as a single-specialty FASC specializing in pain management services, beginning operations August 15, 2016. The FASC remains within its five-year limited life certification.

The applicant is currently seeking to become multispecialty to provide orthopedics, spine and podiatric surgical services. Accordingly, plans to relocate space and add a decontamination/sterilization suite are also included in the application.

Kenneth Chapman, MD (80%) and SIUH Ventures, LLC (20%) are the members of the operator LLC. There will be no change in membership and the Center will continue to operate under its original 15-year lease, which provides for two additional five-year renewal options.

OPCHSM Recommendation

Contingent approval is recommended, maintaining an operating certificate expiration date of August 14, 2021.

Need Summary

The applicant projects 5,025 visits in the first year after approval and 6,069 in the third year, with 1.2% charity care and Medicaid at approximately 13.5%.

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

The total project costs for the moveable equipment and CON fees are \$552,204 to be funded via cash from accumulated funds. The budget is as follows:

Table with 4 columns: (in 000s), Current Year, Year One, Year Three. Rows: Revenues, Expenses, Gain/(Loss).

The submitted budget projects a net income of \$3,390,233 and \$3,666,678 during the first and third year of operation, respectively. Revenues are based on current reimbursement methodologies for ambulatory surgery services.

## **Recommendations**

### **Health Systems Agency**

There will be no HSA recommendation for this project.

### **Office of Primary Care and Health Systems Management**

#### **Approval, maintaining an operating certificate expiration date of August 14, 2021, 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 acknowledgement that the annual reports mandated under CON 132340 must continue to be submitted to DOH for the duration of the limited life. These reports should include: Data showing actual utilization including procedures; Data showing breakdown of visits by payer source; Data showing number of patients who needed follow-up care in a hospital within seven days after ambulatory surgery; Data showing number of emergency transfers to a hospital; Data showing percentage of charity care provided; and Number of nosocomial infections recorded during the year in question. [RNR]
3. Submission of State Hospital Code (SHC) Drawings, acceptable to the Department, as described in BAEFP Drawing Submission Guidelines DSG-1.0. [AER]
4. Submission of Engineering (MEP) Drawings, acceptable to the Department, as described in BAEFP Drawing Submission Guidelines DSG-1.0. [AER]

#### **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. Construction must start on or before September 30, 2021 and construction must be completed by October 31, 2021, 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 the staff of other entities; the signage must clearly denote the facility is separate and distinct from other entities; the clinical space must be used exclusively for the approved purpose; and the entrance must not disrupt any other entity's clinical program space. [HSP]
5. 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**

**April 8, 2021**

## Need and Program Analysis

### Background

Richmond Pain Management ASC, an existing Article 28 single-specialty pain management ambulatory surgery center (ASC), requests multi-specialty certification to add orthopedic, spine, and podiatry surgery services. The center will perform renovations to add a decontamination/sterilization suite. The center is located at 1360 Hylan Boulevard, Staten Island, 10305, in Richmond County. Under CON 132340, the center opened on August 15, 2016 with the operating certificate expiring on August 14, 2021.

The Center saw the need to make the sterilization suite larger with larger sterilizers and specialty equipment to satisfy best practices in infection control in accommodating the new specialties. By having a full in-house instrument sterilization suite, the Center can see patients that require orthopedic, spine, and podiatric procedures. The current decontamination and sterile supply areas are small and would not accommodate large orthopedic trays and the size of the new proposed sterilizer.

Staffing is expected to increase as a result of this construction/expansion by 39.0 FTEs within one year after completion of the project and remain at those staffing levels.

### Analysis

The service area is Richmond County. Richmond Pain Management ASC is the only ASC currently operating in Richmond County.

Another ASC, Specialty Surgery Center of Staten Island, was approved in October 2019 as a multi-specialty ASC to provide ophthalmology and gynecology services. The new ASC will be 7.2 miles and 16 minutes away from Richmond Pain Management ASC.

The applicant has expressed the intent to serve all persons in need without regard to the ability to pay or source of payment. Charity Care for Richmond Pain Management ASC has been near the preferred 2% level: 2.3% in 2018, and 1.4% for 2019, and project 1.2% going forward. The center has a Charity Care policy with a sliding fee scale for those patients needing assistance.

