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ESTABLISHMENT AND PROJECT REVIEW COMMITTEE MEETING
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TRANSCRIPT

Mr. Robinson Good morning, everyone. Welcome. It does feel like Fall today, but we are still in the middle of Summer. We will continue to enjoy Summer for a while to come. I am Peter Robinson. I'm the Chair of the Establishment and Project Review Committee. I have the privilege of calling to order this meeting of the Establishment and Project Review Committee. Welcome members, participants, observers and the public. I would like to remind council members, staff and the audience that this meeting is subject to the Open Meeting Law and is broadcast over the internet. For those of you that are interested, the webcasts are accessed at the Department of Health's website <https://NYHealth.Gov>. The on-demand webcast will be available not later than seven days after the meeting, for a minimum of thirty days, and then a copy will be retained in the department for four months. These are the usual ground rules that we share, but just want to make sure that we are all paying attention to them. There is synchronized captioning. It's important that people don't speak over each other. That way we can make sure that we're accurate in terms of how the captions are displayed. The first time you speak, please state your name and briefly identify yourself as a council member or member of the department staff. That will help the broadcasting company to record the meeting properly. For those of you on the council and those of you that come up to the table, please remember that the mics are hot, so every sound gets picked up. Not only should you avoid making unnecessary ruffling of paper noises but recognize that personal conversations can be picked up. There is a record of appearance form, which is a requirement under the Joint Commission for Public Ethics in accordance with Executive Law Section 166. That forms also posted on the department's website under Certificate of Need. For those of you that have already filled that out, thank you. For those of you that haven't please go do that now so that we can have our records in order.

Mr. Robinson Thank you.

Mr. Robinson Let's get underway. Calling Application 241214C. This is for a certified home health agency and for construction. I will notice that Ms. Mazzacco is recusing herself. Did I pronounce that?

Ms. Mazzacco Mazzacco.

Mr. Robinson Your writing, my reading.

Mr. Robinson This is for Home Health Aide Service of Eastern New York doing business as Eddy Visiting Nurse and Rehab Association in Rensselaer County. This is to acquire Fort Hudson Certified Home Health Agency Inc. and add Warren and Washington counties to Eddy Visiting Nurse and Rehab Association service area. The department is recommending approval for the condition and a contingency.

Mr. Robinson May I have a motion?

Mr. Robinson Thank you, Dr. Berliner.

Mr. Robinson And a second?

Mr. Robinson Thank you.

Mr. Robinson Ms. Baniak.

Ms. Baniak Good morning.

Ms. Baniak Can you hear me okay?

Mr. Robinson Yes.

Ms. Baniak Okay.

Ms. Baniak Lynn Baniak with the Department of Health. I do have a correction for the financial analysis review that I would like to read into the record for the utilization chart on Page 6 of the exhibit, three percentages in the current year column were transposed, and the following corrections are noted; for Medicare FFS it should say, 34.58% instead of 1.81%, for Medicaid FFS, it should say 1.81% instead of 7.77%, and for Medicaid MC, it should say 7.77% instead of 34.58%. The remainder of the chart, including the columns for years one and three remain unchanged. This application is for Home Aid Service of Eastern New York Inc DBA Eddy Visiting Nurse and Rehab Association, which is a non-for-profit corporation that operates a certified home health agency. They request approval to acquire Fort Hudson Certified Home Health Agency, Inc. They also want to add Warren and Washington counties to their service area, which is currently Albany, Columbia, Greene, Rensselaer, Saratoga, and Schenectady counties. Upon approval, Fort Hudson Certified Home Health Agency Inc will close, and Home Aide Service of Eastern New York Inc DBA Eddy Visiting Nurses and Rehab Association will be the surviving CHHA providing services in Warren and Washington counties in addition to the counties they currently serve. Warren and Washington counties are in a health professional shortage area for primary care and mental health. The applicant projects a total of 159,058 visits in year one, and 163,830 in year three. The applicant plans to provide the majority of services currently available through the Fort Hudson CHHA. They intend to add a variety of specialty nursing and rehab services. The applicant has met the character and competency requirements. In addition, the Bureau of Financial Analysis has concluded that the applicant has demonstrated the capability to proceed in a financially feasible manner. Therefore, the department is recommending approval with contingencies.

Mr. Robinson Thank you.

Mr. Robinson Questions from the committee or other members of the council that are present?

Mr. Robinson Applicant questions only.

Mr. Robinson Thank you.

Mr. Robinson Anybody else from the public wishing to speak on this application?

Mr. Robinson I will note, Mr. Holt was the second on that motion.

Mr. Robinson I'm going to call the question now.

Mr. Robinson All in favor?

All Aye.

Mr. Robinson Any opposed?

Mr. Robinson The motion carries.

Mr. Robinson Thank you.

Mr. Robinson Moving to applications for acute care services. I will note that application 241095C, Long Island Jewish Medical Center in Queens County has been deferred at the applicant's request. I expect that we will see that application shortly.

Mr. Robinson Calling application 241134C, New York Presbyterian Westchester Behavioral Health Center in Westchester County. This is to certify two psychiatric beds and perform renovations to create a ten-bed pediatric inpatient psych unit. The department is recommending approval with conditions and contingencies.

Mr. Robinson A motion by Dr. Berliner.

Mr. Robinson A second by Mr. Holt.

Mr. Robinson Ms. Glock.

Ms. Glock Good morning, everyone. This is Shelly Glock from the department. New York Presbyterian Hospital is a 513 bed, not for profit hospital. This application is requesting approval to renovate existing space within the New York Presbyterian Westchester Behavioral Health Center in White Plains to create a ten-bed pediatric inpatient psychiatric unit, which will be referred to as 7 South Pediatric Inpatient Unit as I go through the project. New York Presbyterian Westchester Behavioral is a fully accredited 247 bed. It's 233 psychiatric beds and 14 chemical dependency beds. The hospital provides mental health services for Westchester County and New York County. In addition to the renovation, this application will add two new psychiatric licensed beds and transfer eight other licensed psychiatric beds for the ten beds complement in the new inpatient unit. The project is expected to enhance patient care and operational flow to better serve the needs of the pediatric patients. There's a critical need for pediatric and adolescent mental health services. Psychiatric inpatient accommodations are necessary to expand access to provide uninterrupted care effectively. New York Presbyterian Hospital, of note, has partnered with the New York State Office of Mental Health on this project to develop an integrated plan that will improve inpatient behavioral services in New York in Westchester counties. The existing inpatient children's unit, as Nichols Cottage, continues to accommodate the high demand for adolescent care through Office of Mental Health emergency approval allowances between 2020 and 2023. Although there was a decrease in demand for pediatric care, there was an increase in demand for adolescent patients. To address this need in 2021 on New York Presby Westchester Behavioral Health requested allowances to expand care in non-conventional spaces for the older adolescents and the pediatric unit. With this proposal, New York Presbyterian Westchester Behavioral Health will shift the pediatric volume from the existing Nichols Cottage unit to the newly proposed ten bed pediatric inpatient unit. This new inpatient unit will treat patients through the ages of 12. This will help to alleviate pediatric demand on the existing unit, allowing that unit to

provide care for the adolescent patients only. This new unit will also help alleviate the strain on the Emergency Department wait times within the system and help patients in need receive a bed for treatment. To improve pediatric behavioral health in the Westchester area the applicant is also planning to expand the New York State Office of Mental Health licensed outpatient services by adding an Article 31 satellite clinic. This application, they're projecting 231 inpatient visits in this new pediatric inpatient unit with Medicaid utilization at over 42%. Total project cost of \$13 plus million will be met with accumulated funds. The department is recommending approval with conditions and contingencies on this project.

Mr. Robinson Thank you.

Mr. Robinson Questions from the committee or council members?

Dr. Lim Just a comment to just to note to commend the applicant for the addition of this really important service, particularly for adolescents. I just also want to note that there is it seems like real thoughtfulness to the design. It's the includes sensory rooms, comfort rooms, even an outdoor playground. There's also the addition of the outpatient services. Just recognizing what an important addition to the service platform that says.

Mr. Robinson Thank you for that comment.

Mr. Robinson Applicant.

Mr. Robinson Oh, I'm sorry.

Mr. Robinson Can we ask the applicant to come to the table and introduce yourselves?

Mr. Robinson Thank you.

Mr. Robinson It's hard to see the light, but.

Ms. Westervelt Good morning. I'm Karen Westervelt. I'm Chief Strategy Officer and Chief of Regulatory Planning for New York Presbyterian.

Ms. Rosen Claudia Rosen, Senior Vice President of Financial Planning for New York Presbyterian.

Mr. Lopez I'm Leonardo Lopez. I'm the Vice Chair for Psychiatry at Weill Cornell Medicine. I oversee inpatient Psychiatric Services in the Behavioral Health Service Line at New York Presbyterian.

