

STATE OF NEW YORK
PUBLIC HEALTH AND HEALTH PLANNING COUNCIL

COMMITTEE DAY

AGENDA

November 14, 2024
10:00 a.m.

90 Church Street, 4th Floor, Conference Rooms 4 A/B, NYC, 10007

I. COMMITTEE ON ESTABLISHMENT AND PROJECT REVIEW

Peter Robinson, Chair

A. Applications for Construction of Health Care Facilities/Agencies

Acute Care Services - Construction

Exhibit # 1

	<u>Number</u>	<u>Applicant/Facility</u>
1.	242088 C	BronxCare Hospital Center (Bronx County)
2.	241095 C	Long Island Jewish Medical Center (Queens County)

Ambulatory Surgery Center - Construction

Exhibit # 2

	<u>Number</u>	<u>Applicant/Facility</u>
1.	231170 C	St Johns Episcopal Hospital So Shore (Queens County)

Diagnostic and Treatment Center – Construction

Exhibit # 3

	<u>Number</u>	<u>Applicant/Facility</u>
1.	242051 C	ColumbiaDoctors/NewYork-Presbyterian Imaging (Westchester County)

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

Ambulatory Surgery Centers – Establish/Construct

Exhibit # 4

	<u>Number</u>	<u>Applicant/Facility</u>
1.	232123 E	Fifth Avenue Surgery Center (New York County)

- | | | |
|----|----------|--|
| 2. | 232236 B | Central Nassau ASC LLC d/b/a Peakpoint Central Nassau ASC
(Nassau County) |
| 3. | 241081 E | JM Care Services, LLC d/b/a Meridian Surgery Center
(Queens County) |
| 4. | 241082 B | ASC of Brooklyn
(Kings County) |
| 5. | 242018 B | Woodside ASC, LLC
(Queens County) |
| 6. | 242077 B | Rego Park Endo, LLC
(Queens County) |
| 7. | 242107 E | Queens Endoscopy ASC, LLC
(Queens County) |

Diagnostic and Treatment Centers – Establish/Construct

Exhibit # 5

- | | <u>Number</u> | <u>Applicant/Facility</u> |
|----|----------------------|--|
| 1. | 241113 B | Jem NYC Consulting LLC d/b/a EMJ Healthcare Clinic
(Kings County) |
| 2. | 241185 E | Felix Health New York, LLC d/b/a Bronx Health Center
(Bronx County) |
| 3. | 241236 B | East 180 Operating, LLC d/b/a East 180th Street Health and
Treatment Center
(Bronx County) |
| 4. | 242028 B | Gamms, LLC d/b/a Zelcare Family Health Network
(Orange County) |

Home Care Service Agency Licensures

Exhibit # 6

New Licensed Home Care Services Agencies

- | | <u>Number</u> | <u>Applicant/Facility</u> |
|----|----------------------|--|
| 1. | 231099 E | 1st Class Home Care Services of NY INC
(Please see exhibit for list of Geographical Service Area) |
| 2. | 231215 E | Covenant Care of New York, LLC
(Please see exhibit for list of Geographical Service Area) |
| 3. | 241261 E | Brookdale Licensed Home Care Services Agency
(Please see exhibit for list of Geographical Service Area) |
| 4. | 241128 E | Mount Sinai Home Health, LLC
(Please see exhibit for list of Geographical Service Area) |

Changes of Ownership

<u>Number</u>	<u>Applicant/Facility</u>
1. 222211 E	Nurturing Angels Homecare, Inc. (Please see exhibit for list of Geographical Service Area)
2. 222224 E	Responsible Homecare, Inc. (Please see exhibit for list of Geographical Service Area)

C. Certificates

Exhibit # 7

Certificate of Assumed Name

Applicant

Catholic Health Specialty Pharmacy
Catholic Health Home Infusion Pharmacy
A Better Way NY
Summer Hill Behavioral Services

Restated Certificate of Incorporation

Applicant

START Treatment & Recovery Centers, Inc.

Certificate of Amendment of the Certificate of Incorporation

Applicant

The Door – A Center for Alternatives, Inc.



Project # 242088-C
BronxCare Hospital Center

Program: Hospital
Purpose: Construction

County: Bronx
Acknowledged: August 26, 2024

Executive Summary

Description

BronxCare Hospital Center (BCHC), a 170-bed, voluntary not-for-profit, Article 28 teaching hospital at 1276 Fulton Avenue (Bronx County), requests approval to certify an additional 20 adult psychiatric beds and perform renovations to create a new psychiatric unit. BCHC also seeks approval to decertify 66 chemical dependence beds (30 rehabilitation and 36 detoxification) and update BCHC Fulton Division's operating certificate to include 124 Psychiatry beds. The 66 chemical dependence beds have not been utilized since 2014, when, at the request of the Office of Addiction Services and Supports (OASAS), 45 chemical dependence beds were relocated to BCHC's Article 32 Life Recovery Center. OASAS approved the decrease from 66 beds to 45 beds based on community need, and lower inpatient utilization projections.

BCHC's operating certificate was not updated in 2014 to reflect the approved transfer of inpatient chemical dependence services to the Article 32 Life Recovery Center. This CON submission will update the BCHC's operating certificate to reflect the removal of the 45 chemical dependence beds now in operation at the Life Recovery Center, the decrease of one additional chemical dependence bed, and the conversion of the remaining 20 licensed chemical dependence beds at BCHC to inpatient psychiatric beds.

The proposed 20-bed adult inpatient specialty short stay (between 7 and 9 days) unit will serve as BCHC's psychiatric bed complement and will be for patients requiring 72 hours or more for stabilization.

The proposed 20-bed psychiatric unit will be in vacant space at BronxCare's Fulton Campus and is consistent with the New York Governor's and Office of Mental Health Commissioner's (OMH) priority regarding the need to expand psychiatric bed capacity at community-based hospitals across New York State.

OPCHSM Recommendation
Contingent Approval

Need Summary

The applicant projects 36,657 psychiatric inpatient discharges in Year One and Year Three with a Medicaid at 67.29% and Charity Care at 0.61%.

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 cost of \$8,042,752 will be funded with \$42,754 in cash from existing operations of BCHS, and \$7,999,998 in Behavioral Health Centers of Excellence Program awards. The award consists of \$2,666,666 from Fidelis Care, \$2,666,666 from Healthfirst, and \$2,666,666 from MetroPlusHealth.

<u>Budget:</u>	<u>Year One</u>	<u>Year Three</u>
Revenues	\$61,147,957	\$64,871,868
Expenses	<u>31,346,392</u>	<u>33,490,525</u>
Net Income	\$29,801,565	\$31,381,343

Health Equity Impact Assessment

The information and analysis presented in the Health Equity Impact Assessment and the applicant's mitigation plan demonstrate the proposed project will not result in any significant adverse health equity impacts.

Recommendations

Health Systems Agency

There will be no HSA recommendation for this project.

Office of Primary Care and Health Systems Management

Approval contingent upon:

1. Submission of a check for the amount enumerated in the approval letter, payable to the New York State Department of Health. Public Health Law Section 2802.7 states that all construction applications requiring review by the Public Health and Health Planning Council shall pay an additional fee of fifty-five hundredths of one percent of the total capital value of the project, exclusive of CON fees. [PMU]
2. Submission of documentation of approval by the Office of Mental Health, acceptable to the Department. [PMU]
3. Submission of the executed agreement documenting approval for funding, and terms thereof, under the Behavioral Health Centers of Excellence Program (BHCOEP) by Fidelis Care, acceptable to the Department of Health. [BFA]
4. Submission of the executed agreement documenting approval for funding, and terms thereof, under the Behavioral Health Centers of Excellence Program (BHCOEP) by Healthfirst, acceptable to the Department of Health. [BFA]
5. Submission of the executed agreement documenting approval for funding, and terms thereof, under the Behavioral Health Centers of Excellence Program (BHCOEP) by MetroPlusHealth, acceptable to the Department of Health. [BFA]
6. The submission of State Hospital Code (SHC) Drawings for review and approval, as described in BAER Drawing Submission Guidelines DSG-1.0. [AER]
7. The submission of Engineering (MEP) Drawings for review and approval, as described in BAER Drawing Submission Guidelines DSG-1.0. [AER]

Approval conditional upon:

1. This project must be completed by **July 15, 2026**, including all pre-opening processes, if applicable. Failure to complete the project by this date may constitute an abandonment of the project by the applicant and the expiration of the approval. It is the responsibility of the applicant to request prior approval for any extensions to the project approval expiration date. [PMU]
2. Construction must start on or before **June 15, 2025**, and construction must be completed by **April 15, 2026**, presuming the Department has issued a letter deeming all contingencies have been satisfied prior to commencement. It is the responsibility of the applicant to request prior approval for any changes to the start and completion dates. In accordance with 10 NYCRR Section 710.10(a), if construction is not started on or before the approved start date, this shall constitute abandonment of the approval. [PMU]
3. The submission of Final Construction Documents, as described in BAER Drawing Submission Guidelines DSG-05, is required prior to the applicant's start of construction. [AER]

Council Action Date

December 5, 2024

Need Analysis

Project Description

BronxCare Hospital Center, a 170-bed, voluntary, not for profit hospital, at 1276 Fulton Avenue, Bronx, New York is seeking approval to add 20 Adult Psychiatric beds and to decertify 66 Chemical Dependency Beds. BronxCare is a Safety Net Hospital System and Mental Health Provider in Bronx county serving the South and Central Bronx areas. This proposal will also include renovations of the 7th floor to encompass this new psychiatric unit.

Background and Analysis

The primary service area encompasses the South and Central Bronx. Bronx County's overall population is estimated to increase to 1,597,728 or 10.7% by 2029 per projection data from the Cornell Program on Applied Demographics. Demographics for the primary service area are noted below including a comparison with New York State.

Demographics	Bronx County	New York State
Total Population – 2022 Estimate	1,443,229	19,994,379
Hispanic or Latino (of any race)	56.4%	19.5%
White (non-Hispanic)	8.6%	53.8%
Black or African American (non-Hispanic)	28.3%	13.8%
Asian (non-Hispanic)	3.8%	8.8%
Other (non-Hispanic)	2.9%	4.1%

Source: 2022 American Community Survey (5-Year Estimates Data Profiles)

In 2022, 92.4% of the population in Bronx County had health coverage as follows.

Employer Plans	30.1%
Medicaid	43.3%
Medicare	6.87%
Non-Group Plans	11.8%
Military or VA	0.379 %

Source: Data USA

Applicant Projected Payor Mix			
Payor	Current	Year One	Year Three
	Inpatient		
Commercial	5.52%	5.57%	5.57%
Medicare	26.64%	26.30%	26.30%
Medicaid	66.95%	67.29%	67.29%
Charity Care	0.64%	0.61%	0.61%
Other	0.24%	0.23%	0.23%
Total Visits	30,086	36,657	36,657

The increase in visits is expected to come from the continued growth of the department and the ability to accept additional referrals from area shelters and outpatient clinics. The table below shows the change in licensed bed types upon completion of this project.

Service	Beds	Bed Change	Beds After Completion
Chemical Dependence - Rehabilitation	30	-30	0
Chemical Dependence - Detoxification	36	-36	0
Psychiatric	104	20	124
Total	170	-46	124

The 66 Chemical Dependence beds have not been used since 2014 when, at the request of the Office of Addiction Services and Supports (OASAS), 45 Chemical Dependence beds were moved to BronxCare's nearby Article 32 licensed Life Recovery Center where SPARCS data shows utilization of approximately 50%.

The table below represents the psychiatric occupancy at BronxCare which has been increasing over the past 3 years. According to the applicant, during the current year the psychiatric unit has exceeded a 100% threshold at times.

Bronxcare Hospital Psychiatric Occupancy			
	2021	2022	2023
Psychiatric	88.2%	92.0%	92.3%

Source: SPARCS

The applicant expects adult psychiatric patients to come from the following sources:

- BronxCare Comprehensive Psychiatric Emergency Program (CPEP)
- BronxCare Emergency Department (ER)
- BronxCare Inpatient Medical Units
- FDNY Transports
- BronxCare Ambulatory Outpatient Practices
- Other Bronx-based Hospitals and Community-Based Outpatient Providers
- Shelters
- Self-referrals from the community and patient recommendations

According to the applicant, patients are first seen in its Comprehensive Psychiatric Emergency Room for evaluation and treatment. When it is determined that an inpatient admission is required and there is no bed availability, patients remain in CPEP until a bed becomes available. Currently, the median wait time from CPEP arrival to admission to the inpatient services is three days.

The table below shows the 2023 adult psychiatric bed occupancy and distance of other Bronx County hospitals from BronxCare:

Adult Psychiatric Inpatient Occupancy for Hospitals Within Bronx County				
PFI	Name	Adult Psychiatric Beds	2023 Bed Occupancy	Distance from BronxCare Hospital
1164	BronxCare Hospital Center	104	92.3%	-
1172	Lincoln Medical & Mental Health Center	60	41.3%	1.7 miles/12 min
1176	SBH Health System	49	72.6%	2.0 miles/12 min
1169	Montefiore Medical Center-Henry & Lucy Moses Division	22	100.0%	4.6 miles/27 min
1165	Jacobi Medical Center	107	61.7%	4.9 miles/ 27 min
1186	North Central Bronx Hospital	70	53.7%	4.6 miles/28 min
1168	Montefiore Medical Center-Wakefield Hospital	33	99.6%	6.4 miles/28 min

Source: SPARCS and Google Maps

According to the applicant, this project is being proposed for the following reasons:

- Help resolve current capacity situations.
- Reduce ER and Comprehensive Psychiatric Emergency Program (CPEP) wait times for patients requiring psychiatric admission.
- Effectively manage the admission and discharge planning process.
- To help meet the Governor's and Office of Mental Health Commissioner's priority to expand psychiatric bed capacity at community-based hospitals across New York State.
- Promote Well-Being and Prevent Mental and Substance Use Disorders identified in BronxCare's Community Service Plan.

- Respond to the many disparities associated with the high incidence of mental health disorders in the Bronx Community.

Conclusion

The addition of these beds will help address current occupancy issues and reduce wait time.

Program Analysis

Project Proposal

Operator	BronxCare Health System
Site	BronxCare Hospital Center
Site Address	1276 Fulton Ave., Bronx, NY 10456 (Bronx County)
Shift / Hours / Schedule	24 hours / 7 days a week
Current Services	Ambulatory Surgery – Multi Specialty Cardiac Catheterization – Adult Diagnostic Cardiac Catheterization – Percutaneous Coronary Intervention (PCI) Certified Mental Health Services O/P Chemical Dependence – Rehabilitation O/P Chemical Dependence – Withdrawal O/P Clinical Part Time Comprehensive Psychiatric Emergency Program Emergency Department Lithotripsy Medical Services – Other Medical Specialties Medical Services-Primary Care Methadone Maintenance O/P Therapy-Physical O/P
Staffing (1st Year / 3rd Year)	41.0 FTEs for 1 st and 41.0 for 3 rd year

This project proposes to update the Fulton Division's operating certificate to remove all the Chemical Dependence beds while adding 20 new Inpatient Psychiatric Beds. The BronxCare Fulton Division operating certificate will then include 124 Psych beds, after removal of the 66 chemical dependence beds.

The 66 Chemical Dependence beds have not been utilized since 2014 when, at the request of the Office of Addiction Services and Supports (OASAS), 45 Chemical Dependence beds were relocated to the licensed Article 32 Life Recovery Center which is in close proximity to BronxCare.

BronxCare Hospital Center will complete a full gut renovation of 10,030 square feet of the 7th floor, which currently houses underutilized offices and storage areas. This new psychiatric unit will be designed for 20 patients and include the required FGI 2018 program spaces and will create new offices for staff. The scope of work includes installing a new electrical system, a rooftop HVAC unit, upgrading the fire alarm system, adding a new nurse call and sprinklers system throughout the floor except in the electrical closet.

A compliance review of the following facilities indicates:

The Department issued a signed Stipulation and Order (S&O) dated September 3, 2024, and BronxCare Health System / BronxCare Hospital Center was fined \$10,000.00 based on findings from a survey that was completed on May 26, 2023. Deficient practice was cited in Emergency Services - failure to ensure Comprehensive Psychiatric Emergency Program (CPEP), Fulton site, was integrated with other departments of the hospital. Specifically, CPEP patient was found unresponsive and coded, was not intubated to maintain a patent airway. There was no respiratory or anesthesia staff available at CPEP Fulton site.

Compliance with Applicable Codes, Rules, and Regulations

The medical staff will continue to ensure that the procedures performed at the facility conform to generally accepted standards of practice and that privileges granted are within the physician's scope of practice and expertise. The Facility's admissions policy includes anti-discrimination provisions regarding age, race, creed, color, national origin, marital status, sex, sexual orientation, religion, disability, or source of

payment. All procedures are performed in accordance with all applicable federal and state codes, rules, and regulations.

Prevention Agenda

BronxCare Hospital Center, in Bronx County, requests approval for 20 additional and critically needed adult psychiatric beds into available space on BronxCare's Fulton Campus. This project aims to improve capacity and reduce ER and psychiatric Emergency Program (CPEP) wait times.

BronxCare Hospital is implementing multiple interventions to support priorities of the 2019-2024 New York State Prevention Agenda, including:

- Prevent Chronic Diseases
- Promote Wellbeing and Prevent Mental and Substance Use Disorders

The proposed project will advance the selected local Prevention Agenda priorities that were identified in the most recently completed Community Service Plan (CSP) and improve access to care for patients. As per the latest available report, in 2021, BronxCare Hospital spent \$0 on community health improvement services.

Conclusion

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

Financial Analysis

Total Project Cost and Financing

Total project cost for the modernization and movable equipment is \$8,042,752, detailed as follows:

Renovation & Demolition	\$5,825,850
Design Contingency	582,585
Construction Contingency	582,585
Architect/Engineering Fees	466,750
Other Fees	50,000
Movable Equipment	279,000
Telecommunications	210,000
Application Fee	2,000
Processing Fee	<u>43,982</u>
Total Project Cost	\$8,042,752

The project will be funded with cash from existing operations of BCHC and funding awards from Manage Care Organizations (MCO); BFA Attachments A and B, BCHC's 2023 Audited Report and Special Purpose Combined Financial Statements and 2024 Internal Financial Statements, indicating sufficient resources to cover the project cost.

Operating Budget

The applicant has provided the current year (2023) results and the first- and third-year operating budget for adult inpatient behavioral health services in 2024 dollars. The budget is summarized below:

	<u>Current Year</u>		<u>First Year</u>		<u>Third Year</u>	
Inpatient (IP)						
Revenue:	<u>Per Disch.</u>	<u>Total</u>	<u>Per Disch.</u>	<u>Total</u>	<u>Per Disch.</u>	<u>Total</u>
Commercial FFS	\$2,151.78	\$2,416,451	\$2,007.07	\$2,771,760	\$2,129.30	\$2,940,560
Commercial MC	\$1,148.64	619,119	\$1,281.92	846,070	\$1,359.99	897,596
Medicare FFS	\$1,072.82	2,907,330	\$1,038.23	3,433,418	\$1,101.46	3,642,513
Medicare MC	\$1,114.25	5,911,114	\$1,120.67	7,098,325	\$1,188.92	7,530,613
Medicaid FFS	\$2,607.29	8,452,832	\$2,524.76	9,447,644	\$2,678.52	10,023,006
Medicaid MC	\$1,939.59	32,783,006	\$1,812.97	37,932,788	\$1,923.38	40,242,895
All Other*	\$20,755.07	1,515,120	\$18,792.00	1,616,112	\$19,936.43	1,714,533
IP Revenue		\$54,604,972		\$63,146,117		\$66,991,716
Less: Bad Debt		<u>1,515,120</u>		<u>1,998,160</u>		<u>2,119,848</u>
Total Revenue		\$52,665,011		\$61,147,957		\$64,871,868
Expenses						
Operating	\$751.04	\$22,595,674	\$831.75	\$30,489,348	\$882.40	\$32,346,149
Capital	<u>18.88</u>	<u>568,212</u>	<u>23.38</u>	<u>857,044</u>	<u>31.22</u>	<u>1,144,376</u>
Total Expenses	\$769.92	\$23,163,886	\$855.13	\$31,346,392	\$913.62	\$33,490,525
Net Income		<u>\$29,501,125</u>	=	<u>\$29,801,565</u>	=	<u>\$31,381,343</u>
Total Patient Days		30,086		36,657		36,657

*All Other revenue is comprised of self-pay only.

The following is noted concerning the submitted budget:

- The Current Year revenues, expenses and utilization are based on the BCHC's 2023 Institutional Cost Report (ICR) and reflect the hospital's current experience in operating adult inpatient behavioral health services.
- The increase in revenue and expenses in Year One and Year Three is due to the anticipated increase in patient days related to the 20 additional beds and additional depreciation expenses related to the construction and movable equipment costs.

Utilization by payor source is as follows:

	<u>Current Year</u>		<u>Year One</u>		<u>Year Three</u>	
Inpatient	<u>Patient Days</u>	<u>%</u>	<u>Patient Days</u>	<u>%</u>	<u>Patient Days</u>	<u>%</u>
Commercial FFS	1,123	3.73%	1,381	3.77%	1,381	3.77%
Commercial MC	539	1.79%	660	1.80%	660	1.80%
Medicare FFS	2,710	9.01%	3,307	9.02%	3,307	9.02%
Medicare MC	5,305	17.63%	6,334	17.28%	6,334	17.28%
Medicaid FFS	3,242	10.78%	3,742	10.21%	3,742	10.21%
Medicaid MC	16,902	56.18%	20,923	57.08%	20,923	57.08%
Charity Care	192	0.64%	224	0.61%	224	0.61%
All Other	<u>73</u>	<u>0.24%</u>	<u>86</u>	<u>0.23%</u>	<u>86</u>	<u>0.23%</u>
<u>Total by Payor</u>	30,086	100.00%	36,657	100.00%	36,657	100.00%

Capability and Feasibility

The total project cost of \$8,042,752 will be funded with \$42,754 in cash from existing operations of BCHC, and \$7,999,998 in Behavioral Health Centers of Excellence Program awards as follows: \$2,666,666 from Fidelis Care, \$2,666,666 from Healthfirst, and \$2,666,666 from MetroPlusHealth.

The working capital requirement is estimated at \$5,224,399, based on two months of first year expenses, and will be funded with equity from ongoing operations. BCHC projects a net income of \$29,801,565 and \$31,381,343 in Year One and Year Three, respectively. The budget appears reasonable.

BFA Attachment A, BronxCare Health System 2023 Special Purpose Combined Statements of Operations, indicate the facility reported \$93,245,039 in working capital and \$421,742,607 in net assets. During this reporting period, BronxCare Health System generated an operating loss of (\$6,879,452). The operating loss was favorably offset by \$30,701,360 in other income, a \$3,892,423 change in unrealized gains on U.S. Treasury securities and \$24,078,414 due to a change in defined benefit pension plan gains, resulting in a \$51,792,745 increase in net assets without donor restrictions. The operating loss is attributable to a decrease in utilization and staffing issues which required utilizing agency help. These issues have since been addressed, with increases in utilization, and reduction in agency staffing.

BFA Attachment B, BronxCare Health System Internal Consolidated Comparative Statement of Operations for period-ended May 31, 2024, shows the facility reported \$167,302,000 in working capital and \$419,559,000 in net assets and a net income of \$15,618,000.

Conclusion

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

Health Equity Impact Assessment

Health Equity Impact Assessment Summary

The Applicant proposes to add 20 inpatient psychiatric beds to its Fulton location and decertify 66 chemical dependency beds. In 2014, under the direction of the New York State Office of Addiction Services and Supports, the Applicant reduced their chemical dependency beds to 45 and relocated the beds to the BronxCare Life Recovery Center. The beds were not removed from the operating certificate at the time and will be addressed as part of this CON application.

The project aims to increase inpatient bed capacity, facilitating specialty short stays for patients requiring more than 72 hours of stabilization. The intent is to address the psychiatric priority area, focusing on promoting well-being and preventing mental and substance use disorders as identified in the Applicant's Community Service Plan. The project will integrate the 20 inpatient beds into existing infrastructure, which is anticipated to improve the hospital's ability to resolve capacity issues, reduce wait times for the Emergency Room and Comprehensive Psychiatric Emergency Program, and manage patient flow. Bronx County had the highest rate of psychiatric hospitalizations across the state in 2023, highlighting a critical need for additional beds. The Independent Entity found the project has positive impacts for the community, including increased access to inpatient psychiatric services and improved opportunities for accessing long-term supports.

Conclusion

The information and analysis presented in the Health Equity Impact Assessment and the applicant's mitigation plan, demonstrates the proposed project will not result in any significant adverse health equity impacts.

Attachments

BFA Attachment A	BronxCare Health System 2023 Special Purpose Combined Statements of Operations
BFA Attachment B	BronxCare Health System Consolidated Internal Financial Statements for period ended May 31, 2024
OHEHR Attachment	Health Equity Impact Assessment



Project # 241095-C
Long Island Jewish Medical Center

Program: Hospital
Purpose: Construction

County: Queens
Acknowledged: March 29, 2024

Executive Summary

Description

The Long Island Jewish Medical Center - Zucker Hillside Hospital (ZHH), a 200-bed psychiatric hospital located at 75-59 263rd St, Glen Oaks, NY (Queens County), seeks approval for the construction of a three-story behavioral health pavilion for adults and geriatric patients. The new pavillion will replace 68 of the 94 beds in the existing Morris Lowenstein building. The 26 remaining beds in the Morris Lowenstein building will still be used for inpatient care, resulting in a net zero change in the total bed capacity on the Zucker Hillside campus.

The project is driven by both clinical considerations and the need for a more modern facility. Overall, this project represents a significant investment in the future of mental healthcare at Zucker Hillside Hospital. The new behavioral health pavilion will relieve overcrowding conditions, limit risks, improve patient safety, and improve staffing workflow.

OPCHSM Recommendation
Contingent Approval

Need Summary

The applicant projects 3,830 psychiatric inpatient discharges in Year One and Year Three with a Medicaid inpatient percentage of 46%.

Program Summary

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

Financial Summary

Total project cost of \$186,040,473 will be funded with \$18,173,892 in cash and a loan of \$163,565,031 for 30 years at 5% interest.

Behavioral Health

<u>Budget:</u>	<u>Year One</u>	<u>Year Three</u>
Revenues	\$172,035,200	\$176,602,500
Expenses	<u>\$211,430,700</u>	<u>\$213,651,900</u>
Net Income	(39,395,500)	(37,049,400)

Health Equity Impact Assessment

This project does not meet the requirements for a Health Equity Impact Assessment under Section 2802-B of the PHL.

Recommendations

Health Systems Agency

There will be no HSA recommendation for this project.

Office of Primary Care and Health Systems Management

Approval contingent upon:

1. Submission of a check for the amount enumerated in the approval letter, payable to the New York State Department of Health. Public Health Law Section 2802.7 states that all construction applications requiring review by the Public Health and Health Planning Council shall pay an additional fee of fifty-five hundredths of one percent of the total capital value of the project, exclusive of CON fees. [PMU]
2. Confirmation of final approval by the Behavioral Health Advisory Council and OMH. [PMU]
3. The submission of Design Development and State Hospital Code (SHC) Drawings, as described in BAER Drawing Submission Guidelines DSG-1.0 Required Schematic Design (SD) and Design Development (DD) Drawings, and 2.18 LSC Chapter 18 Healthcare Facilities Public Use, for review and approval. [DASNY]
4. Submission of an executed mortgage acceptable to the Department of Health. [BFA]

Approval conditional upon:

1. This project must be completed by **September 5, 2027**, including all pre-opening processes, if applicable. Failure to complete the project by this date may constitute an abandonment of the project by the applicant and the expiration of the approval. It is the responsibility of the applicant to request prior approval for any extensions to the project approval expiration date. [PMU]
2. Construction must start on or before **June 5, 2025**, and construction must be completed by **June 5, 2027**, presuming the Department has issued a letter deeming all contingencies have been satisfied prior to commencement. It is the responsibility of the applicant to request prior approval for any changes to the start and completion dates. In accordance with 10 NYCRR Section 710.10(a), if construction is not started on or before the approved start date, this shall constitute abandonment of the approval. [PMU]
3. The submission of Final Construction Documents, as described in BAER Drawing Submission Guidelines DSG-05, is required prior to the applicant's start of construction. [AER]

Council Action Date

December 5, 2024

Need Analysis

Background

Long Island Jewish Medical Center – Zucker Hillside Hospital at 270-05 76th Ave, New Hyde Park, NY 11040 seeks approval to construct a replacement behavioral health pavilion to treat geriatric and adult patients. The new facility will replace a portion of the inpatient beds in the aging Morris Lowenstein Building. The new pavilion will use 68 beds from the Morris Lowenstein building leaving 26 beds remaining there. There will be no changes to the operating certificate through the approval of this project. Construction is expected to take two years.

Background and Analysis

The primary service area is Queens County. The county's overall population is estimated to increase to 2,554,994 or 8.2% by 2029 per projection data from the Cornell Program on Applied Demographics. Demographics for the primary service area are noted below including a comparison with New York State.

Demographics	Queens County	New York State
Total Population – 2022 Estimate	2,360,826	19,994,379
Hispanic or Latino (of any race)	28.0%	19.5%
White (non-Hispanic)	23.8%	53.8%
Black or African American (non-Hispanic)	16.7%	13.8%
Asian (non-Hispanic)	25.9%	8.8%
Other (non-Hispanic)	5.6%	4.1%

Source: 2022 American Community Survey (5-Year Estimates Data Profiles)

In 2022, 91.3% of the population in Queens County had health coverage as follows.

Employer Plans	41.7%
Medicaid	26.5%
Medicare	10.7%
Non-Group Plans	12.1%
Military or VA	0.278%

Source: Data USA

The applicant payor mix is noted below.

Applicant Payor Mix						
Payor	Inpatient			Outpatient		
	Current	Year One	Year Three	Current	Year One	Year Three
Commercial	21.84%	21.88%	21.88%	36.81%	36.81%	36.81%
Medicare	23.84%	23.84%	23.84%	28.98%	28.98%	28.98%
Medicaid	45.85%	45.81%	45.81%	26.03%	26.03%	26.03%
Charity Care	8.23%	8.22%	8.22%	7.27%	7.27%	7.27%
Other	0.24%	0.24%	0.24%	0.91%	0.91%	0.91%

Long Island Jewish Medical Center – Zucker Hillside Hospital Psychiatric Discharges						
	2019	2020	2021	2022	Year 1	Year 3
Psychiatric	4,777	4,114	3,996	3,837	3,830	3,830

Source: Applicant

SPARCS data for psychiatric services shows occupancy has been increasing over the past 3 years, with 80.7% in 2021, 81.5% in 2022 and 83.4% in 2023.

The LIJMC Morris Lowenstein building is aging and outdated. The new mental health pavilion will allow for provision of services in a more modern facility with single bedrooms and bathrooms for approximately 60% of the unit, ample outdoor space, improved nurses' station, and the ability to divide the units into separate functional areas for infection control purposes. There will be no decrease in bed capacity during the renovation and upon completion of the new pavilion. The Morris Lowenstein building will undergo minor renovations and each room will become a single bedded room with its own bathroom. Overall, this project represents an investment in the mental health program at LIJMC.

Conclusion

The creation of this new unit will provide streamlined care and a safer environment for patients and staff.

Program Analysis

Project Proposal

Proposed Operator	Long Island Jewish Medical Center/ Northwell Healthcare, Inc.
To Be Known As	Long Island Jewish Medical Center – Zucker Hillside Hospital
Site Address	270-05 76th Avenue New Hyde Park, NY 11040
Service	No Change
Hours of Operation	24/7
Medical Director(s)	Howard Linder MD

Long Island Jewish Medical Center – Zucker Hillside Hospital seeks approval to construct a behavioral health pavilion to improve the delivery of mental health services for adults and geriatric patients. The new facility will replace a portion of the aged and outdated inpatient beds in the Morris Lowenstein building. Sixty-eight (68) of the ninety-four (94) beds from the existing Morris Lowenstein building will be transferred to the new pavilion. The total bed capacity on the Zucker Hillside campus will remain the same. The project is driven by both clinical considerations and the need for a more modern facility. Overall, this project represents a significant investment in the future of mental healthcare at LIJMC Zucker Hillside Hospital.

This project is located on the Long Island Jewish Medical Center – Zucker Hillside Hospital campus.

The construction of the proposed behavioral health pavilion in the LIJMC campus will not add any net new psychiatric beds to the operating certificate. The intent of this project is to transform care delivery of advanced mental health services at LIJMC, and become a model for safe, cost-effective, and high-quality care. The construction of the pavilion would relieve overcrowding conditions which can increase risks of patient aggression. A modernized and larger facility would thereby alleviate these risks and improve patient safety, and staffing workflow.

In accordance with current policy at Long Island Medical Center's Zucker Hillside Hospital, the ability to pay will not be a factor in the process of accepting patients. Every effort will be made to ensure that appropriate payment is made, but in no circumstance will a patient be refused treatment due to inability to pay. Northwell Health currently has a sliding fee scale for its patients and uninsured patients with household incomes under 500% of the Federal Poverty level are eligible for reduced fees. Expected volume of the proposed extension site is 158,905 visits in Year 1, with no change in visits by Year 3.

Howard Linder, MD is the medical director of the facility. Dr. Linder oversees the overall quality of care at the behavioral health facility. Dr. Linder is currently assistant professor of psychiatry at the Donald and Barbara Zucker School of Medicine at Hofstra/Northwell, where he has been twice recognized with Northwell's Outstanding Teacher Award. He has authored several publications, regularly presented at national meetings, and is a fellow in both the American Psychiatric Association and the Academy of Consultation-Liaison Psychiatry.

Compliance with Applicable Codes, Rules, and Regulations

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

Prevention Agenda

Long Island Jewish Medical Center – Zucker Hillside Hospital in Queens County is seeking approval for construction project to improve the delivery of acute psychiatric services for patients with advanced mental health conditions. The intent of this project is to transform care delivery of advanced mental health services at LIJMC and will not add any new psychiatric beds to the facility.

Long Island Jewish Medical Center is implementing multiple interventions to support priorities of the 2019-2024 New York State Prevention Agenda, including:

- Prevent Chronic Disease
- Promote Well-Being and Prevent Mental and Substance Use Disorders
- Promote Healthy Women, Infants and Children

The construction of this facility will improve the delivery of care for patients with advanced mental health conditions and advances the following selected Prevention Agenda Priority: "Promote Well-Being and Prevent Mental and Substance Use Disorders".

In 2021, Long Island Jewish Medical Center spent \$105,594,711 on Community Health Improvement Services and Community Benefit Operations, which accounts for 3.08% of their total operating expenses.

Conclusion

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

Financial Analysis

Total Project Cost and Financing

Total project cost for new construction, moveable equipment, shell space and fees of \$186,00,473 as follows:

	<u>Project Cost</u>	<u>Shell Space</u>	<u>Total Project Cost</u>
New Construction	120,922,575	\$3,692,975	\$124,615,550
Site Development	\$250,000		\$250,000
Temporary Utilities	\$500,000		\$500,000
Design Contingency	\$11,613,374		\$11,613,374
Construction Contingency	\$5,830,778	\$161,554	\$5,992,332
Plan	\$1,108,889	\$30,724	\$1,139,613
Architect/Engineering Fees	\$9,554,815	\$264,737	\$9,819,552
Construction Management Fees	\$572,000	\$15,848	\$587,848
Other Fees	\$4,898,078	<u>\$135,712</u>	\$5,033,790
Movable Equipment	\$2,920,000		\$2,920,000
Telecommunications	\$14,000,000		\$14,000,000
Financing Costs	\$8,572,329		\$8,572,329
CON Application Fee	\$2,000		\$2,000
Additional CON Fees	<u>\$994,086</u>		<u>\$994,086</u>
Total Project Cost	\$181,738,923	\$4,301,550	\$186,040,473

The applicant will fund project cost with the following:

Cash for the Behavioral Unit	\$18,173,892
Cash for Shell Space	\$4,301,550
Loan for Behavioral unit (30 years at 5% interest	<u>\$163,565,031</u>
Total	\$186,040,473

Morgan Stanley has provided a Letter of Interest (LOI) for the loan at the above stated terms, 30 years at 5% interest.