The Center began operation in August 2016, first applying to DOH for its Medicaid Provider Number in November 2017. The application was denied, although the Center didn't immediately become aware of the denial, and a second submission was made in November 2018. Approval was granted by DOH in December 2019. The Center then began contract negotiations with Medicaid Management Care plans and has received approval in March 2021 from Emblem Health, GHI and HIP. The Center is still in contract negotiations with several other Medicaid Managed Care plans, and Medicaid is projected at approximately 13.5% going forward. Below is an estimated breakdown of insurance status for Richmond County residents.

Richmond County 2017		
Coverage	Health Insurance Policies	Share
Medicaid	82,297	17%
Medicare	59,782	13%
Employer	272,008	57%
Other Public	1,115	0%
Non Group	42,115	9%
Uninsured	17,763	4%

Source: Data USA

## Compliance with Applicable Codes, Rules, and Regulations

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.

## Conclusion

Approval of this project will enhance access to multi-specialty surgery services for the residents of Richmond County. Based on the results of the 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 Analysis

### Total Project Cost and Financing

Total project costs are estimated at \$552,204 and broken down as follows:

Renovation & Demolition	\$214,415
Design Contingency	10,700
Construction Contingency	21,441
Architect/Engineering Fees	24,000
Moveable Equipment	276,638
Application Fee	2,000
Processing Fee	<u>3,010</u>
Total Project Cost	\$552,204

Project costs are based on a three-week construction period. Project costs will be met with accumulated funds.

### Operating Budget

The applicant has submitted their current year (2019), and their first year and third-year operating budget after the change to multispecialty, in 2021 dollars, summarized below:

	Current Year		Year One		Year Three	
Revenues	Per Proc.	Total	Per Proc.	Total	Per Proc.	Total
Medicaid MC	\$47.00	\$141	\$353.22	\$275,515	\$357.02	\$292,398
Medicare FFS	\$1,080.65	\$1,851,153	\$1,080.82	\$2,036,268	\$1,081.72	\$2,128,826
Commercial FFS	\$1,783.35	\$2,963,934	\$1,783.55	\$3,260,328	\$1,783.63	\$3,408,524
Private Pay	\$7,086.67	\$63,780	\$7,015.80	\$70,158	\$6,112.25	73,347
Other	\$1,906.14	<u>\$2,148,221</u>	\$1,905.68	<u>\$2,363,043</u>	\$1,906.22	<u>\$2,470,455</u>
Total Revenues		\$7,027,229		\$8,005,312		\$8,373,550
Expenses						
Operating	\$787.86	\$3,599,732	\$632.84	\$3,671,726	\$620.12	\$3,763,519
Capital	<u>\$204.63</u>	<u>\$934,937</u>	<u>\$162.59</u>	<u>\$943,353</u>	<u>\$155.43</u>	<u>\$943,353</u>
Total Expenses	\$992.49	\$4,534,669	\$795.43	\$4,615,079	\$775.55	\$4,706,872
Net Income		<u>\$2,492,560</u>		<u>\$3,390,233</u>		<u>\$3,666,678</u>
Procedures	4,569		5,802		6,069	

\*The Medicaid ID number for this facility was received in December 2019, but no Medicaid Managed Care contracts were entered into until March of 2021, so Current Year is Medicaid as a secondary payor.

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

<u>Payor</u>	<u>Current</u>	<u>Year One</u>	<u>Year Three</u>
Medicaid FMC	1.0%	13.4%	13.5%
Medicare FFS	37.0%	32.5%	32.4%
Commercial	36.3%	31.5%	31.5%
Charity Care	1.0%	1.2%	1.2%
Other	24.7%	21.4%	21.4%
Totals	100.0%	100.0%	100.0%

Revenue, expense, and utilization assumptions are based on the expectation that Dr. Glenn and Dr. Keith will perform 72 procedures each per year and Dr. Chapman performing 120 procedures per year.