Mr. Robinson Thank you.

Mr. Robinson Ms. Monroe.

Ms. Monroe Thank you.

Ms. Monroe Ann Monroe, member of the council. I just noticed that when you project out your discharges from year one to year three they're flat. Is it that you're building these beds? You'll fill them. People will be discharged. There are no processes to care for more people than you would be caring for in year one. Can you explain that to me?

Mr. Lopez Sure.

Mr. Lopez If I understand the question correctly, it is why is it that the projected number of discharges in year one is equivalent to the number in year three?

Ms. Monroe Yeah, it's flat.

Mr. Lopez We have a set number of beds. We project a specific length of stay for our patients based on data accumulated over the last four years. We do see a pretty steady demand in Emergency Rooms for inpatient hospitalizations. We don't anticipate large changes in that. We saw a big jump in demand in 2021. It has started to plateau. I don't anticipate major changes in the number of patients seeking inpatient care. That's why that number is flat.

Ms. Monroe You'll fill them and then that's your capacity in a sense.

Mr. Lopez That's exactly right.

Ms. Monroe Okay.

Ms. Monroe One other question. Maybe it's by just not understanding. On the first page where you show the financial summary, you show in year one and year three revenue of over \$11 million and expenses of just over seven. It looks to me like it's quite a lucrative project. I'm wondering, nothing against that Do you expect to gain almost \$5 million every year that you're operating this? With that gain why is the cost of the care as it is?

Ms. Westervelt Thank you.

Ms. Westervelt It's an interesting application because what is happening fundamentally with the opening of Seven South is we're able to cohort our pediatric patients in this new unit. That is the expense that you see, truly the variable direct cost of providing that care in the new unit. The revenue is associated with accommodating more adolescent patients. You don't have a direct match between the revenue because that's associated with seeing more adolescent patients and the expense that we've reported here, which is the true just incremental variable direct cost to care for the pediatric patients in the new unit. We have the infrastructure, and much of the cost is already sitting within the cost basis of the Westchester Behavioral Health Center, which will be now allocated more fully over this population as we expand these two beds and create this new unit.

Ms. Monroe Maybe my question is more for the department, and I'll ask it offline.

Mr. Kraut When you look at it at a programmatic commitment to behavioral health. Because you're just dealing at the variable. I mean, these things are break even or you're subsidizing the provision of health when you look at it. That's what Ann's trying to understand to some degree.

Ms. Monroe It felt like quite a positive bottom line for this program, which surprised me.

Mr. Kraut Could you comment at a system level or hospital level the operational---

Ms. Westervelt Yes.

Mr. Kraut Deficit that you might be running?

Ms. Westervelt Absolutely.

Ms. Westervelt At a system level, our behavioral health services lose money on the bottom line. Depending on the site, some make money on the contribution margin level, some lose money on the contribution margin level. Writ large Behavioral Health is not accretive to our bottom line at New York Presbyterian. Different populations, different campuses perform differently based on their cost structure, based on the nature of the patients that they serve, both children and adolescent, adult, based on the mix of those patients. There is a lot of variability within New York Presbyterian Behavioral Health Service financial performance.

Mr. Robinson Thank you.

Mr. Robinson Any questions for the applicant from the members of the committee or the council?

Mr. Robinson We thank you.

Mr. Robinson Anybody from the public wishing to speak on this application?

Mr. Robinson We'll call the question.

Mr. Robinson All in favor?

All Aye.

Mr. Robinson Any opposed?

Mr. Robinson Any abstentions?

Mr. Robinson The motion carries.

Mr. Robinson I just want to echo Dr. Lim's comment. I think that just any increase in inpatient psychiatric capacity in the state is a good thing, especially for child and adolescent psychiatry where we really are struggling to get resources to care for that population. I want to commend the New York Presbyterian Group for this application.

Dr. Lim I can just quickly add, particularly outside of the five boroughs. That it's important that it's geographically diverse.

Mr. Robinson Agreed.

Mr. Robinson This is for application for ambulatory surgery centers. Application 241220C, Columbia Memorial Hospital in Greene County. This is to convert the Green Medical Arts Extension Clinic to a multi-specialty ambulatory surgery center SW3. The department is recommending approval with conditions and contingencies.

Mr. Robinson Motion by Dr. Berliner.

Mr. Robinson Second by Mr. Holt.

Mr. Robinson Ms. Glock.

Ms. Glock Columbia Memorial Hospital is an existing Article 28 not for profit. It's 192 beds Medical Center. This application is requesting approval to renovate space and to certify an outpatient, multi-specialty ambulatory surgery hospital extension clinic at its Green Medical Arts building in Catskill, New York, which is in Greene County. The Ambulatory Surgery Hospital Extension Clinic will bring outpatient ambulatory surgery services to Greene County. They will specialize in orthopedics, general surgery, endoscopy, gynecologic surgery, ophthalmology, urology, otolaryngology, podiatry, vascular and gastroenterology. The space that this extension clinic will move into is currently occupied by an Article 28 primary care and orthopedic specialty care office, which will be relocated. Those services will be relocated to unoccupied space within the same building. The primary service area for the proposed extension clinic is Greene and Columbia counties. This area is designated as a health professional shortage area. It's a medically underserved area for primary care, dental health, and mental health. This project is part of a broader, innovative and transformational strategy currently underway to change the way that Columbia Memorial Hospital serves the community with emphasis on enhancing services and easing the challenges of local access to care for community members who are primarily utilizing outpatient surgical services outside the county of residence. The applicant is noted that their status as the only provider of ambulatory surgery in the two-county region, and the distance to these service locations due to the community members health, age, health status, economic transportation barriers create some financial difficulties. This proposed center is going to allow residents to receive care closer to home and reduce the outmigration of those outpatient surgical services. You could see the utilization projected in the exhibit. It's important to note that the total project cost of \$14,084,510 will be met with some cash and a \$5 million statewide health care facility transformation Program 3 grant from the state, along with a bank loan and an equipment loan. Based on the department's review, we are recommending approval with conditions and contingencies on this project.

Mr. Robinson Thank you.

Mr. Robinson Do we have any questions?

Mr. Robinson Dr. Berliner.

Dr. Berliner Howard Berliner for the people.

All (Laughing)

Dr. Berliner Too much convention watching.

Dr. Berliner Is Columbia is still an independent facility or is it part of some system?

Ms. Glock It's part of the Albany Med Health System.

Dr. Berliner Okay.

Dr. Berliner Thank you.

Mr. Robinson Other questions?

Mr. Kraut It's not a question, but it's a comment. You'll see the application was required to do an HEIA analysis. It also was the recipient of the Statewide Health Facility Transformation Program grant. This is just one of those things I think we would like to flag, when we have a discussion about revising the HEIA, that applications that go through a state review process to grant them money for a project, which then is by de facto needed, whether or not we should be exempting them from these because all it did is at cost and potentially time. This is one of those things that, you know, Colleen, I've asked you to start keeping a list of applications as the Office of Health Equity is going to come back and talk to us about their listening tour with the independent reviewers. This is one of those areas, I think we want to just have a discussion about revising the regs in the future.

Mr. Robinson Thank you.

Mr. Robinson Any other comments? Questions?

Mr. Robinson Applicant questions only.

Mr. Robinson Anyone from the public wishing to speak on this application?

Mr. Robinson Hearing none, call the question.

Mr. Robinson All in favor?

All Aye.

Mr. Robinson Any opposed?

Mr. Robinson Any abstentions?

Mr. Robinson That motion carries.

Mr. Robinson Thank you.

Mr. Robinson Now, this is for establishment and construction of acute care services. Beginning with application 241192E, NYU Langone Hospital doing business as Long Island Community Hospital. This is in Suffolk County. Even though he is not here, I will note that Dr. Kalkut did declare a conflict and would have recused himself. This project is to merge Long Island Community Hospital and NYU Langone Health into NYU Langone Hospitals and establish NYU Langone Hospitals as the new operator of the hospital and hospice operated by Long Island Community Hospital at NYU Langone. The department is recommending approval with a condition.

Mr. Robinson May I have a motion?

Mr. Robinson Dr. Berliner.

Mr. Robinson Second, Mr. Holt.

Mr. Robinson Ms. Glock.