Operating Budget

The applicant has provided the first- and third-year operating budgets for Behavioral Health Services, in 2024 dollars, summarized as follows:

<u>Revenues</u>	<u>Current Year</u>		<u>First Year</u>		<u>I Third Year</u>	
<u>Inpatient:</u>	<u>Per Diem</u>	<u>Total</u>	<u>Per Diem</u>	<u>Total</u>	<u>Per Diem</u>	<u>Total</u>
Medicaid-FFS	\$1,328	11,346,800	\$1,337	\$11,668,700	1,382	\$12,059,000
Medicaid-MC	\$1,554	\$38,642,800	\$1,558	\$39,739,000	1,610	\$41,068,300
Medicare-FFS	\$1,437	\$15,214,300	\$1,443	\$15,645,900	1,491	\$16,169,300
Medicare-MC	\$1,950	\$13,229,800	\$1,953	\$13,605,000	2,018	\$14,060,200
Commercial -MC	\$3,308	\$52,639,200	\$3,311	\$54,132,400	3,422	\$55,943,300
Charity Care	\$252	\$1,509,700	\$253	\$1,552,500	\$261	\$1,604,500
All Other	\$1,027	180,600	\$1,030	\$185,700	1,064	\$191,900
Other Operating		\$3,015,300		\$3,015,300		\$3,015,300
Revenue		<u>(\$2,703,700)</u>		<u>(\$2,703,700)</u>		<u>(\$2,703,700)</u>
Deduction						
Total Inpatient		\$133,074,800		\$136,840,800		\$141,408,100
Revenues						

ExpensesInpatient:

Operating	\$1,797	\$130,911,500	\$1,812	\$135,375,000	\$1,846	\$137,879,600
Capital	<u>\$208</u>	<u>\$15,121,500</u>	<u>\$438</u>	<u>\$32,688,400</u>	<u>\$434</u>	<u>\$32,405,000</u>
Total Inpatient Expenses	\$2,005	\$146,033,000	\$2,250	\$168,063,400	\$2,280	\$170,284,600

Net Inpatient Income (Loss)		(\$12,958,200)		<u>(\$31,222,600)</u>		<u>(\$28,876,500)</u>
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Patient Days		72,867		74,710		74,710
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RevenuesOutpatient:

	<u>Current Year</u>		<u>First Year</u>		<u>Third Year</u>	
	<u>Per Visit</u>	<u>Total</u>	<u>Per Visit</u>	<u>Total</u>	<u>Per Visit</u>	<u>Total</u>
Medicaid-FFS	\$172	\$333,700	\$172	\$333,700	\$172	\$333,700
Medicaid-MC	\$171	\$6,725,400	\$171	\$6,725,400	\$171	\$6,725,400
Medicare-FFS	\$158	\$4,972,300	\$158	\$4,972,300	\$158	\$4,972,300
Medicare-MC	\$179	\$2,622,500	\$179	\$2,622,500	\$179	\$2,622,500
Commercial-FFS						
Commercial-MC	\$296	\$17,325,700	\$296	\$17,325,700	\$296	\$17,325,700
Charity Care	\$260	\$3,008,600	\$260	\$3,008,600	\$260	\$3,008,600
All Other	\$143	<u>\$206,200</u>	\$143	<u>\$206,200</u>	\$143	<u>\$206,200</u>
Other Operating						
Total Outpatient Revenue		35,194,400		\$35,194,400		\$35,194,400

ExpensesOutpatient:

Operating	\$272	\$43,184,500	\$272	\$43,184,500	\$272	\$43,184,500
Capital	<u>\$1</u>	<u>\$182,900</u>	<u>\$1</u>	<u>\$182,900</u>	<u>\$1</u>	<u>\$182,900</u>
Total Outpatient Expenses	\$273	\$43,367,400	\$273	\$43,367,400	\$273	\$43,367,400

Net Outpatient Income (Loss)		(\$8,173,000)		<u>(\$8,173,000)</u>		<u>(\$8,173,000)</u>
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Visits		158,905		158,905		158,905
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The following is noted with respect to the submitted inpatient behavioral health services operating budget:

- Revenue, expense, and utilization assumptions are based upon the current experience of Long Island Jewish Medical Zucker Hillside Hospital.
- The Zucker Hillside Hospital internal cost accounting system was used to generate revenue, expense, utilization, and payer rate assumptions based upon the related inpatient days applicable to the project.
- Staffing assumptions were developed with the Clinical and Operational leadership using staffing models in existing programs.
- The expense and utilization assumptions are based upon the per diem Variable Direct Cost. Once the variable direct costs are calculated, overhead costs are developed using the experience of the clinical and management staff at the hospital. Depreciation expense, based upon the estimated capital costs, are added to calculate the total cost.
- Revenue and payer assumptions are based upon the current experience of the existing volume and payer mix at ZHH.
- Using the revenue and expense as calculated a per day amount was applied to the projected patient days to calculate the incremental revenue, salary, and non-salary expense.

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

<u>Inpatient Behavioral Health</u>	<u>Current Year</u>		<u>Years One & Three</u>	
	<u>Patient Days</u>	<u>%</u>	<u>Patient Days</u>	<u>%</u>
Medicaid-FFS	8,542	11.72%	8,726	11.68%
Medicaid-MC	24,869	34.13%	25,502	34.13%
Medicare-FFS	10,586	14.53%	10,843	14.51%
Medicare-MC	6,784	9.31%	6,967	9.33%
Commercial-MC	15,915	21.84%	16,349	21.88%
All Other	176	0.24%	180	0.24%
Charity Care	<u>5,995</u>	<u>8.23%</u>	<u>6,143</u>	<u>8.22%</u>
Total	72,867	100%	74,710	100%

- The breakeven utilization for the Behavioral Health Unit (Inpatient only) is projected at 74,241 Patient Days in Year One.

<u>Outpatient Behavioral Health</u>	<u>Current Year and Years One and Three</u>	
	<u>Visits</u>	<u>Percentage</u>
Medicaid-FFS	1,935	1.22%
Medicaid-MC	39,434	24.82%
Medicare-FFS	31,429	19.78%
Medicare-MC	14,617	9.20%
Commercial-MC	58,490	36.81%
All Other	1,445	.90%
Charity Care	<u>11,555</u>	<u>7.27%</u>
Total	158,905	100%

Capability and Feasibility

The total project cost of \$186,040,473 is comprised of the behavioral unit cost of \$181,738,923 which will be met with \$18,173,892 in cash and a loan for \$163,565,031 at 5% for 30 years and the shell space of \$4,301,550 which will be financed by accumulated funds of Northwell. Morgan Stanley has provided a LOI for the lending. BFA Attachment A, 2021-2023 Certified Financial Statements and BFA Attachment B, 1/1/2024-3/31/2024 Internal Financial statements of Northwell Health, Inc. show sufficient funds to cover their portion of the project cost and the shell space.

BFA Attachment A, 2021-2023 Certified Financial Statements of Northwell Health, Inc., show the entity maintained positive working capital, a positive net equity position and a net income of \$197.7M in 2023. BFA Attachment B, 1/1/2024-3/31/2024 Internal Financial Statements of Northwell Health, Inc., show the entity has maintained positive working capital, a positive net equity position and a net income of \$359.3M.

The submitted budget indicates a net loss of \$31,222,600 and \$28,876,500 in Years One and Year Three, respectively for the Behavioral Health Unit. The overall net loss is projected at \$39,395,600 in Year One and \$37,049,500 in Year Three. The budget appears reasonable. The CFO of Northwell has provided a letter stating Northwell would cover any losses related to the project.

Conclusion

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

Attachments

BFA Attachment A	2021-2023 Certified Financial Statements of Northwell Health, Inc.
BFA Attachment B	1/1/2024-3/31/2024 Internal Financial Statements of Northwell Health, Inc.



Project # 231170-C

St Johns Episcopal Hospital South Shore

Program: Hospital
Purpose: Construction

County: Queens
Acknowledged: May 4, 2023

Executive Summary

Description

St. John's Episcopal Hospital South Shore (SJEH), a voluntary not-for-profit, Article 28, 257-bed acute care hospital at 327 Beach 19th Street, Far Rockway (Queens County), requests approval to construct a 55,145-square-foot, four-story (plus cellar) extension clinic, directly across the street from the main hospital at 19-20 Brookhaven Avenue. SJEH has submitted two (2) Administrative Action projects to the New York State Office of Mental Health (NYSOMH) for the relocation of the Wellness and Recovery Center (AA #9139) and one for the relocation of the Community Mental Health Program (AA #9136) to the new building. Both projects are under review by the NYSOMH.

The extension clinic will be certified for the following services: Medical Services – Primary Care, Medical Services – Other Medical Specialties, Certified Mental Health O/P, Radiology – Therapeutic O/P, and Ambulatory Surgery – Gastroenterology.

Episcopal Health Services, Inc. (EHS) is the operator of SJEH and the owner of the land on which the building will be constructed. EHS has a long-term lease with St. John's Episcopal Holdings Corp., which will construct the new extension clinic. St. John's Episcopal Holdings Corp. is a Qualified Active Low-Income Community Business (QALICB) whose purpose will be limited to acquiring, financing, owning, and holding the Project (i.e., a single-purpose business entity).

OPCHSM Recommendation

Contingent Approval

Need Summary

The applicant projects 51,938 visits in Year One and 56,144 by Year Three with Medicaid at 58% and Charity Care at .9%.

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 cost of \$55,431,196 will be met with cash of \$44,523,615, an equipment lease of \$907,581, and two (2) executed loans totaling \$10,000,000. The \$44,523,615 in cash consists of \$22,543,770 in accumulated funds from SJEH, \$5,973,750 in New Markets Tax Credits, \$2,086,095 Capital Restructuring Financing Program grant (CRFP), and \$13,920,000 in Statewide Health Care Facility Transformation Programs (SHCFTP) grants, Phase 2, and Phase 3.

	<u>Year One</u>	<u>Year Three</u>
Budget:	<u>2024</u>	<u>2026</u>
Revenues:	\$410,266,595	\$413,833,088
Expenses:	<u>405,037,420</u>	<u>407,340,119</u>
Gain/Loss:	\$5,229,175	\$6,492,969

Health Equity Impact Assessment

There was no Health Equity Impact Assessment required for this project under Section 2802-B of the PHL, as it was received by the Department on April 10, 2023.

Recommendations

Health Systems Agency

There will be no HSA recommendation for this project.

Office of Primary Care and Health Systems Management

Approval contingent upon:

1. Submission of a check for the amount enumerated in the approval letter, payable to the New York State Department of Health. Public Health Law Section 2802.7 states that all construction applications requiring review by the Public Health and Health Planning Council shall pay an additional fee of fifty-five hundredths of one percent of the total capital value of the project, exclusive of CON fees. [PMU]
2. Submission of an executed equipment lease financing commitment acceptable to the Department of Health. [BFA]
3. The submission of Design Development and State Hospital Code (SHC) Drawings, as described in NYSDOH BAER Drawing Submission Guidelines DSG‐1.0 Required Schematic Design (SD) and Design Development (DD) Drawings, and 3.38 LSC Chapter 38 Business Occupancies Public Use, for review and approval. [DAS]

Approval conditional upon:

1. This project must be completed by **April 15, 2028**, including all pre-opening processes, if applicable. Failure to complete the project by this date may constitute an abandonment of the project by the applicant and the expiration of the approval. It is the responsibility of the applicant to request prior approval for any extensions to the project approval expiration date. [PMU]
2. Construction must start on or before June **15, 2025**, and construction must be completed by **January 15, 2027**, presuming the Department has issued a letter deeming all contingencies have been satisfied prior to commencement. It is the responsibility of the applicant to request prior approval for any changes to the start and completion dates. In accordance with 10 NYCRR Section 710.10(a) if construction is not started on or before the approved start date, this shall constitute abandonment of the approval. [PMU]
3. The submission of Final Construction Documents, as described in BAER Drawing Submission Guidelines DSG-05, is required prior to the applicant's start of construction. [AER]
4. Supplemental funding from New York State, including but not limited to Vital Access Provider Awards (VAP), Vital Assistance Provider Assurance Program (VAPAP), and 1115 Waiver funding (Direct Payment Template - DPT), may not be used to fund the debt service or any other costs related to this construction project. [BFA]

Council Action Date

December 5, 2024

Need Analysis

Project Description

St. John's Episcopal Hospital South Shore seeks approval to build a new extension clinic across the street from their main hospital and move various outpatient services currently performed in the hospital and other SJEH facilities into it. The extension clinic will house the following Article 28 or dually certified Article 28 and Article 31 services and programs:

- Relocated services:
 - Primary Care and Behavioral Health Services
 - Wellness and Recovery Center and Community Mental Health Center
 - Oncology
 - Gastroenterology
- New - Radiation oncology including adding one Linear Accelerator/LINAC and one PET/CT scanner.

Background and Analysis

The primary service area is Far Rockaway in Queens County, including zip codes 11691, 11692, 11693, 11694, and 11697. This facility is in a Health Professional Shortage Area for Primary Care. The population of Queens County is estimated to increase to 2,554,994 by 2029 per projection data from the Cornell Program on Applied Demographics, an increase of 8.2%. Based on the 2022 US Census Population Estimates from the American Community Survey, the demographics for the primary service area are noted below, including a comparison with the county and New York State.

Demographics	Totals for Primary Service Area	Queens County	New York State
Total Population – 2022 Estimate	132,755	2,360,826	19,994,379
Hispanic or Latino (of any race)	23.17%	28.0%	19.50%
White (non-Hispanic)	33.51%	23.8%	53.8%
Black or African American (non-Hispanic)	35.15%	16.7%	13.8%
Asian(non-Hispanic)	3.71%	25.9%	8.8%
Other (non-Hispanic)	4.46%	5.6%	4.1%

Source: ACS 5-Year Estimates Data Profiles

In 2022, 91.3% of the population in Queens County had health coverage as follows.

Employer Plans	41.7%
Medicaid	26.5%
Medicare	10.7%
Non-Group Plans	12.1%
Military or VA	0.278%

Source: Data USA

The table below shows the project payor source utilization for Year One and Three.

Applicant Projected Inpatient Payor Mix			
Payor	Current	Year One	Year Three
	Inpatient		
Commercial	6.76%	6.76%	6.76%
Medicare	46.58%	46.58%	46.58%
Medicaid	46.01%	46.01%	46.01%
Private Pay	0.41%	0.41%	0.41%
Charity Care	0.02%	0.02%	0.02%
Other	0.17%	0.17%	0.17%
Bad Debt	0.04%	0.04%	0.04%

Applicant Projected Outpatient Payor Mix			
Payor	Current	Year One	Year Three
	Inpatient		
Commercial	13.40%	13.69%	13.80%
Medicare	23.67%	24.37%	24.55%
Medicaid	59.36%	58.54%	58.28%
Private Pay	2.01%	1.87%	1.84%
Charity Care	0.80%	0.85%	0.87%
Other	0.76%	0.68%	0.66%
Bad Debt	0.00%	0.00%	0.00%

Source: Applicant

The applicant estimates 115-150 radiology patients are referred to other facilities each year. Through this project, cancer patients of SJEH will be able to be seen in a more local environment and by SJEH providers for care. The closest Article 28 LINAC machine to SJEH is at Mount Sinai South Nassau, located 8.8 miles and 30 minutes driving time from the proposed location.

With the applicant's relocated services from the hospital and its new proposed service, they project 51,938 visits at the new extension clinic in Year One and 56,114 by Year Three. The table below shows Article 28 services with projected visits being moved into the new pavilion.

St. John's Episcopal Hospital Pavillion Services and Visits, Current and Projected					
Program	Certified NYSDOH Service Category	New/Existing Article 28 Service for SJEH	Current Year (2023)	Year 1	Year 3
Linear Accelerator	Radiation - Therapeutic	New	0	2,250	2,750
PET/CT Scanner (treatment planning for LINAC)	Medical Services - Other Medical Specialties	New	0	1,225	1,593
Primary Care	Medical Services - Primary Care	Existing	7,044	15,285	16,940
Wellness and Recovery	Certified Mental Health Service O/P	Existing	9,023	9,023	9,023
Community Mental Health Center	Certified Mental Health Service O/P	Existing	19,325	19,325	19,325
Medical Oncology (Infusion/Exam)	Medical Services - Other Medical Specialties	New (Private Practice Conversion)	0	2,300	3,450
Gastroenterology	Ambulatory Surgery - Gastroenterology	Existing	855	2,530	3,033
TOTAL	---	---	36,247	51,938	56,114

Source: Applicant

PQIs are rates of admission to the hospital for conditions for which good outpatient care can potentially prevent the need for hospitalization, or for which early intervention can prevent complications or more severe disease. The table below provides information on the PQI rates for the overall PQI condition of the primary service area, county, and New York State.

Hospital Admissions per 100,000 Adults for Overall PQIs			
PQI Rates: 2021	Average PQI of Primary Service Area	Queens County	New York State
All PQI's	1,234	918	1,050

Below is data from the NYS Cancer Registry that is used to calculate the need for additional LINAC machines based on the New York City Region in accordance with section 709.16.

	LINAC Need in NYC Region	Total
1	Number of Cancer Cases per Year	41,441.60
2	60% will be Candidates for Radiation Therapy	24,864.96
3	50% of (2) will be Curative Patients	12,432.48
4	50% of (2) will be Palliative Patients	12,432.48
5	Course of Treatment for Curative Patients is 35 Treatments	435,136.80
6	Course of Treatment for Palliative patients is 15 Treatments	186,487.20
7	The Total Number of Treatments [(5)+(6)]	621,624
8	Need for LINAC Machines ¹ [(7)/6,500]	96
9	Existing/Approved Resources	79
10	Remaining Need for LINAC Machines	17

¹Each LINAC Machine has capacity for 6,500 Treatments.

Conclusion

The applicant plans to provide Primary Care, Other Medical Specialties, Certified Mental Health, Radiology, and Ambulatory Surgery – Gastroenterology while helping to reduce preventable hospital admissions and serving existing patients from the hospital.

Program Analysis

Program Description

St. John's Episcopal Hospital South Shore (SJEH), a 257-bed acute care hospital located at 327 Beach 19th Street in Far Rockaway (Queens County), seeks approval to certify a new Ambulatory Surgery extension clinic at 19-20 Brookhaven Avenue in Far Rockaway (Queens County), New York 11691. This site is located directly across the street from the main hospital campus. The proposed facility will be certified for Ambulatory Surgery Single Specialty-Gastroenterology, Medical Services-Primary Care, Medical Services-Other Medical Specialties, Certified Mental Health Services O/P, and Radiology Therapeutic O/P.

There will be five floors including the cellar of Article 28 space. There will be Oncology in the cellar with Radiation Oncology, PET/CT, and Building Support. Primary Care, Wellness and Recovery, and Building Support will be on the Ground Floor. The Second Floor will house a Community Mental Health Center, Behavioral Health Center, another Wellness and Recovery Center, and Building Support. The third floor will house oncology exam rooms, infusions, and Building Support. The fourth floor will support endoscopy and Building Support.

The Applicant reports there is a need for 18 additional linear accelerators in Queens County. The Applicant is seeking approval for one (1) linear accelerator within the new proposed extension clinic. This will help to expand the Hospital's cancer service line capability, complement the medical oncology service of the hospital, and provide the Hospital the capability to handle the growing demand for linear accelerator services in accordance with public need. The proposed PET/CT scanner will serve as a general cancer imaging unit as well as a CT simulator for radiation therapy treatment planning. In 2022, the hospital provided 17,627 CT scans on its three (3) conventional CT scanners. SJEH cancer patients requiring infusions are currently seen within the hospital in its four (4) existing infusion stations, which also provide infusions to inpatient cancer patients. In 2022, 82 infusions went through four (4) stations. Through this proposed project, SJEH will add 17 infusion stations to the extension clinic for serving outpatients only.

The Wellness and Recovery Center is a clinic for adults who struggle with more severe behavioral health disorders or may be dually diagnosed. This Center provides a higher frequency and intensity of individual, group, and family treatment. Primary Care that is offered at this site coordinates care of patients with medical health needs and behavioral health services.

The Applicant reports that the proposed extension clinic will provide a needed resource to the area. The Applicant reports that 17% of the PSA is living at or below the Federal Poverty Level, and 42.8% were utilizing public health insurance or had no health insurance. The implementation of this project will result in the creation of a new extension clinic just across the street from the hospital that will enable SJEH to provide services to patients in a more efficient manner.

Staffing is expected to increase as a result of this construction/expansion project by 35.5 FTEs in Year One and 45.5 by Year Three of the completed project.

Compliance with Applicable Codes, Rules, and Regulations

The medical staff will continue to ensure that the procedures performed at the facility conform to generally accepted standards of practice and that privileges granted are within the physician's scope of practice and expertise. The Facility's admissions policy includes anti-discrimination provisions regarding age, race, creed, color, national origin, marital status, sex, sexual orientation, religion, disability, or source of payment. All procedures are performed in accordance with all applicable federal and state codes, rules, and regulations.

Prevention Agenda

St. John's Episcopal Hospital South Shore (SJEH) seeks approval to certify and construct a new extension clinic in Queens County, directly across the street from the Hospital's campus. Through this project, SJEH will construct a new, four (4)-story (plus cellar), 55,145-square-foot extension clinic that will house the following Article 28 or dually certified Article 28 and Article 31 services and programs:

- Radiation Oncology (Linear Accelerator, PET/CT)
- Primary Care
- Wellness and Recovery Center
- Community Mental Health Center
- Behavioral Health Center
- Medical Oncology (Infusion, Exam)
- Gastroenterology

St. John's Episcopal Hospital South Shore is implementing multiple interventions to support priorities of the 2019-2024 New York State Prevention Agenda, including:

- Promote Well-Being and Prevent Mental and Substance Use Disorders
- Prevent Chronic Disease

The implementation of this project will advance the Prevention Agenda priorities selected by SJEH in their most recent Community Service Plan (CSP). In particular, the proposed project will help increase screening and early detection and improve self-management for chronic diseases such as cancer, cardiovascular disease, diabetes, prediabetes, and obesity.

In 2021, St. John's Episcopal Hospital South Shore had \$46,834,449 in Community Benefits Spending (16.08% of total operating expenses) and \$ 985,742 in Community Health Improvement Services spending (0.34 % of total operating expenses).

Conclusion

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

Financial Analysis

Total Project Cost and Financing

Total project costs for new construction and moveable equipment are estimated at \$55,431,196, broken down as follows:

	St. John's Holdings Corp <u>Sub-Project 1</u> QALICB	St. John's Episcopal Hospital South Shore <u>Sub-Project 2</u>	<u>Total</u>
New Construction	\$21,051,976	\$17,341,991	\$38,393,967
Design Contingency	2,105,198	1,734,199	3,839,397
Construction Contingency	1,052,599	867,100	1,919,699
Architect/Engineering Fees	1,125,251	269,808	1,395,059
Other Fees	25,000	25,000	50,000
Movable Equipment	1,000,000	6,477,881	7,477,881
Financing Costs	400,000	0	400,000
Interim Interest Expense	<u>1,650,000</u>	<u>0</u>	<u>1,650,000</u>
Sub-Total before Fees	\$28,410,024	\$26,715,979	\$55,126,003
CON Application Fee			2,000
CON Processing Fee			<u>303,193</u>
Total Project Cost			\$55,431,196

- Sub-Project #1 –This includes the costs of the core and shell of the entire building (including the roof), plus the fit-out and equipment for the 2nd floor.
- Sub-Project #2 – This includes the costs of fitting out and equipping the new building's cellar, 1st, 3rd, and 4th floors.
- Both sub-projects are Article 28 spaces (some are dually certified under Article 28 and Article 31).

The applicant's financing plan appears as follows:

Equity (contributed entire amount as of June 30, 2024)	\$22,543,770
EHS – executed loan - Capital Impact Partners. Part of the New Market Tax Credit (NMTC) Program. 7-year terms (1/15/21-1/15/28), 5.84% interest rate, 25-year amortization	5,000,000
EHS – executed loan – Non-profit Finance Fund, a non-profit CDFI. 7-year terms (1/15/21-1/15/28), 5.75% interest rate, 25-year amortization	5,000,000
EHS – New Market Tax Credit – has been received as a 7-year-term loan, at which point the debt is forgiven and is effectively treated as a grant. Available to SJEH through the NMTC Program *	5,973,750
SJEH – Lease financing for Pet/CT scanner -Letter of Interest from Pantheon Capital Terms 60 months, the interest rate is based on a five-year U.S. Treasury Rate, which currently stands at 3.86%.	907,581
SJEH - Approved Capital Restructuring Financing Program (CRFP) (funding remaining) on contract # DOH01-C31151GG-3450000	2,086,095
SJEH – Approved Statewide Health Care Facility Transformation Program (SHCFTP) Phase 2 grant. Contract #DOH01-SHCFT2-2018-00545	3,955,000
SJEH- Approved SHCFTP Phase 3 grant. To be used toward gastroenterology #DOH01-SHCFT3-2021-00489	3,340,000
SJEH – Approved SHCFTP Phase 3 grant. #DOH01-SHCFT3-2021-00529	<u>6,625,000</u>
Total	\$55,431,196

* A New Market Tax Credit description is shown as BFA Attachment D.

Operating Budget

The applicant has submitted their current year (2023) and projected operating budgets for the first and third years in 2025 dollars, summarized below:

	<u>Current Yr.</u>		<u>First Year</u>		<u>Third Year</u>	
Revenues-Inpatient:	<u>Per Disch.</u>	<u>Total</u>	<u>Per Disch.</u>	<u>Total</u>	<u>Per Disch.</u>	<u>Total</u>
Medicaid FFS	\$15,231	\$18,597,435	\$15,231	\$18,597,435	\$15,231	\$18,597,435
Medicaid MC	\$23,675	71,047,593	\$23,675	71,047,593	\$23,675	71,047,593
Medicare FFS	\$32,264	75,174,940	\$32,264	75,174,940	\$32,264	75,174,940
Medicare MC	\$13,966	27,163,304	\$13,966	27,163,304	\$13,966	27,163,304
Commercial MC	\$11,450	7,099,076	\$11,450	7,099,076	\$11,450	7,099,076
Private	\$418	15,878	\$418	15,878	\$418	15,878
All Other	\$8,489	<u>169,775</u>	\$8,489	<u>169,775</u>	\$8,489	<u>169,775</u>
Subtotal Inpatient		\$199,268,001		\$199,268,001		\$199,268,001
Revenues-Outpatient:	<u>Per Visits</u>	<u>Current Yr.</u>	<u>Per Visit</u>	<u>First Year</u>	<u>Per Visit</u>	<u>Third Year</u>
Medicaid FFS	\$334	\$2,844,750	\$364	\$3,539,524	\$374	\$3,762,433
Medicaid MC	\$332	24,150,566	\$367	29,198,715	\$374	30,400,174
Medicare FFS	\$589	6,256,436	\$621	7,920,236	\$632	8,434,687
Medicare MC	\$319	6,943,996	\$362	8,826,264	\$375	9,404,686
Commercial MC	\$512	9,378,693	\$578	12,058,337	\$597	12,907,578
Private Pay	\$12	31,641	\$188	535,601	\$255	735,612
All Other	\$312	<u>322,917</u>	\$312	<u>322,917</u>	\$312	<u>322,917</u>
Subtotal-outpatient		\$49,928,999		\$62,401,594		\$65,968,087
Other Operating*		<u>\$148,597,000</u>		<u>\$148,597,000</u>		<u>\$148,597,000</u>
Total Revenue		\$397,794,000		\$410,266,595		\$413,833,088
Expenses						
Operating		\$374,928,063		\$385,387,520		\$387,696,646
Capital		<u>17,196,966</u>		<u>19,649,900</u>		<u>19,643,473</u>
Total Expenses		\$392,125,029		\$405,037,420		\$407,340,119
Net Income (Loss)		\$5,668,971		\$5,229,175		\$6,492,969
Inpatient discharges		9,177		9,177		9,177
Outpatient Visits		136,741		152,432		156,608

* Other Income: Medical Students \$2,423,000, Pharmacy \$1,377,000, Support (NYS & Fed Gov't) \$118,306,000, and Other \$26,491,000.

The following is noted concerning the submitted budget:

- The current year reflects the facility's 2023 revenue and expenses.
- Revenues for new services are based on the experience of other New York State hospitals. For services being relocated, revenues are based on historical experience adjusted for volume.
- For the existing services that will be relocated to the extension clinic, the number and mix of staff were based on SJEH's experience in providing primary care services, including services through its Wellness and Recovery Center, Community Mental Health Center, and other behavioral health programs. The number and mix of staff for new services were based on the experience of other Article 28 programs operating similar services.
- Projected utilization is based on experience. For new services related to radiation oncology, utilization is based on local community patients being referred to providers outside the community.

Utilization by payor source is as follows:

<u>Inpatient</u> <u>Payor:</u>	<u>Current Year</u> <u>2022</u>		<u>Year One</u> <u>2024</u>		<u>Year Three</u> <u>2026</u>	
	<u>Disch.</u>	<u>%</u>	<u>Disch.</u>	<u>%</u>	<u>Disch.</u>	<u>%</u>
Medicaid FFS	1,221	13.32%	1,221	13.32%	1,221	13.32%
Medicaid MC	2,525	32.31%	2,525	32.31%	2,525	32.31%
Medicare FFS	2,051	26.24%	2,051	26.24%	2,051	26.24%
Medicare MC	1,689	21.61%	1,689	21.61%	1,689	21.61%
Commercial MC	506	6.47%	506	6.47%	506	6.47%
Private Pay	14	0.18%	14	0.18%	14	0.18%
Charity	4	0.05%	4	0.05%	4	0.05%
<u>All Other</u>	<u>11</u>	<u>0.14%</u>	<u>11</u>	<u>0.14%</u>	<u>11</u>	<u>0.14%</u>
Total by Payor	7,816	100%	7,816	100%	7,816	100%

<u>Outpatient</u> <u>Payor:</u>	<u>Current Year</u> <u>2022</u>		<u>Year One</u> <u>2024</u>		<u>Year Three</u> <u>2026</u>	
	<u>Visits</u>	<u>%</u>	<u>Visits</u>	<u>%</u>	<u>Visits</u>	<u>%</u>
Medicaid FFS	8,526	6.24%	9,719	6.38%	10,064	6.43%
Medicaid MC	72,643	53.12%	79,518	52.17%	81,207	51.85%
Medicare FFS	10,617	7.76%	12,755	8.37%	13,355	8.53%
Medicare MC	21,749	15.91%	24,387	16.00%	25,094	16.02%
Commercial MC	18,329	13.40%	20,864	13.69%	21,605	13.80%
Private Pay	2,749	2.01%	2,851	1.87%	2,881	1.84%
Charity			1,303			
	1,093	0.80%		0.85%	1,367	0.87%
<u>All Other</u>	<u>1,035</u>	<u>0.76%</u>	<u>1,035</u>	<u>0.67%</u>	<u>1,035</u>	<u>0.66%</u>
Total by Payor	126,716	100%	142,407	100%	146,583	100%

Ground Lease Agreement

The applicant submitted an executed ground lease agreement; the terms are summarized below:

Date:	January 15, 2021
Premises:	Land for the D&TC extension clinic at 19-20 Brookhaven Avenue, Far Rockway (Queens County)
Landlord:	Episcopal Health Services, Inc
Lessee:	St. John's Episcopal Holdings Corp. (QALICB)
Term:	Ninety-nine (99) years
Rent:	\$1 per year
Provisions:	Triple Net
Note:	Landlord and QALICB (Lessee) agree that Landlord is making an unconditional charitable contribution to the QALICA of a portion of the value of the Ground Lease Property in the amount of \$1,900,000.

Operating Lease Agreement

The applicant submitted an executed operating lease agreement; the terms are summarized below:

Date:	January 15, 2021
Premises:	D&TC extension clinic located at 19-20 Brookhaven Avenue, Far Rockway (Queens County)
Landlord:	St. John's Episcopal Holdings Corp. (QALICB)
Lessee:	Episcopal Health Services, Inc.
Term:	35 years
Rent:	\$375,000 per year, paid quarterly at \$93,750 per quarter. 2.5% increase per year In 2028, rent will go up to \$1,219,512 annually, paid quarterly. 2.50% rent increase per year
Provisions:	Triple Net

The lease arrangement is a non-arms-length agreement, meaning the landlord and lessee are related entities. The applicant has submitted letters from two New York Licensed Real Estate Brokers attesting that the lease cost per square foot is at fair market value.

Capability and Feasibility

The total project cost of \$55,431,196 will be met with cash of \$44,523,615, an equipment lease of \$907,581, and two executed loans totaling \$10,000,000 (\$5,000,000 from Capital Impact Partners and \$5,000,000 from Non-profit Finance Fund). The \$44,523,615 in cash consists of \$22,543,770 in accumulated surplus from SJEH, \$5,973,750 in New Markets Tax Credits, \$2,086,095 in Capital Restructuring Financing Program (CRFP), \$13,920,000 in Statewide Health Care Facility Transformation Programs (SHCFTP) Phase 2 and Phase 3.

Incremental working capital will be funded from operations. BFA Attachments A and B present Episcopal Health Services Inc. and Subsidiaries' 2022-2023 certified financial statements and the June 30, 2024 Internal Financial Statements, which indicates the availability of sufficient funds for the project. BFA Attachment C presents SJEH's monthly incremental monthly cash flow analysis. The applicant projects a profit in the first and third years of \$5,229,175 and \$6,492,969, respectively. The budget appears reasonable.

Review of BFA Attachment A and B, Episcopal Health Services Inc. and Subsidiaries' 2021-2022 Certified Financial Statements and September 30, 2023, Internal Financial Statement, shows negative working capital, positive net assets, and positive net income. In 2022, the Corporation received \$114,821,000 in support from New York State through its Value-Based Payment Quality Improvement Program and Vital Access Provider Assurance Program. SJEH has taken steps to improve its financial status including implementing projects that will generate net operating income and help to reverse the negative working capital.

Conclusion

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

Attachments

BHFP Attachment	Map
BFA Attachment A	Financial Summary, Episcopal Health Services Inc., and Subsidiaries' 2022-2023 Certified Financial Statements
BFA Attachment B	Financial Summary, Episcopal Health Services Inc. and June 30, 2024, Internal Financial Statements
BFA Attachment C	St John's Episcopal Hospital South Shore (SJEH), Incremental Cash Flow
BFA Attachment D	Description of the New Markets Tax Credit from Episcopal Health Services Inc. and Subsidiaries 2023 Certified Financial Statement.



Project # 242051-C
ColumbiaDoctors/NewYork-Presbyterian Imaging

Program: Diagnostic and Treatment Center **County:** Westchester
Purpose: Construction **Acknowledged:** August 12, 2024

Executive Summary

Description

ColumbiaDoctors/NewYork-Presbyterian Imaging (CDNYPI), an existing Article 28 diagnostic and treatment center (D&TC), is seeking approval to certify a new extension clinic (the Clinic) on the first and fourth floors at 1111 Westchester Avenue, White Plains NY 10604. The extension clinic will provide imaging services including three (3) MRI machines, one (1) interventional radiology (IR) unit, one (1) Photon CT scanner and one (1) PET CT, three (3) X-Ray rooms, one (1) mammography unit, one (1) mammography unit with stereotactic biopsy, and four (4) ultrasound units.

The proposed extension clinic will be co-located with the hospital extension clinic of New York-Presbyterian Hospital Westchester that received Contingent Approval from the Department in February, 2024, occupying space on the 3rd and 4th floors of the same building. That facility is to be certified for Multispecialty Ambulatory Surgery, , O/P Occupational Therapy, O/P Physical Therapy—Speech Language Pathology, and Other Medical Specialties.

ColumbiaDoctors/NewYork-Presbyterian Imaging is a collaboration between New York-Presbyterian Hospital (NYPH) and The Trustees of Columbia University in the City of New York (Columbia University). The Center has two (2) members. The first member is NYP Programs, Inc., which has as its passive sole corporate member NewYork - Presbyterian Foundation, Inc., a New York not-for-profit corporation. The second member is Columbia NewRad, Inc, whose passive sole member is Columbia University.

Marc Brown, M.D., board-certified in Radiology, will serve as Medical Director. CDNYPI is proposing a Transfer and Affiliation Agreement with NewYork-Presbyterian Hospital, 11.8 miles (18 minutes) from the proposed extension clinic to serve as a backup and provide emergency services.

OPCHSM Recommendation
Contingent Approval

Need Summary

The applicant projects 38,519 visits in Year One and 66,544 in Year Three with 8.9% Medicaid and 0% Charity Care in Year One and 8.8% Medicaid and 0% Charity Care in Year Three of operations.

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 cost of \$76,801,308 will be met with cash/accumulated funds of \$48,084,371 from NewYork-Presbyterian Hospital and a licensee improvement allowance of \$28,716,937.

Budget:	Year One	Year Three
Revenues	\$19,759,207	\$39,286,942
Expenses	<u>29,546,930</u>	<u>39,591,340</u>
Net Income / (Loss)	(\$9,787,723)	(\$304,398)

Health Equity Impact Assessment

The information and analysis presented in the Health Equity Impact Assessment and the applicant's mitigation plan demonstrate the proposed project will not result in any significant adverse health equity impacts.

Recommendations

Health Systems Agency

There will be no HSA recommendation for this project.

Office of Primary Care and Health Systems Management

Approval contingent upon:

1. Submission of a check for the amount enumerated in the approval letter, payable to the New York State Department of Health. Public Health Law Section 2802.7 states that all construction applications requiring review by the Public Health and Health Planning Council shall pay an additional fee of fifty-five hundredths of one percent of the total capital value of the project, exclusive of CON fees. [PMU]
2. Submission of State Hospital Code (SHC) Drawings, acceptable to the Department, as described in BAEFP Drawing Submission Guidelines DSG-01. [AER]
3. Submission of Engineering (MEP) Drawings for review and approval, as described in BAER Drawing Submission Guidelines DSG-1.0 [AER]
4. Submission of an executed building lease acceptable to the Department of Health. [BFA]
5. Submission of an executed transfer and affiliation agreement, acceptable to the Department, with a local acute care hospital. [HSP]

Approval conditional upon:

1. This project must be completed by **March 1, 2026**, including all pre-opening processes, if applicable. Failure to complete the project by this date may constitute an abandonment of the project by the applicant and the expiration of the approval. It is the responsibility of the applicant to request prior approval for any extensions to the project approval expiration date. [PMU]
2. Construction must start on or before **June 15, 2025**, and construction must be completed by **December 1, 2025**, presuming the Department has issued a letter deeming all contingencies have been satisfied prior to commencement. It is the responsibility of the applicant to request prior approval for any changes to the start and completion dates. In accordance with 10 NYCRR Section 710.10(a), if construction is not started on or before the approved start date, this shall constitute abandonment of the approval. [PMU]
3. The submission of Final Construction Documents, as described in BAER Drawing Submission Guidelines DSG-05, is required prior to the applicant's start of construction. [AER]
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 applicant must ensure registration for and training of facility staff on the Department's Health Commerce System (HCS). The HCS is the secure web-based means by which facilities must communicate with the Department and receive vital information. Upon receipt of the Operating Certificate, the Administrator/director that has day-to-day oversight of the facility's operations shall submit the HCS Access Form at the following link to begin the process to enroll for HCS access for the first time or update enrollment information as necessary:
https://www.health.ny.gov/facilities/hospital/docs/hcs_access_form_new_clinics.pdf. Questions may be directed to the Division of Hospitals and Diagnostic & Treatment Centers at 518-402-1004 or email: hospinfo@health.ny.gov [HSP]

Council Action Date

December 5, 2024

Need Analysis

Project Description

Columbia Doctors/New York-Presbyterian Imaging (CDNYPI), an existing Article 28 diagnostic and treatment center (D&TC) at 51 West, 51st Street NY 10019 is requesting approval to certify a new extension clinic on the 1st and 4th floor at 1111 Westchester Avenue, White Plains NY 10604. The proposed center will be certified for services CT Scanner, Magnetic Resonance Imaging, and Medical Services – Other Medical Specialties. The extension clinic will provide imaging services including three (3) MRI machines, one (1) interventional radiology (IR) unit, one (1) Photon CT scanner and one (1) PET CT, three (3) X-ray rooms, one (1) mammography unit, one (1) mammography unit with stereotactic biopsy, and four (4) ultrasound units. CDNYPI also operates extension clinics in Tarrytown and Eastchester.