### **Conclusion**

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

## **Attachments**

BFA Attachment A	Richmond ASC, LLC - 2019 Financial Statements
BFA Attachment B	Richmond ASC, LLC - Internal Financial Balance Sheet and Profit & Loss Statement as of November 30, 2020

**Richmond ASC LLC**  
**Balance Sheet**  
As of December 31, 2019

CON 202093  
BFA Attachment A

	<u>Dec 31, 19</u>	<u>Dec 31, 18</u>	<u>\$ Change</u>
<b>ASSETS</b>			
<b>Current Assets</b>			
Checking/Savings			
Investors Bank	1,275,347.45	1,198,385.78	76,961.67
<b>Total Checking/Savings</b>	<b>1,275,347.45</b>	<b>1,198,385.78</b>	<b>76,961.67</b>
<b>Other Current Assets</b>			
Auto Lease Down Payment	5,138.50	0.00	5,138.50
<b>Total Other Current Assets</b>	<b>5,138.50</b>	<b>0.00</b>	<b>5,138.50</b>
<b>Total Current Assets</b>	<b>1,280,485.95</b>	<b>1,198,385.78</b>	<b>82,100.17</b>
<b>Fixed Assets</b>			
Accumulated Depreciation	-1,508,888.10	-1,278,347.00	-230,541.10
Building Improvements	3,650.56	0.00	3,650.56
Building Improvements- Billing	4,382.11	4,382.11	0.00
CIP 1360 Hylan Blvd	2,971,514.56	2,970,252.24	1,262.32
Computer (PC)	44,117.88	35,629.98	8,487.90
Computer Hardware and Accessori	43,792.02	41,722.86	2,069.16
Equipment - Operating Room	295,090.32	150,245.61	144,844.71
Exam Tables	33,187.64	31,168.84	2,018.80
Furniture and Equipment	88,989.16	81,271.17	7,717.99
Lockers	9,168.09	8,443.09	725.00
Medical Equipment	390,227.35	350,726.92	39,500.43
Printer	15,365.57	11,556.03	3,809.54
Scanner	5,990.30	5,990.30	0.00
Security System	24,329.46	20,742.97	3,586.49
Signage	8,045.35	8,045.35	0.00
Software	44,374.14	41,854.78	2,519.36
Telephone Hardware	15,146.03	15,146.03	0.00
TV	2,023.94	2,023.94	0.00
Vehicles	45,716.61	45,716.61	0.00
<b>Total Fixed Assets</b>	<b>2,536,222.99</b>	<b>2,546,571.83</b>	<b>-10,348.84</b>
<b>Other Assets</b>			
Legal / Commitment Fees			
Accum Amortization Legal Commit	-8,078.00	-6,517.00	-1,561.00
Legal / Commitment Fees - Other	18,750.00	18,750.00	0.00
<b>Total Legal / Commitment Fees</b>	<b>10,672.00</b>	<b>12,233.00</b>	<b>-1,561.00</b>
Security Deposits Asset	2,693.05	2,693.05	0.00
Start Up Costs			
Accum Amortization Start Up Cos	-47,725.85	-33,300.00	-14,425.85
Start Up Costs - Other	199,800.07	199,800.07	0.00
<b>Total Start Up Costs</b>	<b>152,074.22</b>	<b>166,500.07</b>	<b>-14,425.85</b>
<b>Total Other Assets</b>	<b>165,439.27</b>	<b>181,426.12</b>	<b>-15,986.85</b>
<b>TOTAL ASSETS</b>	<b><u>3,982,148.21</u></b>	<b><u>3,926,383.73</u></b>	<b><u>55,764.48</u></b>
<b>LIABILITIES &amp; EQUITY</b>			
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Credit Cards			
American Express	227,017.79	334,451.95	-107,434.16
<b>Total Credit Cards</b>	<b>227,017.79</b>	<b>334,451.95</b>	<b>-107,434.16</b>
Other Current Liabilities			
401K - EE	-23.73	0.00	-23.73
<b>Total Other Current Liabilities</b>	<b>-23.73</b>	<b>0.00</b>	<b>-23.73</b>
<b>Total Current Liabilities</b>	<b>226,994.06</b>	<b>334,451.95</b>	<b>-107,457.89</b>

**Richmond ASC LLC**  
**Balance Sheet**  
As of December 31, 2019

CON 202093  
BFA Attachment A Cont.