Ms. Glock NYU Langone Hospital is an 813-bed hospital in New York. It's requesting approval of a full asset merger of Long Island Community Hospital, a 306-bed hospital in Suffolk County with and into NYU Langone Hospital. There will be no change in services or the types of beds at the respective hospitals as a result of this project. NYU Langone Hospital will be the surviving hospital. Long Island Community Hospital will surrender its operating certificate upon approval and be added as a division of NYU Langone Hospital. On December 9th and 2021, the Public Health and Health Planning Council approved Certificate of Need 212009 for the affiliation of NYU Langone Health System in Long Island Community Hospital. In 2022, the health system became the sole member and was established as a cooperator of the renamed Long Island Community Hospital at NYU Langone Health and the active parent of Long Island Community Hospital. Upon completion of this transaction, Long Island Community Hospital will cease to exist as a separate entity, but it will operate as a division of NYU Langone, which will continue to be the sole member and passive parent. New York University will continue to be the sole corporate member and passive parent of the health system. There are no project costs associated with this application. The department is recommending approval with the condition.

Mr. Robinson Thank you.

Mr. Robinson Questions from the committee or other council members?

Mr. Robinson Dr. Berliner.

Dr. Berliner This may be for the applicant. My question is... Does this have any effect on current labor contracts?

Mr. Robinson Are you the applicant?

Dr. Adler Good morning. Mark Adler, Dr. Adler from Long Island Community Hospital.

Mr. Robinson Thank you.

Dr. Adler Happy to help.

Dr. Adler Could you repeat that?

Dr. Berliner Will this change in ownership have any effect on current labor contracts?

Dr. Adler We don't believe so. In fact, we're actively in talks with the current unions to enhance what we're doing there and enhance employment.

Mr. Robinson Thank you.

Mr. Robinson Any other questions for the applicant or the department?

Mr. Robinson Thank you very much.

Mr. Robinson Is there anyone else from the public that wishes to speak on this application?

Mr. Robinson Hearing none, I'm going to call the question.

Mr. Robinson All in favor?

All Aye.

Mr. Robinson Anybody opposed?

Mr. Robinson Any abstentions?

Mr. Robinson The motion carries.

Mr. Robinson Thank you.

Mr. Robinson Application 241249E, Vassar Brothers Medical Center in Dutchess County, noting a conflict and recusal by Mr. Kraut and Dr. Friedrich, who are both leaving the room. This is an application to establish Northwell Inc as the sole member and active parent of Nuvance Health, the active grandparent and cooperator of the Article 28 and Article 36 licensed entities cooperated by Health Quest Systems Inc. I want to make a note and read into the record the following contingencies that have been added. First, the submission of a photocopy of an amended and restated Certificate of Incorporation for Northwell HS Inc acceptable to the department. Second, submission of a photocopy of an amended and executed, amended and restated bylaws of Northwell Health Systems Inc. acceptable to the department. Third, submission of a photocopy of an amended and executed, first amended and restated Certificate of Incorporation for Northwell Inc acceptable to the department. Finally, for a submission of a photocopy of an amended and executed second amended and restated Certificate of Incorporation for Northwell Inc acceptable to the department. With these contingencies added, the department is recommending approval with a condition. These contingencies, plus those that were in the record before.

Mr. Robinson May I have a motion?

Mr. Robinson Dr. Berliner.

Mr. Robinson Second, Mr. Holt.

Mr. Robinson Excuse me, Mr. Holt.

Mr. Robinson Ms. Glock.

Ms. Glock I just want to note for the members, organizational charts have been provided, at the table for you for this project, which may seem complicated to you due to the number of corporate entities involved, the number of hospitals involved, and the fact that Nuvance actually operates hospitals in both New York and Connecticut. This is an active parent establishment application, which the committee has seen many times before. Northwell HS Inc to be renamed Northwell Health Systems Inc. I will refer to it as NHS is a recently formed New York not for profit corporation and an affiliate of Northwell Health Care Inc. NHS is submitting this Establishment Certificate of Need application to seek approval, where NHS will become the sole corporate member and the active parent of Nuvance Health, the active grandparent of Health Quest Systems Inc, and Western Connecticut Health Network, and the active great grandparent and cooperator of the Health Quest Article 28 and Article 36 license entities located in New York State. Together, Nuvance Health, Health Quest, and Western Connecticut Health Network are referred to as the

Nuvance Affiliates. Northwell Health Care Inc/Northwell is an integrated health care delivery system that is comprised of twenty-one hospitals across New York's Metropolitan Area, as well as physician practices and providers of subacute, including home care at long term care and hospice services. Nuvance is a not-for-profit corporation, which was formed in 2019 under a CON application and is currently the sole corporate member and the active parent of Health Quest and Western Connecticut Health. Nuvance Health is the active grandparent in the Cooperative Health Quest Article 28 and 36 license entities. The Nuvance Affiliates that are licensed in New York that will be impacted by this CON application include; Vassar Brothers Hospital, located in Dutchess County, Putnam Hospital Center, located in Putnam County, Northern Dutchess Hospital, located in Dutchess County, Health Quest Home Care a certified home health agency, Health Quest Home Inc, which is the subject of a companion application on today's agenda and the Ambulatory Surgery Center of Westchester Mount Kisco in Westchester County, which is a joint venture in which Putnam Hospital has a 20% membership interest. The affiliates in New York will remain separate corporations licensed under Article 28 and 36 of the Public Health Law maintaining separate operating certificates following completion of this project. There will be no change in either authorized services or the number or types of beds because of the proposed change in government governance structure. Nuvance Affiliates will retain their respective current business operations at locations and on the premises in which they currently conduct their operations. Health Quest will continue to be the sole member of Vassar Health Connecticut doing business as Sharon Hospital. Western Connecticut Health Network will continue to be the sole member of two Connecticut hospitals, Danbury Hospital in the Norwalk Hospital Association. As I mentioned, a companion application is on the agenda for today. Office of Mental Health comprehensive application and a CON application in Connecticut are also currently under review. The proposed membership of Northwell Health System Inc NHS is provided in the staff exhibit. This application is driven by the significant challenges facing Nuvance to preserve and maintain their current facilities and services. Nuvance will continue to provide services in their own communities, bolstered by Northwell support and involvement in their governance and operations. The intent of this affiliation is to permit Nuvance to access and utilize Northwell's significant capital resources and experience in operating community hospitals as part of a regional health system. NHS will provide Nuvance with access to capital, corporate and shared services and resources, allowing Nuvance to continue to provide essential clinical services in the communities they currently serve. Nuvance will benefit from access to operating and financial resources of Northwell, making them better equipped to control operational costs and making hospitals more likely to continue operating at the current, or possibly higher service levels in their current market. There are no project costs or projected incremental changes in staffing utilization, operating expenses, or operating revenue associated with this application. Based upon the department's review of character and competence, public need, and financial feasibility, the department is recommending approval with a condition and contingencies.

Mr. Robinson Thank you for that summary. It's a structurally kind of complex thing to understand. I think the general gist of it is that Northwell is taking responsibility for these new entities. That's really what we're talking about acting on here.

Mr. Robinson May I open it up first for questions from the members of the committee counsel to the department on this application?

Mr. Robinson Thank you very much.

Mr. Robinson I see a whole list of applicant people listed here. All are questions only. I do see on the sign in list a Leslie Moran from the New York Health Plan Association. Do you wish to speak?

Ms. Moran Good morning.

Mr. Robinson Good morning.

Ms. Moran Thank you.

Ms. Moran I'm Leslie Moran. I'm here on behalf of the New York Health Plan Association.

Ms. Moran Is that better?

Ms. Moran Thank you.

Ms. Moran I'm here on behalf of the New York Health Plan Association. We represent twenty-six health plans that provide coverage to more than 8 million New Yorkers. We're here today to offer comments on this project. Specifically, we are concerned about the proposal and feel that it will result in higher health care costs for patients and translate into higher health insurance premiums for consumers, employers and labor unions as a result of the institutions increasing their market share, and their clout, the resulting clout to charge higher reimbursement rates to health insurers. We're asking that the committee disapprove the application. As detailed in a letter that we submitted to the full PHHPC council there is significant research that demonstrates consolidation among hospitals, physicians and other providers is not good for patients and their families, either for their pocketbooks or for the quality of care that they receive. Nuvance Health's hospitals and physician practices are an important component to our members ability to meet the needs of patients in Dutchess and Putnam counties. Any potential loss of these providers could create challenges in the plan's ability to serve this region, as fewer alternative hospital options in the commercial market exist. New York's health care costs are among the highest in the country and markedly higher than the national average. That's no surprise to anybody here. To protect consumers and employers from higher costs before moving forward, the committee should conduct a financial analysis on how this transaction will affect prices for patients and reimbursement rates charged to the health plans, self-insured employers and union benefit funds. The committee should also request comparable information from Nuvance Health and Northwell Health to provide a full understanding of the potential cost increases that this affiliation will have on the marketplace. As stated at the outset, we are urging the committee to disapprove the application. However, if you opt to send it to the full council for consideration, there should be significant restrictions to protect against the increases in rates that these providers would likely charge, and conditions to ensure that this transaction does not result in higher costs for employers and consumers. Some of the restrictions we're suggesting prohibit anti-competitive contracting provisions, do not allow Nuvance to increase inpatient or outpatient prices as a result of the affiliation. Thereafter, limit price increases to no more than the producer price index for a period of five years, require community investment and health equity, and include an unwind procedure in the event that the affiliation does not result in the claimed efficiencies and improved outcomes. Additionally, the committee's recommendation should require regular reporting to both the Department of Health and to PHHPC, and the reporting should include information on whether the transaction is resulting in lower costs, as measured by changes in contract prices and health care spending, whether the integration is taking place by explaining any changes in referral patterns, how care is being directed to

the most appropriate lowest cost setting, and efforts to coordinate care across facilities to avoid duplication of services. Finally, whether quality is improving as determined by changes in the performance on key quality metrics. These conditions would help protect consumers and employers from higher costs. They would also promote accountability by ensuring that the transactions expected benefits of improving outcomes and promoting clinical integration are realized, and that the takeover does not merely result in enhancing bargaining power and higher prices. We appreciate the opportunity to offer our comments and happy to take any questions or provide additional information.