Background and Analysis

The primary service area for this project includes Westchester and Rockland Counties. The population of Westchester County is projected to increase to 1,033,428 a 3.5% increase and the population of Rockland County is estimated to increase to 354,877 an increase of 5.2% by 2029 according to the Cornell Program on Applied Demographics. Demographics for the primary service area are noted below including a comparison with New York State.

Demographics	Westchester County	Rockland County	New York State
Total Population	997,904	337,326	19,994,379
Hispanic or Latino (of any race)	25.8%	18.6%	19.5%
White (non-Hispanic)	51.2%	61.9%	53.8%
Black or African American (non-Hispanic)	13.3%	10.9%	13.8%
Asian(non-Hispanic)	6.1%	6.0%	8.8%
Other (non-Hispanic)	3.6%	2.6%	4.1%

Source: 2022 American Community Survey (5-Year Estimates Data Profiles)

In 2022, 95.1% of the population of Westchester County and 95.9% of Rockland County population had health coverage as follows:

Health Plans	Westchester County	Rockland County
Employer plans	56.1%	44.2%
Medicaid	14.1%	28.4%
Medicare	12.9%	11.6%
Non-group plans	11.6%	11.5%
Military or VA plans	0.326%	0.198%

Source: Data USA

The projected payor mix includes:

Applicant Projected Payor Mix		
Payor	Year One	Year Three
Commercial	60.79%	61.54%
Medicare	29.56%	29.08%
Medicaid	8.94%	8.79%
All Other	0.71%	0.59%
Charity Care	0%	0%

The applicant projects 38,519 visits in Year One and 66,544 visits in Year Three for the proposed facility.

This project proposes providing imaging services within a multispecialty ambulatory care center to be operated by New York-Presbyterian Hospital (NYPH). CON-231308 (New York-Presbyterian Hospital Westchester) a hospital extension clinic, has received a Contingent Approval Letter from the Department and will be situated on the 3rd and 4th floors of the same building. The facility approved is certified for the following services Ambulatory Surgery—Multispecialty, Medical Services—Other Medical Specialties, Therapy—Occupational O/P, Therapy—Physical O/P, and Therapy—Speech Language Pathology O/P.

According to the applicant, the new location will offer comprehensive radiological services such as PET/CT, MRI, and expanded cardiac imaging, which is currently available only at their Tarrytown location and currently has a four (4) week wait time to the next appointment. Cardiac imaging aimed at minimizing the need for interventional cardiology procedures will be the focus. Additionally, this site will provide enhanced breast imaging services including stereotactic biopsies, MRI-guided breast biopsies, and contrast-enhanced mammograms to improve diagnostic accuracy and expedite care. These services are currently not offered at the Tarrytown location. The recently opened extension clinic in Eastchester (CON 211264) provides CT Scanner, MRI service as well as Other Medical Specialties, however can accommodate only one screening mammogram unit.

Prevention Quality Indicators (PQIs) are rates of admission to the hospital for conditions for which good outpatient care can potentially prevent the need for hospitalization, or for which early intervention can prevent complications or more severe disease. The table below provides information on PQI rates for 2021 related to this application.

Hospital Admissions per 100,000 Adults			
PQI Name	Westchester County	Rockland County	New York State
Diabetes Short-Term Complications	46	46	71
Diabetes Long-Term Complications	110	96	117
Chronic Obstructive Pulmonary Disease or Asthma	152	171	239
Hypertension	63	53	70
Heart Failure	301	271	377
Bacterial Pneumonia	75	112	88
Uncontrolled Diabetes	40	37	49
Urinary Tract Infection	117	118	105
Prevention Quality Overall Composite	874	852	1,050

Source: *Health.Data.NY.Gov*

Conclusion

Approval of this project will allow for consolidated access to medical services for Rockland and Westchester County residents.

Program Analysis

Project Proposal

Current Operator	ColumbiaDoctors/NewYork-Presbyterian Imaging
To Be Known As	ColumbiaDoctors/NewYork-Presbyterian Imaging
Site Address	1111 Westchester Avenue, White Plains, NY 10019 (New York County).
Specialties	CT Scanner, Magnetic Resonance Imaging Medical Services – Other Medical Specialties.
Hours of Operation	Monday through Friday, 8 am to 6 pm If needs indicate, hours may expand.
Staffing (1st Year / 3rd Year)	75.17 FTEs / 87.3 FTEs
Medical Director(s)	Marc Brown, M.D.
Emergency, In-Patient and Backup Support Services Agreement and Distance	(Proposed) NewYork-Presbyterian Hospital-Westchester 11.8 miles / 18 minutes away

CDNYPI is working on a Transfer and Affiliation Agreement with NewYork-Presbyterian-Westchester, 11.8 miles (18 minutes) from the proposed extension clinic to serve as a backup and emergency services. The applicant has provided a draft Transfer Agreement.

The Center will be operational five (5) days per week:

- Monday through Friday - 8:00 AM to 6:00 PM
- Weekend hours will be incorporated as determined based on service needs.

The table below presents the projected FTEs in Year One and Year Three after completion of the project.

Positions	Year One FTEs	Year Three FTEs
Management & Supervision	8.7	8.7
Technicians & Specialists	29.0	33.0
Aides, Orderlies & Attendants	2.0	3.0
Registered Nurse	6.0	7.5
Physicians	5.47	9.18
Clerical and Other Administrative	23.5	25.5
Other - Physicist	0.5	0.5
Totals	75.17	87.3

There will be an increase of 12.13 FTEs from Year One to Year Three. The extension clinic will be under the direction of a physician Medical Director and will also have an Administrator who will monitor the operations. Staff of the extension clinic will also be leased through the existing employee lease agreement with Columbia University

The extension clinic will maintain medical records in accordance with applicable requirements, including Section 751.7 of 10 NYCRR, so that all pertinent patient information from exams at the extension clinic are recorded and subject to review and proper evaluation. Epic, electronic medical records system, is shared by all sites in the NYP-CU system to ensure continuity of care across sites and providers.

Marc Brown M.D. will serve as the Medical Director. Dr. Brown received a degree from Columbia University College of Physicians and Surgeons in New York in 1991 and a Bachelor's degree from Harvard University in Massachusetts in 1985. Dr. Brown completed a Pathology Internship at Columbia-Presbyterian Medical Center in New York in 1992. In 1996, Dr. Brown completed a Residency in

Diagnostic Radiology at Columbia-Presbyterian Medical Center in New York. Dr. Brown completed a Fellowship in Ultrasound and Breast Imaging at Columbia-Presbyterian Medical Center in New York in 1997.

Dr. Brown is board certified with the American Board of Radiology. Currently, Dr. Brown is the Medical Director at ColumbiaDoctors/NewYork-Presbyterian Imaging in New York since 2017; is the Executive Vice Chairman for Clinical Operations, in the Department of Radiology at Columbia University Irving Medical Center in New York, since 2008; and was the Medical Director at ColumbiaDoctors Radiology in New York from 2000 to 2017.

New York Presbyterian Hospital-Queens, was issued a Stipulation and Order effective 11/06/17, and was fined \$2,000, based on a survey which occurred on 5/16/16. An Immediate Jeopardy was identified on 5/10/16 for violation of patient rights. The citations were based on utilizing untrained security guards in the application of restraints when doing physical holds of patients in manpower situations.

The staff from the Division of Certification & Surveillance reviewed the ten-year surveillance history of all associated licensed 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 complaints, independent professional reviews, and/or comprehensive/focused inspections.

Conclusion

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

Financial Analysis

Total Project Cost and Financing

The total project cost for renovations and movable equipment is broken down as follows:

Renovation & Demolition	\$37,629,085
Site Development	72,500
Design Contingency	3,762,908
Construction Contingency	3,762,908
Planning Consultant Fees	20,000
Architect/Engineering Fees	2,257,000
Other Fees	1,850,615
Movable Equipment	21,834,267
Telecommunications	5,189,939
Application Fee	2,000
Additional Processing Fee	<u>420,086</u>
Total Project Cost	\$76,801,308

The financing for this project will be as follows:

Cash / Accumulated Funds from NYPH	\$48,084,371
Licensee Improvement Allowance	<u>28,716,937</u>
Total	\$76,801,308

BFA Attachments A through D show sufficient resources to meet the equity requirement.

Operating Budget

The applicant has submitted an operating budget, in 2024 dollars, for years one and three, summarized below:

	<u>Year One</u>		<u>Year Three</u>	
	<u>Per Proc.</u>	<u>Total</u>	<u>Per Proc.</u>	<u>Total</u>
Revenues:				
Commercial MC	\$727.38	17,031,543	\$833.01	34,115,266
Medicare FFS	\$180.84	1,437,137	\$201.46	2,704,953
Medicare MC	\$190.59	655,805	\$211.46	1,252,913
Medicaid FFS	\$97.90	10,356	\$105.40	20,869
Medicaid MC	\$177.49	592,457	\$201.49	1,138,416
All Other	\$117.31	<u>31,909</u>	\$139.81	<u>54,525</u>
Total Revenue		\$19,759,207		\$39,286,942
Expenses:				
Operating	\$565.47	\$21,781,404	\$478.73	\$31,856,443
Capital	<u>201.60</u>	<u>7,765,526</u>	<u>116.34</u>	<u>7,734,897</u>
Total	\$767.07	\$29,546,930	\$594.97	\$39,591,340
Net Income / (Loss)		<u>(\$9,787,723)</u>		<u>(\$304,398)</u>
Total Visits		38,519		66,544
Cost per Visit		\$767.07		\$594.97

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

<u>Payor:</u>	<u>Years One</u>	<u>Year Three</u>
Commercial MC	60.79%	61.54%
Medicare FFS	20.63%	20.18%
Medicare MC	8.93%	8.90%
Medicaid FFS	0.27%	0.30%
Medicaid MC	8.67%	8.49%
All Other	0.70%	0.59%
Total	100.00%	100.00%

The following is noted with respect to the submitted budget:

- Projected revenues are based on the historical internal ColumbiaDoctors referral trends for each specialty/service line.
- The number and mix of staff were determined by the historical experience of the Center's members in providing radiological surgical services. The staffing levels will be maintained to meet current standards of practice.
- Expenses are projected based on staffing costs, operating expenses, technology and equipment maintenance, administrative overhead, training and development, and variable costs that fluctuate with patient volume.
- The Medicare and Medicaid rates are based on the rates determined by the Centers for Medicare and Medicaid Services (CMS).
- Commercial payor rates are based on the center's negotiated agreements with insurers.
- All Other includes revenue from Self-pay, Workers' Compensation and international patients.
- The applicant indicated they are committed to serving underinsured populations and all persons in need without regard to the patient's ability to pay or the source of payment. The FASC developed a financial assistance policy to be utilized when the center is operational.

Draft Affiliate License Agreement

The applicant has submitted a draft affiliate license agreement for the site to be occupied, summarized below:

Premises:	1111 Westchester Avenue, White Plains, 11217
Licensor:	The New York and Presbyterian Hospital
Licensee:	ColumbiaDoctors at NewYork-Presbyterian Imaging
Term:	30 years
License Fee:	Base fee for total leased space is estimated at \$1,148,385 per year (\$95,698.75 per month) for the 1st year and is based on a \$35.00/sq.ft. multiplied by 32,811 total square footage for the proposed extension clinic. Rent will increase at 2% of the base fee thereafter.
Provisions:	Licensee is responsible for real estate taxes, insurance, utilities and maintenance.

The applicant has indicated that the draft license agreement between the licensor and the lessee is a non-arm's length arrangement. The applicant has submitted letters from two NYS licensed realtors attesting to the reasonableness of the per square footage rental. The extension clinic will have a separate entrance on each floor for its patients.

Capability and Feasibility

The total project cost of \$76,801,308 will be met with cash/accumulated funds of \$48,084,371 from NewYork-Presbyterian Hospital and a licensee improvement allowance of \$28,716,937. The total project cost will be amortized over a 30-year term and will be included in rent paid by CDNYPI.

Working capital requirements are estimated at \$6,598,557 based on two months of third-year expenses. The working capital will be funded through equity from the existing operations of CDNYPI.

BFA Attachment A presents NewYork-Presbyterian Hospital's financial statements for the year ended December 31, 2023, which shows the hospital maintained positive working capital, positive net equity position and excess of revenues over expenses of \$1,185,458,000. BFA Attachment B presents NewYork-Presbyterian Hospital's internal financial statements for period-ended June 30, 2024, during which the hospital maintained positive working capital and positive net equity position and generated a net gain \$663,138,000.

BFA Attachment C presents CDNYPI's financial statements for the year ended December 31, 2023 during which the facility maintained positive working capital and positive net equity position and generated an excess of revenues over expenses of \$18,500,245. BFA Attachment D presents CDNYPI's financial statements for period ended June 30, 2024, during which the facility reported positive working capital and positive net equity position and a net surplus of \$9,204,673.

The submitted budget projects net losses of \$9,787,723 and \$304,398 in Years One and Three, respectively. CDNYPI has provided a letter indicating willingness to cover operating losses with equity from ongoing operations of CDNYPI. The budget appears reasonable.

Conclusion

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

Health Equity

Health Equity Impact Assessment Summary

The anticipated impacts on affected medically underserved groups identified by the Independent Entity are positive. Ten percent of the Applicant's current patient population travel from Rockland and Westchester counties and surrounding areas to midtown Manhattan, where they face a service wait time of three weeks to three months. Providing dedicated imaging services within the project's service area will enhance the patient experience by providing advanced care that is easily accessible to where patients live and receive care, creating a more patient-centric experience and an operationally efficient setting for care. The proposed imaging services operated by the Applicant will complement on-site medical specialties and provide a streamlined and cohesive patient experience in an area that is currently underserved in medical imaging service options. Immigrants and women are more prevalent in the project's service area than the New York State average, and both groups are particularly vulnerable to poor health outcomes without accessible imaging services as preventable measures. Additionally, low income people will benefit from the Applicant's program to connect patients to funding options available at the state-level and/or sliding scale charges.

Conclusion

The information and analysis presented in the Health Equity Impact Assessment and the applicant's mitigation plan demonstrates the proposed project will not result in any significant adverse health equity impacts.

Attachments

BHFP Attachment	Map
BFA Attachment A	The New York and Presbyterian Hospital Consolidated Statements of Financial Position
BFA Attachment B	The New York and Presbyterian Hospital Consolidated Statements of Operations
BFA Attachment C	ColumbiaDoctors/NewYork-Presbyterian Imaging Balance Sheet / Statements of Operations and Changes in Net Assets – 2022 - 2023
BFA Attachment D	ColumbiaDoctors/NewYork-Presbyterian Imaging Balance Sheet as of 6/30/2024 and 12/31/2023 (Audited)
BFA Attachment E	ColumbiaDoctors/NewYork-Presbyterian Imaging Organization Chart
OHEAHR Attachment	Health Equity Impact Assessment



Project # 232123-E
Fifth Avenue Surgery Center

Program: Diagnostic and Treatment Center
Purpose: Establishment

County: New York
Acknowledged: October 12, 2023

Executive Summary

Description

Fifth Avenue Surgery Center, LLC (The Center), the operator of an existing Article 28 Diagnostic and Treatment Center (D&TC), requests approval to transfer 30.4% ownership interest to fourteen (14) new members, 11.6% ownership interest to two (2) existing members, and .9% interest from one (1) withdrawing member to the remaining members. The Center operates as a multi-specialty freestanding ambulatory surgical center (FASC), with its main site at 1049 Fifth Avenue, New York, an extension clinic at 305 East 47th Street, New York.

This application seeks approval to create a new Class M membership interest in the Center for 14 new Class M members: CHC Partner Holdings, LLC (7.0%), Mega Group Solution, Inc. (2.3%), Christopher Kyriakides, D.O. (1.6%), SIGNME, LLC (6.2%), Marcello Russo (1.2%), Alejandro Chaban (0.8%), Sara Dagan (0.8%), Paul Marino (2.3%), Howard Fineman (2.3%), Michael Cafone (0.8%), STP, LLC (2.3%), Yulia Velilla (.8%), Troy Hime (.8%) and PB Ventures 3, LLC (1.2%). Additionally, Gesheft Associates, LLC will purchase 3.1% Class M membership interest in the Center from Fifth Avenue Surgery Center, LLC; Gregg Rock, DPM will purchase an 8.5% Class M membership interest in the Center from Fifth Avenue Surgery Center, LLC. Finally, current member Baruck Kim, MD. will redeem

his .9% Class F membership interest in the Center and withdraw from the Center.

OPCHSM Recommendation
Contingent Approval

Need Summary

There will be no need review per Public Health Law §2801-a (4).

Program Summary

The individual background review indicates the proposed members have met the standard for approval as set forth in Public Health Law §2801-a(3).

Financial Summary

The total purchase price for all memberships interests is \$7,380,000 and will be met with personal resources of the proposed members. There is no budget presented in this review since this application is a change of ownership and there are no changes to current operations.

Health Equity Impact Assessment

The was no Health Equity Impact Assessment required for this project under Section 2802-B of the PHL, as it was received by the Department on October 21, 2023.

Recommendations

Health Systems Agency

There will be no HSA recommendation for this project.

Office of Primary Care and Health Systems Management

Approval contingent upon:

1. Submission of an executed ownership interest purchase agreement for CHC Partner Holdings, LLC as the purchaser that is acceptable to the Department of Health. [BFA]

Approval conditional upon

1. This project must be completed by **one year from the date of the recommendation letter**, including all pre-opening processes, if applicable. Failure to complete the project by this date may constitute an abandonment of the project by the applicant and the expiration of the approval. It is the responsibility of the applicant to request prior approval for any extensions to the project approval expiration date. [PMU]
2. The applicant must ensure registration for and training of facility staff on the Department's Health Commerce System (HCS). The HCS is the secure web-based means by which facilities must communicate with the Department and receive vital information. Upon receipt of the Operating Certificate, the Administrator/director that has day-to-day oversight of the facility's operations shall submit the HCS Access Form at the following link to begin the process to enroll for HCS access for the first time or update enrollment information as necessary:
https://www.health.ny.gov/facilities/hospital/docs/hcs_access_form_new_clinics.pdf. Questions may be directed to the Division of Hospitals and Diagnostic & Treatment Centers at 518-402-1004 or email: hospinfo@health.ny.gov [HSP]

Council Action Date

December 5, 2024

Program Analysis

Project Proposal

Fifth Avenue Surgery Center, LLC (the Center), an existing multispecialty freestanding ambulatory surgical center (FASC), seeks approval to create a new Class M membership structure and to transfer 30.4% Class M membership interest to 14 new Class M members.

In addition, the current Class F member Gesheft Associates LLC will purchase a 3.1% Class M membership interest in the center. Dr. Gregg Rock will purchase an 8.5% class M membership interest and Dr. Baruch Kim will withdraw from the Center.

Fifth Avenue Surgery Center, LLC entered into an Administrative Services Agreement with Surgicore Management NY, LLC on 8/1/2021 for services at the extension clinic. The members of Surgicore are Anthony DeGradi (25%), Wayne Hatami (25%) Feliks Kogan (25%) and Leonid Tylman (25%). Surgicore provides administrative services, billing and collection services and similar administrative and financial services.

There will be no change in services or Medical Director as a result of this application. Staffing is expected to increase from 24.3 FTEs in the Current Year to 37.3 FTEs by Year Three.

Character and Competence

The proposed membership of Fifth Avenue Surgery Center is provided in the chart below.

Members	Current Ownership (Class F)	Proposed		
		Class F (44.6%)	Class M (55.4%)	Total Ownership (Classes F and M combined 100%)
SurgiCore 5th Avenue LLC	59.50%	61.30%	58.10%	59.50%
Anthony DeGradi 25%	14.80%	15.30%	14.50%	14.80%
Wayne Hatami 25%	14.80%	15.30%	14.50%	14.80%
Feliks Kogan 25%	14.80%	15.30%	14.50%	14.80%
Leonid Tylman 25%	14.80%	15.30%	14.50%	14.80%
Gregg Rock, D.P.M.	21.30%	21.90%	8.50%	14.40%
Ajoy Sinha	1.80%	0.00%	0.00%	0.00%
Mark McMahon	2.70%	2.70%	0.00%	1.20%
Barry Katzman	2.70%	2.80%	0.00%	1.20%
Kenneth McCulloch	7.50%	7.70%	0.00%	3.40%
Gesheft Associates LLC	0.90%	0.90%	3.10%	2.10%
Dov Berkowitz, MD 100%	0.90%	0.90%	3.10%	2.10%
HPO Group LLC	2.70%	2.70%	0.00%	1.20%
Imram Ashra 100%	2.70%	2.70%	0.00%	1.20%
Baruch Kim	0.90%	0.00%	0.00%	0.00%
CHC Partner Holdings, LLC	0.00%	0.00%	7.00%	3.90%
Howard Fensterman, Esq. 20.044%	0.00%	0.00%	1.40%	0.80%
Sarah Rosenfeld 14.194%	0.00%	0.00%	1.00%	0.50%
Colin Gaines 3.762%	0.00%	0.00%	0.20%	0.10%
Rose Teitelbaum 2.000%	0.00%	0.00%	0.20%	0.10%
Irina Lerman 20.000%	0.00%	0.00%	1.40%	0.80%
Natalya Orlova 20.000%	0.00%	0.00%	1.40%	0.80%
Robert Slinin 20.000%	0.00%	0.00%	1.40%	0.80%
Mega Group Solution, Inc.	0.00%	0.00%	2.30%	1.30%
Yura Yaguda 100%	0.00%	0.00%	2.30%	1.30%
SIGNME, LLC	0.00%	0.00%	6.20%	3.50%
Svetlana Katanov 100%	0.00%	0.00%	6.20%	3.50%
Marcello Russo	0.00%	0.00%	1.60%	0.90%
Alejandro Chaban	0.00%	0.00%	0.80%	0.40%
Sara Dagan	0.00%	0.00%	0.80%	0.40%
Paul Marino	0.00%	0.00%	3.10%	1.70%
Howard Fineman	0.00%	0.00%	2.30%	1.30%
Michael Cafone	0.00%	0.00%	0.80%	0.40%
STP, LLC	0.00%	0.00%	2.30%	1.30%
Thomas J.Cullinane 100%	0.00%	0.00%	2.30%	1.30%
Yulia Velilla	0.00%	0.00%	0.80%	0.40%
Troy A Hine	0.00%	0.00%	0.80%	0.40%
Christopher Kyriakides	0.00%	0.00%	1.60%	0.90%
TOTAL	100.00%	100.00%	100.00%	100.00%

Noted: The proposed new members reside out of state and will serve to strengthen the Center's liquidity and access to capital. These individuals will not be involved in the Center's clinical operations. The Center's physicians will maintain clinical control for the Center's main site and extension clinic.

Michael Cafone graduated from New York Institute of Technology with a Bachelor of Arts in 1991. Michael is a retired firefighter 2013-2020. Current employment as a marketing researcher for All City Healthcare Center, LLC. Since 2020.

Michael Cafone discloses ownership in:

2018- Present All City Family Healthcare Center, Inc. (0.808%)

2018 – Present Surgicore, LLC (Surgicore Surgical Center in NJ (.058%)

No legal disclosures made.

Alejandro Chaban was an actor from 2008 - 2011. Alejandro is also the current owner and CEO of Chaban Wellness, LLC since 2012.

Legal: Alejandro was named in a class action lawsuit Environmental Research Center, Inc v. Chaban Wellness, LLC (RG17866351) California Supreme Court. The lawsuit alleges that Chaban Wellness, LLC marketed and sold products that were contained lead, and not paying its employees the appropriate commission with overtime hours. Case was settled and closed for an undisclosed amount. This information was disclosed only after DOH inquiry.

Thomas Cullinane is retired since 2019. Mr. Cullinane was the Administrator of Main Street Medical in Long Island from 2013 until retirement in 2019.

Thomas Cullinane discloses ownership interest in:

Surgicore of New Jersey City LLC since 2017 (0.98%) indirectly through JAJ, LLC, Surgicore LLC since 2018 (1.8%)

indirectly ownership with TPP Investment, LLC, and Rockland and Bergen Surgery Center LLC from 2020 (1.8240%). All of these are in New Jersey.

No legal disclosures.

Sara Dagan received a vocational certification in Surgical Technology from Concord Career College in 2004. Sara is also a licensed phlebotomist in the State of Florida, registered through 3/2024. Sara is currently a Life Coach with a focus on professional and personal consultation. No formal work experience per applicant statement.

Howard Fensterman, Esq. received a juris doctorate from Georgetown University in 1978. Howard Fensterman is registered as Juris Doctor – Law in NY and NJ currently and is inactive in MD and DC. Current employment is with Abrams Fensterman, LLP since 2000 as Managing Partner. Managing Partner of 110+ Attorney Law Firm.

Abrams Fensterman, LLP. Howard is named in one ongoing infraction, Ulster Supreme Court 2015 EF2014-3485. Case alleges their law firm participated in withholding legal information from the alleging party, case is in discovery and is ongoing.

Previous Holdings:

Tennessee:

2015-2020 Claiborne & Hughes Skilled Nursing and Rehabilitation Center, Claiborne Management, LLC (8%)

Wisconsin:

2017-2020 The Bay at Eastview Health and Rehabilitation, LLC in Wisconsin (14.25%)

2017-2020 The Bay at Colonial Manor Health and Rehabilitation, LLC (14.25%)

2017-2020 The Bay at North Ridge Health and Rehabilitation, LLC (14.25%)

2017-2020 The Bay at Burlington Health and Rehabilitation, LLC (14.25%)

2017-2020 The Bay at Sheridan Health and Rehabilitation, LLC (14.25%)

2017-2020 The Bay at Waters Edge Health and Rehabilitation, LLC (14.25%)

Massachusetts:

2016-2019 Chicopee Gardens Rehabilitation and Care Center Operations, LLC (8.07%)

Pennsylvania:

2014-2019 Deer Meadows Retirement Community (Deer Meadows Operating, LLC) (7.5%)
2015-2022 Rosewood Rehabilitation and Nursing Center (Rest Haven Operating, LLC) (1.25%)
2016-2022 Meadowview Rehabilitation and Nursing center (WM Operating, LLC) (10.25%)

Michigan:

2017-2021 The Bay at Cranbrook Health and Rehabilitation Center, LLC (16.25%)
2017-2021 The Bay at Elmwood Health and Rehabilitation Center, LLC (16.25%)
2017-2021 The Bay at Woodward Health and Rehabilitation Center, LLC (16.25%)

Florida:

2017-2020 Sandalwood Rehabilitation and Nursing Center (Sandalwood Operating, LLC) (13.07%)

New York:

2005-2018 Grace Plaza Nursing & Rehabilitation Center (Pinegrove Manor II, LLC) (15.67%)

Oklahoma:

2012 – 2019 South Park Care and Rehabilitation Center (South Park Health Care, LLC) (10%)
2012-2016 Buena Vista Care and Rehabilitation Center (Buena Vista Health Care, LLC) (10%)

Current Holdings:

Massachusetts:

2015 – Present Westfield Gardens Nursing and Rehab, LLC (8.8%)

California:

2016- present California Post Acute, LLC (16.2%)
2016 – Present New-Vista Post Acute Care Center, LLC (16.67%)
2016 – Present Rialto Healthcare, LLC (15.33%)
2015 – Present Maclay Healthcare, LLC (16.08%)
2016 – Present Royal Palms Post Acute, LLC (17.67%)
2016 – Present Palazzo Post Acute (Serrano Healthcare, LLC) (17.67%)
2016-Present Hollywood Premier (Serrano Post Acute, LLC) (17.67%)
2016 – Present Royal Terrace Healthcare, LLC (17.67%)
2016 – Present Royal Gardens Healthcare, LLC (17.67%)
2016 – Present Monrovia Post Acute, LLC (17.67%)

New Jersey:

2015-Present Neptune Gardens Nursing and Rehabilitation, LLC (8.35%)

Connecticut:

2016 – Present Waterbury Gardens for Nursing and Rehabilitation, LLC (8.07%)

Legal Disclosure after DOH inquiry:

Nassau Supreme Court 2015 020021/2015 – dismissed
New York Supreme Court 2022 153413/2022 – dismissed
Nassau County District Court – 1st District – dismissed
CV-008283-14/NA Nassau County District Court – 2nd district V-022409-12/HE – dismissed
Queens County Civil Court \V-004446-94/QU – dismissed

Ulster County Supreme Court – alleges the law firm and Howard Fensterman did not provide all distributions to the plaintiff at a closing. It started with 13 claims and 11 have been dismissed. It is anticipated the balance will be at the conclusion of discovery and upon a summary judgment.

Howard Fineman, Esq. acquired a law degree from Hofstra University School of Law in 1991. Howard is the Chairman and Chief Executive Officer of Fineman Global Investment, Inc. an investment and charitable initiatives firm since 2021. Prior experience is with SFTF Holdings, Inc. in Florida since 2005

where the Founder/Owner, Chairman and Chief Executive Officer positions were held by Howard Fineman.

Howard Fineman notes passive investment in the facility delegating all management, oversight and compliance to the local team and experts.

Colin Gaines received a Bachelor of Science from Tulane University in 1969. Colin is currently retired since 2021. Colin Gaines is the business manager of Central Park Medicine and Rehabilitation, P.C. There is no salary taken, however, profits through a sub-s corporation to his wife. Together they have run the business since 1989.

Troy Hine graduated in 1982 with a Bachelor of Science in Health Service Administration from Fredonia State University. Troy Hine is a recent retiree (2023) that served as a senior loan officer and banker at Preferred Mortgage Group since 2013, also as a self-employed property manager and investor from 2013-2023

Dr. Svetlana Katanov became a Doctor of Optometry after completing the SUNY State College of Optometry in 2000. Dr. Katanov is registered in NY through 8/2024.

Dr. Katanov currently serves as the Practice Manager at Med Link PA, LLC since 2017. Prior experience from 2004-2014 at Eye Q Optical in the position of Optometrist.

Dr. Katanov discloses ownership in All City Family Healthcare Center, Inc. since 2017 (0.816%; and New Horizon Surgical Center LLC (NJ) since 2012 (2.05%).

No legal disclosures (see cases below)

Dr. Christopher Kyriakides completed a Doctor of Osteopathic Medicine in 1989 at the NY College of Osteopathic Medicine. Dr. Kyriakides is licensed in New York, New Jersey, and Florida to practice medicine, and will be up for renewal in 2024. Currently, Dr. Kyriakides is an educator at the New York University Medical Center at the Rusk Institute of Rehabilitation Medicine as well as an adjunct professor at the New York College of Osteopathic Medicine.

Dr. Kyriakides discloses ownership in Surgicore of Jersey City, LLC (1.47% and Surgicore, LLC in New Jersey (1.76%).

Dr. Kyriakides was named in a malpractice civil suit 506297/2013, Kings Supreme Court. The alleged patient complains of misdiagnosis of the prostate, which led to the development of cancer. Case is ongoing. 656734/2022, Kings Supreme Court is an insurance billing issue. Case is ongoing. Dr. Kyriakides did *not* initially disclose this legal discourse.

Irina Lerman received from Fashion Institute of Technology a Bachelor of Arts in 2003. Irina is employed by the NY Marketing of Physicians, a marketing consulting firm since 2013.

Paul Marino received a Bachelor of Business Administration from the University of Cincinnati in 1979. Paul is the president of Impress Communications, a branding solutions firm in California, since 1989. Paul Marino notes passive investment in the facility delegating all the management, administration and compliance to the leading team of experts.

Dr. Natalya Orlova completed a Doctor of Dental Surgery at NYU College of Dentistry in 2005. Dr. Orlova's license is current and is eligible to practice in NY. It is up for renewal in 2025. Dr. Orlova is not employed at this time. Dr. Orlova is a dental surgeon with 15 years' experience including recruiting, and practice flow with contracts.

Sarah Rosenfeld has been the CFO of Fortis Business Holdings, LLC for the past 24 years. Sarah has experience in managing and overseeing revenue, expenses, managing risk, and analyzing occupancy trends.

Sarah Rosenfeld discloses ownership in:

2020- Current Buena Vida Rehabilitation and Nursing Center (Buena Vida SNF, LLC) (50%)

Citations from the Department not disclosed for this facility include:

- As a result of the Departments survey there were two (2) civil money penalties applied to the facility which were satisfied and closed. 12/15/2021 the Civil Money Penalty was for \$650.00 and on 12/21/2021 the Civil Money Penalty was assessed for \$5,000.
- The review found that any other citations were properly corrected with appropriate remedial action.

Marcello Russo is a self-employed seminar and conference consultant at Cello Russo Productions, LLC. Since 2022 and at Cello Russo Productions Ltd. In the UK since 2021. Prior employment at Seminar Solutions, Ltd. Villa D'Este in Scotland, UK from 2013-2021.

Robert Slinin has been a real estate agent since 2013. Current Real Estate license through 3/2024. Currently, Robert serves in the capacity of General Manager to the Corporate Transportation Group, a non-emergency medical transport and par-transit service provider. Robert completed their Bachelor of Science in Business Administration in 2009.

Robert Slinin discloses ownership in:

2022-Present Surgicore of Jersey City LLC (1.8%)

No legal disclosures (see cases below)

Rose Teitelbaum is the CFO of ODA Primary Healthcare Network in Brooklyn, NY since 2014. ODA Primary Healthcare Network is a provider of primary and specialty care. Rose acquired a Master of Business Administration in Healthcare Management from Quinnipiac University in 2016. Rose is also currently a certified public accountant, in New York State.

Rose is a board member at Lenox Hill Hospital, NYU Langone Brooklyn PPS Financial Committee, and Finance Committee Member Delivery System Reform Incentive Payment State Of New York.

Yulia Velilla completed a bachelor's degree in 2001 in the State University in Russia. Yulia was employed from 2010 – 2023 by Cesar Velilla MD PA as the General Manager, managing seven (7) locations and 120 employees.

Yura Yaguda is the manager of Guarini Plumbing and Heating since 2016. Prior to that Yura Yaguda held a manager position with D&J Plumbing and Heating from 2006-2016.

Yura Yaguda discloses ownership in:

All City Family Healthcare Center, Inc. since 2019 (1.616%)

Indirect ownership disclosed for:

Bronx SC, LLC D/B/A Empire State Ambulatory Surgery Center since 2022 (0.999%)

NYEEQASC, LLC d/b/a North Queens Surgical Center since 2022 (0.9804%)

Rockland and Bergen Surgery Center LLC since 2020 in NJ (4.5613%)

Past ownership:

Surgicore of Jersey City, LLC 2020-2022 in NJ(5.923%)

Surgicore, LLC from 2020-2022 in NJ (2.33%)

No legal disclosures were provided for these facilities (see court cases below).

Affidavits: Affidavits were accepted from Michigan (3 facilities), Pennsylvania (3 facilities), New Jersey two (2) facilities and Wisconsin (9 facilities) for Howard Fensterman's ownership interest. Wisconsin attestation noted that three (3) of the facilities had level G or higher deficiencies and two (2) were immediate jeopardy situations.