	<u>Dec 31, 19</u>	<u>Dec 31, 18</u>	<u>\$ Change</u>
<b>Long Term Liabilities</b>			
<b>Capital Lease</b>	117,581.34	183,797.90	-66,216.56
<b>Car Loan Payable</b>	15,599.39	26,610.83	-11,011.44
<b>Construction Term Loan Payable</b>	1,715,971.61	2,049,901.69	-333,930.08
<b>Total Long Term Liabilities</b>	<u>1,849,152.34</u>	<u>2,260,310.42</u>	<u>-411,158.08</u>
<b>Total Liabilities</b>	2,076,146.40	2,594,762.37	-518,615.97
<b>Equity</b>			
<b>Capital Contributions</b>			
<b>Capital Contribution - Kenneth</b>			
<b>Capital Contribution - KennethS</b>	294,123.44	294,123.44	0.00
<b>Capital Contribution - Kenneth - Other</b>	1,083,193.24	1,083,193.24	0.00
<b>Total Capital Contribution - Kenneth</b>	<u>1,377,316.68</u>	<u>1,377,316.68</u>	<u>0.00</u>
<b>Capital Contribution - SIUH Ven</b>	300,579.00	300,579.00	0.00
<b>Total Capital Contributions</b>	1,677,895.68	1,677,895.68	0.00
<b>Distribution - Kenneth Chapman</b>	-4,407,216.00	-2,626,001.00	-1,781,215.00
<b>Distribution - SIUH Ventures</b>	-1,039,304.00	-594,000.00	-445,304.00
<b>Retained Earnings</b>	2,873,726.68	878,881.56	1,994,845.12
<b>Net Income</b>	2,800,899.45	1,994,845.12	806,054.33
<b>Total Equity</b>	<u>1,906,001.81</u>	<u>1,331,621.36</u>	<u>574,380.45</u>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<u><u>3,982,148.21</u></u>	<u><u>3,926,383.73</u></u>	<u><u>55,764.48</u></u>



**Richmond ASC LLC**  
**Profit & Loss**  
 January through December 2019

CON 202093 BFA  
 Attachment A Cont.

	Jan - Dec 19
<b>Ordinary Income/Expense</b>	
<b>Income</b>	
NYPG	-92.00
Procedure Income	7,091,473.36
Refunds	-64,149.41
<b>Total Income</b>	7,027,231.95
<b>Expense</b>	
401 Match	2,291.38
Accounting Fees	47,803.00
Advertising and Promotion	
Website Maintenance	2,444.12
Advertising and Promotion - Other	100.96
<b>Total Advertising and Promotion</b>	2,545.08
Alarm System Monitoring	100.00
Arbitration	2,036.69
Architectural Fees	19,050.00
Bank Service Charges	
Merchant Fees	16,691.28
Bank Service Charges - Other	1,012.95
<b>Total Bank Service Charges</b>	17,704.23
Cable	1,021.28
Car Lease	7,502.05
Cleaning	76,162.93
Cleaning Supplies	1,011.60
Consulting	132,829.84
Dues and Subscriptions	11,484.03
Education and Seminars	7,618.68
Electronic Medical Records	50,587.68
Employee Relations	240.37
Finance Charges	132.10
<b>Gross Payroll</b>	
Admin - Mgmt Salaries	186,000.00
Billing Salaries	164,922.60
Front Desk Salaries	109,268.92
Registered Nurses Salaries	489,895.44
SPD Tech Salaries	70,989.53
Station Aide Salaries	180,980.21
Transportation Operator Salarie	6,626.00
<b>Total Gross Payroll</b>	1,208,682.70
Guaranteed Payemnts	74,999.86
<b>Health Insurance</b>	
Dental Insurance	152.46
Vision	23.66
Health Insurance - Other	40,533.33
<b>Total Health Insurance</b>	40,709.45
<b>Insurance Expense</b>	
Auto Insurance	18,496.52
Disability	-749.80
Paid Family Leave	-4.01
Insurance Expense - Other	82,195.43
<b>Total Insurance Expense</b>	99,938.14

**Richmond ASC LLC**  
**Profit & Loss**  
January through December 2019

CON 202093  
BFA Attachment A Cont.