Mr. Robinson Just a general question. I mean, in New York at least the setting of prices, so to speak, is really not something that substantively affects what's being paid, that the negotiations between payers and providers results in whatever payment rates are going to exist. I think that's true. Secondly, I do believe that on the premium side that New York State regulates the amount of increase that premiums are allowed to move on. They do that annually on application from the payers. I'm just making a point that setting a price doesn't necessarily mean that that's going to be the payment rate. I mean, I think that's a negotiated matter. Is it not?

Ms. Moran It is a negotiated matter. However, what we have heard from our plans is that as hospitals, a hospital consolidation and provider consolidation continue and they gain market share, the ability to negotiate becomes much more difficult. Prices have gone up. We're seeing also overall that hospital prices continue to go up and they continue to be one of the driving underlying costs that push up premium rates. Yes, the premium rates are reviewed by the Department of Financial Services and approved by them, but those higher hospital costs must be factored into the applications.

Mr. Robinson The second question I had really relates to the process by which a transaction like this has to be approved. Certainly, this council and the state Health Department have that authority, but there is also a review by the Federal Trade Commission and there is I think antitrust related issues are considered at that point to the concerns about rising costs and what the consumer impact is going to be. That's a significant determinant of the decision that's being made by the FTC with regard to whether or not to allow the transaction to proceed. My understanding is this application has gone through that process.

Mr. Robinson Do we do we have any information on that, Ms. Glock?

Ms. Glock I would defer to the applicant.

Mr. Robinson Thank you.

Mr. Robinson Why don't we give the applicant a chance to come up. Thank you for your comments. We appreciate that.

Mr. La Rue Good morning. Scott La Rue, a member of the council. The Health Plan Association is that association include for profit and not for profit?

Ms. Moran Yes, we do include for profit and not for profit health plan.

Mr. La Rue United Health Care as an example. Is that part of the association?

Ms. Moran They are one of our members.

Mr. La Rue What you're concerned about with the hospitals merging is exactly what United Health Care and other national insurers are doing in the state, driving up prices and reducing reimbursement to providers. It seems ironic to me that you'd be against this application for that reason, when the insurance companies are doing the exact same thing.

Mr. Thomas Just one follow up to Scott's comment. I mean, this organization is losing \$70 million a year. One might conclude that they're not adequately paid, which would be a function of the negotiations that they have with the folks that Scott just mentioned, United and the rest of your members. Again, seemed a little bit incongruous to question negotiation power post transaction when right now it rests entirely or very much so with your members. Just a follow up, Peter. You had mentioned the Federal Trade Commission. I'd like to hear a little from the applicant.

Mr. Robinson We're going to excuse you from the table. We'll invite the applicant up.

Mr. Robinson I'm sorry.

Ms. Monroe Good morning.

Ms. Moran Morning.

Ms. Monroe I've been on the council for quite a while now, and we've seen consolidation of hospitals. I've never seen the Health Plan Association as vigorously opposed an application as you are this one. What do you see from your perspective as different about this consolidation that others that have occurred across the state?

Ms. Moran We have opposed other consolidations in the past. I know it was several years ago. There was a Long Island, one that we did oppose. I think the concern here and it kind of gets to the point that you are making about the losses. One of the problems is that, as I understand it, that a lot of the losses are due to the fact that they have a large share of government program payers. What happens when the government programs Medicaid and Medicare are not paying sufficient to the hospital concern, or the hospitals view rates. There's cost shifting to the commercial members. That's where our concern lies is that there will be putting much more pressure on the commercial lines of business and the commercial rates. The ability to negotiate those rates becomes more difficult when you're dealing with a major player in the region.

Mr. Robinson Thank you for those comments.

Ms. Farrell Thank you.

Ms. Farrell Can I ask a question also?

Ms. Farrell I'm Lindsay Farrell. I'm a member of the council. I have followed Sutter Health in California. I've followed the state of Massachusetts and consolidation of large hospital systems. Ultimately, I care about consumers. My experience is that, you know, when the plan doesn't cover enough of the costs, the cost shifts to the consumer who has to pay out of pocket the difference in the costs associated with the procedure or whatever. Could you comment a little bit on that? I'm also familiar with how the state caps rates. Certainly, doesn't want to allow double digit increases on health insurance commercial premiums. As an employer, it's very, very hard as we're trying to provide insurance for our thousands of

employees when insurers elevate. The state steps in and caps the rate at 7%, for example. The insurers are still paying out for the cost of care to all of the providers. They have to shift to patients themselves. Could you comment a little bit about that?

Ms. Moran I can try to comment.

Ms. Farrell Yeah.

Ms. Moran You know, the plans offer a variety of products to their purchasers. That's largely driven by the purchaser themselves. You may have a group that wants a higher deductible for their consumers or their employees. Plans make those options available, but it's the employer that's determining what the employee is going to be offered. Ultimately, then what the cost shift to the consumer is going to be. It's not plan driven. It's driven by the purchaser.

Ms. Farrell It's so hard. You have to keep raising your deductibles. You know, if you're having a baby sometimes, oh gosh, I just got a bill for \$18,000 that I wasn't really planning on. I know certainly for Sutter Health in California that was a real concern because they were the only system doing obstetrics in the portion of the state. It's just something that we should be very mindful of.

Mr. Robinson Thank you.

Mr. Robinson This is also for the health plan person.

Ms. Mazzacco Yes.

Ms. Mazzacco Hi. My name is Michelle Mazzacco. I'm a public health council member.

Ms. Mazzacco Can you hear me?

Ms. Mazzacco My name is Michelle Mazzacco. I'm a public health council member. I'm just concerned about some, perceived disconnects in the messages today. You know, one being the comment about New York State costs being higher than other states doesn't seem to me to be relevant to Northwell alone or this transaction. A lot of that has to do with our regulations in the state aimed at protecting patients and families. I would not take that into consideration. I'm also wondering about the concern about Northwell's leverage when... Quite honestly, their current size is not going to be changed all that dramatically by this transaction. I think they already have leverage at the table. Third, I think and most importantly is I don't understand why we're focused on their ability to negotiate fee for service pricing when many of the concerns shared by the Health Plan Association could be addressed by health plans moving to value based agreements with providers that put us both on the same page in terms of value and outcomes. To me, that opportunity only gets better if Northwell is larger just as health plans do spread risk over a larger population.

Mr. Robinson Thank you for the comments.

Mr. Robinson I'm going to now allow the applicant to come up. I'll excuse you from the table.

Mr. Robinson Thank you.

Mr. Robinson Good morning. Yep, still morning.

Mr. Cicero Good morning, Mr. Robinson. Frank Cicero, a consultant representing the Northwell Health System. To my immediate right is Larry Kraemer, the general counsel of Northwell. To my far right, Michael Dowling, the President and CEO of Northwell. I'll make a brief statement, and then I will turn it over to Mr. Dowling and then Mr. Kraemer will speak to the question of the HSR that came up.

Mr. Robinson Thank you.