The following is legal court case information in regards to ownership:

Defendant/ Related Facility	Jurisdiction (Court)	Additional Details
Bronx SC, LLC	New York State Court	Medical malpractice case filed by Plaintiff against Bronx SC, LLC on July 8, 2020. Plaintiff alleged foot surgery at Bronx SC, LLC was negligent and unskilled podiatric surgery that departed from the standard of care and left plaintiff sore, sick, lame and disabled.
NYEEQASC, LLC	New York State Court	Medical malpractice case filed by Plaintiff against NYEEQASC, LLC on November 22, 2019. Plaintiff alleged that defendant negligently and improperly placed anchors into right shoulder during surgery, placed the anchors too tightly, and failed to remove spurs.
All City Family Healthcare Center, Inc.	New York State Court	Medical malpractice case filed by Plaintiff against All City on June 24, 2019. Plaintiff alleged All City failed to use reasonable care in rendering medical and anesthesia care during right shoulder surgery leaving Plaintiff with severe and permanent injuries and mental anguish.
Fifth Avenue Surgery Center	New York State Court	Medical malpractice case filed by Plaintiff against Fifth Avenue on February 13, 2019. Plaintiff claimed Fifth Avenue failed and neglected to render proper and adequate podiatric care, causing damages in amount exceeding the jurisdictional limits of all lower courts which would otherwise have jurisdiction.
Fifth Avenue Surgery Center	New York State Court	Medical malpractice case filed by Plaintiff against Fifth Avenue on June 17, 2019. Plaintiff claimed diagnosed with a perioperative corneal abrasion requiring treatment because of eyes not being properly protected by an anesthesiologist during a non-ocular surgery (eyes were not taped closed or lubricated). Plaintiff experienced severe pain to the eyes and sued for damages in a sum that exceeds the jurisdictional limits of all lower courts except the Supreme Court of New York.
Fifth Avenue Surgery Center	New York State Court	Medical malpractice case filed by Plaintiff against Fifth Avenue on December 4, 2019. Plaintiff claimed Fifth Avenue provided negligent and careless medical and surgical care during left shoulder arthroscopy causing serious and severe permanent personal injuries including injury to left hand, scarring, disfigurement, and need for future surgeries. Plaintiff sued for damages in an amount exceeding jurisdictional limits of all lower courts.
Fifth Avenue Surgery Center	New York State Court	Medical malpractice case filed by Plaintiff against Fifth Avenue on August 11, 2020. Plaintiff claimed Fifth Avenue negligently and carelessly administered anesthesia during right sacroiliac joint surgery and failed to properly and timely treat aspiration of gastric contents during and following surgery. Plaintiff sustained lung damage and vocal cord damage and sued for damages in a sum which exceeds the jurisdictional limits of all lower courts.
New Horizon Surgical Center LLC, et. al.	New York State Court	On or about June 22, 2018, Allstate Insurance Company et al. filed a complaint against New Horizon Surgical Center LLC, its individual owners including Wayne Hatami and Anthony DeGradi, in addition to referring and treating providers. Claims against New Horizon were for common law fraud, violation of New York General Business Law § 349, unjust enrichment, arising primarily from allegations challenging New Horizon's ownership structure, the transportation of patients to its facility in New Jersey and coding and billing in excess of the fee schedule.

Defendant/ Related Facility	Jurisdiction (Court)	Additional Details
New Horizon Surgical Center LLC, et. al.	NJ District Court	In August 2016, GEICO filed a complaint in the United States District Court for the District of New Jersey against New Horizon and a number of medical providers, alleging, notwithstanding that the procedures performed at New Horizon were in many instances certified and pre-approved by GEICO, that certain procedures lacked medical necessity and insurance fraud. In October 2017, the parties entered into a settlement agreement resolving GEICO's claims against New Horizon. A stipulation of dismissal was filed with the Court dismissing the action against New Horizon in January 2018.
Surgicore of Jersey City, LLC, et. al.	New Jersey State Court	On or about March 5, 2018, Christine Barnes filed suit in the Superior Court, Hudson County, alleging harassment, and retaliated against by former employer, Surgicore of Jersey City, LLC. The allegations were denied, but to spare all parties the cost of further proceedings the matter settled pursuant to a settlement agreement and the case was fully disposed.
Fifth Avenue Surgery Center, LLC, et al.	New York State Court	Plaintiff underwent a lumbar medial branch nerve radiofrequency ablation in which Plaintiff was left with physical injuries due to the alleged negligent surgical and medical care received.
New Horizon Surgical Center LLC	New York State Court	Plaintiff alleged negligent performance of shoulder surgery on January 28, 2015.
New Horizon Surgical Center LLC	New Jersey State Court	Plaintiff's estate alleged that the negligent and careless treatment received during cervical anterior discectomy resulted in injury and ultimately to the death of Veronica Ann Gates.
New Horizon Surgical Center LLC	New York State Court	Plaintiff alleged that the medical and podiatric care and treatment she received was careless and negligent leaving her with injuries including left foot drop, neuralgia and neuritis of left lower leg and permanent disfigurement.

Active Cases in regard to disclosed ownerships:

Defendant/ Related Facility	Jurisdiction (Court)	Additional Details
NEW HORIZON SURGICAL CENTER LLC	NJ - Passaic Superior Court	ACTIVE / Docket #L00124923 - Plaintiff: New Jersey Manufacturers; Defendant: New Horizon Surgical Center LLC Filed - 05/10/2023 Other Insurance Claim (including declaratory judgment actions)
SURGICORE OF JERSEY CITY LLC	New Jersey Hudson Superior Court	ACTIVE / Docket #L00334522 - Plaintiff: Hogan Debra; Defendant: Surgicore of Jersey City LLC Filed - 10/6/2022 Medical Malpractice
SURGICORE OF JERSEY CITY LLC	NJ - U.S. District Court	ACTIVE / Docket #23CV217 - Plaintiff: Joshua Batista; Defendant: Surgicore of Jersey City LLC Filed - 10/31/2023 Civil Rights
SURGICORE 5TH AVENUE LLC		ACTIVE / Docket #800462-2022E - Plaintiff: Emmanuel Pina; Defendant: Surgicore 5th Avenue LLC Filed - 01/11/2022 Torts - Medical, Dental, or Podiatrist Malpractice

Defendant/ Related Facility	Jurisdiction (Court)	Additional Details
NORTH QUEENS SURGICAL CENTER	New York Supreme Court - Queens County	ACTIVE / Docket #706977-2022 - Plaintiff: Helene Kloefer; Defendant: North Queens Surgical Center, et al. Filed - 03/31/2022 Torts - Other Professional Malpractice
NORTH QUEENS SURGICAL CENTER	New York Supreme Court - Queens County	ACTIVE / Docket #718773-2022 - Plaintiff: Marlene Cole, et al; Defendant: North Queens Surgical Center, et al. Filed - 09/09/2022 Torts - Medical, Dental, or Podiatrist Malpractice
NYEEQASC, LLC	New York Supreme Court - Queens County	ACTIVE / Docket #717504-2023 - Plaintiff: Wendy Halpern; Defendant: NYEEQASC, LLC, et al. Filed - 08/22/2023 Torts - Medical, Dental, or Podiatrist Malpractice
EMPIRE STATE AMBULATORY SURGERY CENTER	New York Supreme Court - Bronx County	ACTIVE / Docket #801809-2022E - Plaintiff: Thirstine Spires; Defendant: Empire State Ambulatory Surgery Center, et al. Filed - 03/04/2022 Torts - Medical, Dental, or Podiatrist Malpractice
EMPIRE STATE AMBULATORY SURGERY CENTER	New York Supreme Court - Bronx County	ACTIVE / Docket #818365/2022E - Plaintiff; Kyle ChanShue; Defendant: Empire Plaintiff; Kyle ChanShue; Defendant: Empire State Ambulatory Surgery Center, et al. Filed - 12/08/2022 Torts - Medical, Dental, or Podiatrist Malpractice
EMPIRE STATE AMBULATORY SURGERY CENTER	New York Supreme Court - Bronx County	ACTIVE / Docket #806654-2023E - Plaintiff: Emiline Delvalle; Defendant: Empire State Ambulatory Surgery Center, et al. Filed - 04/28/2023 Torts - Medical, Dental, or Podiatrist Malpractice
BRONX SC, LLC	New York Supreme Court - Bronx County	ACTIVE / Docket #818365-2022E - Plaintiff; Kyle Chan Shue; Defendant: Bronx SC, LLC, et al. Filed - 12/08/2022 Torts - Medical, Dental, or Podiatrist Malpractice
FIFTH AVENUE SURGERY CENTER	New York Supreme Court - Bronx County	ACTIVE / Docket #800462-2-22E - Plaintiff: Emmanuel Pina; Defendant: Fifth Avenue Surgery Center. Filed - 01/10/2022 Torts - Medical, Dental, or Podiatrist Malpractice

Of the current 375 active legal cases pending, 68 cases have been disposed.

NYEEQASC, LLC - an additional fifty (50) active legal cases were not added to the above chart. Examples of cases not added - Torts/Other (Declaratory Judgment), Commercial Insurance Disputes, Commercial Contract disputes, Torts/Motor Vehicles, Non-Commercial Contract Disputes, Contract Disputes, Civil Action General and Torts-Other (Trial de novo).

EMPIRE STATE AMBULATORY SURGERY CENTER - an additional eight (8) active legal cases were not included in the above chart. Examples of cases not added - Special Proceedings/CPLR Article 75,

Commercial Contract Disputes, Tort/Other (Declaratory Judgment), Contract Disputes, Commercial Insurance Disputes and Contract Disputes.

BRONX SC, LLC - an additional eleven (11) active legal cases were not added to the chart above. Examples of cases not added - Commercial Insurance Disputes, Commercial contract disputes, Non-Commercial Contract Dispute, Contract Dispute, Torts/Other (Declaratory Judgment) and Torts/Motor Vehicle.

ALL CITY FAMILY HEALTHCARE CENTER, INC. - an additional twenty-three (23) active cases were not added to the chart above. Examples of cases not added - Contract Dispute, Special Proceedings/CPLR Article 75 and Commercial Contract Disputes.

FIFTH AVENUE SURGERY CENTER - an additional one hundred and seventy (170) active legal cases were not added to the above chart. Examples of cases not added - Torts/Motor Vehicle, Torts/Other (Declaratory Judgments), Commercial Insurance Disputes, Non-Commercial Insurance Disputes, Contracts Disputes, Civil Actions/General, Employment Discrimination and Special Proceeding/CPLR Article 75. There were another sixty-eight (68) legal cases that were Disposed between 2018 and 2023.

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 Division of Legal Affairs has reviewed the disclosed lawsuits and has determined these cases do not preclude approval under Public Health Law §2801-a(3). A majority of the lawsuits were brought by no-fault insurance carriers against patients that were seen at clinics managed by members of the proposed operator, but do not allege specific misconduct by those members.

Compliance with Applicable Codes, Rules and Regulations:

The medical staff will continue to ensure that the procedures performed at the facility conform to generally accepted standards of practice and that privileges granted are within the physician's scope of practice and expertise. The Facility's admissions policy includes anti-discrimination provisions regarding age, race, creed, color, national origin, marital status, sex, sexual orientation, religion, disability, or source of payment. All procedures are performed in accordance with all applicable federal and state codes, rules, and regulations.

Conclusion

The individual background review indicates the proposed members have met the standard for approval as set forth in Public Health Law §2801-a(3).

Financial Analysis

Capability and Feasibility

There are no project costs associated with this application. Since there will be no change in operations as a result of this application, an operating budget was not reviewed. The purchase price of \$7,380,000 for the membership interest will be met with equity from the proposed members' personal resources. BFA Attachment A, Net Worth Statement – Proposed Members shows sufficient resources to fund the purchase price of the membership interest.

BFA Attachment C, December 31, 2023, Internal Financial Statements - Fifth Avenue Surgery Center LLC, shows the entity had a positive working capital position, positive net asset position, and a net income of \$2,806,079.

Conclusion

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

Attachments

BFA Attachment A	Net Worth Statement – Proposed Members
BFA Attachment B	Current and Proposed Ownership of Fifth Avenue Surgery Center, LLC
BFA Attachment C	December 31, 2023 Internal Financial Statements of Fifth Avenue Surgery Center, LLC
BFA Attachment D	Ownership Interest Purchase Agreements



Project # 232236-B

Central Nassau ASC LLC d/b/a Peakpoint Central Nassau
ASC

Program: Diagnostic and Treatment Center

County: Nassau

Purpose: Establishment and Construction

Acknowledged: February 27, 2024

Executive Summary

Description

Central Nassau ASC LLC d/b/a Peakpoint Central Nassau Surgery Center (The Center), an existing Delaware limited liability company (LLC), requests approval to establish and construct a multi-specialty Article 28 freestanding ambulatory surgery center (FASC) at 371-377 Old Country Road, Carle Place (Nassau County). The FASC will specialize in orthopedic surgery (spine, sport, joint, and hand surgeries), neurosurgery, ENT surgery, urologic surgery, plastic surgery, podiatry surgery, general surgery, and pain management. The FASC will include four (4) operating rooms, 17 pre- and post-recovery cubicles, decontamination, sterile storage, reception/waiting, and support areas.

The proposed Center is a collaborative effort by Mount Sinai Health System (MSHS) and local physicians who already work with MSHS and other New York State hospitals. Projected procedures at the proposed facility are currently performed at various Mount Sinai facilities and other New York State hospitals in the downstate region.

The proposed ownership of the Center consists of 22 Class A members, 21 of which are first-level members collectively owning 45.725% ownership interest, one (1) second-level member, SK Central Nassau, Inc. (a New York corporation), whose sole member, Dr. Stelios Koutsoumbelis, will have a 3.267% ownership interest. Class B member includes Peakpoint Partners LLC (a Delaware LLC authorized to do business in New York State), which is comprised

of four (4) individual members, and Mount Sinai Ambulatory Ventures, Inc. (MSAV), a not-for-profit entity whose sole passive parent is the Mount Sinai Health System, collectively owning 51.0% ownership interest in the Center.

Michael Gorin, M.D., a Class A and First Level member and board-certified in urologic surgery, will be the Medical Director of the Center. All First Level members will be practicing physicians and are board-certified or board-eligible in their respective specialties. They have (or will have) admitting privileges at Mount Sinai South Nassau, which will serve as a backup hospital to the FASC. A Transfer Agreement has been provided.

OPCHSM Recommendation Contingent Approval

Need Summary

The applicant projects 3,240 procedures in Year One and 3,437 in Year Three, with Medicaid at 8% and Charity Care at 2%.

Program Summary

The individual background review indicates the proposed members have met the standard for approval as set forth in Public Health Law §2801-a(3).

Financial Summary

The total project cost of \$15,824,453 will be met with \$1,437,557 members' equity, a \$652,800 tenant improvement allowance from the landlord, and a bank loan for \$13,734,096 at 6.60% interest with a five-year term.

	<u>Year One</u>	<u>Year Three</u>
Budget:	<u>2026</u>	<u>2028</u>
Revenues	\$13,326,320	\$14,099,975
Expenses	<u>\$12,060,024</u>	<u>12,343,389</u>
Net Income/ (Loss)	\$1,266,296	\$1,756,586

Health Equity Impact Assessment

This project does not meet the requirements for a Health Equity Impact Assessment under Section 2802-B of the PHL.

Recommendations

Health Systems Agency

There will be no HSA recommendation for this project.

Office of Primary Care and Health Systems Management

Approval contingent upon:

1. Submission of a check for the amount enumerated in the approval letter, payable to the New York State Department of Health. Public Health Law Section 2802.7 states that all construction applications requiring review by the Public Health and Health Planning Council shall pay an additional fee of fifty-five hundredths of one percent of the total capital value of the project, exclusive of CON fees. [PMU]
2. The submission of Design Development and State Hospital Code (SHC) Drawings, as described in NYSDOH BAER Drawing Submission Guidelines DSG-1.0 Required Schematic Design (SD) and Design Development (DD) Drawings, and 3.38 LSC Chapter 38 Business Occupancies Public Use, for review and approval. [DAS]
3. Submission of an executed loan commitment acceptable to the Department of Health. [BFA]
4. Submission of an executed working capital loan commitment acceptable to the Department of Health. [BFA]

Approval conditional upon:

1. This project must be completed by **November 15, 2026**, including all pre-opening processes, if applicable. Failure to complete the project by this date may constitute an abandonment of the project by the applicant and the expiration of the approval. It is the responsibility of the applicant to request prior approval for any extensions to the project approval expiration date. [PMU]
2. Construction must start on or before **June 15, 2025**, and construction must be completed by **August 15, 2026**, presuming the Department has issued a letter deeming all contingencies have been satisfied prior to commencement. It is the responsibility of the applicant to request prior approval for any changes to the start and completion dates. In accordance with 10 NYCRR Section 710.10(a), if construction is not started on or before the approved start date, this shall constitute abandonment of the approval. [PMU]
3. The submission of Final Construction Documents, as described in BAER Drawing Submission Guidelines DSG-05, is required prior to the applicant's start of construction. [AER]
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 applicant must ensure registration for and training of facility staff on the Department's Health Commerce System (HCS). The HCS is the secure web-based means by which facilities must communicate with the Department and receive vital information. Upon receipt of the Operating Certificate, the Administrator/director that has day-to-day oversight of the facility's operations shall submit the HCS Access Form at the following link to begin the process to enroll for HCS access for the first time or update enrollment information as necessary:
https://www.health.ny.gov/facilities/hospital/docs/hcs_access_form_new_clinics.pdf. Questions may be directed to the Division of Hospitals and Diagnostic & Treatment Centers at 518-402-1004 or email hospinfo@health.ny.gov. [HSP]

Council Action Date

December 5, 2024

Need Analysis

Project Description

Central Nassau ASC LLC d/b/a Peakpoint Central Nassau ASC, an existing limited liability company, is seeking to establish and construct a multi-specialty, freestanding ambulatory surgical center at 371-377 Old Country Road, Carle Place, NY 11514 (Nassau County) offering orthopedic surgery (sport, joint, spine and hand surgery), pain management, neurosurgery, ENT surgery, urologic surgery, plastic surgery, general surgery and podiatric surgery. The Center will have four (4) operating rooms, 17 pre-operative and post-operative cubicles, and appropriate support functions.

Background and Analysis

The primary service area is Nassau County. The population of Nassau County is projected to increase to 1,429,023 by 2029 based on Cornell Program of Applied Demographics estimates. Demographics for the primary service area are noted below, including a comparison with New York State.

Demographics	Nassau County	New York State
Total Population-2022 Estimate	1,389,160	19,994,379
Hispanic or Latino (of any race)	17.2%	19.5%
White (non-Hispanic)	58.3%	53.8%
Black or African American (non-Hispanic)	11.0%	13.8%
Asian (non-Hispanic)	10.5%	8.8%
Other (non-Hispanic)	3.1%	4.1%

Source: 2022 American Community Survey (5-year Estimates Data Profiles)

In 2022, 96% of the population of Nassau County had health coverage as follows:

Employer Plans	58.9%
Medicaid	10.8%
Medicare	13.2%
Non-Group Plans	13%
Military or VA	0.201%

Source: Data USA

Ambulatory Surgery within a 3 Mile Radius of Proposed Center

Facility Name	Type	Patient Visits		
		2021	2022	2023
Garden City Surgi Center	ASC	7,066	7,127	7,238
Ainsworth Ambulatory Surgery Center (opened 8/2/22)	ASC	unavailable	unavailable	unavailable
NYU Langone Hospital-Long Island	Hospital	18,711	20,033	22,071
Nassau University Medical Center	Hospital	3,608	3,805	3,307
NYU Langone Hospital -Long Island Ambulatory Surgery Center	Hospital Ext Clinic	5,795	6,181	6,068
HSS Long Island Outpatient Center	Hospital Ext Clinic	1,008	1,549	1,911
Total Visits		36,188	38,695	40,595

Source: HFIS and SPARCS

All of the facilities listed above provide multi-specialty or single-specialty services that include at least one of the specialties proposed by the applicant. There are also two applications for providing one or more of the same specialty services in the CON process. These are CON 242008 Surgery Center of Long Island to establish and construct a multi-specialty ambulatory surgery center to provide orthopedic surgery and pain management (Under Review) and CON 231328 HSS Long Island ASC, LLC to establish and construct a single-specialty ambulatory surgery center for orthopedic surgery (Contingent Approval Letter Sent).

The applicant projects 3,240 procedures in Year One and 3,437 in Year Three, with Medicaid at 8% and Charity Care at 2% for the first and third years. This projection is based on the participating physicians' current caseload. It is expected that 55.2% of all proposed surgical cases will originate from Mount Sinai facilities, 24.7% from other New York State hospitals, and 20.1% from other Article 28 ASCs. The table below shows Year One and Three's projected payor source utilization.

Payor	Year One		Year Three	
	Volume	%	Volume	%
Comm ins FFS	1,166	36%	1,237	36%
Comm Ins MC	972	30%	1,031	30%
Medicare FFS	648	20%	687	20%
Medicare MC	65	2%	69	2%
Medicaid FFS	0	0%	0	0%
Medicaid MC	259	8%	275	8%
Private Pay	65	2%	69	2%
Charity Care	65	2%	69	2%

Central Nassau ASC LLC d/b/a Peakpoint Central Nassau ASC has a Transfer & Affiliation Agreement for backup and emergency services with Mount Sinai South Nassau, 11.3 miles and 24 minutes away. The participating physicians will all have admitting privileges at Mount Sinai South Nassau. The hours of operation will be Monday through Friday from 6:30 am to 5:00 pm, with an on-call service available 24 hours per day, seven days per week.

The applicant is seeking contracts with Fidelis, HealthFirst, Healthplus, HIP of Greater New York, MetroPlusHealth, Wellcare and VNS Choice SNP to provide services to Medicaid patients. They will provide charitable care to the uninsured and reduced fees to self-pay patients, as well as serve Medicaid patients. The Center will work collaboratively with other providers to develop referral mechanisms to ensure appropriate pre-operative and post-operative follow-up to promote continuity of care and recruit other providers to become credentialed to perform surgery at the Center.

Conclusion

Approval of this project will provide improved access to Ambulatory Surgery - Multi-Specialty services for the residents of Nassau County.

Program Analysis

Project Proposal

Proposed Operator	Central Nassau ASC LLC
To Be Known As	Peakpoint Central Nassau ASC
Site Address	371-377 Old Country Road, Carle Place, New York 11514 (Nassau County).
Specialties	Ambulatory Surgery - Multi-Specialty
Hours of Operation	Monday through Friday - 6:30 am to 5:00 pm; and On-call service available 24 hours per day, seven days per week
Staffing (1st Year / 3rd Year)	21.64 FTEs / 24.14 FTEs
Medical Director(s)	Michael Gorin, M.D.
Emergency, In-Patient, and Backup Support Services Agreement and Distance	Mount Sinai Hospital 11.3 miles / 24 minutes

The applicant projects 3,240 procedures in Year One and 3,437 in Year Three.

Each of the 22 physicians have signed the MD Volume Support Letters will be working at the proposed Center upon project approval. In addition to performing procedures in the Center, all 22 physicians will be partial owners of the Center. Other center staffing is listed below.

Staffing Categories	Year One	Year Three
Management & Supervision	1.14	1.14
Technician and Specialist	5.00	6.00
Registered Nurses	9.00	10.00
Aides, Orderlies & Attendants	1.00	1.00
Clerical and Administrative	5.50	6.00
Totals	21.64	24.14

The applicant submitted an executed Administrative Services Agreement (ASA) with Merritt Healthcare Holdings Peakpoint, LLC which will provide the administrative services for the Center. William Mulhall, Sarah Sanford, Matthew Searles, and Richard Searles, who are all owners in the proposed Center, are also associated with Merritt Healthcare Holdings Peakpoint, LLC.

The Center has provided an executed Transfer and Affiliation Agreement with Mount Sinai South Nassau, located at One Healthy Way, Oceanside, NY 11572 (Nassau County), which is approximately 11.3 miles / 24 minutes from the proposed Center.

Proposed Ownership in Central Nassau ASC LLC d/b/a Peakpoint Central Nassau Surgery Center is as follows:

1st Level Membership	
Name	% Ownership of 1st Level Member
Jorge Baez, M.D.	3.2670%
Scott Barbash, M.D.	2.0000%
Neal Gehani, M.D.	1.8165%
Michael Gorin, M.D.	3.0000%
Michael Herman, M.D.	2.5000%
Sam Huh, M.D.	1.8165%
Shazaan Hushmendi, M.D.	3.2670%
Jordan Kerker, M.D.	1.8165%
Sabbir Khan, D.O.	1.8165%
Yohan Lee, M.D.	1.8165%
Danny Meslamani, M.D.	1.8165%
Nathan Monhian, M.D.	1.8165%
Vijay Mukhija, M.D.	3.2670%
Crispin Ong, M.D.	1.8165%
Edward Papa, D.O.	1.8165%
Danny Seidman, M.D.	3.0000%
Araj Sidki, D.O.	1.8165%
Jason Tam, M.D.	1.8165%
Scott Weiner, D.O.	1.8165%
George Xipoleas, M.D.	1.8165%
HaeKang Yang, D.P.M.	1.8165%
SK Central Nassau, Inc. -Stelios Koutsoumbelis, M.D. 100%	3.2670%
Peakpoint Partners LLC -Mount Sinai Ambulatory Ventures, Inc.- 70.6% -William Mulhall - 8.10% -Sarah Sanford - 1.47% -Mathew Searles - 11.73% -Richard Searles - 8.10%	51.0000%

Mount Sinai Ambulatory Ventures, Inc. (MSAV), a not-for-profit entity, is a member of Peakpoint Partners LLC, which is a member of Central Nassau ASC LLC d/b/a Peakpoint Central Nassau Surgery Center, the operator of the proposed FASC. The Board Members/Officers of MSAV are Kelly Cassano, D.O., Jodi Cohen, Vicki LoPachin, M.D., Michael Pastier, Denise Prince, and Brent Stackhouse.

The Managing Members of Peakpoint Partners LLC are Brent Stackhouse, Kelly Cassano, D.O., Matthew Searles, and Richard Searles.

The Managing Members of Peakpoint Central Nassau Surgery Center are Rich Searles, William Mulhall, and Sarah Sanford.

Character and Competence:

Michael Adam Gorin, M.D. is the proposed Medical Director who earned an MD degree from the University of Miami Miller School of Medicine in 2011, received a bachelor's degree from the University of Michigan in 2005, and received certification from the American Board of Urology in 2022.

Dr. Gorin performed General Surgery postdoctoral work in the Department of Surgery at Johns Hopkins University School of Medicine; completed a Urology Residency in the Department of Urology at Johns

Hopkins University School of Medicine; and completed a Fellowship in Endourology and in Minimally Invasive Surgery at John's Hopkins University School of Medicine.

Currently, Dr. Gorin is a practicing urologist employed by the Mount Sinai Health System and an Associate Professor in the Department of Urology at the Icahn School of Medicine at Mount Sinai since 2022. Dr. Gorin has held several positions as an Adjunct Clinical Assistant Professor in the Department of Surgery at the Lake Erie College of Osteopathic Medicine, as a Clinical Assistant Professor in the Department of Urology at the University of Pittsburgh School of Medicine, as a Staff Urologist at Urology Associates & UPMC Western, and as an Assistant Professor with the Department of Urology at the John's Hopkins University School of Medicine.

Neal Chandurpal Gehani, M.D. received an MD degree from Albany Medical College in 2007, received a BS degree from the Rensselaer Polytechnic Institute in 2004, and completed a Residency at the University Hospital of Cleveland-Case Medical Center in 2008. Dr. Gehani is licensed to practice as a Medical-Otolaryngologist.

Dr. Gehani has been a practicing physician since October 2018 to present at ENT and Allergy Associates, a private Otolaryngology medical practice, and was a physician at Tri-County Medical Associates from 2012 to 2018.

Matthew (Matt) J. Searles received a BA degree in economics from the University of Virginia in 1992, a master's in business administration in general management from Duke University in 1997, and received two certifications in Investment Banking.

From 2008 to the present, Matthew Searles is the founder and the managing director at Merritt Healthcare Advisors ("MHA") in Ridgefield, Connecticut. Merritt Healthcare Advisors is a healthcare investment bank that focuses on Healthcare Services (specializing in mergers and acquisitions). From 2001 to the present, Matthew Searles is a partner at Merritt Healthcare Holdings, LLC ("MHH") and is a developer and manager of Ambulatory Surgery Centers in the Eastern US.

From 2012 to 2021, Matthew Searles was affiliated with six (6) Connecticut ASC(s) and with one (1) ASC facility in Maryland.

In New York, Merritt currently manages the Upper West Side GI Center in Manhattan, NY, and the Yorktown Ambulatory Surgery Center in Yorktown, NY. Matthew Searles also owns four (4) ASC(s) facilities and two (2) each in Connecticut and New York.

Daniel (Danny) Lee Seidman received a BS (Chemistry) degree from Vanderbilt University in 2007, an MD degree from Tulane University School of Medicine in 2011, completed a residency at Albert Einstein Medical Center in 2016, and completed a fellowship at UT Houston in 2017.

Dr. Seidman is currently employed at Central Orthopedic Group as an orthopedic foot and ankle surgeon since 2022; is currently a clinical associate professor of orthopedics at Hofstra School of Medicine since 2022; was an associate professor of orthopedics at Hofstra School of Medicine from 2019 to 2022; and was an executive on the Northwell Foot and Ankle committee from 2019 to 2022.

William F. Mulhall received certification as an Administrator Surgery Center (CASC) in 2012; received a BA degree in healthcare administration from Graceland University in 2002; completed an Associates Nurse degree from St. Vincent's College of Nursing in 1994; and received an associate degree in Paramedicine from Northern University in 1991.

William Mulhall is currently employed and is a partner at Merritt Healthcare Holdings, LLC since January 2003; was the Director of Nursing at the Wilton Surgery Center from 2005 to 2010; and was the Chief Procedural Nurse at the Pain Management Associates of Connecticut from 2002 to 2005. Merritt Healthcare Holdings, LLC is an ambulatory surgery center development company that operates multiple ASCs in the greater NY Metropolitan and New England area.

Jason Ho-Yin Tam M.D. received a BS degree (Biology) from Bucknell University in Lewisburg, Pennsylvania, in 2006 and an MD degree from the New York Medical College in Valhalla, NY, in 2010; is

board certified as an Orthopaedic Surgeon since 2018; completed a Residency at Westchester Medical Center in 2015; and completed a Fellowship at San Diego Arthroscopy and Sports Medicine.

Dr. Tam is currently employed as a Clinical Assistant Professor in Orthopaedic Surgery at Mount Sinai from 2019 to the present and was the Attending Orthopaedic Surgeon with Emanate Health (formerly known as Citrus Valley Health Partners) from 2016 to 2019.

HaeKang Yang, D.P.M. received a DPM degree from New York College of Podiatric Medicine in 2015; a BS degree from SUNY at Stony Brook in 2010; completed a Fellowship in Microsurgery at Asian Medical Center, South Korea, in 2018; completed a Residency at NYCHHC-Bellevue Hospital Center in 2018; and became board certified by the American Board of Podiatric Medicine in 2018.

Dr. Yang is currently employed as an Associate Podiatrist at Village MD/Summit Health since 2021 to the present; was an Associate Podiatrist at Medical Associates from 07/2021 to 11/2021; was an Associate Podiatrist at Thurber & Thurber in Elmira, NY, from 2018 to 2021; and was an Attending Podiatric Surgeon at Arnot Ogden Medical Center from 2018 to 2021.

Edward (Eddie) Papa, D.O. received a D.O. degree from the New York College of Osteopathic Medicine in 2012; a BS from Fairfield University in 2006; completed a Fellowship in Interventional Pain Medicine at the University of Michigan from 2016 to 2017; completed a Residency for Physical Medicine and Rehabilitation at Northwell Health System from 20013 to 2016; completed an Internship for Osteopathic at Nassau University Center from 2012 to 2013; and received board certification for Physical Medicine and Rehabilitation in 2017.

Dr. Papa is currently employed as an Assistant Clinical Professor in Pain Management at Mount Sinai Doctors Long Island from 2019 to the present and was an Assistant Clinical Professor of the Anesthesiology/Pain Management Department at Stony Brook Medicine from 2017 to 2018.

Scott Weiner, D.O. received a BA (Biology) degree from the University of Buffalo in 2003; a Doctor of Osteopathic (DO) Medicine degree from New York College of Osteopathic Medicine in 2012; completed a Fellowship at Johns Hopkins in 2020; and completed a Residency at Northwell Plainview Hospital in 2019.

Dr. Weiner is currently employed as an Attending Physician in the Division of Orthopedics and Sports Medicine at Summit Health since 2021 to the present; was the Attending Physician in the Department of Orthopedic Surgery at Franklin Memorial Hospital in 2021 and was a Clinical Instructor for the Department of Orthopedic Surgery at John Hopkins Hospital in Baltimore, Maryland from 2019 to 2020.

Richard J. Searles received a BA (Economics) degree from Wake Forest University in 2005 and is a registered Investment Banking Agent since 2012.

Richard Searles is currently the partner and chief financial officer for Merritt Healthcare since 2008, is a partner for Merritt Healthcare Advisors since 2008, and is a board member with the Connecticut Association of Ambulatory Surgery Centers since 2016 to present.

Michael P. Herman, M.D. received a BA degree from Harvard University in 2000 and an MD from UT Southwestern Medical Center in 2005.

Dr. Herman is currently employed as the director of Urology Oncology at Mount Sinai South Nassau since 2015 to present; was an Assistant Professor at Weill Cornell Medical College / NY Presbyterian Hospital from 2024 to 2015; and was an instructor at Weill Cornell Medical College / NY Presbyterian Hospital from 2011 to 2014.

Danny Mesleman, M.D. received a BS degree from the University of Michigan in 2022; received an MD from the Wayne State University School of Medicine in 2006; completed a Fellowship for Facial Plastic and Reconstructive Surgery at SUNY Upstate from 2011 to 2012; completed a Residency for the Department of Otolaryngology Head and Neck Surgery at Henry Ford Health System from 2002 to 2006; and received certification as an Otolaryngologist.

Dr. Meslemani is currently employed as an Attending Otolaryngologist / Facile Plastic Surgeon at ENT and Allergy Associates since 2022; was an Attending Otolaryngologist / Facile Plastic Surgeon at ENT Associates of New York from 2012 to 2022.

Stelios A. Koutsoumbelis, M.D. received a BS degree (Cell and Molecular Biology) from Tulane University in 2006; received an MD from the University of Akron in 2010; completed a Residency in the Department of Orthopedic Surgery at Northwell Health System in 2015; completed a Fellowship in the Department of Spine Surgery at the Hospital For Special Surgery Memorial Sloan Kettering Cancer Center in 2016; and became board certified in Orthopedic Surgery and Spinal Surgery.

Dr. Koutsoumbelis currently works as a professor and as chairman for Mount Sinai Icahn School of Medicine focusing on Orthopedic Surgery of the Spine at Mount Sinai Health System South Nassau Hospital since 2016. Dr. Koutsoumbelis is a partner with Central Orthopedic Group.

Jodi Cohen-Ansari received a BA (History / Law & Society) degree from Binghamton University in Binghamton, NY, in 1994 and a Master of Public Administration (Management) from New York University-Wagner School of Public Service in 1998.

Currently, Jodi Cohen-Ansari is employed as a System Senior Vice President of Business & Strategic Planning with Mount Sinai Health System from 2008 to the present and was a Vice President of Finance and Clinical Services at Saint Vincent's Hospital from 2001 to 2008.

Sarah J. Sanford received an MBA from The University of Hartford in 2014 and received a BS from Northeastern University in 2006. Currently, Sarah has been employed at Merritt Healthcare since 2015.

Denise Bachand Prince received an MBA and a Master of Public Health (MPH) at the University of California, Berkeley, in 1989 and a BA from Mount Holyoke College in 1984.

Currently, Denise Prince is employed as the Senior Vice-President and the Chief Operating Officer for Mount Sinai Health Partners and for New York Medical Partners ACO, LLC since 2017, and was the System Vice-President and CEO for the Geisinger Health System from 1990 to 2016. Denise is also the Chief Operating Officer with New York Medical Partners ACO, LLC, from 2022 to the present.

Michael J. Pastier received a B.B.A. (Accounting) degree from Pace University in 1984, is currently employed as the Senior Vice President/Chief Financial Officer of the Mount Sinai Health System, and serves as the Officer of Health First/Mount Sinai System since 2021.

Prior to this current position, Michael Pastier was the Senior Vice president and Chief Financial Officer with Mount Sinai Hospital from 2002 to 2015, was a Vice-President for Mount Sinai Hospital from 2000 to 2003, and was the director of Finance with Mount Sinai from 1987 to 2000.

Jorge Baez, M.D. received a BS degree from Stony Brook University in 1990, received an MD degree from New York University School of Medicine in 1994, completed an Adult Reconstruction Fellowship at Harvard Medical School in 2000, completed an Orthopedic Surgery Residency at NYU Hospital for Joint Disease in 1999, and is board certified with the American Board of Orthopedic Surgery since 2002.

Dr. Baez currently has a private practice at the Central Orthopedic Group specializing in Adult Reconstruction (out-patient procedures) in Rockville Centre (2015 to present), in Massapequa (2019 to present), and in Plainview since 2000; is the Chief and Co-Chief of the Orthopedic Department for Northwell Hospital since 2011 to present; is the Clinical Site Director of Orthopedic Residency Program at Northwell Hospital from 2012 to present; is the Clinical Assistant Professor in Orthopedic Surgery at Hofstra North Shore Long Island Jewish School of Medicine from 2012 to present; is the NYITCOM Clinical Assistant Professor for the Department of Surgery from 2014 to present; and is a Fellow of the American Association of Hip and Knee Surgeries from 2011 to present.

Jordan T. Kerker, M.D. received a BS degree from the University of Michigan in 2000, received an MD from Update Medical University in 2004, completed a Fellowship from Southern California Orthopedic

Institute in Van Nuys in 2010, and completed a Residency in Orthopedic Surgery at North Shore / Long Island Jewish Health System in 2010.

Dr. Kerker is a partner and an Orthopedic Surgeon at Central Orthopedic Group from 2010 to the present and is co-owner of Melville Surgery Center from 2012 to the present.

Shazaan F. Hushmendi, M.D. received an MD from Albany Medical College in Albany, NY, in 2013; received a BS (Psychology) from Rensselaer Polytechnic Institute in Troy, NY in 2013; completed residency at Albany Medical Center 2018; and completed a Fellowship at Lenox Hill Hospital in New York City, New York in 2019.

Dr. Hushmendi is currently employed as the Chief of Joint Replacement Surgery at Mount Sinai South Nassau from 2021 to present; is an Adult Reconstructive Surgeon at Central Orthopedic Group from 2019 to present; was an Adult Reconstruction Surgeon at Lenox Hill Hospital from 2018 to 2019; was a Resident of Orthopaedic Surgery at Albany Medical College; was a Doctor of Medicine at Albany Medical College from 2009 to 2013; is an Orthopedic Team Physician for Sports Medicine at Lenox Hospital since 2018 to present, was an Orthopaedic Physician at St. Peter's Hospital from 2016 to 2018; and was the Assistant Team Physician at Rensselaer Polytechnic Institute from 2016 to 2018. Dr. Hushmendi also makes Educational Trips to the University of Gitwe Medical School, Rwanda, Africa, since 2016 to present.