	<b>Jan - Dec 19</b>
<b>Interest Expense</b>	
Capital Lease Interest	7,583.36
Car Loan Interest	-282.28
Interest Expense - Other	76,963.60
<b>Total Interest Expense</b>	84,264.68
<b>Internet</b>	5,982.01
<b>Legal Fees</b>	9,763.00
<b>License and Fees</b>	15,409.16
<b>Meals and Entertainment</b>	4,064.95
<b>Medical Supplies</b>	
Medical Supplies - Leads and Tr	772,386.08
Medical Supplies - Other	380,232.55
<b>Total Medical Supplies</b>	1,152,618.63
<b>Medical Waste</b>	1,164.96
<b>Office Expense</b>	12,950.38
<b>Office Supplies</b>	4,367.30
<b>Outside Services</b>	
Outside Service - Shredding	1,489.05
<b>Total Outside Services</b>	1,489.05
<b>Payroll Processing Fees</b>	7,683.86
<b>Payroll Taxes - ER</b>	97,517.20
<b>Pest Control</b>	571.59
<b>Postage and Delivery</b>	8,156.28
<b>Printing and Reproduction</b>	2,896.76
<b>Professional Fees</b>	3,200.00
<b>Recovery Room Expenses</b>	8,232.63
<b>Recruitment</b>	2,554.04
<b>Rent Expense</b>	
Rent Expense - 1360 Hylan	490,220.70
Rent Expense - Billing Office	15,037.50
<b>Total Rent Expense</b>	505,258.20
<b>Repairs and Maintenance</b>	77,497.39
<b>Small IT Equipment</b>	1,940.83
<b>Small Medical Equipment</b>	930.88
<b>Tax</b>	
Tax - NYS	1,500.00
Tax - UBT	116,080.00
Tax - Other	875.09
<b>Total Tax</b>	118,455.09
<b>Telephone Expense</b>	10,559.60
<b>Travel Expense</b>	
Lodging	3,421.70
Travel Expense - Other	4,510.76
<b>Total Travel Expense</b>	7,932.46
<b>Uniforms</b>	27,504.58
<b>Utilities</b>	2,387.95
<b>Total Expense</b>	3,979,804.55
<b>Net Ordinary Income</b>	3,047,427.40

**Richmond ASC LLC**  
**Profit & Loss**  
January through December 2019

CON 202093  
BFA Attachment A Cont.

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	<u>Jan - Dec 19</u>
Other Income/Expense	
Other Expense	
Amortization	15,986.85
Ask My Accountant	0.00
Depreciation Expense	230,541.10
Total Other Expense	<u>246,527.95</u>
Net Other Income	<u>-246,527.95</u>
Net Income	<u><u>2,800,899.45</u></u>

**Richmond ASC LLC**  
**Balance Sheet**  
As of November 30, 2020

CON 202093  
BFA Attachment B

	<u>Nov 30, 20</u>
<b>ASSETS</b>	
<b>Current Assets</b>	
<b>Checking/Savings</b>	
Investors Bank	900,518.69
Investors Bank - 2206 HHS	140,332.32
Investors Bank - PPP	69,777.31
<b>Total Checking/Savings</b>	<u>1,110,628.32</u>
<b>Other Current Assets</b>	
Architectural Fees - Retainer	19,050.00
Auto Lease Down Payment	3,476.07
<b>Total Other Current Assets</b>	<u>22,526.07</u>
<b>Total Current Assets</b>	1,133,154.39
<b>Fixed Assets</b>	2,610,293.27
<b>Other Assets</b>	
Legal / Commitment Fees	9,555.00
Security Deposits Asset	2,693.05
Start Up Costs	138,537.20
<b>Total Other Assets</b>	<u>150,785.25</u>
<b>TOTAL ASSETS</b>	<b><u><u>3,894,232.91</u></u></b>
<b>LIABILITIES &amp; EQUITY</b>	
<b>Liabilities</b>	
<b>Current Liabilities</b>	510,365.63
<b>Long Term Liabilities</b>	1,457,234.94
<b>Total Liabilities</b>	<u>1,967,600.57</u>
<b>Equity</b>	
Capital Contributions	1,677,895.68
Distribution - Kenneth Chapman	-6,004,143.00
Distribution - SIUH Ventures	-1,438,549.00
Retained Earnings	5,593,116.88
Net Income	2,098,311.78
<b>Total Equity</b>	<u>1,926,632.34</u>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b><u><u>3,894,232.91</u></u></b>