Mr. Cicero I'd first like to say that I think in a document that was sent to this council and to the department Northwell has answered the primary question that came up there. They have said in writing that they will honor the rates that are there today until they come up for renegotiation. The comments of the Health Plan Association were relatively generic. As Ms. Mazzacco said, they apply to New York State generally. They don't apply to Northwell. They're really not reflective of what Northwell has done over its history, as I'll say in a little bit. Secondly, the conditions that they ask you to place are they've never been placed on an application of this type in New York State. It would be precedent setting. What they really would do is what you said, Mr. Robinson, they would return New York State through an action of this council in the 1990's. They would take away what was decided is the rules of the road, which is negotiation of rates, not setting of rates, which is what would occur here. It's really an attempt, I think, to have the Public Health Council, Public Health and Health Planning Council undermine that decades long concept. I just want to close with saying that the worst part of the opposition is that it takes away. It diverts focus from what this application is about, which is the Northwell System attempting to rescue another struggling system. To help that system stand back up on its own. A system that was approved by this council in 2019 to form that did well at the start and was knocked down really hard and hasn't recovered from COVID. Northwell proposes to come in and do that. Northwell is an entity that two months ago entered into an agreement, created an agreement with the State Attorney General, a best practices agreement that expands access to those who need it most in New York State. That's the kind of system we're talking about, the one that the Attorney General said, "We hope other New York hospitals will follow their lead." They've done that as we outlined in our application for many other hospitals. We're talking about a struggling system here. When I hear about closures, Putnam Hospital lost a lot of money. It's the only hospital in a county with 100,000 people. Northwell is here to make sure that that hospital doesn't close, not to close it. I'll stop there. I'm not sure if. Mr. Dowling, if you want to say anything else.

Mr. Dowling Thank you very much.

Mr. Dowling I just want to reiterate what you just said. We do honor all current insurance contracts. That's the commitment. The fundamental, purpose and goal here is to preserve access to care in the communities served by these hospitals, to reverse a deteriorating trend with those hospitals, because if those hospitals, deteriorate further, then access the care and the community will be dramatically compromised. The goal of Northwell, always from its very beginning has been very, very community focused. We have a history of working with hospitals and taking over responsibility of our hospitals, which the Health Department is very, very familiar with. Hospitals that have been in difficulty, where we have come in using the resources of Northwell, the intellectual resources, the academic resources, research resources, and the talent that we have to be able to work with the local hospitals to expand services, expand care to the community, increase access and reverse the financial conditions that those hospitals are in and so that the community is

better served. Our goal is to make sure that more people get better care and more care in the future as a result of this transaction. Not pursuing with this transaction will mean that those facilities will not recover, probably get worse, and the public will suffer. This is about preserving care to the community, which is the essence of what Northwell is all about anyway. That's our fundamental purpose to organizations Nuvance and Northwell that have cultural synergies committed to doing the right thing and committing to work together to make sure that the public is better served, in all aspects of care delivery. That's the commitment. That's why we enter into this relationship. We appreciate the condition of this council to make sure that we can continue doing what we've been doing consistently for over twenty years right now in other regions. We thank you.

Mr. Robinson Thank you for those comments.

Mr. Robinson Do you have something you want to add?

Mr. Kraemer Yeah, I just wanted to respond to the question about the review. Northwell and Nuvance did submit an application with the Federal Trade Commission. We had a rigorous review, a lot of back and forth with them over thirty days. The Federal Trade Commission felt there was no need to proceed to a second request. They took no further enforcement action. As such, we were entitled to proceed with the deal.

Mr. Robinson Thank you.

Mr. Robinson I appreciate the clarification.

Mr. Robinson Ms. Monroe.

Ms. Monroe Good morning. This strikes me as kind of the battle of the Titans. We've got the biggest health system in the state on one side, and we have all or most of the health plans on the other end. As you've heard from comments that we've had, there's no love lost on either side in terms of price negotiation. Your commitment to community is very clear from what you've said and your experience. I wonder what vehicles or methods did you use to gain the input of the community about this transaction? Were there public hearings? Were there public meetings where the community could express their concerns of this transaction? How did you engage the community that you feel so strongly about?

Mr. Dowling We engaged directly with Nuvance leadership. I mean, numerous meetings in the various facilities. We've actually done town hall meetings at every one of the organizations over the past six to nine months. I want to get John Murphy up here as well who is the CEO of Nuvance. Transaction if it's approved, which we assume it will be. We will be reaching out to the community to make sure that we get input directly from the community about what services need to be expanded in the community. What the community desires to see happen. We are very, very, very community focused. We spend lots and lots of time with the community. I will let John add to what Nuvance has done on his side. We have been working together off and on for the last six or seven years on trying to figure out how it is we can actually expand services to the community at large.

Dr. Murphy Good morning. My name is John Murphy. I've been a part of the health system as CEO for fifteen years and a practicing physician for thirty-five years in the community. In terms of how did we engage the community in figuring out that this was the right next step? It was really through direct conversations with employees, members of the medical staff, members of the community, and perhaps most importantly, direct

conversation for the past two years with the boards of the seven hospitals that we represent and lead, and they had the opportunity to A, sit on the Nuvance board, which made the final decision, but also to participate in informing us of their thoughts, raising questions and establishing the criteria that were most important in the screening process that ultimately led us to select Northwell as our preferred partner.

Ms. Monroe Those were your partner hospitals? Maybe you talk, Michael about broader than that. Did you have discussions with the larger community about advocacy groups, patient groups?

Mr. Dowling Well, our board, I think, represents the constituents, including advocacy groups, certainly patients. We're all patients. The medical staff who were obligated to serve patients as well. At no point did we ever turn a deaf ear to anyone. I can tell you honestly, Ann, that since the announcement has been made in our respective communities, I haven't heard a whisper of discontent. Actually, there's been enthusiasm that this is something we aspire to be part of. There's a great deal of excitement.

Mr. Kraemer We did have two meetings with people from the community. In fact, tonight, we're having another meeting tonight at John and I with members from the community. Once the transaction, gets approved, we will proceed to have further discussions with the community as we go along. We'll sit down with the community. We'll be getting input from them, every aspect of the community. The more you listen, the more you learn. The more you involve the community, the better the result is going to be. That's going to be a continuing process. It's not one and done. It's going to be a continuing process because we'll have to review the circumstance in each one of the facilities to make sure that what we do in each place to expand care is responsive to the needs of the individual communities.

Ms. Monroe Thank you.

Ms. Farrell Question.

Mr. Robinson Please.

Ms. Farrell Thank you so much.

Ms. Farrell I appreciate my colleague's mention of value-based contracting. I work in the Medicaid space. I have spent decades in the Medicaid space. We're all about value-based contracting, but it just doesn't happen on the commercial side. Mr. Dowling, your leadership is unbelievable. You have just accomplished so much around guns in New York State. I appreciate all of that work. Do you think you could tackle value based on the private commercial physician side?

Mr. Dowling We have some value-based contracts with some insurance companies. We are always interested in opening up a discussion and having a discussion about value-based payment, what it means, how it's defined, so that it becomes a win/win situation. We're not opposed to the concept at all, but the deal has to be done the right way. The one thing you don't want to do is go into something that is called a value-based payment system, and you'll find out that there is nobody that wins as a result of it if it's not designed properly. We got to be very, very sure it's designed properly. We've done it. We're doing it today. Under the right conditions, we will do it tomorrow.

Mr. Robinson Any other questions from the committee or the council?

Mr. Robinson We thank you very much for your comments.

Mr. Robinson Thank you.

Mr. Robinson Is there anyone else from the public that wishes to speak on this application?

Mr. Robinson I'm going to call the question.

Mr. Robinson All in favor?

Mr. Robinson Oh, I'm sorry.

Mr. Robinson Dr. Berliner.

Dr. Berliner I just think we have to thank Ms. Moran for taking one for the team.

Ms. Monroe Could you repeat what he said?

Mr. Robinson He said he appreciated that Ms. Moran took one for the team.

Mr. Robinson We'll call the question now.

Mr. Robinson All in favor?

Mr. Robinson Any opposed?

Mr. Robinson Any abstentions?

Mr. Robinson That motion carries.

Mr. Robinson We thank all of you who came and made contributions to the conversation. I think this was a very good discussion we had here today on this application. Thank you.

Mr. Robinson Have the recused members return.

Mr. Robinson We will continue with our agenda. I'm calling in application 232010B, Bridge Street ASC in Kings County. This is to establish and construct the multi-specialty Ambulatory Surgery Center at 79 Bridge Street in Brooklyn. The department is recommending approval with conditions and contingencies with an expiration of the operating certificate five years from the date of issuance.

Mr. Robinson A motion by Dr. Berliner.

Mr. Robinson A second by Mr. Holt.

Mr. Robinson Ms. Glock.

Ms. Glock Bridge Street ASC LLC is requesting approval to establish and construct an Article 28 Diagnostic Treatment Center to be certified as a multi-specialty, freestanding

ambulatory surgery center which will specialize in pain management, orthopedics and spine surgery. The Bridge Street ASC proposed members are shown in the staff report composed of three LLC's seven members. The project is a partnership between the existing non-Article 28 private physician group, consisting of Dr. ---- and Dr. -----, and individuals affiliated with Surgery Core, an existing company that creates joint venture relationships with physicians to establish certain surgery centers, around the tri state. Of note, non-owner physicians will also perform surgeries at the center. Bridge Street will be managed by its members through a board of managers appointed by the members of Bridge Street. Dr. ---- will serve as the Medical Director. The total project cost of \$701,283 will be funded with members equity. The department is recommending approval with conditions and contingencies with the expiration of the operating certificate five years from the date of its issuance.