Nathan Monhian, M.D. received a BA degree from Yeshiva University in 1992, received an MD degree (Otolaryngology) from Cornell University Medical College in 1996, completed a Fellowship in Facial Plastic & Reconstructive Surgery at the University of Michigan in 2002, completed a Residency in Otolaryngology-Head and Neck Surgery at the University of California in 2001; and was a student of Medicine at Tehran University School of Medicine in Tehran, Iran from 1986 to 1989.

Dr. Monhian has a private practice in Otolaryngology and Facial Plastic Surgery from 2004 to the present and was employed at the Division of Otolaryngology-Head & Neck Surgery at ProHealth Medical Group from 2011 to 2014.

Araj F. Sidki, D.O. received a BS (Life Sciences) degree from the New York Institute of Technology in 2008; received an MS (Biological & Physical Sciences) at Touro College in 2011; received a Doctor of Osteopathic Medicine degree at the Touro College of Osteopathic Medicine (TOUROCOM) in 2015; completed a Fellowship at the Center for Advanced Pain Management and Rehabilitation in Interventional Spine and Sports from 2021 to 2022; completed a Residency at Flushing Hospital Medical Center in Internal Medicine from 2015 to 2016; and received licensure from the American Board of Physical Medicine and Rehabilitation in 2020.

Dr. Sidki is currently employed as a pain management physician at Central Orthopedic Group from 2022 to present, was a Physiatrist Consultant at Progressive Care Medical Group from 2019 to 2022, and was a General Physiatrist at Interventional Physical Medicine & Rehabilitation P.C. from 2019 to 2020.

Scott E. Barbash, M.D. received a BS degree at the University of Pennsylvania in 2004, received an MD degree at Albert Einstein College of Medicine in 2009, completed a Fellowship in the Division of Sports Medicine/Department of Orthopedic Surgery at the University of Virginia Medical Center in 2015, completed a Residency in the Department of Orthopaedic Surgery and Sports Medicine at the Temple University Hospital in 2014, and is certified by the American Board of Orthopaedic Surgery in 2017.

Currently, Dr. Barbash is employed as an Orthopaedic Surgeon with Central Orthopedic Group from 2017 to the present; was the Chief of the Department of Orthopaedic Surgery at Brookdale University Hospital and Medical Center in 2017, was an Assistant Professor in the Department of Orthopaedic Surgery and Rehabilitation Medicine at SUNY Downstate Medical Center from 2015 to 2017, was the director of Service in Orthopaedic Sports Medicine at Kings County Hospital Center from 2015 to 2017, and was the Attending Physician of the Division of Orthopaedic Surgery at VA Harbor Healthcare System from 2015 to 2017.

Vijay Mukhija, M.D. received a BS degree at Sophie Davis School of Biomedical Education / City University of NY in 2003; received a Master in Public Health (MPH) degree at Columbia University / Mailman School of Public Health in 2005; received an MD at Stony Brook University / State University of NY in 2006; completed a Fellowship in the Department of Otolaryngology at Mount Sinai School of Medicine in 2012; and completed a Residency in the Department of Otolaryngology at the Mount Sinai School of Medicine in 2011. Dr. Mukhija is board-certified by the American Board of Facial Plastic and Reconstructive Surgery and by the American Board of Otolaryngology.

Dr. Mukhija is a partner and Attending Otolaryngologist / Facial Plastic and Reconstruction Surgery at ENT and Allergy Associates from 2017 to the present and was an Attending Otolaryngologist / Facial Plastic and Reconstruction Surgery at the Ear, Nose and Throat Associates of NY from 2012 to 2017.

Sabbir R. Khan, D.O. received a BS degree from the New York Institute of Technology in 2022; received a Doctor of Osteopathic Medicine from the New York College of Osteopathic Medicine in 2005; completed a Fellowship at the Jefferson Medical College and Delaware University Biotechnology in 2011; completed a Residency at the Philadelphia College of Otolaryngology / Head and Neck Surgery Consortium; and became certified by the American Osteopathic Board of Otolaryngology / Head and Neck Surgery in 2011.

Currently, Dr. Khan is a Staff Physician at Huntington Hospital from 2013 to present, was a Staff Physician at ProHealth Surgery Center from 2012 to 2013, was a Staff Physician at NSLIJ Plainview Hospital from 2011 to 2013, is a Staff Physician at South Nassau Communities Hospital from 2011 to present, and has a private practice at ENT and Allergy Associates LLP from 2017 to present.

Vicki L. LoPachin, M.D. received an MBA (Health Services Management) from Hofstra University / Zarb School of Business in 2012; received a BS degree in Pharmacology from the University of Houston in 1988; received an MD from SUNY Stony Brook in 1993; and is board certified by the American Board of Internal Medicine since 1996.

Currently, Dr. LoPachin is the Senior Vice President and Chief Medical Officer at Mount Sinai Health System from 2016 to present; was the Senior Vice President and Chief Medical Officer for the Office for Excellence in Patient Care at Mount Sinai from 2013 to 2016; was the Medical Director for North Shore University Hospital from 2008 to 2013; and is an Attending Physician and Assistant Professor for the Department of Medicine at Mount Sinai School of Medicine from 2014 to present.

Kelly A. Cassano, D.O. received a BA degree from SUNY New Paltz in 1986; received a Doctor of Osteopathic Medicine from the University of New England in 1989; completed a Residency at St. Vincent's Hospital in 1997; and is board certified by the American Board of Internal Medicine in 1997.

Currently, Dr. Cassano is the Chief Executive Officer at Mount Sinai Doctors Faculty Practice from January 2021 to present; is the Senior Vice President of Ambulatory Operations at Mount Sinai Health System from June 2020 to present; is the Dean of Clinical Affairs / Icahn School of Medicine at Mount Sinai from June 2020 to present; is the Medical Director of Mount Sinai Doctors Downtown Union Square from 2014 to present; is an Associate Professor at the Icahn School of Medicine from 2014 to present; was the Chief of Ambulatory Care at Mount Sinai Downtown from 2014 to 2020; was the Senior Associate Dean of Clinical Affairs at Icahn School of Medicine at Mount Sinai from 2017 to 2020; and was the Associate Dean of Clinical Affairs at Icahn School of Medicine at Mount Sinai from 2014 to 2017.

Ong C. Crispin, M.D. received a BA (Economics) degree from Harvard College in 1999; received an MD degree from NYU School of Medicine in 2008; completed a Fellowship in Sports Medicine at Lenox Hill Hospital in 2014; completed an Orthopaedic Surgery Residency at NYU Hospital for Joint Diseases in 2013; and is board certified by the American Board of Orthopaedic Surgery.

Currently, Dr. Crispin is an Orthopaedic Surgeon in Sports Medicine at the Central Orthopedic Group from 2014 to present; and was an Associate in the Department of Corporate Swaps Marketing Group with JP Morgan Chase & CO from 1999 to 2002.

Sam K. Huh, M.D. received an MD from the Albert Einstein College of Medicine in 1994; received a BA (Economics) degree at Northwestern University in 1987; and completed a Residency in Otolaryngology / Head and Neck Surgery at the Albert Einstein College of Medicine in 1999.

Currently, Dr. Huh is an Assistant Professor in the Department of Otolaryngology at the Icahn School of Medicine at Mount Sinai from 2016 to the present; was in private practice in Otolaryngology at Wyckoff Heights Medical Center from 1999 to 2016; and was the Director of Otolaryngology in the Department of Surgery at Wyckoff Heights Medical Center from 1999 to 2016.

Yohan Lee, M.D. received an MD degree from Ross University School of Medicine in the West Indies in 2008; received a BA degree (Biological Sciences) from Binghamton University in 2002; completed a Fellowship in Pain Management at the National Pain Institute in 2014; completed a Residency in Physical Medicine & Rehabilitation at the Marian Rehabilitation Hospital in 2013; and is board certified by the American Board of Physical Medicine & Rehabilitation since 2014.

Currently, Dr. Lee is an Interventional Pain Physician at The Center Orthopedic Group from 2016 to present; was an Intervention Pain Physician at the Pain Management Center (A Prospira PainCare Co.) from 2014 to 2016; was an Interventional Pain Physician at the National Pain Institute (A Prospira PainCare Co.) in 2014; was employed in the Department of PM&R and Orthopedics at Northwell-Plainview from 2016 to present; was employed in the Department of PM&R at Virtua Hospital and at Kennedy University Hospitals from 2015 to 2016; and was employed in the Department of PM&R at Princeton University Hospital from 2014 to 2016.

George D. Xipoleas received a BS degree from Stony Brook University in 2002; received an MD at Mount Sinai School of Medicine in 2006; completed an Anesthetic Fellowship at New York Eye and Ear Infirmary in 2013; and completed a Plastic Surgery Residency at Mount Sinai School of Medicine in 2012. Currently, Dr. Xipoleas is a Plastic Surgeon at The New York Plastic Surgery Group.

Brent C. Stackhouse received a BS from Georgetown University in 2003 and is currently the Managing Director for Mount Sinai Ventures since 2014 to present.

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.

- Mount Sinai West's Stipulation and Order, dated 10/04/22 for a violation of patient rights - The facility had 21 ORs running. It was observed that in twelve of the rooms a total of 24 staff were observed not following acceptable standards of practice for Infection Control practices in the Surgical Areas. specifically in regard to the use of prop and was fined \$10,000.
- Mount Sinai Beth Israel's Stipulation and Order, dated 06/14/24 for a violation of patient rights - Facility failed to protect patients at risk for elopement and was fined \$10,000.
- Mount Sinai West's Stipulation and Order, dated 08/06/24 for a violation of patient rights - Facility failed to assess, identify and implement preventative fall measures for at-risk patients and fined \$10,000.

Conclusion

The individual background review indicates the proposed members have met the standard for approval as set forth in Public Health Law §2801-a(3).

Financial Analysis

Total Project Cost and Financing

The total project cost for renovations and movable equipment is estimated at \$15,824,453, broken down as follows:

Renovation & Demolition	\$6,630,000
Design Contingency	663,000
Construction Contingency	663,000
Architect/Engineering Fees	663,000
Other Fees	500,000
Movable Equipment	5,050,000
Telecommunications	245,000
Financing Costs	206,011
Interim Interest Expense	1,115,895
Application Fee	2,000
Additional Processing Fee	<u>86,547</u>
Total Project Cost	\$15,824,453

The financing for this project will be as follows:

Tenant Improvement Allowance from the Landlord	\$652,800
Members' Equity	1,437,557
Bank loan (6.60% interest, 5-yr. term)	<u>13,734,096</u>
Total	\$15,824,453

BFA Attachments A through E show sufficient resources to meet the equity requirement.

Operating Budget

The applicant has submitted an operating budget, in 2024 dollars, for years one and three, summarized below:

	<u>Year One</u> <u>(2026)</u>		<u>Year Three</u> <u>(2028)</u>	
	<u>Per Proc.</u>	<u>Total</u>	<u>Per Proc.</u>	<u>Total</u>
Revenues:				
Commercial FFS	\$5,335.90	\$6,221,661	\$5,335.93	\$6,600,548
Commercial MC	\$4,876.51	4,739,967	\$4,877.78	5,028,992
Medicare FFS	\$3,048.03	1,975,126	\$3,050.08	2,095,405
Medicare MC	\$2,582.80	167,882	\$2,581.46	178,121
Medicaid MC	\$1,753.46	454,147	\$1,610.01	442,753
Private Pay	\$607.74	39,503	\$607.41	41,911
Less: Bad Debt		(271,966)		(287,755)
Total Revenue		\$13,326,320		\$14,099,975
Expenses:				
Operating	\$2,801.95	\$9,078,319	\$2,831.56	\$9,732,068
Capital	<u>920.28</u>	<u>2,981,705</u>	<u>759.77</u>	<u>2,611,321</u>
Total	\$3,722.23	\$12,060,024	\$3,591.33	\$12,343,389
Net Income / (Loss)		<u>\$1,266,296</u>		<u>\$1,756,586</u>
Total Procedures		3,240		3,437
Cost per Procedure		\$3,722.23		\$3,591.33

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

<u>Payor:</u>	<u>Years One</u>	<u>Year Three</u>
Commercial FFS	35.99%	35.99%
Commercial MC	30.00%	30.00%
Medicare FFS	20.00%	19.98%
Medicare MC	2.00%	2.00%
Medicaid MC	7.99%	8.00%
Private Pay	2.01%	2.01%
Charity Care	2.01%	2.01%
Total	100.00%	100.00%

The following is noted with respect to the submitted budget:

- The number of FTEs and staffing mix were determined by the historical experience of the proposed physician members and will be based upon demand to ensure the provision of high-quality services.
- Revenues and operating expenses are based on the experience of the proposed physician members and MSSN in providing ambulatory surgery services.
- Reimbursement rates reflect current and projected Federal and State government rates, with private payers reflecting adjustments based on experience in the region. Operating revenues by payer are based on the experience of participating providers in accordance with the expected collection rate of the Center.
- The Medicaid rate is based on the downstate region's Medicaid APG base rate of \$116.24, which is adjusted based on the given procedure's APG weight plus the downstate capital add-on rate.
- Commercial, Self-Pay, and All Other rates are projected based on a percentage of the 2024 Medicare fee-for-service (FFS) rate, ranging from 175% for Commercial FFS payors down to 20% for Self-Pay payors.
- All Other is based on 60% of the Medicare FFS rate.
- The Medicare rate is based on the 2024 Medicare FFS rate, with Medicare Managed care estimated at 85% of the FFS rate.
- The applicant indicated they are committed to serving underinsured populations and all persons in need without regard to the patient's ability to pay or the source of payment. The FASC developed a financial assistance policy with a sliding fee scale to be utilized when the center is operational.

Lease Rental Agreement

The applicant has submitted an executed lease rental agreement for the site to be occupied, summarized below:

Premises:	371-377 Old Country Road, Carle Place, NY 11514
Landlord:	Steel OCR, LLC
Tenant:	Central Nassau ASC LLC
Term:	25 years with an option to renew for one (1) five-year term
Rental:	Base rent for total leased space is \$530,400 per year for the 1st year. Rent will increase at 2% of the base year rent for years 2 - 25.
Provisions:	Tenant is responsible for real estate taxes, insurance, utilities, and maintenance.

The applicant has submitted an affidavit stating the lease between the property owner and the lessee is an arm's length arrangement. The applicant has submitted letters from two NYS licensed realtors attesting to the reasonableness of the per-square-footage rental. The FASC will have a separate entrance for its patients.

Capital Contributions

The capital contribution requirements for First and Second Level Class A members and Class B members are detailed under Section 3.1 of the draft operating agreement. Class A and Class B members are expected to make an aggregate contribution of \$2,500,000 in exchange for 100 units. Class A members will collectively contribute \$1,225,000 in exchange for 48.992 Class A units or approximately 49.0% ownership. Class B members will collectively contribute \$1,275,000 in exchange for 51.0 Class B units or

51.0% ownership. BFA Attachment H lists the Class A, and Class B members' total cash capital contributions.

Administrative Services Agreement

The applicant has submitted an executed Administrative Services Agreement (ASA), summarized as follows:

Date:	February 15, 2024
Company:	Central Nassau ASC, LLC
Consulting Company:	Merritt Healthcare Holdings Peakpoint, LLC
Terms:	5 years with an automatic five-year renewal.
Administrative Duties and Responsibilities:	Overseeing and advising on the day-to-day operations of the Company and the Center, Determining the need for and making recommendations regarding the procurement of capital equipment, supplies, information technology, and other materials, negotiating with vendors as the Company may approve for equipment, supplies, and information technology services and systems, assisting with the implementation of appropriate billing and other information technology systems, assisting with financial management, including, implementing an accounting system, assisting with the retention of an auditor, preparing periodic financial projections, and causing quarterly and annual financial statements, assisting with preparation of an updated annual business plan and annual capital and operating budgets, overseeing management of capital accounts, recruitment and training of non-clinical staff, accreditation, preparing draft policies and procedures, coordinating and managing bookkeeping, accounting, and data processing, administering welfare, benefit or insurance plans, billing, and collections.
Consulting Fee:	\$250,000 (\$23,166.67/month) with an annual increase of 3% in subsequent years.

Central Nassau ASC, LLC retains ultimate control in all final decisions associated with the services. The applicant has submitted an executed attestation stating that the applicant understands and acknowledges that there are powers that must not be delegated, the applicant will not willfully engage in any illegal delegation, and understands that the Department will hold the applicant accountable.

Capability and Feasibility

The total project cost of \$15,824,453 will be met with \$1,437,557 of members' equity, a \$652,800 tenant improvement allowance from the landlord, and a bank loan for \$13,734,096 at 6.60% interest with a five-year term. VNB New York, LLC has provided a letter of interest.

Working capital requirements are estimated at \$2,057,232 based on two months of third-year expenses. The working capital will be funded with members' equity of \$1,028,616 and a bank loan of \$1,028,616 for a five-year term at 7.0% interest. VNB New York, LLC has provided a letter of interest. BFA Attachment A, Net Worth Statements of the Proposed Members, indicates sufficient resources to fund the equity requirements. Mount Sinai Hospital provided a letter indicating willingness to provide up to \$1,000,000 in equity to fund capital and working capital needs for the participation of MSAV in the ownership of the Center. The submitted budget projects net income of \$1,266,296 and \$1,756,586 during Year One and Year Three, respectively. The budget appears reasonable.

BFA Attachment B, Mount Sinai Hospital's 2023 Certified Financial Statements, show the entity maintained positive working capital, a positive net asset position, and excess of operating revenue over operating expenses before other items of \$64,098,000. Other items, for the period ended December 31, 2023, reduced revenues by \$14,273,000, resulting in excess of revenue over expenses of \$49,825,000. BFA Attachment C, Mount Sinai Hospital's Internal Financial Statements for the period ended June 20, 2024, which shows the entity has maintained positive working capital, a positive net asset position, and reported \$28,252,000 in excess of operating revenue over expenses before other items. During this reporting period MSH generated \$48,400,000 in unrealized gains on investments, \$24,032,000 in third-

party reimbursement settlements and a \$1,136,000 net change in the captive insurance program resulting in \$101,820,000 excess of revenue over expenses. The resulting excess of revenue over expenses was reduced by \$194,641,000 in transfers to affiliates and offset by \$13,590,000 in net assets release from restrictions resulting in net decrease in net assets without donor restrictions of \$79,231,000.

BFA Attachment D, Mount Sinai Ambulatory Venture's 2023 Certified Financial Statements, show the entity maintained positive working capital, a positive net equity position and a net surplus of \$5,453,129. BFA Attachment E, Mount Sinai Ambulatory Venture's June 30, 2024, Internal Financial Statements, show the entity has maintained positive working capital, a positive net equity position and a net surplus of \$8,445,338.

BFA Attachment F, Pro-Forma Balance Sheet for Peakpoint Central Nassau Surgery Center, shows the operation will start with \$3,118,973 in members' equity, which includes the \$652,800 tenant improvement allowance from the landlord.

Conclusion

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

Attachments

BHFP Attachment	Map
BFA Attachment A	Net Worth Statement of Proposed Members of Peakpoint Central Nassau Surgery Center
BFA Attachment B	The Mount Sinai Hospital – December 31, 2023, Certified Financial Statements
BFA Attachment C	The Mount Sinai Hospital – June 30, 2024, Internal Financial Statements
BFA Attachment D	Mount Sinai Ambulatory Ventures, Inc – December 31, 2023, Certified Financial Statements
BFA Attachment E	Mount Sinai Ambulatory Ventures, Inc – June 30, 2024, Internal Financial Statements
BFA Attachment F	Pro-Forma Balance Sheet
BFA Attachment G	Peakpoint Central Nassau Surgery Center Organizational Chart and list of Members
BFA Attachment H	Capital Contributions and Membership Units



Project # 241081-E
Meridian Surgery Center

Program: Diagnostic and Treatment Center
Purpose: Establishment

County: Queens
Acknowledged: April 3, 2024

Executive Summary

Description

JM Care Services, LLC, an existing limited liability company, requests approval to establish a new multi-specialty ambulatory surgery center (ASC) to be shared with Gramercy Surgery Center – Queens (Gramercy) in a temporally distinct arrangement at 59-25 Kissena Boulevard, Flushing. The new ASC will be known as Meridian Surgery Center (Meridian).

The applicant will lease equipment from Gramercy Surgery Center. On February 1, 2024, JM Care Services, LLC entered into an Administrative Services Agreement with Gramercy Group, a Nuehealth Affiliate, LLC.

The proposed ASC will offer services on Saturday and Sunday from 6:00 AM to 6:00 PM, while Gramercy operates Monday – Friday. The proposed center will provide surgical services in otolaryngology, gynecology, general surgery, and plastic and reconstruction surgery.

Dr. Moustafa Mourad is the proposed Medical Director. The ASC is in discussion with Jamaica Hospital for a transfer and affiliation agreement, 5 miles and 10 minutes away.

The proposed ownership of JM Care Services, LLC is as follows:

James Gohar, MD 50%
Mustafa Mourad, MD 50%

OPCHSM Recommendation

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

Need Summary

The applicant projects 900 procedures in Year One and 1,050 in Year Three, with Medicaid at 10% and Charity Care at 2%.

Program Summary

The individual background review indicates the proposed members have met the standard for approval as set forth in Public Health Law §2801-a(3).

Financial Summary

There are no total project costs associated with this application.

Budget:	<u>Year One</u>	<u>Year Three</u>
Revenues	\$1,710,000	\$2,185,000
Expenses	<u>1,421,200</u>	<u>1,783,100</u>
Net Income	\$288,800	\$401,900

Health Equity Impact Assessment

This project does not meet the requirements for a Health Equity Impact Assessment under Section 2802-B of the PHL.

Recommendations

Health Systems Agency

There will be no HSA recommendation for this project.

Office of Primary Care and Health Systems Management

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

1. Submission by the governing body of the ambulatory surgery center of an Organizational Mission Statement which identifies, at a minimum, the populations, and communities to be served by the center, including underserved populations (such as racial and ethnic minorities, women, and handicapped persons) and the center's commitment to meet the health care needs of the community, including the provision of services to those in need regardless of ability to pay. The statement shall also include a commitment to the development of policies and procedures to assure that charity care is available to those who cannot afford to pay. [RNR]
2. Submission of a signed agreement with an outside, independent entity satisfactory to the Department to provide annual reports to DOH. Reports are due no later than April 1st for the prior year and are to be based upon the calendar year. Submission of annual reports will begin after the first full or, if greater or equal to six months after the date of certification, partial year of operation. Reports should include:
 - a. Data displaying actual utilization including procedures;
 - b. Data displaying the breakdown of visits by payor source;
 - c. Data displaying the number of patients who needed follow-up care in a hospital within seven days after ambulatory surgery;
 - d. Data displaying the number of emergency transfers to a hospital;
 - e. Data displaying the percentage of charity care provided;
 - f. The number of nosocomial infections recorded during the year reported;
 - g. A list of all efforts made to secure charity cases; and
 - h. A description of the progress of contract negotiations with Medicaid managed care plans. [RNR]
3. Submission of an executed transfer and affiliation agreement, acceptable to the Department, with a local acute care hospital. [HSP]

Approval conditional upon:

1. This project must be completed by **one year from the date of the recommendation letter**, including all pre-opening processes, if applicable. Failure to complete the project by this date may constitute an abandonment of the project by the applicant and the expiration of the approval. It is the responsibility of the applicant to request prior approval for any extensions to the project approval expiration date. [PMU]
2. 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 entities will operate at two separate times; there will be no overlap in hours; the clinical space must be used exclusively for the approved purpose; medical records will be separately maintained for each entity and the entrance must not disrupt any other entity's clinical program space. [HSP]
3. The applicant must ensure registration for and training of facility staff on the Department's Health Commerce System (HCS). The HCS is the secure web-based means by which facilities must communicate with the Department and receive vital information. Upon receipt of the Operating Certificate, the Administrator/director that has day-to-day oversight of the facility's operations shall submit the HCS Access Form at the following link to begin the process to enroll for HCS access for the first time or update enrollment information as necessary:
https://www.health.ny.gov/facilities/hospital/docs/hcs_access_form_new_clinics.pdf. Questions may be directed to the Division of Hospitals and Diagnostic & Treatment Centers at 518-402-1004 or email: hospinfo@health.ny.gov. [HSP]

Council Action Date:

December 5, 2025

Need Analysis

Project Proposal

JM Care Services, LLC is seeking approval to establish a multi-specialty freestanding ambulatory surgery center at 59-25 Kissena Boulevard, Flushing, 11355 (Queens County). The center will provide Otolaryngology, Gynecology, General Surgery, and Plastic & Reconstructive Surgery. The facility plans to have four operating rooms. The center will operate under the name Meridan Surgery Center.

Background and Analysis

The service area consists of Jamaica, Flushing and Bayside in Queens County. The population of Queens County is projected to increase to 2,554,994 by 2029 based on Cornell Program on Applied Demographics estimates. Demographics for the primary service are noted below including a comparison with New York State.

Demographics	Queens County	New York State
Total Population-2022 Estimate	2,360,826	19,994,379
Hispanic or Latino (of any race)	28.0%	19.5%
White (non-Hispanic)	23.8%	53.8%
Black or African American (non-Hispanic)	16.7%	13.8%
Asian(non-Hispanic)	25.9%	8.8%
Other (non-Hispanic)	5.6%	4.1%

Source: 2022 American Community Survey (5-year Estimates Data Profiles)

In 2022, 91.3% of the population of Queens County had health coverage as follows:

Employer Plans	41.7%
Medicaid	26.5%
Medicare	10.7%
Non-Group Plans	12.1%
Military or VA	0.278 %

Ambulatory Surgery within a 3-Mile Radius of Proposed Center

Facility Name	Type	Patient Visits			
		2020	2021	2022	2023
Medex Diagnostic and Treatment Center	ASC	Unavail	Unavail	89	3,318
Gramercy Surgery Center, Inc. - Queens	ASC	1,578	2,290	3,055	3,544
Queens Hospital Center	Hospital	3,548	4,981	5,289	7,171
Jamaica Hospital Medical Center	Hospital	3,719	5,255	5,355	5,865
NY-Presbyterian/Queens	Hospital	13,181	13,960	16,864	18,798
Flushing Hospital Medical Center	Hospital	3,927	4,744	4,824	4,906
Long Island Jewish Forest Hills	Hospital	4,308	5,586	6,068	6,325
North Queens Surgical Center	ASC	7,440	9,865	8,774	9,653
Total Visits		37,701	46,681	50,318	59,580

Source: HFIS and SPARCS

All of the facilities listed above provide multi-specialty services that include at least one of the specialties proposed by the applicant.

The applicant projects 900 procedures in the first year and 1,050 by the third, with Medicaid at 10% and Charity Care at 2%. These projections are based on the current practices of participating surgeons. The applicant states that of the procedures moving to this center, 18% are currently being performed in other ambulatory surgery centers, 42% in a hospital setting, and 40% in an office-based setting (Jamaica Hospital, Flushing Hospital, Northwell Forest Hills), and 40% in office-based settings.

The table below shows the projected payor source utilization for Years One and Three:

Payor	Year One		Year Three	
	Volume	%	Volume	%
Commercial FFS	207	23.00%	242	23.05%
Commercial MC	315	35.00%	368	35.05%
Medicare FFS	234	26.00%	276	26.29%
Medicaid FFS	45	5.00%	51	4.86%
Medicaid MC	45	5.00%	51	4.86%
Private Pay	36	4.00%	40	3.81%
Charity Care	18	2.00%	22	2.10%

The applicant will be working with two Federally Qualified Health Centers in the community and Advanced Care Physicians Group to provide service to the under-insured in their service area. The center has developed a financial assistance policy with a sliding fee scale to be utilized when the center is operational. The hours of operation will be on weekends from 6 AM - 6 PM at the location of an existing Article 28 licensed ASC, Gramercy Surgery Center, Inc. – Queens, which currently provides services Monday-Friday. No construction or renovation is required to implement the project.

Conclusion

Approval of this project will provide increased access to Otolaryngology, Gynecology, General Surgery, and Plastic & Reconstructive Surgery in an outpatient setting for the residents of Queens County.

Program Analysis

Program Description

Proposed Operator	JM Care Services, LLC
To Be Known As	Meridian Surgery Center
Site Address	59-25 Kissena Boulevard, Flushing, NY 11355 (Queens County)
Specialties	Ambulatory Surgery- Multispecialty Otolaryngology, Gynecology, General Surgery and Plastic & Reconstructive Surgery
Hours of Operation	Saturdays and Sundays, 6 AM- 6 PM
Operating Rooms	4
Procedure Rooms	0
Staffing (1st Year / 3rd Year)	6.1 FTEs / 10.1 FTEs
Medical Director(s)	Moustafa Mourad, MD
Emergency, In-Patient and Backup Support Services Agreement and Distance	Expected to be provided by Jamaica Hospital 5 miles / 10 minutes away

The table below shows the FTEs in Year One and Year Three after completion of the project.

Position	Year One	Year Three
Management and Supervision	0.6	0.6
Technician and Specialists	2.0	3.0
Registered Nurses	2.5	4.5
Clerical and Other Administrative	1.0	2.0
Totals	6.1	10.1

Character and Competence

The members of Meridian Surgery Center are:

Name	Ownership Interest
James A. Gohar, MD	50.00 %
Moustafa Mourad, MD	50.00%
Total	100.00%

Dr. Moustafa Mourad is the proposed Medical Director. Since 2018, Dr. Mourad has served as the Director of Otolaryngology - Head and Neck Surgery for TJH Medical PC, which serves more than 5,000 patients a year, and performs more than 300 ambulatory surgeries. Dr. Mourad also serves as the Director of Ambulatory Surgical Services for MediSys Health. As part of this leadership role, Dr. Mourad oversees the performance of more than 3,000 ambulatory surgeries a year. Dr. Mourad also serves as part of the administration at Jamaica Hospital Medical System in Queens and is president and co-founder of the Virtual Tumor Board in New York, NY. Dr. Mourad is also currently a Clinical Assistant Professor of Surgery at New York Medical College since 2016. Dr. Mourad previously worked as Chief Division of Head & Neck and Microvascular Surgery at James J. Peters Hospital for three (3) years. Dr. Mourad received his medical degree from the University of Kentucky in May 2011. He completed his residence in General Surgery at Beth Israel Medical Center in 2012 and completed his residence in Otolaryngology in 2016 at Icahn School of Medicine at Mount Sinai. Dr. Mourad disclosed that he is a partner/officer in City ENT, PLLC.

James A. Gohar is currently the CEO and co-founder of Spectrafem LLC, a medical practice and outpatient surgery management company since 2016. He is also the current CEO and co-founder of Viva Eve, formerly known as Forrest Hills Medical Service, a multi-specialty management group, since 2014. Prior to this Dr. Gohar worked as an attending obstetrician and gynecologist for one (1) year at Urban

Health Plan in Bronx, NY. He received his medical degree from Cairo University in Cairo, Egypt in 2003. He completed his residence at the Medical College of Georgia Medical Center in 2013.

Integration with Community Resources

In response to a request for additional information, the applicant indicated in correspondence on August 19th, 2024, that if patients do not have a pre-existing PCP relationship, they will offer referrals back into the community. This practice will continue in the proposed surgery center. In addition, if prior to surgery, medical clearance and pre-operative testing is needed, the applicant intends to make a direct referral to a local PCP office, ensuring that the Article 28 ambulatory surgery center is participating in the local healthcare community. In addition, the facility has reached out to Federally Qualified Health Centers (FQHCs) in Queens to offer services to their underserved covered lives. They have also reached out to community health centers in the immediate local Queens area to inform them of services that can potentially be offered if the application for an Article 28 licensed ambulatory surgery center is approved. Although the facility does not intend to formally join an Accountable Care Organization (ACO), they are willing to provide their facility as an additional outpatient surgical access point to any ACOs or Medical Homes in the region. The applicant also indicates that they will be using an electronic medical record system called Surgical Information Systems (SIS) Complete. SIS is in the final testing round with Healthix, the RHIO for the New York City area. The applicant intends to participate in the Health Information Exchange once this capability is established. The project will contract with the Managed Medicaid programs in this community so that it can provide access to care to patients who would normally have a significant wait to obtain care due to the lack of access to operating rooms in Queens County.

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.

Enforcements

The Department issued an Stip & Order effective July 15th, 2024, and fined Jamaica Hospital Medical Center \$2,000 based on deficiencies found during inspections completed on March 11, 2024. Deficient practices were found in the following areas: Patient Rights, QAPI. The facility failed to implement physician orders for constant observation (1:1) of patients identified as elopement risk. The facility did not utilize its Quality Assessment and Performance Improvement Program to ensure that all safety incidents/occurrences were quantified, analyzed and corrective actions implemented.

Conclusion

The individual background review indicates the proposed members have met the standard for approval as set forth in Public Health Law §2801-a(3).

Financial Analysis

Operating Budget

The applicant has submitted an operating budget, in 2024 dollars, for the first and third years of operation, summarized below:

	<u>Year One</u>		<u>Year Three</u>	
	<u>Per Procedure</u>	<u>Total</u>	<u>Per Procedure</u>	<u>Total</u>
Revenues:				
Commercial FFS	\$2,922	\$604,854	\$3,221	\$779,551
Commercial MC	\$2,432	\$766,080	\$2,687	\$988,873
Medicare FFS	\$822	\$192,348	\$847	\$233,678
Medicaid FFS	\$724	\$32,580	\$639	\$36,924
Medicaid MC	\$690	\$31,050	\$690	\$35,190
Private Pay	\$2,308	<u>\$83,088</u>	\$2,770	<u>\$110,784</u>
Total Revenues		\$1,710,000		\$2,185,000
Expenses:				
Operating	\$1,246	\$1,121,200	\$1,398	\$1,468,100
Capital	<u>\$333</u>	<u>\$300,000</u>	<u>\$300</u>	<u>\$315,000</u>
Total Expenses	<u>\$1,579</u>	<u>\$1,421,200</u>	<u>\$1,698</u>	<u>\$1,783,100</u>
Net Income		\$288,800		\$401,900
Utilization: (Procedures)		900		1,050

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

	<u>Year One</u>	<u>Year Three</u>
Commercial FFS	23.00%	23.05%
Commercial MC	35.00%	35.05%
Medicare FFS	26.00%	26.29%
Medicaid FFS	5.00%	4.86%
Medicaid MC	5.00%	4.86%
Private Pay	4.00%	3.81%
Charity Care	<u>2.00%</u>	<u>2.10%</u>
Total	100.00%	100.00%

Administrative Services Agreement

The applicant has submitted an executed administrative services agreement, summarized below:

Date	February 1, 2024
Company	JM Care Services, LLC (JMCS)
Consultant	The Gramercy Group, a Nuehealth Affiliate, LLC
Term	Five years
Services Provided	Coordinate marketing & public relations activity, recruit and train administrative staff, negotiate and bind coverage for all insurance, coordinate the credentialing process of medical staff, annual review and negotiation of anesthesia, pathology and radiology contract services, negotiate the facility's HIS and IT contractual agreements, consult with equipment procurements, train business office staff on policies, procedures and manuals and establish accounting and finance protocols.
Compensation	\$150,000 annually.

Specifically, JMCS, in its sole discretion, retains all authority and responsibility over the following:

- Ongoing responsibility for the statutory and regulatory compliance of the Center with all state and federal statutes, rules and regulations, and other requirements.
- Direct independent authority over the appointment or dismissal of the Center's management level employees and medical staff, direct authority to approve the Center's operating and capital budgets, and independent control of the books and records of the Center.
- Authority to adopt and approve the Center's operating policies and procedures, and adoption of policies affecting the delivery of health care services.
- Authority over the disposition of assets of the Center, and authority to incur liabilities not normally associated with the day-to-day operations of the Center.
- Independent and direct authority to approve any certificate of need applications or related documents filed by or on behalf of the Center.
- Authority to independently approve any debt to be incurred by the Center which is necessary to finance the cost of compliance with operational or physical plant standards required by law.
- Authority to approve the Center's contracts for management or clinical services.
- Authority to approve settlements of administrative proceedings or litigation to which the Center is a party.
- Possession of all medical records, patient charts, databases and other documentation relating to the Center.
- Compliance with all laws applicable to the operation of the Center.

Master Lease

The applicant has submitted an executed lease amendment for the site for the master lease, which is summarized below:

Premises	12,100 square feet located at 59-25 Kissena Boulevard, Flushing, New York.
Lessor	Queens Kissena, LLC
Lessee	Gramercy Surgery Center, Inc.
Term	Expire on June 30, 2030.
Rental	Base rent of \$830,480.68 plus additional rent of \$60,000 annually for a minimum of twenty-five spaces for parking designated by landlord.
Provisions	The lessee shall be responsible for real estate taxes, maintenance, and utilities.

Sublease Agreement

The applicant has submitted an executed sublease agreement for the site that they will occupy, which is summarized below:

Premises	12,100 square feet located at 59-25 Kissena Blvd, Flushing, New York.
Sublessor	Gramercy Surgery Center, Inc.
Sublessee	JM Care Services, LLC
Term	Five years with a five-year renewal term.
Rental	\$300,000 annually (\$24.79 per sq.ft.)
Provisions	The sublessee shall be responsible for maintenance, real estate taxes, and utilities.

The applicant has submitted an affidavit indicating that there is a relationship between the sublessor and the sublessee. The applicant has submitted two real estate letters attesting to the reasonableness of the per square foot rental.