**Richmond ASC LLC**  
**Profit & Loss**  
 January through November 2020

CON 202093  
 BFA Attachment B Cont

	Jan - Nov 20
<b>Ordinary Income/Expense</b>	
<b>Income</b>	
Procedure Income	6,662,490.25
Refunds	-30,092.40
<b>Total Income</b>	6,632,397.85
<b>Gross Profit</b>	6,632,397.85
<b>Expense</b>	
401 Match	14,135.74
Accounting Fees	79,920.00
Advertising and Promotion	
Website Maintenance	877.07
<b>Total Advertising and Promotion</b>	877.07
<b>Alarm System Monitoring</b>	455.27
<b>Bank Service Charges</b>	
Merchant Fees	22,804.95
Bank Service Charges - Other	1,017.75
<b>Total Bank Service Charges</b>	23,822.70
<b>Billing and Collections</b>	3,000.00
<b>Cable</b>	1,016.02
<b>Car Lease</b>	11,551.43
<b>Cleaning</b>	158,470.56
<b>Cleaning Supplies</b>	6,495.53
<b>Consulting</b>	92,692.89
<b>Dues and Subscriptions</b>	12,430.64
<b>Education and Seminars</b>	4,615.00
<b>Electronic Medical Records</b>	46,372.04
<b>Employee Relations</b>	300.16
<b>Finance Charges</b>	200.63
<b>Gross Payroll</b>	
Admin - Mgmt Salaries	161,544.00
Billing Salaries	152,466.34
Front Desk Salaries	114,219.94
Registered Nurses Salaries	498,783.60
SPD Tech Salaries	49,597.34
Station Aide Salaries	203,024.73
Transportation Operator Salarie	910.00
<b>Total Gross Payroll</b>	1,180,545.95
<b>Guaranteed Payemnts</b>	69,230.64
<b>Health Insurance</b>	
Aflac	-411.60
Dental Insurance	417.89
Vision	92.30
Health Insurance - Other	58,629.20
<b>Total Health Insurance</b>	58,727.79
<b>Insurance Expense</b>	
Auto Insurance	14,273.14
Disability	1,420.38
Paid Family Leave	-1,193.96
Insurance Expense - Other	51,450.55
<b>Total Insurance Expense</b>	65,950.11
<b>Interest Expense</b>	
Capital Lease Interest	4,122.88
Interest Expense - Other	59,014.87
<b>Total Interest Expense</b>	63,137.75

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Cash Basis

Richmond ASC LLC  
**Profit & Loss**  
January through November 2020

CON 202093  
BFA Attachment B Cont.

	<u>Jan - Nov 20</u>
Internet	5,318.45
Legal Fees	14,153.50
License and Fees	9,861.12
Meals and Entertainment	3,341.96
Medical Supplies	
Medical Supplies - Leads and Tr	1,164,653.09
Medical Supplies - Other	325,434.77
<b>Total Medical Supplies</b>	<b>1,490,087.86</b>
Medical Waste	2,082.28
Office Expense	17,766.67
Office Supplies	5,266.22
Outside Services	
Outside Service - Shredding	1,221.85
Outside Services - Other	4,355.00
<b>Total Outside Services</b>	<b>5,576.85</b>
Payroll Processing Fees	8,209.37
Payroll Taxes - ER	98,627.63
Pest Control	435.50
Postage and Delivery	10,453.09
Printing and Reproduction	3,656.40
Professional Fees	2,400.00
Recovery Room Expenses	5,601.85
Recruitment	6,789.64
Rent Expense	
Rent Expense - 1360 Hylan	511,702.24
Rent Expense - Billing Office	14,162.50
<b>Total Rent Expense</b>	<b>525,864.74</b>
Repairs and Maintenance	113,177.83
Small IT Equipement	3,483.37
Small Medical Equipment	560.71
Tax	
Tax - NYS	3,000.00
Tax - UBT	141,245.00
<b>Total Tax</b>	<b>144,245.00</b>
Telephone Expense	11,022.49
Travel Expense	2,242.63
Uniforms	27,266.14
Utilities	
Electric - 1360	45,805.04
Utilities - Other	2,333.64
<b>Total Utilities</b>	<b>48,138.68</b>
<b>Total Expense</b>	<b>4,459,577.90</b>
<b>Net Ordinary Income</b>	<b>2,172,819.95</b>
Other Income/Expense	
Other Income	
EIDL - Grant	10,000.00
HHS	140,250.74
Interest Income	96.58
<b>Total Other Income</b>	<b>150,347.32</b>

**Richmond ASC LLC**  
**Profit & Loss**  
January through November 2020

CON 202093  
BFA Attachment B Cont.

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	<u>Jan - Nov 20</u>
<b>Other Expense</b>	
Amortization	14,642.87
Ask My Accountant	0.00
Depreciation Expense	210,212.62
	<hr/>
<b>Total Other Expense</b>	<b>224,855.49</b>
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<b>Net Other Income</b>	<b>-74,508.17</b>
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<b>Net Income</b>	<b><u>2,098,311.78</u></b>