Mr. Robinson Thank you very much.

Mr. Robinson Questions for the department?

Mr. Robinson Thank you.

Mr. Robinson Ms. Monroe, who do you want to speak to?

Ms. Monroe I think it's the applicant.

Mr. Robinson Can we have the applicant come forward, please?

Mr. Robinson Oh, you want them to introduce themselves?

Mr. Robinson Please introduce yourselves.

Mr. Cicero Frank Cicero, a consultant to the applicant.

Ms. Monroe Thank you.

Ms. Monroe A third of your county is assured by Medicaid, which is a high number for a county. You show that less than about 2% of your patients will be Medicaid. How do you frame that? How do you explain that?

Mr. Cicero Ms. Monroe, I think it's 5% Medicaid and 2% charity care. Your point is taken.

Ms. Monroe I apologize.

Mr. Cicero No, there's no need to apologize. It's just for the record. It's 5 and 2% charity care. This payer mix is based on the doctor's private practice. Knowing that they go into a limited life of five years they're not making an over commitment on what they expect to achieve. The area of Brooklyn where they're in. Again, not to say that the number is not higher than 5%, but that area of Brooklyn has that zip code has an income median income of two times what the Brooklyn income is 150% on both the number of people who are qualifying for public insurance. It's a more well-off area of Brooklyn, if you will. It's not close to 33% the 5% projection. It's based on the fact that they have a private practice today that is 5%. In the outer boroughs, the Bronx and Brooklyn average about 20% in those centers for Medicaid. It's expected that when this project comes back at the end of its five-year

limited life, there is a hope that it'll be more than 5%. The projection is just based on the private practice, the actual experience.

Ms. Monroe I appreciate that for year one. Year three shows the same number. If they're going to show an increase it's going to have to be more linear than that. I just want to make sure that we're very interested to see that the ASC is not either deny care to Medicaid folks or designing their program in such a way that the Medicaid burden falls on other providers. Just a reminder when you come back in five years, we want to see that.

Mr. Cicero Understood.

Mr. Cicero Thank you.

Mr. Robinson Dr. Berliner.

Dr. Berliner The place is located in Downtown Brooklyn?

Applicant Yes, that's correct.

Dr. Berliner Its ZIP code is 11201?

Applicant That's correct.

Dr. Berliner Basically, the area that you're going to be in is one that's growing residential, but right now mostly commercial. It's including all the people from Brooklyn Heights, which is a much wealthier community with no shortage of access to primary care. Just to make that point that it's not just that the income for the area is higher or lower.

Mr. Cicero Just one other point to make is that this center replaces a center that existed in this exact site. It's replacing a resource. Thank you.

Mr. Robinson Thank you.

Mr. Robinson Other questions?

Ms. Mazzacco Hi. My question for the applicant is there's a few sections of the department's summary that note that disclosures were not made until the department inquired. I'm curious as to why.

Mr. Cicero The schedule of the individuals with that that applies to noted that there were cases. They did not disclose them in full, but they requested if the department had an additional information request, that they would provide all information, which they did. It would not be right to say that they didn't disclose that there were things there. It was not disclosed with the full detail that ultimately was disclosed.

Mr. Robinson Any other questions for the applicant?

Mr. Robinson Thank you very much for coming up.

Mr. Robinson Anybody from the public wishing to speak on this application?

Mr. Robinson Hearing none, I'm going to call the question.

Mr. Robinson All in favor?

Mr. Robinson Any opposed?

Mr. Robinson Any abstentions?

Mr. Robinson The motion carries.

Mr. Robinson Thank you.

Mr. Robinson We're now up to application 241060C, West ASC LLC doing business as Camillus Surgery Center in Onondaga County. This is to transfer a 70% ownership interest from six withdrawing members and the remaining member to one new member. I'll note on Page 4 of the exhibit under a character incompetence, the Medical Director should read Martin Allen Shafer, M.D., with a bunch of other initials after it. The department is recommending approval with a condition and contingencies with an expiration of the operating certificate three years from the date of its issuance.

Mr. Robinson I need a motion from Dr. Berliner and a second from Mr. Holt.

Mr. Robinson Ms. Glock.

Ms. Glock Salt City ASC LLC is a New York limited liability company requesting approval to purchase 70% of West ASC LLC doing business as Camillus Surgery Center, which is a proprietary Article 28 multi-specialty ambulatory surgery center located in Onondaga County. Since September of 2011, West ASC LLC is owned and operated this license Multi-Specialty Ambulatory Surgery Center. Seven of West ASCs LLC current position members are retiring from the practice of medicine or plan to do so shortly. Salt City ASC LLC includes five physician members, which you can see in the staff exhibit who currently practice as interventional pain physicians with the private medical practice in Central New York and Liverpool. These positions joined with ASC medical staff in October of 2023 and begin to perform these pain procedures in November of that year. The five interventional pain physicians currently perform procedures at local ambulatory surgery centers. Three of the five currently perform procedures at the center. A fourth will be joining in the Summer of 2024. May have been joined since this exhibit was put together. A fifth will be joining by December. Ownership interest in the operations before and after this requested change as depicted in the staff report. As noted, Dr. Shafer will be the Medical Director upon approval of the project. The addition of pain management services you'll see in the exhibit is expected to increase the total procedures. The center recently has been generating operating losses attributable to reduced case volume. in high monthly rent. Also noted in the budget is the ASC is currently doing less than 4% Medicaid, but the applicant is projecting to increase the Medicaid to 7% by year three in the budget. The department has reviewed this application and is recommending approval with the condition and contingency with an expiration of the operating certificate three years from the date of the issuance.

Mr. Robinson Thank you.

Mr. Robinson Questions for the department?

Mr. Robinson I see applicants are questions only.

Mr. Robinson Anybody from the public wishing to speak on this application?

Mr. Robinson All in favor?

Mr. Robinson Any opposed?

Mr. Robinson Any abstentions?

Mr. Robinson Motion carries.

Mr. Robinson Thank you.

Mr. Robinson We are now moving to diagnostic and treatment centers. 222153B, Careful MD. Very cute. Beacon Inc in Dutchess County establishing construct a new diagnostic and treatment center located at 252 Main Street and Beacon. Department recommends approval with conditions and contingencies.

Mr. Robinson Motion by Dr. Berliner.

Mr. Robinson Second by Mr. Holt.

Mr. Robinson Ms. Glock.

Ms. Glock Careful MD Beacon is an existing proprietary corporation. This application is requesting approval to establish and construct an article 28 diagnostic and treatment center in Beacon, which is located in Dutchess County. The center will provide primary care and X-ray imaging services for the residents of Beacon and the surrounding community. Kat Rottenberg will be the sole shareholder of the center. Dr. Purcell will serve as the Medical Director. They're projecting about 41% Medicaid, 4% charity care. The total project cost of two plus million will be funded with equity. The department is recommending approval with conditions and contingencies.

Mr. Robinson Thank you.

Mr. Robinson Questions for the department?

Dr. Lim I could be misremembering. We don't get many applications from Beacon. Did we see an application maybe a year and a half ago? I just want to make sure is this that had infusion rooms and we had a lot of questions. Is this a revised application?

Ms. Glock Yes. Thank you for that question, Dr. Lim. This is the same application. I can't remember exactly the timing of when it was brought forward, but there were infusion services being proposed at the time. This is a revised application where infusion services will no longer be part of the application.

Mr. Robinson That was a great catch.

Mr. Robinson Other questions?

Mr. Robinson Applicant questions only I see on the sign in sheet.

Mr. Robinson Anybody from the public wishing to speak on this application?

Mr. Robinson Can we have the applicant come forward, please?

Mr. Robinson Could you please introduce yourselves?

Dr. Purcell I'm Dr. Daniel Purcell.

Applicant I'm the applicant.

Mr. Freedman My name is Joel Freedman, consultant.

Mr. Robinson Dr. Purcell, when this application came before us a year ago we had a lot of questions, as you heard about the medical model you were doing. What transpired in the intervening year and a half, since we previously saw that you changed the medical model? Just to understand what exactly you are going to be treating here.

Dr. Purcell As we had talked about last time, we talked about primary care and urgent care, walk in, you know, emergencies who come in. In the interim, we have removed the infusion, treatment, option at that point. Our goal is to provide services to the community that is extremely underserved in that area.

Mr. Kraut You are not going to be performing any infusion services here as part of this thing? Injections? You know, the kind of things that we were concerned about?