Capability and Feasibility

There are no project costs associated with this application. The working capital requirements, estimated at \$297,183, equivalent to two months of third year expenses, will be covered with equity from the proposed members' personal resources. BFA Attachment A, Personal Net Worth Statements of the Proposed Members of JM Care Services, LLC, indicates the availability of sufficient funds for the equity contribution. BFA Attachment B, Pro Forma Balance Sheet of JM Care Services, LLC, indicates a positive net asset position of \$297,183 as of the first day of operation.

The submitted budget indicates a net income of \$288,800 and \$401,900 during the first and third years, respectively. Revenues are based on current reimbursement methodologies for ambulatory surgery services. The submitted budget appears reasonable.

Conclusion

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

Attachments

BHFP Attachment	Map
BFA Attachment A	Personal Net Worth Statements
BFA Attachment B	Pro Forma Balance Sheet



Project # 241082-B
ASC of Brooklyn

Program: Diagnostic and Treatment Center **County:** Kings
Purpose: Establishment and Construction **Acknowledged:** March 25, 2024

Executive Summary

Description

ASC of Brooklyn (the Center), an existing New York limited liability company, requests approval to establish and construct a multi-specialty Article 28 freestanding ambulatory surgery center (FASC) in leased space at 53 Third Avenue, Suite 100, Brooklyn (Kings County). The FASC will specialize in podiatry and orthopedic surgery, including neuro and spine procedures, and pain management. Kings County will be their primary service area. The FASC will include two (2) operating rooms and (1) one procedure room.

The proposed ownership of the Center consists of six (6) physician members collectively owning 54.21% of membership units and SCD NY, LLC, a New York limited liability company comprised of 13 physician and non-physician individual members collectively owning 45.783% of membership units. The members of SCD NY, LLC were previously approved as indirect members of Westmoreland ASC, LLC through CON 221115.

The applicant states that of the 7000 procedures moving to this center, the majority (approximately 80%) are currently being performed in two other ASCs. The remainder of the projected cases (20%) are being performed in office-based settings.

Sanjeev Agarwal, M.D., a proposed member board-certified in Pain Medicine, will be the Medical Director. All members will be practicing physicians at the Center and are board-certified or board-eligible in their respective specialties. They will continue to be on call at the hospitals

they currently serve. The State University of New York University Hospital at Downstate will serve as a backup hospital to the FASC.

OPCHSM Recommendation

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

Need Summary

The applicant projects 4,000 procedures in Year One and 7,000 in Year Three, with Medicaid at 8% and Charity Care at 2%.

Program Summary

The individual background review indicates the proposed members have met the standard for approval as set forth in Public Health Law §2801-a(3).

Financial Summary

The total project cost of \$6,623,829 will be met with \$1,323,829 in members' equity, and a bank loan for \$5,300,000 with a ten-year term and an interest rate estimated to be 6.00%.

Budget:	<u>Year One</u>	<u>Year Three</u>
Revenues	\$6,520,597	\$11,411,046
Expenses	<u>\$6,243,132</u>	<u>9,520,518</u>
Net Income / (Loss)	\$277,465	\$1,890,528

Health Equity Impact Assessment

This project does not meet the requirements for a Health Equity Impact Assessment under Section 2802-B of the PHL.

Recommendations

Health Systems Agency

There will be no HSA recommendation for this project.

Office of Primary Care and Health Systems Management

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

1. Submission of a check for the amount enumerated in the approval letter, payable to the New York State Department of Health. Public Health Law Section 2802.7 states that all construction applications requiring review by the Public Health and Health Planning Council shall pay an additional fee of fifty-five hundredths of one percent of the total capital value of the project, exclusive of CON fees. [PMU]
2. Submission of an executed construction loan commitment acceptable to the Department of Health. [BFA]
3. Submission of an executed working capital loan commitment, acceptable to the Department of Health. [BFA]
4. Submission by the governing body of the ambulatory surgery center of an Organizational Mission Statement which identifies, at a minimum, the populations, and communities to be served by the center, including underserved populations (such as racial and ethnic minorities, women, and handicapped persons) and the center's commitment to meet the health care needs of the community, including the provision of services to those in need regardless of ability to pay. The statement shall also include a commitment to the development of policies and procedures to assure that charity care is available to those who cannot afford to pay. [RNR]
5. Submission of a signed agreement with an outside, independent entity satisfactory to the Department to provide annual reports to DOH. Reports are due no later than April 1st for the prior year and are to be based upon the calendar year. Submission of annual reports will begin after the first full or, if greater or equal to six months after the date of certification, partial year of operation. Reports should include:
 - a. Data displaying actual utilization including procedures;
 - b. Data displaying the breakdown of visits by payor source;
 - c. Data displaying the number of patients who needed follow-up care in a hospital within seven days after ambulatory surgery;
 - d. Data displaying the number of emergency transfers to a hospital;
 - e. Data displaying the percentage of charity care provided;
 - f. The number of nosocomial infections recorded during the year reported;
 - g. A list of all efforts made to secure charity cases; and
 - h. A description of the progress of contract negotiations with Medicaid managed care plans. [RNR]
6. Submission of an executed transfer and affiliation agreement, acceptable to the Department, with a local acute care hospital. [HSP]

Approval conditional upon:

1. This project must be completed by **March 5, 2025**, including all pre-opening processes, if applicable. Failure to complete the project by this date may constitute an abandonment of the project by the applicant and the expiration of the approval. It is the responsibility of the applicant to request prior approval for any extensions to the project approval expiration date. [PMU]
2. Construction must start on or before **June 5, 2025**, and construction must be completed by **December 5, 2025**, presuming the Department has issued a letter deeming all contingencies have been satisfied prior to commencement. It is the responsibility of the applicant to request prior approval for any changes to the start and completion dates. In accordance with 10 NYCRR Section 710.10(a), if construction is not started on or before the approved start date, this shall constitute abandonment of the approval. [PMU]
3. The submission of Final Construction Documents, as described in BAER Drawing Submission Guidelines DSG-05, is required prior to the applicant's start of construction. [AER]

4. 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]
5. 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]
6. The applicant must ensure registration for and training of facility staff on the Department's Health Commerce System (HCS). The HCS is the secure web-based means by which facilities must communicate with the Department and receive vital information. Upon receipt of the Operating Certificate, the Administrator/director that has day-to-day oversight of the facility's operations shall submit the HCS Access Form at the following link to begin the process to enroll for HCS access for the first time or update enrollment information as necessary:
https://www.health.ny.gov/facilities/hospital/docs/hcs_access_form_new_clinics.pdf. Questions may be directed to the Division of Hospitals and Diagnostic & Treatment Centers at 518-402-1004 or email: hospinfo@health.ny.gov. [HSP]

Council Action Date
December 5, 2024

Need Analysis

Project Description

ASC of Brooklyn, LLC is seeking approval to establish a multi-specialty freestanding ambulatory (FASC) surgery center at 53 Third Avenue, Brooklyn, 11217 in Kings County. The proposed FASC will specialize in pain management, podiatry, and orthopedic surgery (including neuro/spine procedures). There will be two (2) operating rooms and one (1) procedure room.

Background and Analysis

The service area consists of Kings County, specifically the zip code of 11217, which is within the neighborhoods of Park Slope & Carroll Gardens. The address is within the NYC-Brooklyn Community District 6--Park Slope & Carroll Gardens Public Use Microdata Area (PUMA). The site location is a Medically Underserved Area. The population of Kings County is projected to increase to 2,854,617 by 2029 based on Cornell Program on Applied Demographics estimates. Demographics for the primary service are noted below including a comparison with New York State.

Demographics	Primary Service Area	Kings County	New York State
Total Population-2022 Estimate	43,045	2,679,620	19,994,379
Hispanic or Latino (of any race)	14.5%	18.9%	19.5%
White (non-Hispanic)	51.7%	36.1%	53.8%
Black or African American (non-Hispanic)	16.5%	28.3%	13.8%
Asian(non-Hispanic)	9.0%	11.9%	8.8%
Other (non-Hispanic)	8.3%	4.8%	4.1%

Source: 2022 American Community Survey (5-year Estimates Data Profiles)

In 2022, the population of zip code 11217 had health coverage as follows:

	Zip code 11217
Public health insurance alone	14.5%
Medicare coverage alone	2.8%
Medicaid/means tested coverage alone	11.6%
VA health care coverage alone	0%

Source: Census Bureau

In 2022, the population of the Park Slope & Carroll Gardens PUMA and Kings County had health coverage as follows:

	Park Slope & Carroll Gardens PUMA	Kings County
With Health Insurance	96.8%	93.7%
Employer plans	66.9%	40.9%
Medicaid	11.2%	33.0%
Medicare	7.57 %	8.2%
Non-group plans	11%	11.4%
Military or VA plans	0.0882%	0.3%

Source: Data USA

Ambulatory Surgery within a 3-Mile Radius of Proposed Center

Facility Name	Type	Patient Visits			
		2020	2021	2022	2023
Brooklyn Hospital Center	Hospital	6,728	8,665	7,517	7,779
NYU Langone- Steinburg ASC	Hospital	unavailable	unavailable	unavailable	3,113
Woodhull Medical	Hospital	2,649	4,781	4,341	5,126
NY-Presbyterian Brooklyn	Hospital	12,058	14,906	14,458	7,970
Center for Community Health (opened 12/2020)	Extension Clinic	N/A	unavailable	unavailable	9,177
Interfaith Medical Center	Hospital	1,159	1,539	1,679	2,282
SurgeCare of Brooklyn	ASC	4,666	3,860	6,920	5,692
Total Visits		27,260	33,751	34,915	41,139

Source: HFIS and SPARCS

All of the facilities listed above provide multi-specialty services. There is another multi-specialty ambulatory surgery center recently approved by the Department, Bridge Street ASC, that will specialize in pain management, orthopedic, and spine surgery in Kings County 1.5 miles away and 14 minutes away from this site.

The number of projected procedures is 4,000 procedures in Year One and 7,000 in Year Three, with Medicaid at 8% and Charity Care at 2%. These projections are based on the current practices of participating surgeons. The applicant states that of the procedures moving to this center, the majority (approximately 80%) are currently being performed in two other ASCs. The remainder of the projected cases (20%) are being performed in office-based settings.

The table below shows the projected payor source utilization for Years One and Three.

Payor	Year One		Year Three	
	Volume	%	Volume	%
Commercial FFS	920	23%	1,610	23%
Commercial MC	920	23%	1,610	23%
Medicare FFS	400	10%	700	10%
Medicare MC	200	5%	350	5%
Medicaid FFS	200	5%	350	5%
Medicaid MC	120	3%	210	3%
Charity Care	80	2%	140	2%
Other (WC)	1160	29%	2030	29%

The Center initially plans to obtain contracts with the following Medicaid Managed Care plans: Healthfirst, Fidelis, and Metro Plus. The center will work collaboratively with local Federally Qualified Health Centers such as Brooklyn Plaza Medical Center, Callen Lorde Community Health Center, Community Health Project, Housing Works Services II, Metro Community Health Centers, and ODA Primary Health Care Network to provide service to the under-insured in their service area. The center has developed a financial assistance policy with a sliding fee scale to be utilized when the center is operational. The hours of operation will be from Monday through Friday from 7 am to 4 pm. Weekend or Evening hours will be available if needed.

Conclusion

Approval of this project will provide increased access to pain management, podiatry, and orthopedic surgery in an outpatient setting for the residents of Kings County.

Program Analysis

Project Proposal

Proposed Operator	ASC of Brooklyn, LLC
To Be Known As	ASC of Brooklyn
Site Address	53 Third Avenue, Suite 100 Brooklyn, New York 11217 (Kings County)
Specialties	Ambulatory Surgery- Multispecialty
Hours of Operation	Monday through Friday, 7:00 a.m. to 4:00 p.m.
Staffing (1st Year / 3rd Year)	16.1 FTEs / 27.3 FTEs
Medical Director	Sanjeev Agarwal, M.D.
Emergency, In-Patient, and Backup Support Services Agreement and Distance	Expected to be provided by The State University of New York, University Hospital at Downstate 3.7 miles / 15 minutes away

The following table shows the FTEs for the ASC in Year One and Year Three after completion of the project:

Position	Year One	Year Three
Management and Supervision	1.3	1.8
Technician and Specialist	2.7	6.1
Registered Nurses	6.7	8.8
Physicians	1.3	3.5
Infection Control, Environment and Food Service	0.7	1.8
Clerical and Other Administrative	3.4	5.3
Totals	16.1	27.3

Character and Competence

The members of ASC of Brooklyn are:

Proposed Membership of ASC of Brooklyn, LLC	
Proposed Member	% Ownership
Sanjeev Agarwal, M.D.	8.43%
Pamela Levine, M.D.	8.43%
Vipul Patel, M.D.	10.84%
Carl Paulino, M.D.	9.64%
Brian Dawson, D.P.M	2.41%
Matthew Wert, M.D.	14.46%
SCD NY, LLC	45.78%
- Gregory George, M.D., PhD. (14.14%)	
- Sean O'Neal (10.53%)	
- Steven Hammerstrom, D.P.M. (5.26%)	
- William Gueck, M.D. (5.26%)	
- Christine Merryman (1.97%)	
- Stacey Berner, M.D. (15.24%)	
- William Christopher Urban (7.62%)	
- Ashley Urban (7.62%)	
- Kelly Fox (15.24%)	
- Vivek Sood, M.D. (11.18%)	
- Emily Berend Grove (1.97%)	
- Nicole Facchina (1.32%)	
- Ian Friedman (2.63%)	
TOTAL	100.00%

Sanjeev Agarwal, M.D. will serve as the Center's Medical Director. They graduated from King George's Medical College in India with a master's degree in 1992 and completed their residency at King George's Medical College, Department of Orthopedic Surgery, in 1993. Sanjeev Agarwal has practiced medicine for over 20 years and has extensive experience and pain management. They currently work for Spine Sports and Interventional Pain Medicine in Brooklyn, NY.

Pamela Levine, M.D. graduated from Mount Sinai School of Medicine with their medical degree in 1997. They have worked for Weill Cornell Medical College since 2012 as the Assistant Professor of Clinical Orthopedic Surgery. Prior to this, they were an attending physician at Kings County Medical Center since 2003, an attending physician at Veteran Affairs Hospital since 2005, and an attending hand surgeon at the Methodist Hospital since 2007. Pamela Levine has been named in three malpractice cases that are ongoing in Kings Supreme Court: Odaliris Allen (administrator for Norma Allen) v. Iosif Gulkarov MD, Berhane Worku MD, Adolfo Badillo MD, Marcus D'Ayala MD, Joseph Santi DPM, Pamela Levine MD, Brian Wong MD, Valeriy Matatov MD, Charles Oribabor MD, Jeremiah Gelles MD, NY Methodist Hospital, Nicholas Aquino MD, Muhammad Sarfraz MD, Center for Nursing and Rehabilitation et al (513790/2016), Shanna Huston v. NY Presbyterian Brooklyn Methodist Hospital aka NY Methodist Hospital, Scott Hammerman MD, Maya Lin MD, Pamela Levine MD and Jessican Vanhoorees MD (501534/2018), and Frank Hinds and Barbara Hinds v. Pamela Levine MD, New York Orthopaedic Hand Surgery, PLLC (503175/2024). Per the applicant's response, the first case is against several providers who saw this patient; Dr. Levine was consulted but did not treat the patient. The applicant states the second case regards a noncompliant patient who missed follow-up appointments and didn't go for therapy and didn't have x-rays. The third case, per the applicant, is a malpractice case related to a rotator cuff repair. This legal discourse was not disclosed.

Vipul Patel, M.D. graduated from SUNY Brooklyn Medical School with a medical degree in 2002. They completed their orthopedic surgery residency in 2008 at NYU Hospital for Joint Diseases. Vipul Patel has worked for New York Hand Surgery since 2014. Dr. Patel is named in three malpractice cases that are ongoing in Kings Supreme Court: JC (by his Father Darryl Chiang) v. Vipul Patel MD, Josette Mazile RN, Deneille Hayes Salmon RN, Alet Mikel RN, Jordan Flood RN, Francheska Rosario RN, Sophia Cooper RN, Christian Noel RN, Justyna Villavicencio RN, New York Presbyterian Brooklyn Methodist Hospital, NY Hand Surgery PC (523501/2020), Polina Gorodetskaya v. Kyu Chul Lee, MA OTR/L CHT, Vipul Patel MD, Vipul Patel PT PC, New York Hand Surgery PC, New York Hand Surgery of Queens PC, Lynn Bassin I MA OTR CHT (518444/2023), Jeffrey Mack and Tracy Mack v. Scott Barbash MD, Vipul Patel MD, Brookdale University Hospital & Medical Center and New York Presbyterian-Brooklyn Methodist Hospital (514897/2019). Per the response from the applicant, the first case is against multiple providers who saw a patient who had a reaction after surgery. The second case, per the applicant's response, regards multiple providers who saw a patient who fractured their forearm adjacent to the initial surgery location during physical therapy. The last case, per the applicant's response, is related to an infection after surgery done by another surgeon, Dr. Patel performed a subsequent surgery to debride the soft tissue and bone infection. This legal discourse was not disclosed.

Carl Paulino, M.D. graduated from St. George's University School of Medicine with a medical degree in 2000. They have spent the past 10 years advancing the clinical educational environment as well as scholarly research activities for the Department of Orthopedic Surgery at SUNY Downstate Medical Center.

Brian Dawson, D.P.M. has been the owner/operator of Atlantic Podiatry, PLLC, since 2020. They have over ten years of experience working as a podiatrist for various practices including Urban Heights Medical, Comprehensive Podiatry Center, and The Metropolitan Foot Group. Brian Dawson graduated from the New York College of Podiatric Medicine in 2009.

Matthew Wert, M.D. graduated from SUNY Health Science Center at Brooklyn with a medical degree in 2000. They are currently working as an orthopedic surgeon for W. Medical Care P.C. since 2019. Prior to this, they were employed as an orthopedic surgeon at the New York Presbyterian Brooklyn Methodist Hospital from 2013-2018.

Gregory George, M.D., Ph.D. graduated from Duke University with a PhD in 1983 and from Duke University Medical School with a medical degree in 1984. They have been an Ophthalmologist for more than a decade before co-founding SurgCenter Development in 1993.

Sean O'Neal graduated from California State University, Northridge, with a bachelor's degree in 1973. They founded SurgCenter Development in 1993 and have ownership in several medical facilities.

Steven Hammerstrom, D.P.M. graduated from the University of Osteopathic Medicine and Health Sciences with a DPM in 1987. Although retired, they are still the president of SurgCenter Development.

William Gueck, M.D. graduated from St. Louis University School of Medicine with a medical degree in 1984, completing an internal medicine internship at Mercy Medical Center in 1985. They have practiced medicine for over 20 years, working as an Emergency Medical Physician at St. Luke's Hospital from 1986-2007. They joined SurgCenter in 2002 and have been a principal since 2007.

Christine Merryman attended the University of Missouri, Colombia, from 1986-1989. They have been an owner/partner in Surgical Center Development.

Stacey Berner, M.D. has been the CEO and President of SurgCenter Development since 2012. They obtained their medical degree from Tufts University School of Medicine in 1988 and received an MBA from Haslam School of Business in 2017.

William Christopher Urban graduated from Notre Dame University with a BBA in 2022. They are currently working as investment banking analysts for M&T Bank.

Ashley Urban is currently attending Syracuse University finishing an undergraduate degree.

Kelly Fox graduated from the University of Notre Dame in 2020 with a BBA. They currently work for PricewaterhouseCoopers Advisory Services, LLC, since 2019.

Vivek Sood, M.D. graduated from SUNY Health Science Center at Brooklyn with a medical degree in 2000. They have been the Chief Resident of the Department of Orthopedics at SUNY Downstate Medical Center since 2006 and is a present principal of SurgCenter Development since 2018.

Emily Berend Grove graduated from Wheaton College with a bachelor's degree in 2019. They are currently the Ministry Director of Wheaton Young Life.

Nicole Facchina is a current student at the University of Miami.

Ian Friedman received a judicial degree from the University of Maryland School of Law in 2007 and practiced as an associate for Ober, Kaler, Grime, and Shriver from 2007-2014.

Integration with Community Resources

The Center plans to work closely with its patients to educate them regarding the availability of primary care services offered by local providers. Through this program, the Center's patients will be better able to make informed choices regarding preventive medicine, understand their personal healthcare options going forward, and hopefully avoid unnecessary hospitalization and emergency room visits. Charity care will be provided at least 2% per financial projections. The Center plans to utilize an Electronic Medical Record (EMR) system and to fully integrate and exchange information with an established Regional Health Information Organization (RHIO) with the capability for clinical referral and event notification.

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.

Conclusion

The individual background review indicates the proposed members have met the standard for approval as set forth in Public Health Law §2801-a(3).

Financial Analysis

Total Project Cost and Financing

The total project cost for renovations and movable equipment is estimated at \$6,623,829 broken down as follows:

Renovation & Demolition	\$4,034,144
Design Contingency	403,415
Construction Contingency	403,415
Architect/Engineering Fees	268,103
Construction Manager Fees	43,654
Other Fees	26,000
Movable Equipment	1,300,877
Interim Interest Expense	106,000
Application Fee	2,000
Additional Processing Fee	<u>36,221</u>
Total Project Cost	\$6,623,829

The financing for this project will be as follows:

Members' Equity	\$1,323,829
Bank loan (6.00% interest, 10-year term)	<u>5,300,000</u>
Total	\$6,623,829

Sunflower Bank has provided a letter of interest for the bank loan. BFA Attachments A and B show sufficient resources to meet the equity requirement.

Operating Budget

The applicant has submitted an operating budget, in 2024 dollars, for years one and three, summarized below:

	<u>Year One</u>		<u>Year Three</u>	
	<u>Per Proc.</u>	<u>Total</u>	<u>Per Proc.</u>	<u>Total</u>
Revenues:				
Commercial FFS	\$2,218.70	\$2,041,203	\$2,218.70	\$3,572,105
Commercial MC	\$2,218.70	2,041,203	\$2,218.70	3,572,105
Medicare FFS	\$1,279.51	511,804	\$1,279.51	895,657
Medicare MC	\$1,279.51	255,902	\$1,279.51	447,829
Medicaid FFS	\$680.00	136,000	\$680.00	238,000
Medicaid MC	\$680.00	81,600	\$680.00	142,800
All Other	\$1,252.49	<u>1,452,885</u>	\$1,252.49	<u>2,542,550</u>
Total Revenue		\$6,520,597		\$11,411,046
Expenses:				
Operating	\$1,236.01	\$4,944,034	\$1,182.85	\$8,280,000
Capital	<u>324.77</u>	<u>1,299,098</u>	<u>177.22</u>	<u>1,240,518</u>
Total	\$1,560.78	\$6,243,132	\$1,360.07	\$9,520,518
Net Income / (Loss)		<u>\$277,465</u>		<u>\$1,890,528</u>
Total Procedures		4,000		7,000
Cost per Procedure		\$1,560.78		\$1,360.07

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

<u>Pavor:</u>	<u>Year One</u>	<u>Year Three</u>
Commercial FFS	23.00%	23.00%
Commercial MC	23.00%	23.00%
Medicare FFS	10.00%	10.00%
Medicare MC	5.00%	5.00%
Medicaid FFS	5.00%	5.00%
Medicaid MC	3.00%	3.00%
Charity Care	2.00%	2.00%
All Other	<u>29.00%</u>	<u>29.00%</u>
Total	100.00%	100.00%

The following is noted with respect to the submitted budget:

- The number and mix of staff were determined by the historical experience of the proposed physician members in providing ambulatory surgical services, and experience of other similar FASCs. Staffing patterns will be based on demand.
- Revenues and operating expenses are based on the experience of the proposed physician members in providing ambulatory surgery services.
- The payer mix was determined based on the demographics of the service area and with input from the members of the applicant and the physicians involved with this project.
- Utilization is based on the current caseload of the physicians who've committed to perform cases at the Center.
- The Medicaid rate is based on the downstate region's Medicaid APG base rate of \$117.40, which is adjusted based on the given procedure's APG weight factor of 2.3, plus the downstate capital add-on rate of \$176.50.
- Medicare rates in Years One and Year Three are based on the Nassau County Wage Index for Medicare ASC payments for the service area served by the proposed Center.
- Commercial payor rates are based on the center's proposed service area.
- The Workers' Compensation is based on the New York State Workers' Compensation fee schedule for the proposed service area.
- The applicant indicated they are committed to serving underinsured populations and all persons in need without regard to the patient's ability to pay or the source of payment. The FASC developed a financial assistance policy to be utilized when the center is operational.

Lease Agreement

The applicant has submitted an executed lease rental agreement for the site to be occupied, summarized below:

Premises:	522 Atlantic Avenue, Brooklyn, 11217
Landlord:	PVII HSC Atlantic LLC, LLC
Tenant:	Advanced Surgery Center of Brooklyn, LLC
Term:	10 years
Rental:	Base rent for total leased space is \$593,093 per year (\$49,424 per month) for the 1st year. Rent will increase at 3% of the base year rent for years 2 - 10.
Provisions:	Tenant is responsible for real estate taxes, insurance, utilities and maintenance

The applicant has submitted an affidavit stating the lease between the property owner and the lessee is an arm's length arrangement. The applicant has submitted letters from two NYS licensed realtors attesting to the reasonableness of the per square footage rental. The FASC will have a separate entrance for its patients.

First Amendment to Lease Agreement

The applicant has submitted an executed lease rental agreement for the site to be occupied, summarized below:

Premises:	522 Atlantic Avenue, Brooklyn, 11217
Landlord:	PVII HSC Atlantic LLC, LLC
Tenant:	ASC of Brooklyn, LLC
Tenant Legal Name	The name "Advanced Surgery Center of Brooklyn, LLC" wherever located in the Lease is hereby deleted and replaced with "ASC of Brooklyn, LLC".
Address of Premises	The mailing address of the premises is 53 Third Avenue, Suite 100, Brooklyn, New York 11217.

Second Amendment to Lease Agreement

The applicant has submitted an executed lease rental agreement for the site to be occupied, summarized below:

Premises:	522 Atlantic Avenue, Brooklyn, 11217
Landlord:	PVII HSC Atlantic LLC, LLC
Tenant:	ASC of Brooklyn, LLC
Landlord Reentry and Notice	Amended Section 15 of the lease to include Landlord Reentry and Notice Under 10 NYCRR Sec. 600.2(d).

Capability and Feasibility

The total project cost of \$6,623,829 will be met with \$1,323,829 in members' equity and a bank loan for \$5,300,000 with a ten-year term and an interest rate estimated to be 6.00%. The loan will have an 18-month interest-only term, with the balance at maturity of the interest-only period termed out over a 102-month term with payments based on a 102-month amortization. Sunflower Bank has provided a letter of interest.

Working capital requirements are estimated at \$1,586,753 based on two months of third-year expenses. The working capital will be funded with members' equity of \$1,086,753 and a bank loan of \$500,000 with a four-year term and an interest rate of 9.00%. The loan will have a 24-month term with interest-only payments due monthly, followed by a 48-month term with a 48-month amortization with principal and interest payments due monthly. Sunflower Bank has provided a letter of interest.

BFA Attachment A presents the physician members' personal net worth statements, which indicate sufficient resources overall to fund the equity requirements. Mr. Ian Friedman, a member of SCD NY, LLC, provided an affidavit confirming his willingness to contribute personal resources disproportionate to his membership interest to cover any equity shortfall for William Christopher Urban, Ashley Urban, and Kelly Fox.

The submitted budget projects a net income of \$277,465 and \$1,890,528 during Year One and Year Three of operations, respectively. The budget appears reasonable.

BFA Attachment B is the Pro-Forma Balance Sheet for ASC of Brooklyn, LLC, which shows the operation will start with \$2,410,582 in members' equity on the first day of operations.

Conclusion

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

Attachments

BHFP Attachment	Map
BFA Attachment A	Net Worth Statement of Proposed Members of ASC of Brooklyn, LLC
BFA Attachment B	Pro-Forma Balance Sheet
BFA Attachment C	ASC of Brooklyn, LLC Organizational Chart, and list of Members



Project # 242018-B
Woodside ASC, LLC

Program: Diagnostic and Treatment Center **County:** Queens
Purpose: Establishment and Construction **Acknowledged:** August 6, 2024

Executive Summary

Description

Woodside ASC, LLC d/b/a Woodside Gastroenterology and Endoscopy Center (the Center), a New York limited liability company, requests approval to establish and construct a single-specialty, Article 28 freestanding ambulatory surgery center (FASC) in leased space at 69-28 Queens Boulevard, Woodside (Queens County).

The Center will include 4,500 square feet of renovated space in an existing building with three (3) Endo procedure rooms, six (6) patient bays, a patient changing area, a nurse's station, a waiting area, and a reception area with offices for admittance of patients. The proposed renovations include a new HVAC system and upgrades to the current fire alarm and sprinkler systems.

Chuansheng Wang, M.D. Ph.D, Board Certified in Gastroenterology, is the sole member of the Center and will also serve as the Medical Director. The applicant is negotiating a transfer agreement for backup and emergency services with NYU Langone Medical Center, 3.3 miles (14 minutes travel time) from the proposed Center.

OPCHSM Recommendation

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

Need Summary

The applicant projects 5,130 procedures in Year One and 5,656 in Year Three, with 49% Medicaid and 2% Charity Care in Year One and 51.5% Medicaid and 2% Charity Care in Year Three.

Program Summary

The individual background review indicates the proposed members have met the standard for approval as set forth in Public Health Law §2801-a(3).

Financial Summary

The applicant and the landlord will fund the total project costs of \$2,026,493. The applicant's portion, \$226,493, will be funded with equity. The landlord's portion for the Center's build-out is \$1,800,000, and it will be funded with \$200,000 in equity and a \$1,600,000 construction loan.

Budget:	<u>Year One</u>	<u>Year Three</u>
Revenues:	\$3,040,982	\$3,412,239
Expenses:	<u>\$2,709,305</u>	<u>\$2,964,414</u>
Gain	\$331,677	\$447,825

Health Equity Impact Assessment

This project does not meet the requirements for a Health Equity Impact Assessment under Section 2802-B of the PHL

Recommendations

Health Systems Agency

There will be no HSA recommendation for this project.

Office of Primary Care and Health Systems Management

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

1. Submission of a check for the amount enumerated in the approval letter, payable to the New York State Department of Health. Public Health Law Section 2802.7 states that all construction applications requiring review by the Public Health and Health Planning Council shall pay an additional fee of fifty-five hundredths of one percent of the total capital value of the project, exclusive of CON fees. [PMU]
2. Submission of an executed transfer and affiliation agreement, acceptable to the Department, with a local acute care hospital. [HSP]
3. The submission of State Hospital Code (SHC) Drawings for review and approval, as described in BAER Drawing Submission Guidelines DSG-1.0. [AER]
4. The submission of Engineering (MEP) Drawings for review and approval, as described in BAER Drawing Submission Guidelines DSG-1.0 [AER]
5. Submission of an executed construction loan commitment acceptable to the Department of Health. [BFA]
6. Submission of an executed working capital loan commitment acceptable to the Department of Health [BFA]
7. Submission of an executed lease agreement acceptable to the Department of Health. [BFA]
8. Submission by the governing body of the ambulatory surgery center of an Organizational Mission Statement which identifies, at a minimum, the populations, and communities to be served by the center, including underserved populations (such as racial and ethnic minorities, women, and handicapped persons) and the center's commitment to meet the health care needs of the community, including the provision of services to those in need regardless of ability to pay. The statement shall also include a commitment to the development of policies and procedures to assure that charity care is available to those who cannot afford to pay. [RNR]
9. Submission of a signed agreement with an outside, independent entity satisfactory to the Department to provide annual reports to DOH. Reports are due no later than April 1st for the prior year and are to be based upon the calendar year. Submission of annual reports will begin after the first full or, if greater or equal to six months after the date of certification, partial year of operation. Reports should include:
 - a. Data displaying actual utilization including procedures;
 - b. Data displaying the breakdown of visits by payor source;
 - c. Data displaying the number of patients who needed follow-up care in a hospital within seven days after ambulatory surgery;
 - d. Data displaying the number of emergency transfers to a hospital;
 - e. Data displaying the percentage of charity care provided;
 - f. The number of nosocomial infections recorded during the year reported;
 - g. A list of all efforts made to secure charity cases; and
 - h. A description of the progress of contract negotiations with Medicaid managed care plans. [RNR]

Approval conditional upon:

1. This project must be completed by **February 15, 2025**, including all pre-opening processes, if applicable. Failure to complete the project by this date may constitute an abandonment of the project by the applicant and the expiration of the approval. It is the responsibility of the applicant to request prior approval for any extensions to the project approval expiration date. [PMU]
2. Construction must start on or before **June 15, 2025**, and construction must be completed by **November 15, 2025**, presuming the Department has issued a letter deeming all contingencies have been satisfied prior to commencement. It is the responsibility of the applicant to request

prior approval for any changes to the start and completion dates. In accordance with 10 NYCRR Section 710.10(a), if construction is not started on or before the approved start date, this shall constitute abandonment of the approval. [PMU]

3. 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]
4. The applicant must ensure registration for and training of facility staff on the Department's Health Commerce System (HCS). The HCS is the secure web-based means by which facilities must communicate with the Department and receive vital information. Upon receipt of the Operating Certificate, the Administrator/director that has day-to-day oversight of the facility's operations shall submit the HCS Access Form at the following link to begin the process to enroll for HCS access for the first time or update enrollment information as necessary:
https://www.health.ny.gov/facilities/hospital/docs/hcs_access_form_new_clinics.pdf. Questions may be directed to the Division of Hospitals and Diagnostic & Treatment Centers at 518-402-1004 or email: hospinfo@health.ny.gov. [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]
6. 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]

Council Action Date
December 5, 2024

Need Analysis

Project Description

Woodside ASC, LLC d/b/a Woodside Gastroenterology and Endoscopy Center is requesting to establish and construct a single-specialty, Article 28 freestanding ambulatory surgery center (FASC) to provide gastroenterological surgical procedures to patients in the Woodside community, which includes the surrounding area of Queens in NYC. Woodside Gastroenterology and Endoscopy Center will be at 69-28 Queens Boulevard, Woodside, New York 11377 in Queens County. The Center will be owned by Chuansheng Wang, M.D.

Background and Analysis

The primary service area for this project is Queens County, specifically zip code 11377. The population of Queens County is estimated at 2,360,826 based on 2022 American Community Survey data and is expected to increase to 2,554,994 by 2029 per projection data from the Cornell Program on Applied Demographics, an increase of 8.2%. Demographics for the primary service area are noted below including a comparison with New York State.

Demographics	Zip Code 11377	Queens County	New York State
Total Population	86,977	2,360,826	19,994,379
Hispanic or Latino (of any race)	39.4%	28.0%	19.5%
White (non-Hispanic)	19.9%	23.8%	53.8%
Black or African American (non-Hispanic)	1.5%	16.7%	13.8%
Asian(non-Hispanic)	36.5%	25.9%	8.8%
Other (non-Hispanic)	2.7%	5.6%	4.1%

Source: 2022 American Community Survey (5-Year Estimates Data Profiles)

In 2022, 91.3% of the population of Queens County had health coverage as follows:

Employee plans	41.7%
Medicaid	26.5%
Medicare	10.7%
Non-group plans	12.1%
Military or VA plans	0.278%

Source: Data USA

Ambulatory Surgery within 3-Mile Radius of Proposed Center

Facility Name	Type	Patient Visits		
		2021	2022	2023
The Endoscopy Center of Queens	ASC	7,547	7,689	9,893
Mount Sinai Hospital - Mount Sinai Hospital of Queens	Hospital	3,414	4,773	5,960
Elmhurst Hospital Center	Hospital	7,368	6,301	6,279
Queens Boulevard ASC, LLC	ASC	11,849	10,370	11,145
Long Island Jewish Forest Hills	Hospital	5,586	6,068	6,325
Total Visits		35,764	35,201	39,602

Source: HFIS and SPARCS

All of the facilities listed above provide single-specialty or multi-specialty ambulatory gastroenterology surgery services.

Queens County had 16 ASCs from 2021 through 2023 according to data from the Health Facilities Information System (HFIS). For 2023, there were approximately 140,762 people in Queens County per ASC.

There is another proposed single-specialty ambulatory surgery center for gastroenterology (CON 242077 Rego Park Endo, LLC) under review by DOH in Queens County just 2.6 miles away and 13 minutes drive time away from this site.

The applicant projects 5,130 procedures in Year One and 5,656 in Year Three, with 49% Medicaid and 2% Charity Care in year 1 and 51.5% Medicaid and 2% Charity Care in Year 3. These projections are based on the current practices of participating surgeons. The applicant states that this project will bring existing gastroenterological cases performed in office based surgical settings to their Article 28 facility. The table below shows the projected payor source utilization for Years One and Three.

Payor	Year One		Year Three	
	Volume	%	Volume	%
Commercial MC	1,539	30%	1498	26.5%
Medicare MC	975	19%	1129	20%
Medicaid MC	2,514	49%	2911	51.5%
Charity Care	102	2%	118	2%

The center initially plans to obtain contracts with the following Medicaid Managed Care plans: Healthfirst, Fidelis, Metro Plus and United Healthcare Community Plan (Medicaid) The center will operate up to six days per week from 7:00 a.m. to 6:00 pm, Monday through Saturday. The hours and days of operation may be modified to accommodate patient demand and convenience.

Conclusion

Approval of this project will provide increased access to Gastroenterology in an outpatient setting for the residents of Queens County.

Program Analysis

Project Proposal

Proposed Operator	Woodside ASC, LLC
To Be Know As	Woodside ASC, LLC
Site Address	69-28 Queens Boulevard, Woodside, NY 11377 (Queens County)
Specialties	Ambulatory Surgery - Single Specialty - Gastroenterology
Hours of Operation	Monday through Saturday Friday, 7:00 a.m. to 6:00 p.m.
Staffing (1st Year / 3rd Year)	17.8 FTEs / 19.3 FTEs
Medical Director	Chuansheng Wang
Emergency, In-Patient and Backup Support Services Agreement and Distance	NYU Langone Medical Center 3.3 miles / 14 minutes away

The Center will include 4,500 square feet of renovated space in an existing building with three (3) Endo procedure rooms, six (6) patient bays, a patient changing area, a nurse's station, a waiting area, and a reception area with offices for admittance of patients. The proposed renovations include a new HVAC system and upgrades to the current fire alarm and sprinkler systems.

The Center will operate up to 6 days per week from 7:00 a.m. to 6:00 pm, Monday through Saturday. The hours and days of operation may be modified to accommodate patient demand and convenience.

The applicant anticipates an increase in patient volume due to the aging population and the lowering of the recommended age to have colonoscopy screening. The unmet need is to provide these services to patients in a regulated Surgical Center. Two (2) physicians have provided letters of interest to perform procedures at the center and project a total of 5,700 patient procedures.

The Center plans to work closely with its patients to educate them regarding the availability of primary care services offered by local providers. Through this program, the Center's patients will be better able to make informed choices regarding preventive medicine, to understand their personal health care options going forward, and avoid unnecessary hospitalization and emergency room visits. The Center plans to seek accreditation from the Accreditation Association for Ambulatory Health Care (AAAHC). An Electronic Medical Record (EMR) system will be implemented to fully integrate and exchange information with an established Regional Health Information Organization (RHIO) with the capability for clinical referral and event notice.

Employees will be coming from the office-based practice, which will be closed. Any additional employees will come from the Greater New York City area. The proposed staffing will increase by 1.5 FTEs from Year One to Year Three. The table below shows the projected FTEs in Year One and Year Three after completion of the project.

Position	Year One	Year Three
Management and Supervision	1.0	1.0
Technician and Specialist	11.1	12.2
Registered Nurses	3.7	4.1
Physicians	2.0	2.0
Clerical and Other Administrative	2.0	2.0
Totals	17.8	19.3

Character and Competence

The sole member of Woodside ASC, LLC is Chuansheng Wang, M.D. Dr. Wang will also serve as the Medical Director.

Chuansheng Wang M.D. graduated with a medical degree from Beijing Medical University, in Beijing China in 1996. Dr. Wang received a PH.D. from the New York Albert Einstein College of Medicine in 2003 and is licensed to practice in New York and Maryland. Dr. Wang is a Board-Certified Gastroenterologist, certified through 12/2031.

Since 2014, Dr. Wang has owned and operated Elmhurst Queens Gastroenterology and Hepatology Consultant PC, which specializes in gastroenterology and hepatology, and was an owner in Queens Boulevard ASC, LLC in New York from June 2017 to December 21, 2021. Since 2019, Dr. Wang has been an Assistant Clinical Professor at NYU Langone Medical Center in New York. Dr. Wang was an Assistant Clinical Professor with the Department of Medicine at Mount Sinai Hospital in New York from 2013 to 2018 and was an Associate at JiangJun Li GI Medical P.C, in New York from 2013 to 2014. Dr. Wang was an Assistant Professor with the Department of Medicine at the Medical University of South Carolina from 2012 to 2013. Dr. Wang anticipates performing 2950 procedures annually.

Dr. Snow Trinh Nguyen, a gastroenterologist, submitted a letter of interest to perform procedures at Woodside ASC, LCC. Dr. Nguyen specializes in Gastroenterology and Hepatology; is Board Certified in Gastroenterology and currently has physician privileges at NYU Langone Hospital. Dr. Nguyen anticipates performing 2750 procedures annually at Woodside ASC, LLC.

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.

Conclusion

The individual background review indicates the proposed members have met the standard for approval as set forth in Public Health Law §2801-a(3).

Financial Analysis

Total Project Cost and Financing

The total project cost for renovations and movable equipment is estimated at \$2,026,493, as follows.

Renovation & Demolition	\$1,255,800
Design Contingency	125,580
Construction Contingency	125,580
Architect/Engineering Fees	85,000
Movable Equipment	404,213
Interim Interest Expense	17,246
Application Fees	2,000
Additional Processing Fees	<u>11,074</u>
Total Project Cost	\$2,026,493

The financing plan of the applicant and its landlord is as follows:

Equity-Applicant member	\$226,493
Equity-Landlord member	200,000
Bank Loan -Landlord (variable rate, estimated at 6.5% interest as of 5/2/2024, amortization up to 25 years)	<u>1,600,000</u>
Total	\$2,026,493

BFA Attachments A.1 and A.2 present the net worth summaries for Woodside ASC, LLC and New Avatar Property Holdings, LLC members, which show sufficient resources to meet the equity requirements. Chase Bank has provided a letter of interest.

Operating Budget

The applicant has submitted the first and third year projected operating budgets in 2025 dollars, as summarized below:

	<u>Year One</u>		<u>Year Three</u>	
ASC Revenues:	<u>Per Procedure</u>	<u>Total</u>	<u>Per Procedure</u>	<u>Total</u>
Medicaid - MC	\$571.48	\$1,436,701	\$585.85	\$1,705,417
Medicare - MC	\$601.67	586,630	\$616.80	696,372
Commercial - MC	\$661.24	<u>1,017,651</u>	\$674.53	<u>1,010,450</u>
Total Revenues:		\$3,040,982		\$3,412,239
Expenses:				
Operating	\$457.93	\$2,349,160	\$458.44	\$2,592,913
Capital	<u>\$70.20</u>	<u>360,145</u>	<u>\$65.68</u>	<u>371,501</u>
Total Expenses:	\$528.13	\$2,709,305	\$524.12	\$2,964,414
Net Income (Loss)		<u>\$331,677</u>		<u>\$447,825</u>
Visits		5,130		5,656

The following is noted concerning the submitted ASC budget.

- Reimbursement rates were determined based on the Centers for Medicare & Medicaid Services (CMS) 2024 Final Rule Rates for each current procedural terminology (CPT) code. The other payer rates were predicated on the Medicare rate based on the applicant's experience negotiating insurance rates and their relationships as a percentage of the Medicare rate (Commercial at 110% of the Medicare rate and Medicaid at 95% of the Medicare rate).
- Staffing is based on a pro forma model using the number of cases and industry benchmarks for gastroenterological surgical centers.
- Expense assumptions, other Depreciation, and Rent are based on projected yearly cases in conjunction with industry standards.

- Utilization assumptions are supported by participating physicians' volume letters based on their current experience. Utilization by payor source is as follows:

	<u>Year One</u>		<u>Year Three</u>	
Payor:	<u>Procedure</u>	<u>%</u>	<u>Procedure</u>	<u>%</u>
Medicaid-MC	2,514	49.01%	2,911	51.47%
Medicare-MC	975	19.00%	1,129	19.95%
Commercial-MC	1,539	30.00%	1,498	26.49%
Charity Care	<u>102</u>	<u>1.99%</u>	<u>118</u>	<u>2.09%</u>
Total	5,130	100%	5,656	100%

Lease Rental Agreement

The applicant has submitted a draft Lease Agreement for the proposed site, the terms of which are summarized below:

Premises:	4,500 sq. ft. located at 69-28 Queens Boulevard, Woodside, NY
Landlord:	New Avatar Property Holdings, LLC
Lessee:	Woodside ASC, LLC
Landlord to Construct:	Construct all tenant improvements in compliance with 10NYCRR Parts 711 and 715
Term:	15 Years and two (2) five-year renewals
Rental:	\$270,000 with an annual escalation of 2%
Provisions:	The tenant is responsible for taxes, insurance, utilities, and maintenance.

The lease arrangement is a non-arms-length agreement. The applicant has submitted an affidavit attesting to the relationship between the landlord and the operator. Letters from two NYS licensed realtors attest to the rental rate being of fair market value have been provided.

Capability and Feasibility

The applicant and the landlord will fund the total project costs of \$2,026,493. The applicant's portion, \$226,493, will be funded with equity. The landlord's portion for the FASC's build-out is \$1,800,000, and it will be funded with \$200,000 in equity and a \$1,600,000 construction loan. The construction loan will be converted into a permanent loan at a fixed rate estimated at 6.5% as of 5/2/2024 with amortization up to 25 years. Chase Bank has provided a letter of interest.

The working capital requirement is estimated at \$494,069 based on two months of third-year expenses, and will be funded with \$247,035 in members' equity and a five-year loan for \$247,034 at an interest rate of 8%. Chase Bank has provided a letter of interest. A review of BFA Attachment A.1 and A.2 shows sufficient resources to meet all equity requirements. BFA Attachment B presents Woodside ASC, LLC's Pro Forma Balance Sheet, which shows operations will start with \$464,322 in equity. BFA Attachment C presents New Avatar Property Holdings, LLC's Pro Forma Balance Sheet, which shows \$1,645,138 in equity. The budget appears reasonable.

Conclusion

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

Attachments	
BHFP Attachment	Map
BFA Attachment A1	Woodside ASC Net Worth Statement
BFA Attachment A2	New Avatar Property Holdings Net Worth Statement
BFA Attachment B	Woodside ASC Pro Forma Balance Sheet
BFA Attachment C	New Avatar Property ASC Pro Forma Balance Sheet



Project # 242077-B
Rego Park Endo, LLC

Program: Diagnostic and Treatment Center **County:** Queens
Purpose: Establishment and Construction **Acknowledged:** August 23, 2024

Executive Summary

Description

Rego Park Endo, LLC (Rego Park), an existing New York limited liability company, requests approval to establish and construct a single specialty free standing ambulatory surgery center (FASC) specializing in gastroenterology services. The new facility, at 99-01 Queens Blvd, Rego Park (Queens County) will include five (5) endoscopy procedure rooms. This project will combine multiple private practices into a single FASC.

The proposed members of Rego Park Endo, LLC are Dr. David Tenenbaum, Dr. David Beyda, Dr. Albert Shalomov, Dr. Dan Reich, and Sapient Health Management, LLC.

Dr. David Tenenbaum, board-certified in internal medicine and a gastroenterologist will serve as Medical Director. Four (4) gastroenterologists have provided letters of interest to perform procedures at the Center. Collectively, the physicians are currently performing approximately 7,200 procedures annually that can be performed in an ASC. The physicians are all board-certified in Gastroenterology.

The applicant is negotiating with Flushing Hospital Medical Center regarding a Transfer and Affiliation Agreement for backup and emergency services. The closest hospital to the facility is Long Island Jewish Forest Hills Hospital, .2 miles or 4 minutes from the proposed facility.

OPCHSM Recommendation

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

Need Summary

The applicant projects 6,528 procedures in Year One and 7,528 in Year Three, with Medicaid at 30% and Charity Care at 2% by the Year Three.

Program Summary

The individual background review indicates the proposed members have met the standard for approval as set forth in Public Health Law §2801-a(3).

Financial Summary

The total project costs of \$6,002,594 will be funded with \$52,594 of member's equity, \$550,000 in Landlord Tenant improvement allowance, a \$3,600,000 bank construction loan, self-amortizing for a 10-year term at an 8.05% interest rate, and an \$1,800,000 bank loan for equipment, self-amortizing for a 5-year term at an 8.50% interest rate.

Budget:

	<u>Year One</u>	<u>Year Three</u>
Revenues:	\$5,940,924	\$6,936,709
Expenses:	<u>\$5,401,636</u>	<u>\$6,231,897</u>
Net Income	\$539,288	\$704,812

Health Equity Impact Assessment

This project does not meet the requirements for a Health Equity Impact Assessment under Section 2802-B of the PHL.

Recommendations

Health Systems Agency

There will be no HSA recommendation for this project.

Office of Primary Care and Health Systems Management

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

1. Submission of a check for the amount enumerated in the approval letter, payable to the New York State Department of Health. Public Health Law Section 2802.7 states that all construction applications requiring review by the Public Health and Health Planning Council shall pay an additional fee of fifty-five hundredths of one percent of the total capital value of the project, exclusive of CON fees. [PMU]
2. Submission of an executed Transfer and Affiliation Agreement, acceptable to the Department, with a local acute care hospital. [HSP]
3. Submission of an executed Administrative Services Agreement acceptable to the Department. [HSP]
4. Submission of State Hospital Code (SHC) Drawings, acceptable to the Department, as described in BAEFP Drawing Submission Guidelines DSG-1.0. [AER]
5. Submission of Engineering (MEP) Drawings, acceptable to the Department, as described in BAEFP Drawing Submission Guidelines DSG-01. [AER]
6. Submission of an executed loan commitment for the buildings construction, acceptable to the Department of Health. [BFA]
7. Submission of an executed loan commitment for equipment, acceptable to the Department of Health. [BFA]
8. Submission of an executed working capital loan, acceptable to the Department of Health. [BFA]
9. Submission of an executed building lease agreement, acceptable to the Department of Health. [BFA]
10. Submission by the governing body of the ambulatory surgery center of an Organizational Mission Statement which identifies, at a minimum, the populations and communities to be served by the center, including underserved populations (such as racial and ethnic minorities, women, and handicapped persons) and the centers commitment to meet the health care needs of the community, including the provision of services to those in need, regardless of ability to pay. The statement shall also include a commitment to the development of policies and procedures to assure that charity care is available to those who cannot afford to pay. [RNR]
11. Submission of a signed agreement with an outside, independent entity satisfactory to the Department to provide annual reports to DOH. Reports are due no later than April 1st for the prior year and are to be based upon the calendar year. Submission of annual reports will begin after the first full or, if greater or equal to six months after the date of certification, partial year of operation. Reports should include:
 - a. Data displaying actual utilization including procedures;
 - b. Data displaying the breakdown of visits by payor source;
Data displaying the number of patients who needed follow-up care in a hospital within seven days after ambulatory surgery;
 - c. Data displaying the number of emergency transfers to a hospital;
 - d. Data displaying the percentage of charity care provided;
 - e. The number of nosocomial infections recorded during the year reported;
 - f. A list of all efforts made to secure charity cases; and
 - g. A description of the progress of contract negotiations with Medicaid managed care plans.[RNR]

Approval conditional upon:

1. This project must be completed by **February 15, 2025**, including all pre-opening processes, if applicable. Failure to complete the project by this date may constitute an abandonment of the project by the applicant and the expiration of the approval. It is the responsibility of the applicant to request prior approval for any extensions to the project approval expiration date. [PMU]

2. Construction must start on or before **June 15, 2025**, and construction must be completed by **November 15, 2025**, presuming the Department has issued a letter deeming all contingencies have been satisfied prior to commencement. It is the responsibility of the applicant to request prior approval for any changes to the start and completion dates. In accordance with 10 NYCRR Section 710.10(a), if construction is not started on or before the approved start date, this shall constitute abandonment of the approval. [PMU]
3. 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]
4. The applicant must ensure registration for and training of facility staff on the Department's Health Commerce System (HCS). The HCS is the secure web-based means by which facilities must communicate with the Department and receive vital information. Upon receipt of the Operating Certificate, the Administrator/director that has day-to-day oversight of the facility's operations shall submit the HCS Access Form at the following link to begin the process to enroll for HCS access for the first time or update enrollment information as necessary:
https://www.health.ny.gov/facilities/hospital/docs/hcs_access_form_new_clinics.pdf. Questions may be directed to the Division of Hospitals and Diagnostic & Treatment Centers at 518-402-1004 or email: hospinfo@health.ny.gov. [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]
6. 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]

Council Action Date
December 5, 2024

Need Analysis

Project Description

Rego Park Endo, LLC (Rego Park), an existing New York limited liability company, requests approval to establish and construct an Article 28 Diagnostic and Treatment Center (D&TC) to be certified as a single-specialty freestanding ambulatory surgery center (FASC) specializing in gastroenterology services. The new facility will include five (5) endoscopy procedure rooms and will be located at 99-01 Queens Blvd, 2nd floor, Rego Park (Queens County). This project will combine multiple private practices into a single FASC. The Center will be owned by Dr. David Tenenbaum, Dr. David Beyda, Dr. Albert Shalomov, Dr. Dan Reich, and Sapient Health Management, LLC.

Background and Analysis

The service area consists of Queens County. The population of Queens County is projected to increase to 2,554,994 by 2029 based on Cornell Program on Applied Demographics estimates. Demographics for the primary service are noted below including a comparison with New York State.

Demographics	Queens County	New York State
Total Population-2022 Estimate	2,360,826	19,994,379
Hispanic or Latino (of any race)	28.0%	19.5%
White (non-Hispanic)	23.8%	53.8%
Black or African American (non-Hispanic)	16.7%	13.8%
Asian(non-Hispanic)	25.9%	8.8%
Other (non-Hispanic)	5.6%	4.1%

Source: 2022 American Community Survey (5-year Estimates Data Profiles)

In 2022, 91.3% of the population of Queens County had health coverage as follows:

Employer Plans	41.7%
Medicaid	26.5%
Medicare	10.7%
Non-Group Plans	12.1%
Military or VA	0.278%

Source: Data USA

Ambulatory Surgery within a 3-Mile Radius of Proposed Center

Facility Name	Type	Patient Visits		
		2021	2022	2023
Flushing Hospital Medical Center	Hospital	4,744	4,818	4,888
New York-Presbyterian/Queens	Hospital	13,960	16,863	18,711
Queens Boulevard ASC, LLC	ASC	11,849	10,370	11,145
Elmhurst Hospital Center	Hospital	7,368	6,301	6,279
Long Island Jewish Forest Hills	Hospital	5,586	6,068	6,325
Jamaica Hospital Medical Center	Hospital	5,254	5,353	5,822
Medex Diagnostic and Treatment Center	ASC	Unavailable	89	3,318
Queens Hospital Center	Hospital	4,981	5,289	7,175
Queens Surgical Center	ASC	545	1,264	2,238
Flushing Endoscopy Center, LLC	ASC	8,541	10,030	11,323
Total Visits		62,828	66,445	77,224

Source: HFIS and SPARCS

All the facilities listed above provide single specialty or multi-specialty ambulatory gastroenterology surgical services.

Queens County had 16 ASCs from 2021 through 2023 according to data from the Health Facilities Information System (HFIS). For 2023, there were approximately 140,762 people in Queens County per ASC.

Per the applicant, this project will combine multiple private practices into a single FASC resulting in operational efficiencies, bringing together local, established Gastroenterologists. One of the proposed member surgeons will be bringing his cases from another ASC. After the Center is established, the participating physicians will continue to be on call at the hospitals they currently serve and will continue to see patients at the hospitals with which they are affiliated. There will be no procedures that come from local hospitals.

The applicant projects 6,528 procedures in Year One and 7,528 in Year Three, with Medicaid at 30% and Charity Care at 2%. These projections are based on the current practices of participating surgeons. The table below shows the applicant's projected payor source utilization for Years One and Three.

	Year One		Year Three	
	Volume	%	Volume	%
Commercial FFS	2,313	35.43%	2,545	33.81%
Commercial MC	754	11.55%	829	11.01%
Medicare FFS	497	7.61%	547	7.27%
Medicare MC	124	1.90%	136	1.81%
Medicaid FFS	577	8.84%	634	8.42%
Medicaid MC	1,508	23.10%	1,658	22.02%
Private Pay	0	0.00%	0	0.00%
Charity Care	60	0.92%	160	2.13%
Other (WC)*	695	10.65%	1,019	13.53%

* includes union contracts

The Center initially plans to obtain contracts with the following Medicaid Managed Care Plans: Health First, Fidelis, Metroplus, and Molina. The center will work collaboratively with the following Federally Qualified Health Centers to provide service to the under-insured in their service area: Apicha Community Health Center, Sun River Health Richmond Hill, and Myrtle Avenue Family Health Center. The center has developed a financial assistance policy to be utilized when the center is operational. The hours of operation will be Monday through Friday 7AM – 5PM. Weekend and/or evening procedures will be made available, if needed, to accommodate patient scheduling issues.

Project 242018 (Woodside ASC, LLC) is currently under review to establish a single specialty – gastroenterology ASC in Queens County and is 2.6 miles/13 minutes away from this site.

Conclusion

Approval of this project will provide increased access to gastroenterology in an outpatient setting for the residents of Queens County.

Program Analysis

Project Proposal

Proposed Operator	Rego Park Endo, LLC
To Be Known As	Rego Park Endo, LLC
Site Address	99-01 Queens Boulevard, 2nd Floor, Rego Park, New York 11374 (Queens County)
Surgical Specialties	Ambulatory Surgery- Single Specialty - Gastroenterology
Hours of Operation	Monday through Friday, 7:00 a.m. to 5:00 p.m
Staffing (1st Year / 3rd Year)	31.8 FTEs / 40.7 FTEs
Medical Director(s)	David Tenembaum, M.D.
Emergency, In-Patient and Backup Support Services Agreement and Distance	Expected to be provided by Flushing Hospital Medical Center 4 miles / 15 minutes away
Nearest Hospital	Long Island Jewish Forest Hills Hospital .2 Miles / 4 mins

**Weekend and/or evening procedures will be made available, if needed, to accommodate patient scheduling issues.*

The following table show the projected FTEs in Year One and Year Three after completion of the project:

Position	Year One	Year Three
Management and Supervision	4.0	4.0
Technician and Specialist	8.0	10.0
Registered Nurses	6.0	8.0
Licensed Practical Nurses	2.0	2.0
Aides, Orderlies & Attendants	1.0	1.0
Surgeons (will only be member physicians)	4.0	4.0
Clerical and Other Administrative	6.0	8.0
Totals	31.0	37.0

This project will bring together experienced professionals, who are affiliated with Sapient Health Management, LLC, into the operation of an Article 28 FASC specializing in gastroenterology, with local, established gastroenterologists. Procedures performed at the proposed FASC will originate from Queens County. There will be no procedures that come from local hospitals. After the Center is established, the participating physicians will continue to be on call at the hospitals they currently serve and will continue to see patients at the hospitals with which they are affiliated. The physicians will also continue to perform inpatient and ambulatory procedures that are more appropriately performed in a general hospital setting at the hospitals with which they are affiliated.

Rego Park, LLC proposes to bring existing procedures performed by the physicians' private offices into a regulatory environment of an Article 28. The procedures will be performed under local anesthesia or conscious sedation and will not require an overnight stay in an acute care hospital. The applicant is projecting 6,528 procedures in Year One and 7,528 procedures in Year Three.

The applicant will seek accreditation from either the Joint Commission on Accreditation of Healthcare Organizations (JCAHO), the Accreditation Association for Ambulatory Health Care (AAAHC) or the American Association for the Accreditation of Ambulatory Surgery Facilities, Inc. (AAAASF) within two (2) years of becoming operational.

The Center will have five (5) procedure rooms, which includes preoperative and recovery areas, and will occupy 7,800 of the 15,000 square feet of space available on the 2nd floor of a commercial building.

Upgrades will include the installation of a new HVAC system and systems will be modified to the ASC build out. Renovations will take approximately five months.

The Center plans to work closely with its patients to educate them regarding the availability of primary care services offered by local providers. Through this program, the Center's patients will be better able to make informed choices regarding preventive medicine, to understand their personal health care options going forward, and to hopefully avoid unnecessary hospitalization and emergency room visits. Charity care will be provided at least 2% and 30% of the procedures the Center will perform will be for Medicaid recipients. The Center plans to utilize an Electronic Medical Record (EMR) system and to fully integrate and exchange information with an established Regional Health Information Organization (RHIO) with the capability for clinical referral and event notification.

The members of Rego Park Endo, LLC are as follows:

Name	Membership Interest
Rego Park Endo, LLC:	
David Tenenbaum, M.D.	23.75%
David Beyda, M.D.	23.75%
Albert Shalomov, M.D.	23.75%
Dan Reich, M.D.	23.75%
Total	95.00%
Sapient Health Management, LLC:	5.00%
Joseph Romano (50%) Alexander (Bill) Ingram (50%)	
Total	5%

**David Reich, M.D. currently performs procedures at The Endoscopy Center of Queens, approximately 6 miles or 24 minutes from the proposed FASC. Pursuant to Dr. Reich's Schedule 2A, he is not an owner of The Endoscopy Center of Queens. Upon approval of this Application, and Dr. Reich becoming an owner of this proposed FASC, it is Dr. Reich's intent to perform the procedures at Rego Park Endo.*

***The initial managers of Rego Park Endo, LLC will be David Tenenbaum, M.D., David Beyda, M.D., Daniel Reich, M.D., Albert Shalomov, M.D., and Joseph Romano (on behalf of Sapient Health Management, LLC).*

*****The Center will enter into a Development Agreement and an Administrative Services Agreement with Sapient Health Management, LLC to provide certain administrative functions for the development and operation of the Center.*

Character and Competence

David Tenenbaum, M.D. will serve as the Center's Medical Director. Dr. Tenenbaum is board-certified in Internal Medicine and Gastroenterology; graduated from the Ponce School of Medicine in Puerto Rico with a Medical Doctorate degree in 2009; and completed a Fellowship in Gastroenterology and in Hepatology at New York Presbyterian-Queens in 2016; is certified by the American Board of Internal Medicine, American Board of Gastroenterology and by Advanced Cardiovascular Life Support (ACLS/BLS).

Currently, Dr. Tenenbaum is a Consultant Physician at Jackson Heights since 2022 and has admitting privileges at New York Presbyterian-Queens.

Daniel S. Reich, M.D. graduated with a Doctor of Medicine degree from Albert Einstein College of Medicine in New York in 2000; completed a Residency in Internal Medicine at Montefiore Medical Center in New York in 2003; and completed a Gastroenterology Fellowship at the Westchester Medical Center in New York in 2006.

Currently, Dr. Reich works in Gastroenterology at Forest Hills in New York since 2013, has admitting privileges at Flushing Hospital Medical Center since 2013, and as a voluntary attending Physician at Montefiore Medical Center in New York since 2006. Dr. Reich also received Board Certification by the American Board of Internal Medicine and Gastroenterology.

Dr. Reich had ownership interest with Queens Endoscopy ASC (2014-2023), continues to have ownership interests with Advanced Endoscopy Center (since 2007) and with Mid-Bronx Endoscopy Center.

On October 22, 2024, Dr. Reich provided an explanation of a malpractice suit settlement for \$380,000. Patient sued for negligence and delay in diagnosis that resulted in a perforation during colonoscopy.

David J. Beyda, M.D., graduated with a Doctor of Medicine degree from Sackler School of Medicine in Israel in 2007; completed a Residency at the Albert Einstein College of Medicine at Beth Israel Medical Center in New York in 2010; was the Chief Medical Resident at the Albert Einstein College of Medicine at Beth Israel Medical Center in 2011; and completed a Gastroenterology Fellowship at SUNY Downstate Medical Center at Long Island Hospital in New York in 2014.

Currently, Dr. Beyda is an attending Gastroenterologist at Main Street Medical Services, PLLC in New York since 2014, has admitting privileges at New York Presbyterian-Queens and at St. Francis Hospitals, and was a Clinical Assistant Instructor at SUNY Downstate Medical Center at Long Island College Hospital from 2011 to 2014.

Albert Shalomov, M.D., graduated with a Doctor of Medicine degree from St. George's University School of Medicine in West Indies in 2003; completed an Internship in General Surgery at Monmouth Medical Center in New Jersey in 2004, completed a Residency in Internal Medicine at New York Presbyterian Queens in New York in 2008 and is Board Certified in Gastroenterology since 2011.

Currently, Dr. Shalomov is the Medical Director at Queens Boulevard Endoscopy Center in New York since 2018; has a private practice at Gastroenterology & Liver Disease, PC in New York since 2012; is an attending Gastroenterologist at New Presbyterian Queens Hospital in New York since 2011 and is an attending Gastroenterologist at Advanced Gastroenterology, PC on New York since 2011. Dr. Shalomov also has admitting privileges at Norwell Forest Hills Hospital.

Sapient Health Management is a healthcare management company, which focuses on developing outpatient Surgery Centers for over 10 years and has been an administrator at several Article 28 Surgery Centers in New York.

Joseph A. Romano received a Bachelors in Business Management degree from Ramapo College of New Jersey in 2004. Currently, Joseph Romano is the president and co-owner of Sapient Health Management, LLC; and was the Vice-President of Logistics at Frontier Healthcare Holding, LLC in New York from 2012 to 2015.

Alexander W. (Billy) Ingram received a Bachelors in BSC/BCOM degree from the University of Melbourne in Australia in 2006. Currently, Alexander Ingram is a Partner in Sapient Health Management, LLC; was a Managing Director at SCALE HEALTHCARE in New York from 2019 to 2023, was the Chief Executive Officer of The Motherhood Center in New York from 2014 to 2018; is a consultant and partner/officer with Armadale Health, LLC, and was a senior member of Frontier Healthcare that developed and operated eight (8) New York State ASCs.

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.

Conclusion

The individual background review indicates the proposed members have met the standard for approval as set forth in Public Health Law §2801-a(3).

Financial Analysis

Total Project Cost and Financing

Total project costs for construction, fit-out and the acquisition of moveable equipment is estimated at \$6,002,594, broken down as follows:

Renovation & Development	\$3,009,812
Design Contingency	300,981
Construction Contingency	300,981
Architect/Engineering Fees	300,981
Construction Manager Fees	150,491
Other Fees	20,000
Movable Equipment	1,800,000
Interim Interest Expense	84,525
CON Application Fee	2,000
Additional CON Processing Fee	<u>32,823</u>
Total Project Cost	\$6,002,594

The applicant's plan for financing is as follows:

Equity (Applicant Member)	\$52,594
Landlord Tenant Improvement Allowance	\$550,000
Construction Loan (10-year term, 8.05% interest, 10-year amortization)	\$3,600,000
Equipment Loan (5 -year term, 8.50% interest, 5-year amortization)	<u>\$1,800,000</u>
Total Project Financing	\$6,002,594

BFA Attachment A presents the applicants' Personal Net Worth Statements, which indicates sufficient liquid resources to fund the equity requirement for the project costs. Chase Bank has submitted a letter of interest for the respective financings of Construction and Equipment loans at the stated terms.

Operating Budget

The applicant has submitted their first-and third-year operating budget, in 2024 dollars, summarized below.

	<u>Year One</u>		<u>Year Three</u>	
	<u>Per</u>	<u>Revenues</u>	<u>Per</u>	<u>Revenues</u>
Revenues:				
Commercial FFS	\$1,200.20	\$2,776,073	\$1,267.77	\$3,226,476
Commercial MC	\$1,199.40	\$904,346	\$1,267.88	\$1,051,071
Medicare FFS	\$680.43	\$338,172	\$718.54	\$393,039
Medicare MC	\$675.00	\$83,700	\$715.29	\$97,280
Medicaid FFS	\$649.58	\$374,806	\$687.09	\$435,616
Medicaid MC	\$624.87	\$942,297	\$660.54	\$1,095,179
Other	\$750.40	<u>\$521,530</u>	\$626.15	<u>\$638,048</u>
Total Revenues		\$5,940,924		\$6,936,709
Expenses:				
Operating Expense	\$629.60	\$4,110,000	\$667.19	\$5,022,600
Capital Expense	<u>\$197.86</u>	<u>\$1,291,636</u>	<u>\$160.64</u>	<u>\$1,209,297</u>
Total Expense:	\$827.46	\$5,401,636	\$827.83	\$6,231,897
Net Income:		<u>\$539,288</u>		<u>\$704,812</u>
Total Procedures		6,528		7,528

Utilization for by payor sources is anticipated as follows:

<u>Payor Source:</u>	<u>Year One</u>	<u>Year Three</u>
Commercial FFS	35.43%	33.81%
Commercial MC	11.55%	11.01%
Medicare FFS	7.61%	7.27%
Medicare MC	1.90%	1.81%
Medicaid FFS	8.84%	8.42%
Medicaid MC	23.10%	22.02%
All Other	10.65%	13.53%
Charity Care	.92%	2.13%
Total	100.00%	100.00%

The following is noted in respect to the operating budget:

- Volume is based on the historical experience of the four proposed physicians' members of Rego Park Endo, LLC. The proposed physicians' members have submitted letters in support of utilization projections.
- Medicare revenues are based on the Medicare fee schedule. Commercial revenues are based on the physicians past commercial payor rate experience for the types of gastroenterology cases they would perform at the center. Medicaid revenues are based on the recent APG rates listed on the Department of Health website.
- Expense and utilization assumptions reflect the physicians' experience in operating through private practice.
- Data by CPT code detailing case mix and volume was provided to support payment rates and revenue projections. It is estimated that 38.25% will be esophagogastroduodenoscopies, 60.53% will be colonoscopies, and 1.22% of the procedures will be Hemorrhoidectomy. The budget appears reasonable given the payment and expense rates for these types of procedures performed at the FASC.

Lease Rental Agreement

The applicant has submitted a draft lease for the proposed site, the terms are summarized below:

Date:	TBD
Premises:	15,350 sq. ft on the 2nd floor at 99-01 Queens Blvd, Queens, NY
Landlord:	BDG 99 QB, LLC
Tenant:	Rego Park Endo, LLC
Term:	30 Years
Rent:	\$700,000 for year 1 (\$58,333.33 per month) increased 2.5% annually from years 2-19, year 20 the increase is 8% with year 21-30 being 2.5% annually.
Provisions:	Triple net lease

There is no relationship between landlord and tenant, making this an arm's length agreement. The applicant submitted letters from two (2) New York State licensed realtors attesting to rent being of fair market value.

Administrative Services Agreement

The applicant has submitted an executed Administrative Service Agreement, the terms are summarized below:

Date:	July 24, 2024
	Rego Park Endo, LLC
Consultant:	Sapient Health Management, LLC
Terms:	2 years with automatic 1-year renewals
Services Provided:	Securing/monitoring all permits/licenses and certifications to operate, Advising/assisting in the purchase of supplies/capital equipment; developing/providing/advising regarding production/updating of Center policies/procedure manuals, seeking advice of legal counsel at Company's cost/expense regarding the creation of organizational/operational documents; reviewing the menu of services to confirm each service will be provided in practice/revise the list accordingly; Providing billing services and organizing/managing/supervising billing/collection/accounts receivable/accounts payable processing/procedures, Assist/supervise but not provide billing/collection services under this Agreement; Assisting with development of fee schedules/payor contracts (assisting with obtaining such contracts), assisting with developing contracts with managed care payors; Assisting in formation/implementation/ongoing monitoring of utilization management/quality assurance procedures/protocols, and software management systems; Consultant shall assist in human resources administration; Consultant shall advise Company on hiring/terminating the Center Administrator, all actions subject to Company's ultimate authority. Consultant shall provide supervisory administrative services; Consultant shall provide on-site oversight/presence not less than an average of three (3) days per week; Assisting in developing a proposed capital budget for Company reflecting appropriate levels of expenditures. Assisting in developing operating budget and assist in establishing/maintaining appropriate accounting procedures/controls, and systems for the timely generation of all financial records/reports, maintaining all accounting/payroll systems/procedures/practices appropriate to business operations of the Center; Assisting Company with its obligations in connection with credentialing/education/training of clinical staff; Meeting with the Company's governing board/ownership to review performance; Assist with efforts to syndicate to other physicians/otherwise advise with respect to strategic growth/performance improvement; Performing other consulting/administrative duties reasonably requested by Company on mutually acceptable terms and subject to New York State law.
Payment:	\$180,000 annually (\$15,000 monthly)

ASC Development Agreement

The applicant has submitted an executed ASC Development Agreement, the terms are summarized below:

Date:	7/24/24
Owner:	Rego Park Endo, LLC
Developer:	Sapient Health Management, LLC
Services Provided:	Consulting services with respect to the development activities relating to the surgerycenter.
Term:	20 months with the option to extend for 10additional months
Payment:	\$11,500 a month for with first 20 months with theoptional 10 months being \$5,000 a month

Capability and Feasibility

The total project costs of \$6,002,594 will be funded as with \$52,594 of member's equity, a \$3,600,000 bank construction loan, self-amortizing for a 10-year term at an 8.05% interest rate, an \$1,800,000 bank loan for equipment, self-amortizing interest rate, and \$550,000 in landlord-tenant improvement allowance. Chase bank has provided a letter of interest for the two loans. BFA r 5-year term at an 8.50% in Attachment A indicates that the applicants have sufficient funds to cover the equity requirement.

Working capital requirements are estimated at \$1,038,650 based on two months of third year expenses. The applicant will fund the working capital needs with a loan of 500,000 at 11.5% interest for a 5-year term and the remaining \$538,650 will be funded with members' equity. Chase Bank has provided a letter of Interest for the working capital loan. BFA Attachment A is the summary of the member's net worth statement which indicates the availability of sufficient funds for the stated levels of equity. BFA Attachment B is the Pro Forma Balance sheet of as of the first day of operations, which indicates a positive member equity position of \$1,691,243.

The applicant projects net income of \$539,288 and \$704,812 in Year One and Year Three, respectively. Revenues are based on the current Medicare fee schedule, the Medicaid APG rates and the Commercial rates experience of the physicians in their private medical practice. The budget appears reasonable.