Mr. Kraut Thank you.

Mr. Robinson Other questions while the applicant is up here for the applicant?

Mr. Robinson Thank you for coming up.

Mr. Robinson Anybody else from the public wishing to speak on this application?

Mr. Robinson I'm going to call the question.

Mr. Robinson All in favor?

Mr. Robinson Any opposed?

Mr. Robinson Any abstentions?

Mr. Robinson That motion carries.

Mr. Robinson Thank you.

Mr. Robinson Application 241178B, Harmony FHLC LLC in Queens County to establishing construct a new diagnostic and treatment center at 64-35 108th Street in Forest Hills. I will note here and read this. Based on the department's review, it was determined that the DBA Harmony Health could potentially cause confusion as it relates to other health care providers. Therefore, all references to Harmony Health have been removed from the exhibit. The following contingency has been added. Submission of a

DBA acceptable to the department. With that, the department recommends approval with conditions and contingencies.

Mr. Robinson Motion by Dr. Berliner.

Mr. Robinson Second by Mr. Holt.

Mr. Robinson Ms. Glock.

Ms. Glock Harmony FHLC LLC's requesting permission approval to establish and construct an Article 28 Diagnostic and Treatment Center in Forest Hills, which is in Queens County. The center will be licensed for medical services, primary care, and other medical specialties. Podiatry. Other medical specialties include Cardiology, gastroenterology, vascular health, and behavioral health services. Harmony FHC LLC is owned by ---- --- and --- ----. The Medical Director will be Dr. Jensen. They are projecting 16% Medicaid and 4% charity care in years one and three. Total project costs will be met with members equity. The department is recommending approval with conditions and contingencies.

Mr. Robinson Thank you very much.

Mr. Robinson Questions, please.

Mr. Robinson Applicants questions only.

Mr. Robinson Anybody from the public wishing to speak on this application?

Mr. Robinson Call the question.

Mr. Robinson All in favor?

All Aye.

Mr. Robinson Any opposed?

Mr. Robinson Any abstentions.

Mr. Robinson Motion carries.

Mr. Robinson Thank you.

Mr. Robinson Application 241202B, New York Metabolic and Wellness Center in Kings County. Establishing. Construct a new diagnostic and treatment center at 2776 Ocean Avenue in Brooklyn. Note here that the date of acknowledgment of the application is May 3rd, 2024. The Department is recommending approval with conditions and contingencies.

Mr. Robinson Motion by Dr. Berliner.

Mr. Robinson Second by Mr. Holt.

Mr. Robinson Ms. Glock.

Ms. Glock New York Metabolic and Wellness Center LLC is requesting approval to establish and construct a new diagnostic treatment center in Brooklyn. The center will provide primary care and other medical specialties focusing on diabetes care. The proposed location is in a health professional shortage area for primary care, dental care, and mental health. New York Metabolic recognizes the high rates of obesity and diabetes in their target area and will focus on education, prevention and diagnosis, diagnoses, as well as treatment to obtain better health outcomes for those living in the community. The sole member of New York Metabolic and Wellness Center LLC is Dr. --- ---. I apologize if I mispronounced that who will also act as the Medical Director. They're projecting 63% Medicaid, 2% charity care. The department is recommending approval with conditions and contingencies.

Mr. Robinson Thank you.

Mr. Robinson Anything from the committee or council members?

Mr. Robinson Applicant says questions only.

Mr. Robinson Anybody from the public wishing to speak on this application?

Mr. Robinson Call the question.

Mr. Robinson All in favor?

All Aye.

Mr. Robinson Any opposed?

Mr. Robinson Any abstentions?

Mr. Robinson Motion carries.

Mr. Robinson Thank you.

Mr. Robinson Application 241211E, Interborough Developmental and Consultation Center Inc doing business as IDCC Health Services in Kings County. This is to establish Interborough Developmental and Consultation Center Inc as the new operator of IDCC Health Services, a diagnostic and treatment center, and its extension clinics currently operated by SLA Associates LLC at 201 Kings Highway in Brooklyn. Department recommending approval with conditions and a contingency.

Mr. Robinson Motion by Dr. Berliner.

Mr. Robinson Second by Mr. Holt.

Mr. Robinson Ms. Glock.

Ms. Glock Interborough Developmental and Consultation Center Inc, which I'll refer to as Interborough is requesting approval to be established as the new operator of SLA Associates, LLC doing business as IDCC Health Services, which is an Article 28 diagnostic and treatment center located in Brooklyn. Queen Kings County. The current operator of the diagnostic and treatment is SLA Associates. IDC Health Services is

comprised of a main site and two extension clinics. All three of these existing sites will continue to operate with Interborough as the new operator. There'll be no change in certified services for any of those three clinic sites. The members of Interborough Development Consultation Center, which is a not-for-profit corporation are shown in the staff report. Conversion of the operator to a not-for-profit corporation is necessary to qualify for Federally Qualified Health Center look alike status. A limited liability company is not permitted to operate an FQHC look alike. Therefore, IDCC is submitting this application to replace SLA Associates LLC as the operator of the Diagnostic and Treatment Center. The service area is Kings County. The facility is located in the Health Professional Shortage area for dental, health, mental health, and primary care. The facility is located in a medically underserved area. According to the applicant, the proposed center will continue to focus on providing services to the underserved population of the Southern Brooklyn area, focusing on addressing health disparities by providing the primary care and other medical specialties. Interborough operates outpatient mental health clinics in many sections of Brooklyn. They also provide mental health services at a number of New York City Department of Education public schools, and a number of Article 32 related services as well. They're projecting 40% Medicaid, 47% Medicare. The department is recommending approval with contingencies and conditions on the project.

Mr. Robinson Thank you.

Mr. Robinson Questions?

Mr. Robinson You have a question for the applicant.

Mr. Robinson Can we have the applicant come forward, please?

Mr. Cicero Frank Cicero, a consultant representing the applicant, and Dr. Stephen Gersten, the CEO.

Ms. Monroe Good morning.

Mr. Cicero Good morning.

Ms. Monroe You indicate, or the department indicates in their write up that one of the reasons to go to it or not for profit is to be able to apply as a lookalike and then perhaps hopefully eventually become a full FQHC. I'm wondering what your discussions or relationship is with the current FQHCs and the geography that you're going to be serving and their likelihood of supporting you in this effort to become a lookalike.

Dr. Gersten We do have a relationship with CIH, which is an FQHC in Coney Island. I honestly cannot project whether or not they would support the application. I don't think there's another FQHC that's particularly close to our current location. Again, we do have a relationship. We do make referrals both ways. We're hopeful that they would be supportive.

Ms. Monroe Well, I would encourage you to start those discussions as soon as possible, because their position on your application will carry a lot of weight.

Dr. Gersten Thank you.

Mr. Cicero That just so you know, Ms. Monroe, the applicant does have an individual working with them who has a lot of experience with FQHCs, and they are starting that process.

Mr. Robinson I guess it's good to know.

Mr. Robinson Other questions for the applicant?

Mr. Robinson Thank you very much for coming up.

Mr. Robinson Anybody from the public wishing to speak on this application?

Mr. Robinson Call the question.

Mr. Robinson All in favor?

All Aye.

Mr. Robinson Any opposed?

Mr. Robinson Any abstentions?

Mr. Robinson The motion carries.

Mr. Robinson Thank you very much.

Mr. Robinson We're now moving into home care agency licensure applications. 231059E, Caring Enterprises Inc doing business as Health Force. The exhibit cites the geographic area. This is transferring 100% membership interest to a new member LLC. The department recommending approval with a condition and contingencies.

Mr. Robinson Motion by Dr. Berliner.

Mr. Robinson Second by Mr. Holt.

Mr. Robinson Ms. Baniak.

Ms. Baniak This application is for Caring Enterprises Inc DBA Health Force's request for approval for corporate restructuring and the transfer of 100% stock interest to a new member LLC Accord Care LLC. The service area are counties with no need, but because the existing is serving twenty-five or more patients, the need methodology is waived. The financial requirements are met because they submitted documents prepared by a CPA attesting to their financial feasibility. The applicant has passed the character and competence requirements. The proposed organizational structure is included in Attachment A to the exhibit, and the workforce plan was adequately addressed and is in attachment B. With that, the department is recommending approval.

Mr. Robinson Thank you.

Mr. Robinson Questions for the department?

Mr. Robinson Applicant signals questions only.

Mr. Robinson Anyone from the public wishing to speak on this application?

Mr. Robinson All in favor?

Mr. Robinson Any opposed?

Mr. Robinson Any abstentions.

Mr. Robinson Motion carries.

Mr. Robinson Application 231088E, Allegiant Home Care LLC. Again, list of the geographic service area in the exhibit. This is to transfer 100% membership interest to a new member LLC. Department recommends approval with a condition.

Mr. Robinson Motion by Dr. Berliner.

Mr. Robinson Second by Mr. Holt.

Mr. Robinson Ms. Baniak.

Ms. Baniak This application is for Allegiant Home Care LLC request for approval for a corporate restructuring and the transfer of 100% membership interest to a new member LLC, Accord Care LLC. This application involves the same individuals from the previous Caring Enterprises. The service area are counties with no need, but because the existing is serving twenty-five or more patients, the need methodology is waived. The financial requirements are met because they submitted documents prepared by a CPA attesting to their financial feasibility. The applicant has passed the character and competence requirements. The proposed organizational structure is included in Attachment A of the exhibit. The workforce plan was adequately addressed and is an attachment be based on all of this. The department is recommending approval.

Mr. Robinson Thank you very much.

Mr. Robinson Any questions from the committee or council members?

Mr. Robinson Applicant indicates questions only.

Mr. Robinson Anybody from the public wishing to speak on this application?

Mr. Robinson Call the question.

Mr. Robinson All in favor?

All Aye.

Mr. Robinson Any opposed?

Mr. Robinson Any abstentions?

Mr. Robinson The motion carries.

Mr. Robinson Thank you.

Mr. Robinson This is application 241251E, Health Quest Home Care Inc, which will be a licensed home care agency. Again, the geographic service area in the in the in the attachments in in the material. I'll note here a conflict in recusal by Mr. Kraut who has left the room. This is to transfer 100% ownership interest to a new member LLC. This does relate to the Vassar Brothers application that you saw previously, which is the reason for Mr. Kraut's recusal as well. Department recommends approval with a condition.

Mr. Robinson Motion by Dr. Berliner.

Mr. Robinson Second by Mr. Holt.

Ms. Baniak At the last EPRC Council meeting in June Mark Furnish provided information to the council regarding rebuttable presumption of a no need submissions that we receive for applicants proposing to serve counties that are listed as being presumed to have no need. The rebuttal submitted needs to address certain criteria that are listed in regulation. They have to make an argument based on the demographics of the health status of the residents in the planning area. The documented evidence of unduplicated number of patients on waiting lists who want admission but can't. The number and capacity of currently operated licensed home care service agencies. The quality of services provided by existing agencies. The availability and the accessibility of the workforce, personnel and resources dedicated to adding and training additional members of the workforce. The cultural competencies of existing agencies and subpopulations requiring specialty services. In order to be presented to the PHHPC members, they must make a compelling enough case in their rebuttal. This next application involves a rebuttal of the presumption of no need. Health Quest Home Care Inc is an existing licensed home care services agency whose current grandparent is Nuvance Health. As others have indicated, this application is part of a larger transaction previously discussed at this meeting with CON 241249. The Vassar Brothers Medical Center application, where Northwell Health System proposes to bring Nuvance Health into its system. Through this application Northwell Inc will become the active great great grandparent and Northwell Health System Inc will become the great grandparent of the Health Quest Home Care. As I stated earlier, this application is for an area that does not have need. They do not meet the exemptions in regulation. They submitted a rebuttal to the presumption of no need, which was determined to be sufficient. The financial requirements are met by the submission of documents prepared by the Chief Financial Officer, attesting to their financial feasibility. The applicant passed the character and competence requirements. The proposed organizational structure is included in Attachment A of the exhibit. The workforce plan was adequately addressed and is in Attachment B. The department is recommending approval.

Mr. Robinson Thank you.

Mr. Robinson Any questions on this application?

Mr. Robinson Questions only.

Mr. Robinson Thank you.

Mr. Robinson Anybody from the public wishing to speak on this application?

Mr. Robinson It's good to see the extended family coming together.

Mr. Robinson Call the question.

Mr. Robinson All in favor?

Mr. Robinson Any opposed?

Mr. Robinson Any abstentions?

Mr. Robinson That motion carries.

Mr. Robinson Have Mr. Kraut return, please.

Mr. Robinson I'm going to go through certificates now very quickly. Taking them out of order because I have to recuse them on two of them. I'm going to put those at the back. First, a certificate of dissolution. The department recommends approval.

Mr. Robinson Motion by Dr. Berliner.

Mr. Robinson Second by Mr. Holt.

Mr. Robinson Any questions from the committee or the council?

Mr. Robinson All in favor?

Mr. Robinson Any opposed?

Mr. Robinson That carries.

Mr. Robinson Flushing Manor Care Center Inc FMCC. Department recommends approval.

Mr. Robinson Motion by Dr. Berliner.

Mr. Robinson Second by Mr. Holt.

Mr. Robinson Questions, please.

Mr. Robinson All in favor?

Mr. Robinson Any opposed?

Mr. Robinson Any abstentions.

Mr. Robinson Motion carries.

Mr. Robinson Approval recommended by the department.

Mr. Robinson Motion by Dr. Berliner.

Mr. Robinson Second by Mr. Holt.

Mr. Robinson Any questions?

Mr. Robinson All in favor?

Mr. Robinson Any opposed?

Mr. Robinson Any abstentions?

Mr. Robinson The motion carries.

Mr. Robinson You look at how much material for these certificates. I mean, it's just a mountain of paper here.

Mr. Kraut I think there was a typo.

Ms. Monroe Raise the question for me as to what should we be looking at in these dissolutions? Are there any issues? How would the issues be highlighted?

Mr. Robinson This is a tidying up of administrative structures mostly. I think it's a necessary legal step to go through.

Ms. Monroe But we should not necessarily be---

Mr. Kraut You should look at everything because you have a fiduciary responsibility. There is typically a memo that precedes 200 pages of documentation. The applicant is required by a condition of regulation to submit all this documentation when a dissolution occurs. Because you'll see historic documents going back to the formation of the entity sometime 1920's, 1880's, which is fascinating to read if you're into it like I am. I would say just focus in on the memo. It crystallizes the reason. These are entities that have gone out of business and they're doing corporate cleanup essentially.

Ms. Monroe We need to trust the department that if there is some issue with these, it would be highlighted for us.

Mr. Kraut It wouldn't be placed on the agenda.

Mr. Robinson It's trust but verify.

Mr. Robinson Hudson Headquarters. Department is recommending approval.

Mr. Robinson Motion by Dr. Berliner.

Mr. Robinson Second by Mr. Holt.

Mr. Robinson Questions?

Mr. Robinson All in favor?

Mr. Robinson Any opposed?

Mr. Robinson Abstentions?

Mr. Robinson Carried.

Mr. Robinson Moses Ludington Hospital Department recommends approval.

Mr. Robinson Motion by Dr. Berliner.

Mr. Robinson Second by Mr. Holt.

Mr. Robinson No questions.

Mr. Robinson All in favor?

All Aye.

Mr. Robinson Any opposed?

Mr. Robinson Any abstentions?

Mr. Robinson That motion carries.

Mr. Robinson Finally, a certificate of amendment of the Certificate of Incorporation for the Rochester Community Individual Practice Association Inc. Department recommends approval.

Mr. Robinson Motion by Dr. Berliner.

Mr. Robinson Second by Mr. Holt.

Mr. Robinson All in favor?

Mr. Robinson Any opposed?

Mr. Robinson Any abstentions?

Mr. Robinson Motion carries.

Mr. Robinson I'm out of here.

Mr. Kraut I'm going to do them.

Mr. Kraut I'm going to call the next two certificates of resolution. There is a been a conflict and recusal indicated by Mr. Robinson. The first one is Lakeside Memorial Hospital Inc. Approval was recommended.

Mr. Kraut May I have a motion?

Mr. Kraut A second?

Mr. Kraut All those in favor?

All Aye.

Mr. Kraut Approves.

Mr. Kraut The second is Lakeside Biekirch Care Center. Conflict recusal by Mr. Robinson. Department recommends approval.

Mr. Kraut May I have a motion?

Mr. Kraut Second?

Mr. Kraut All those in favor?

All Aye.

Mr. Kraut Opposed?

Mr. Kraut The motion carries.

Mr. Kraut Let's ask Mr. Robinson to come back. But in the meantime, I will close the, meeting of the Establishment and Project Review. I want to remind the council that we have a meeting scheduled of the full council meeting. It's going to be on September 12th right here in Albany. As always, there may be some changes in the agenda. If things have to occur, we'll notify you. It's really, really important that we have a quorum to conduct the business of it. Hopefully, we'll see everybody back here after Labor Day. Enjoy the last days of Summer. Hopefully, the weather will change. You can open your windows.

Mr. Kraut May I have a motion to adjourn?

Mr. Kraut Dr. Berliner.

Mr. Kraut A second?

Mr. Kraut Mr. Holt.

Mr. Kraut The Establishment Project Review committee is now adjourned.