Conclusion

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

Attachments

BHFP Attachment	Map
BFA Attachment A_	Personal Net Worth Statement
BFA Attachment B	Rego Park Endo, LLC Pro Forma Balance Sheet
BFA Attachment C	Rego Park Endo, LLC Organizational Chart



Project # 242107-E
Queens Endoscopy ASC, LLC

Program: Diagnostic and Treatment Center
Purpose: Establishment

County: Queens
Acknowledged: August 30, 2024

Executive Summary

Description

Queens Endoscopy ASC, LLC, a single-specialty (gastroenterology) freestanding ambulatory surgery center (FASC) at Utopia Center, 176-60 Union Turnpike, Flushing (Queens County), New York 11366 (the Center), requests a transfer of 37.03% membership interest in the Center from an existing member, PE Healthcare Associates, LLC (PEHA), to a new member, Northwell Queens Endo ASC Ventures, LLC. The sole member of Northwell Queens Endo ASC Ventures, LLC is North Shore University Hospital. The sole member of North Shore University Hospital is Northwell Healthcare, Inc., a New York State not-for-profit corporation. The sole member of Northwell Healthcare, Inc. is Northwell Health, Inc., a New York State not-for-profit corporation. The sole member of Northwell Health, Inc. is Northwell, Inc.

In addition, PEHA intends to change the composition of its membership. In accordance with the terms of the Center's Operating Agreement, PEHA proposes to appoint Ms. Katharine Losavio as an outside manager to serve on the Center's Board of Managers.

The Center is not proposing to add any services or surgical specialties through this application.

The Center's existing Co-Medical Directors, Neil Brodsky, M.D. and Rom Gupta, M.D., will continue to serve in that role for the Center. The Center has an existing transfer and affiliation agreement with New York-Presbyterian Queens, approximately 7.9 miles from the Center. The Center will now have a Hospital Transfer

Agreement with Long Island Jewish Medical Center, 7 miles and 16 minutes travel time from the Center.

OPCHSM Recommendation
Approval

Need Summary

There will be no need review per Public Health Law §2801-a (4).

Program Summary

The individual background review indicates the proposed members have met the standard for approval as set forth in Public Health Law §2801-a(3).

Financial Summary

The purchase price for the sale of 97 units of membership interest in PE Healthcare Associates, LLC is \$970 (currently held in escrow), and will be paid in cash by the individual members acquiring additional interest. The sale of the 37.03% membership interest in Queens Endoscopy ASC, LLC by PE Healthcare Associates, LLC as the seller is \$342,249 per 1%, which totals \$12,673,500. The purchase price will be paid with equity by Northwell, Inc.

Since there will be no change in operations and due to the positive historical performance, no budget is being presented with this application.

Health Equity Impact Assessment

This project does not meet the requirements for a Health Equity Impact Assessment under Section 2802-B of the PHL.

Recommendations

Health Systems Agency

There will be no HSA recommendation for this project.

Office of Primary Care and Health Systems Management

Approval conditional upon:

1. This project must be completed by **one year from the date of the recommendation letter**, including all pre-opening processes, if applicable. Failure to complete the project by this date may constitute an abandonment of the project by the applicant and the expiration of the approval. It is the responsibility of the applicant to request prior approval for any extensions to the project approval expiration date. [PMU]

Council Action Date

December 5, 2024

Program Analysis

Program Description

Queens Endoscopy ASC, LLC, a single-specialty (gastroenterology) freestanding ambulatory surgery center (FASC) at Utopia Center, 176-60 Union Turnpike, Flushing (Queens County), New York 11366 (the Center), is submitting this Certificate of Need (C.O.N.) Application to transfer a 37.03% membership interest in the Center from an existing member, PE Healthcare Associates, LLC (PEHA), to a new member, Northwell Queens Endo ASC Ventures, LLC. The sole member of Northwell Queens Endo ASC Ventures, LLC is North Shore University Hospital. The sole member of North Shore University Hospital is Northwell Healthcare, Inc., a New York State not-for-profit corporation. The sole member of Northwell Healthcare, Inc. is Northwell Health, Inc., a New York State not-for-profit corporation. The sole member of Northwell Health, Inc. is Northwell, Inc. In addition, PEHA intends to change the composition of its membership. Finally, in accordance with the terms of the Center's Operating Agreement, PEHA proposes to appoint Ms. Katharine Losavio as an outside manager to serve on the Center's Board of Managers.

Adding Northwell Queens Endo ASC Ventures, LLC as a new member will allow the Center to enhance the already exceptional quality of care delivered to patients, to have an even more positive impact on the communities the Center serves, to improve its financial stability, and to continue to provide excellent surgical outcomes for patients.

The Center is not proposing to add any services or surgical specialties through this application.

The Center's existing Co-Medical Directors, Neil Brodsky, M.D. and Rom Gupta, M.D., will continue to serve in that role for the Center. The Center has an existing transfer and affiliation agreement with New York-Presbyterian Queens, approximately 7.9 miles from the Center. The Center will now have a Hospital Transfer Agreement with Long Island Jewish Medical Center, 7 miles and 16 minutes travel time from the Center.

The Center's current ownership and proposed ownership is below:

Current Membership Structure:

Member	Ownership
Armand Asadourian M.D.	2.59%
Neil Brodsky, M.D.	5.07%
Donald Palmadessa, M.D .	5.07%
James Rand, M.D.	6.14%
Alan Schnall, M.D.	5.07%
Nicholas Triantafillou, M.D.	3.65%
Kamran Nia, M.D.	5.07%
Rom Gupta, M.D.	5.07%
Liberato Salvatore, M.D.	5.22%
PEHA:	57.03%
Barry Tanner 48%	
David Young 49%	
Ann Sariago 1%	
Rafael Axen, M.D. 1%	
Matthew Jenkins 1%	
Total:	99.98*

Proposed membership structure:

Member	Ownership
Armand Asadourian M.D.	2.59%
Neil Brodsky, M.D.	5.07%
Donald Palmadessa, M.D.	5.07%
James Rand, M.D.	6.14%
Alan Schnall, M.D.	5.07%
Nicholas Triantafillou, M.D.	3.65%
Kamran Nia, M.D.	5.07%
Rom Gupta, M.D.	5.07%
Liberato Salvatore, M.D.	5.22%
PEHA:	20.00%
Ann Sariego 33.3%	
Rafael Axen, M.D. 33.3%	
Matthew Jenkins 33.3%	
Northwell Queens Endo ASC Ventures, LLC	37.03%
Total:	99.98*

* These percentages do not equal 100.00% due to rounding.

The following are the members of Northwell Queens Endo ASC Ventures, LLC:

Member	Title
Laurence A. Kraemer	Board Member, Northwell Queens Endo ASC Ventures, LLC
Matthew Kirschner	Board Member, Northwell Queens Endo ASC Ventures, LLC
Adam Boll	Board Member, Northwell Queens Endo ASC Ventures, LLC
Katharine Losavio	Proposed Outside Manager
Alan I. Greene	Trustee
Barry Rubenstein	Trustee
Benjamin B. Tucker	Trustee
Cary Kravet	Trustee
Catherine C. Foster	Trustee
Clifford H. Friedman	Trustee
Donald Zucker	Trustee
Douglas W. Hammond	Trustee
Elizabeth M. Hammack	Trustee
Emmett F. Walker, Jr.	Trustee
Gary A. Cohen	Trustee
Jeffrey B. Lane	Trustee
Kenneth Taber	Trustee
Leo Sternlicht	Trustee
Lewis S. Ranieri	Trustee
Lloyd M. Goldman	Trustee
Margaret M. Crotty	Trustee
Mark L. Claster	Trustee
Michael A. Epstein	Trustee
Michael Caridi	Trustee
Michael E. Feldman	Trustee
Michael G. Fisch	Trustee
Michael J. Dowling	Trustee
Michael S. Smith	Trustee
Paul B. Guenther	Trustee
Ralph A. Nappi	Trustee
Richard D. Goldstein	Trustee
Richard J. Mack	Trustee

Character and Competence:

Katharine Losavio is currently the Vice President of Operations at SCA Health since 2023. Prior to this, Katharine worked in various roles at Northwell Health since 2013, most recently the Assistant Vice President of Operations and the Senior Director of Operations. Katharine also held the roles of Administrative Director, Business Development and Strategy for one (1) year, Director of Practice Transitions for one (1) year, Director of Ambulatory Services for one (1) year, Program Manager of the World Trade Center Health Program for two (2) years, and Financial Analyst for CareConnect for two (2) years. Katherine graduated with a Master of Public Administration from Baruch College, Marxe School of Public and International Affairs in 2018, and from Hofstra University with a Bachelor of Business Administration in 2011. Katharine received a Bachelor of Arts, Economics & Public Policy from Duke University in 2007.

Disclosures

Northwell Healthcare, Inc. ("Northwell" or the "Health System") and/or its affiliates and/or its employees, like other large employers and especially those in the heavily regulated health care field has received inquiries in connection with investigations by governmental agencies concerning alleged violations of various federal, state and/or local laws regarding issues involving, among other things, claim submissions, to government insurance plans, and private and employment laws. In most instances, the investigations were concluded without any findings against Northwell, its affiliates and its employees (and in many of those instances Northwell was viewed by the government entity as a potential witness in connection with their investigation). Any remaining closed investigations would have been resolved through settlement, consent decree or similar mechanisms. Below are examples of such matters.

In November 2015 and in months thereafter, Northwell responded to various grand jury subpoenas and other information requests issued by the U.S. Attorney's Office for the Southern District of New York seeking, among other records and information, documents relating to cardiac catheterization procedures performed by a non-employed physician who held medical staff privileges at two Northwell Health hospitals. It is our understanding that Northwell and its employees were witnesses in this investigation, and the investigation is now closed.

In September 2015, Staten Island University Hospital ("SIUH") made a voluntary self-disclosure to OIG-HHS and the New York State Office of the Medicaid Inspector General ("OMIG") in which it identified potential overpayments to Medicare and Medicaid relating to certain type of documentation issues at one of its laboratory patient service centers. SIUH entered into a settlement agreement with OIG-HHS in January 2017 that resolved the OIG-HHS self-disclosure.

In April 2017, Northwell made a self-disclosure to OIG-HHS relating to overpayments that it determined it had received by ten Northwell hospitals relating to certain inpatient percutaneous vertebral augmentation procedures performed at those hospitals. Northwell entered into a settlement agreement with OIG-HHS in February 2018 that settled the self-disclosure.

In October 2017, Northwell made a self-disclosure to OIG-HHS relating to overpayments that it determined it had received on the basis certain physician-office evaluation and management services performed by one of its formerly employed physicians that were billed at a level not supported by the available medical record documentation. OIG-HHS has notified Northwell that its submission was accepted into OIG-HHS's self-disclosure protocol.

Northwell received two Civil Investigative Demands (CIDs) in March and August 2018, respectively, from the United States Attorney's Office for the Southern District of New York ("SDNY") regarding the surgical practices and employment contract of a full-time physician employed by Lenox Hill Hospital. In the course of settlement negotiations, Northwell and Lenox Hill Hospital were advised that the DIDs were related to a civil complaint filed under seal in federal district court by three *qui tam* relators. In November 2019, Northwell and Lenox Hill Hospital entered into a civil settlement agreement with the SDNY and the individual relators that conclusively resolved the claims asserted against them in that action. In December 2019, Lenox Hill Hospital and Northwell (solely with respect to its control of Lenox Hill Hospital) entered into a corporate integrity agreement ("CIA") with HHS-OIG. As stated in the CIA, the obligations

of the CIA do not apply to Northwell with respect to any subsidiary, corporate affiliate or related organization other than Lenox Hill Hospital.

In December 2018, Northwell made a self-disclosure to OIG-HHS related to overpayment that it determined it had received for certain evaluation and management services performed over a limited period of time by emergency physicians at six of its hospitals that were billed at a level not supported by the available medical record documentation. In August 2019, Northwell supplemented its disclosure to include a limited number of additional evaluation and management service claims. Northwell entered into a settlement agreement with OIG-HHS in March 2020 that resolved the self-disclosure.

Huntington Hospital (HH) made a voluntary self-disclosure to the Centers for Medicare and Medicaid Services (CMS) relating to three clinical services arrangements that did not appear to comply with CMS's regulatory self-referral "set-in-advance" compensation requirement between 2016 and 2021. In October 2022, CMS informed HH that its self-disclosure was accepted into the CMS Voluntary Self-Referral Disclosure Protocol. In April 2023, HH entered into a settlement agreement with CMS.

Lenox Hill Hospital (LHH) made a voluntary self-disclosure to the Centers for Medicare and Medicaid (CMS) related to six sublease and license arrangements that did not appear to comply with CMS's regulatory self-referral "set-in-advance" compensation requirement for a limited period of time in 2017. In January 2023, CMS informed LHH that its self-disclosure was accepted into the CMS Voluntary Self-Referral Disclosure Protocol. In April 2023, LHH entered into a settlement agreement with CMS.

Northwell Health, Inc. and its affiliates are occasionally involved in various types of administrative actions one would expect with respect to the entities of their size and nature, including but not limited to, actions involving New York City Fire Department citations and/or fines and other matters. Given the size of Northwell Health Inc., consisting of 23+ hospitals, two long term care facilities, and numerous other healthcare service providers, and having more than 83,000 employees, the responses herein are based on information and belief on information reasonably available after investigation as of the date of this submission. The summons and citations are addressed and in a timely manner upon notice and closed as timely as possible.

Beginning soon after the onset of the COVID-19 pandemic, in March 2020, Northwell began conducting COVID testing in its hospitals with emergency departments. In April of 2021, the New York State Attorney General ("NYAG") began an investigation into Northwell's practices concerning COVID testing and associated billing practices in response to consumer complaints concerning primarily three Northwell locations (Lenox Hill Hospital, Lenox Health Greenwich Village, and Huntington Hospital) alleging that Northwell was charging for emergency department visits at those locations when individuals received only COVID tests. Notably, each of the Three Northwell Locations indicated to individuals through exterior, public-facing signage that was posted during different periods of time between March 2020 and March 2021 that they were COVID testing locations. New York and Federal law prohibited health plans from assessing cost-sharing for diagnostic COVID tests and related services provided in furtherance of and for the purpose of diagnosis or treatment of COVID-19 during the federal COVID-19 Public Health Emergency. Although Northwell had claims hold process in place to prevent balance billing for COVID testing and related services, in response to the NYAG's investigation, Northwell discovered that there were still thousands of instances when individuals presenting to the Three Northwell Locations were inadvertently billed or otherwise remitted payment for COVID tests and/or related services or visits.

Northwell Health has entered into two notable agreements with the Office of the New York State Attorney General ("NYAG"). On April 12, 2024, Northwell Health entered an Assurance of Discontinuance ("AOD") with the NYAG concerning COVID-19 testing administered at three Northwell locations with emergency departments during the early waves of the COVID-19 pandemic. Northwell Health voluntarily agreed to enter the AOD to avoid the time, expense, and distraction of further litigation. Pursuant to the AOD, Northwell agreed to pay a penalty of \$650,000. Separately Northwell agreed to refund \$81,761.46 to patients who made payments for encounters that were subject to COVID-19 balance billing restrictions. Because Northwell applied an overly broad methodology, consistent with its claims hold, when issuing refunds, Northwell also made an additional \$318,402.83 in refunds to patients whose encounters were not subject to COVID-19 balance billing restrictions.

On June 4, 2024, following significant cooperation and collaboration between them, Northwell Health and the NYAG announced historic agreement "Best Practices Agreement" to significantly improve and expand access to financial assistance to New Yorkers. Northwell worked closely with the NYAG to review and revise its preexisting financial assistance and medical debt collection policies. This process resulted in Northwell increasing financial assistance for eligible hospital patients and adding more safeguards in its collection efforts. Northwell has long recognized the financial challenges affecting the uninsured and patients with high-deductible health plans and has continued to strengthen its efforts over the past 20 years. In 2023, Northwell's financial counselors assisted approximately 26,000 patients in obtaining medical insurance. Northwell also has a medical debt ombudsperson to add other layers of protection regarding collection efforts that are pursued as a last resort when patients who Northwell believes can pay their medical bills ignore those bills.

Enforcements

The Department issued a Stipulation and Order, signed 09/11/2017, and fined Northwell HealthCare Lenox Hill Hospital \$10,000. Deficient practice in the area of Surgical Services.

The Department issued a Stipulation and Order, signed 11/21/2016, and fined Long Island Jewish Medical Center \$4,000. Deficient practice in the area of Infection control.

The Department issued a Stipulation and Order, signed 11/21/2016, and fined Northern Westchester Hospital \$10,000. Deficient practice in the area of Nursing Services.

The Department issued a Stipulation and Order, signed 01/31/2017, and fined Plainview Hospital \$14,000. Deficient practice in the area of Infection control.

Conclusion

The individual background review indicates the proposed members have met the standard for approval as set forth in Public Health Law §2801-a(3).

Financial Analysis

Financial Analysis

There are no proposed changes to operations as a result of this transaction and Queens Endoscopy ASC, LLC has demonstrated positive working capital, net assets, and an average net income of \$4,468,782 during 2022 and 2023. Due the positive historical performance, no budget is being presented with this application.

Unit Transfer Agreement

The applicant has submitted an executed unit transfer agreement, summarized below:

Date	June 20, 2024
Transferor	Barry Tanner (48 units) and David Young (49 units)
Transferee	Ann Sariego, Rafael Axen, MD. And Matthew Jenkins.
Company	PE Healthcare Associates, LLC
Purpose	Sale of 97 units of PE Healthcare Associates, LLC
Purchase Price	The transferors desire to transfer the transferred units to the transferees for an aggregate purchase price of \$970. The purchase price will be funded as follows: Ann Sariego (\$323.33), Rafael Axen, MD. (\$323.33) and Matthew Jenkins (\$323.33)
Payment of Purchase Price	Payment is in escrow.

Membership Interest Purchase Agreement

The applicant has submitted an executed membership interest purchase agreement, summarized below:

Date	July 17, 2024
Purpose	The sale of 37.03% of the membership interest of Queens Endoscopy ASC, LLC.
Purchaser	Northwell Queens Endo ASC Ventures, LLC
Seller	PE Healthcare Associates, LLC
Purchase Price	\$342,249.53 per one percent of the Company. Membership interest or an aggregate amount for all of \$12,673,500
Payment of Purchase Price	Cash at Closing.

Capability and Feasibility

The purchase price for the sale of 97 units of PE Healthcare Associates, LLC is \$970, which will be paid in cash by the individual members acquiring additional interest, is currently held in escrow. The sale of 37.03% membership interest in Queens Endoscopy ASC by PE Healthcare Associates, LLC as the Seller for \$342,249 per 1%, which totals \$12,673,500. The purchase price will be paid with equity by Northwell, Inc. BFA Attachment C, 2022-2023 Certified Financial Statements of Northwell Health, Inc., indicate the availability of sufficient funds to pay the purchase price to acquire the membership interest.

As shown on Attachment C, Northwell Health, Inc. had an average positive working capital position and an average positive net asset position during 2022 and 2023. Also, the entity achieved an average excess of revenues over expenses of \$157,675,000 the period.

BFA Attachment D, 2022-2023 Certified Financial Statements of Queens Endoscopy ASC, LLC, show the entity had an average positive working capital position and an average positive net asset position during 2022 and 2023. Also, the entity achieved an average net income of \$4,468,782 during period.

Conclusion

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

Attachments

BFA Attachment A	Queens Endoscopy ASC, LLC – Current and Proposed Membership
BFA Attachment B	PE Healthcare Associates, LLC - Membership
BFA Attachment C	Northwell Health, Inc. – 2022-2023 Certified Financial Statements
BFA Attachment D	Queens Endoscopy ASC, LLC – 2022-2023 Certified Financial Statements



Project # 241113-B
EMJ Healthcare Clinic

Program: Diagnostic and Treatment Center **County:** Kings
Purpose: Establishment and Construction **Acknowledged:** March 15, 2024

Executive Summary

Description

JEM NYC Consulting, LLC (JEM), an existing limited liability company, requests approval to establish and construct an Article 28 Diagnostic and Treatment Center (D&TC) in leased space at 1900B Ralph Avenue, Brooklyn (Kings County). Jem will be certified for Medical Services - Primary Care, Medical Services - Other Medical Specialties, including Podiatry O/P and Therapy-Physical O/P. Upon approval of this application, the site will be known as EMJ Healthcare Clinic.

Bobby Borukhov is the sole member of the proposed operator.

The proposed Medical Director is Abdalla Ishag Adam, M.D., who is board certified by the American Board of Physical Medicine and Rehabilitation, American Board of Independent Medical Examiners, New York State Worker's Compensation Board, and received certifications from the American Association of Manipulation Under Anesthesia and the Educations Commission for Foreign Medical Graduates.

JEM NYC Consulting, LLC is negotiating a Transfer and Affiliation Agreement for emergency and backup services with Mt. Sinai Brooklyn, 2 miles (6 minutes travel time) from the proposed Center.

OPCHSM Recommendation
Contingent Approval

Need Summary

The applicant projects 6,201 visits in Year One and 9,349 in Year Three with 63% Medicaid and 2% Charity Care.

Program Summary

The individual background review indicates the proposed members have met the standard for approval as set forth in Public Health Law §2801-a(3).

Financial Summary

Total project costs are \$1,196,299 and will be met with \$119,630 in proposed member equity and a \$1,076,669 bank loan for a ten-year term with a 6% interest rate.

Budget:	<u>Year One</u>	<u>Year Three</u>
Revenues:	\$1,046,436	\$1,577,648
Expenses:	<u>\$976,612</u>	<u>\$1,385,057</u>
Net Income:	\$69,824	\$192,591

Health Equity Impact Assessment

This project does not meet the requirements for a Health Equity Impact Assessment under Section 2802-B of the PHL.

Recommendations

Health Systems Agency

There will be no HSA recommendation for this project.

Office of Primary Care and Health Systems Management

Approval contingent upon:

1. Submission of a check for the amount enumerated in the approval letter, payable to the New York State Department of Health. Public Health Law Section 2802.7 states that all construction applications requiring review by the Public Health and Health Planning Council shall pay an additional fee of fifty-five hundredths of one percent of the total capital value of the project, exclusive of CON fees. [PMU]
2. The submission of State Hospital Code (SHC) Drawings for review and approval, as described in BAER Drawing Submission Guidelines DSG-1.0 [AER]
3. The submission of Engineering (MEP) Drawings for review and approval, as described in BAER Drawing Submission Guidelines DSG-1.0 [AER]
4. Submission of an executed transfer and affiliation agreement, acceptable to the Department, with a local acute care hospital. [HSP]
5. Submission of an executed loan commitment for total project costs, acceptable to the Department of Health. [BFA]
6. Submission of an executed loan commitment for working capital, acceptable to the Department of Health. [BFA]

Approval conditional upon:

1. This project must be completed by **February 1, 2026**, including all pre-opening processes, if applicable. Failure to complete the project by this date may constitute an abandonment of the project by the applicant and the expiration of the approval. It is the responsibility of the applicant to request prior approval for any extensions to the project approval expiration date. [PMU]
2. Construction must start on or before **July 1, 2025**, and construction must be completed by **November 1, 2025**, presuming the Department has issued a letter deeming all contingencies have been satisfied prior to commencement. It is the responsibility of the applicant to request prior approval for any changes to the start and completion dates. In accordance with 10 NYCRR Section 710.10(a), if construction is not started on or before the approved start date, this shall constitute abandonment of the approval. [PMU]
3. The submission of Final Construction Documents, as described in BAER Drawing Submission Guidelines DSG-05, is required prior to the applicant's start of construction. [AER]
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 applicant must ensure registration for and training of facility staff on the Department's Health Commerce System (HCS). The HCS is the secure web-based means by which facilities must communicate with the Department and receive vital information. Upon receipt of the Operating Certificate, the Administrator/director that has day-to-day oversight of the facility's operations shall submit the HCS Access Form at the following link to begin the process to enroll for HCS access for the first time or update enrollment information as necessary:
https://www.health.ny.gov/facilities/hospital/docs/hcs_access_form_new_clinics.pdf. Questions may be directed to the Division of Hospitals and Diagnostic & Treatment Centers at 518-402-1004 or email: hospinfo@health.ny.gov. [HSP]

Council Action Date

December 5, 2024

Need Analysis

Project Description

Jem NYC Consulting, LLC d/b/a EMJ Healthcare Clinic seeks approval to establish and construct a new Article 28 Diagnostic and Treatment Center in a leased space at 1900B Ralph Avenue, Brooklyn, New York 11234 (Kings County).

The applicant projects 6,201 visits in Year One and 9,349 in Year Three with 63% Medicaid and 2% Charity Care.

Proposed Services Medical Services - Primary Care, Medical Services - Other Medical Specialties, including Podiatry O/P and Therapy-Physical O/P.

EMJ Healthcare Clinic proposes to renovate 2086 square feet of an existing medical office. There will be three (3) Exam Rooms, one (1) Physical Therapy Gym, and five (5) Treatment Bays. Systems upgrades will include the HVAC.

Background and Analysis

The service area is Kings County. The population of Kings County is estimated to increase to 2,854,617 by 2029 per projection data from the Cornell Program on Applied Demographics, an increase of 6.5%. Demographics for the primary service area are noted below including a comparison with New York State.

Demographics	Kings County	New York State
Total Population	2,679,620	19,994,379
Hispanic or Latino (of any race)	18.9%	19.5%
White (non-Hispanic)	36.1%	53.8%
Black or African American (non-Hispanic)	28.3%	13.8%
Asian(non-Hispanic)	11.7%	8.8%
Other (non-Hispanic)	5.0%	4.1%

Source: 2022 American Community Survey (5-Year Estimates Data Profiles)

In 2021, 93.4% of the population of Kings County had health coverage as follows:

Employee plans	40.9%
Medicaid	32.5%
Medicare	8.13%
Non-group plans	11.7%
Military or VA plans	0.308%

Source: Data USA

The projected payor mix includes:

Applicant Projected Payor Mix		
Payor	Year One	Year Three
	Outpatient	
Commercial	14.00%	14.00%
Medicare	18.00%	17.99%
Medicaid	63.01%	63.01%
Private Pay	3.00%	2.99%
Charity Care	2.00%	2.00%
Total Visits	6,201	9,349

The facility will focus on addressing health disparities in the area by providing cancer screening, working with community members and leaders to increase awareness of the prevalence, early detection, and treatment of cancers, working with people to identify pregnancy in the early stages and to help get care, and promote their well being and prevent mental health and substance abuse disorders.

The hours of operation of the new main site will be Monday through Friday: 8 AM - 6 PM and Saturday 8 AM - 2 PM. The Center will extend its hours as necessary to accommodate patient needs.

Prevention Quality Indicators (PQIs) are rates of admission to the hospital for conditions for which good outpatient care can potentially prevent the need for hospitalization, or for which early intervention can prevent complications or more severe disease. The table below provides information on PQI rates for 2020 related to this application which indicates that the county has higher PQI rates than New York State.

Hospital Admissions per 100,000 Adults		
PQI Name	Kings County	New York State
Diabetes Short-Term Complications	80	71
Diabetes Long-Term Complications	122	106
Chronic Obstructive Pulmonary Disease or Asthma	251	244
Hypertension	67	63
Heart Failure	359	336
Bacterial Pneumonia	82	105
Uncontrolled Diabetes	59	45
Prevention Quality Overall Composite	1015	994

Conclusion

Approval of this project will allow for increased access to primary care, other medical specialties, podiatry, and physical therapy services for the residents of Kings County.

Program Analysis

Project Proposal

Proposed Operator	Jem NYC Consulting, LLC
To Be Known As	EMJ Healthcare Clinic
Site Address	1900B Ralph Avenue Brooklyn, New York 11234 (Kings County)
Specialties	Medical Services – Primary Care Medical Services – Other Medical Specialties Podiatry O/P Therapy – Physical O/P
Hours of Operation	Monday through Friday, 8 am to 6 pm Saturday 8 am to 2 pm If needs indicate, hours may expand.
Staffing (1st Year / 3rd Year)	7.74 FTEs / 12.78 FTEs
Medical Director(s)	Abdalla Adam, M.D.
Emergency, In-Patient, and Backup Support Services Agreement and Distance	Expected to be provided by Mount Sinai Brooklyn 2.0 miles / 6 minutes away

The table below shows projected FTEs in Year One and Year Three after completion of the project:

Positions	Year One	Year Three
Management & Supervision	0.70	1.20
Aides, Orderlies & Attendants	2.0	3.00
Registered Nurse	0.50	1.00
Physicians	1.12	1.68
Nurse Practitioner	0.21	0.31
Social Worker & Psychologist	0.33	0.75
Physical Therapists and PT	0.89	1.34
Infection Control/Environment	1.00	1.50
Clerical and Other Administrative	1.00	2.00
Totals	7.74	12.78

Character and Competence

The sole member of Jem NYC Consulting, LLC is:

Name:	Membership Interest
Bobby Borukhov / Manager	100%
Total	100%

Dr. Abdalla Ishag Adam is the proposed Medical Director. Dr. Adam received a Physical Medicine Rehabilitation degree from SUNY at Stony Brook in October 2003, completed an Internship at Howard University Hospital in June 1999, and received a Medical Degree from Khartoum University located in Sudan in March 1986. Dr. Adam is currently licensed to practice in New York, New Jersey, and Virginia and is board certified by the American Board of Physical Medicine and Rehabilitation, American Board of IME (ABIME), New York State Worker's Compensation Board (CPLCP), and received certifications from the American Association of Manipulation Under Anesthesia (MUA) and the Educations Commission for Foreign Medical Graduates (ECFMG).

Current administrative experience consists of being a Medical Director specializing in Pain Medicine at the Perry Avenue Family Medical in the Bronx, New York since 2022, as Director of the Strategic Planning Office for the Sudanese American Physician Association (SAPA) since 2022, and as the Medical Director with Empire Medical & Rehabilitation, Falls Church, VA since 2008.

Dr. Adam's employment history includes ownership of Andrade Medical PLLC, Bronx, NY since January 2023, Staff Member at Sentara Virginia Beach General Hospital Inpatient Rehabilitation, Virginia Beach, VA from April 2019 to April 2020, Staff Physiatrist at MetroPain Specialists in Ardsley, NY and in NJ from January 2017 to January 2018, Staff Physiatrist at CitiMedical in Rego Park, NY from March 2016 to present, and as Medical Director at Empire Medical & Rehabilitation in NY from 2008 to present.

Dr. Adam has Hospital Affiliation with admitting privileges at Sentara Virginia Beach General Hospital and Garnet Health Medical Center in Middletown New York. Dr Adam has an affiliation at Kingsbrook Jewish Medical Center and Brookdale University Hospital as an Associate with no admitting privileges at this time.

On 6/11/24, a lawsuit was filed in US District Court for the Eastern District of New York (Case #1:2024cv04153) LM Insurance Corporation et al v. Abdalla I. Adam, M.D. et al. The case was filed against Abdalla I. Adam, M.D. doing business as Medelstar Medical Services, with the allegation of Racketeer/Corrupt Organization in accordance with 18 U.S.C. § 1962 Racketeering (RICO) Act

Bobby Borukhov is the proposed Sole Member/ Manager for Jem Healthcare Clinic. Bobby Borukhov graduated with a GED in September 2000 and has been employed as Medical Office Administrator with Ahmed Ahmed PT PC, Brooklyn, New York, from 2021 to present, as the Medical Office Administrator with Mindful Chiropractic PC in Brooklyn, New York, from 2017 to 2021, and as the President of EVM Gold Refinery, Inc in New York City, from 2009 to present.

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.

Conclusion

The individual background review indicates the proposed members have met the standard for approval as set forth in Public Health Law §2801-a(3).

Financial Analysis

Total Project Cost and Financing

Total project cost for leasehold improvements, renovations, and moveable equipment is \$1,196,299, broken down as follows:

Renovation & Demolition	\$648,720
Design Contingency	\$64,872
Construction Contingency	\$64,872
Planning Consultant Fees	\$10,000
Architect /Engineering Fees	\$50,800
Other Fees	\$50,000
Moveable Equipment	\$253,955
Financing Costs	\$17,787
Interim Interest Expense	\$26,680
CON Fee	\$2,000
Additional Processing Fee	<u>\$6,533</u>
Total Project Cost	\$1,196,299

The applicant's financing plan is as follows:

Member's Equity	\$119,630
Bank loan (6% interest*, 5-year term)	<u>\$1,076,669</u>
Total Financing	\$1,196,299

*The interest rate would be indexed to the firm's 5-year cost of funds with an indicative rate today of 6%.

Hudson Shine Capital has provided a letter of interest for the bank loan at the above-stated terms. BFA Attachment A, Net Worth Statement of Proposed Member of JEM NYC Consulting, LLC indicating sufficient resources to meet the equity requirements of this application.

Operating Budget

The applicant has submitted their projected first and third-year operating budget, in 2024 dollars, as shown below:

	<u>Year One</u>		<u>Year Three</u>	
	<u>Per Visit</u>	<u>Total</u>	<u>Per Visit</u>	<u>Total</u>
<u>Revenues:</u>				
Commercial FFS	\$175.00	\$108,500	\$175.00	\$163,625
Commercial MC	\$148.75	\$36,890	\$148.75	\$55,633
Medicare FFS	\$175.00	\$162,750	\$175.00	\$245,350
Medicare MC	\$148.75	\$27,668	\$148.75	\$41,650
Medicaid FFS	\$200.26	\$24,832	\$200.26	\$37,449
Medicaid MC	\$170.22	\$643,946	\$170.22	\$970,941
Private Pay	\$225.00	<u>\$41,850</u>	\$225.00	<u>\$63,000</u>
Total Revenues		\$1,046,436		\$1,577,648
<u>Expenses:</u>				
Operating	\$116.92	\$725,036	\$122.67	\$1,146,884
Capital	<u>\$40.57</u>	<u>\$251,576</u>	<u>\$25.48</u>	<u>\$238,173</u>
Total Expenses	\$157.49	\$976,612	\$148.15	\$1,385,057
Net Income		<u>\$69,824</u>		<u>\$192,591</u>
Visits		6,201		9,349

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

	<u>Year One</u>		<u>Year Three</u>	
	<u>Visits</u>	<u>%</u>	<u>Visits</u>	<u>%</u>
Commercial FFS	620	10.00%	935	10.00%
Commercial MC	248	4.00%	374	4.00%
Medicare FFS	930	15.00%	1,402	15.00%
Medicaid MC	186	3.00%	280	3.00%
Medicaid FFS	124	2.00%	187	2.00%
Medicaid MC	3,783	61.00%	5,704	61.00%
Private Pay	186	3.00%	280	3.00%
Charity Care	<u>124</u>	<u>2.00%</u>	<u>187</u>	<u>2.00%</u>
Total	6,201	100.0%	9,349	100.0%

The following is noted with respect to the submitted budget:

- The Medicaid Fee for Service reimbursement rate is based on the base rate plus the cost of capital as obtained from the NYSDOH, Bureau of D&TC Reimbursement.
- Medicaid Managed Care is assumed to be 80% of the Medicaid APG Fee for service rate.
- Commercial Insurance and Medicare Fee for Service rates are based on fee schedule.
- Medicare Managed Care and Commercial Managed Care is based on 80% of the Medicare Part B Fee schedule.
- The utilization projections by service and payer were determined based on demographic data/preventable quality indicators (PQI) of the proposed service area. The PQI data drives the type of clinical staff needed for the Article 28 D&TC. The payor mix is determined based on the payer mix of the service area related to Medicaid Fee-for-Service, Medicaid Managed Care, Medicare fee-for-service, Medicare Managed Care, etc. in the area.

Lease Agreement

The applicant has submitted an executed lease agreement for site control of the facility, the terms of which are summarized below:

Date:	January 4, 2024
Premises:	Street Level store located at 1900B Ralph Avenue, Brooklyn, NY
Landlord:	Flatlands Shopping Center Associates
Tenant:	JEM NYC Consulting, LLC
Rental:	Base rent \$67,200 annually (\$5,600 per month) for years one and two, 3% increase annually thereafter.
Term:	Five (5) years with one (1) seven (7) year renewal option
Provisions:	Real estate taxes, maintenance, personal property insurance, and pro rata share of electricity, water, and gas.

The applicant submitted an affidavit that the lease is an arm's length agreement as the landlord and tenant do not have common membership. Letters from two New York real estate brokers were submitted attesting to the reasonableness of the rent.

Capability and Feasibility

Total project cost of \$1,196,299 will be met with \$119,630 in proposed member's equity and a \$1,076,669 bank loan for a ten-year term with a 6% interest rate. The working capital requirements are estimated at \$230,842, based on two months of third-year expenses and will be met with \$115,421 proposed member's equity and a \$115,421 bank loan for a three-year term at a 6% interest rate. Hudson Shine Capital has provided a letter of interest for the bank loans at the above-stated terms. BFA Attachment A, Net Worth Statement of Proposed Member of JEM NYC Consulting, LLC indicates sufficient resources to meet the equity requirements of this application.

BFA Attachment B, Pro Forma Balance Sheet of JEM NYC Consulting, LLC, indicates that the facility will initiate operations with members equity of \$235,051.

The submitted budget shows the facility estimates it will generate net income of \$69,824 and \$192,591 in the first and third years, respectively. Revenues are based on prevailing reimbursement methodologies for D&TCs. The budget appears reasonable.

Conclusion

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

Attachments

BHFP Attachment	Map
BFA Attachment A	Net Worth Statement of Proposed member of JEM NYC Consulting, LLC
BFA Attachment B	Pro Forma Balance Sheet of JEM NYC Consulting, LLC



Project # 241185-E
Bronx Health Center

Program: Diagnostic and Treatment Center
Purpose: Establishment

County: Bronx
Acknowledged: May 7, 2024

Executive Summary

Description

Felix Health New York LLC, d/b/a Felix Health (the Center) requests approval to be established as the new operator of Bronx Health Center, a diagnostic and treatment center currently operated by E&A Medical Solutions, LLC. The Center, at 253 East 142 2nd Street, Bronx, New York, will continue to provide primary care, Dental O/P and Medical Services- Other Medical Specialties including cardiology, vascular, ophthalmology, neurology, endocrinology, urology, wound care, and behavioral health up to the 30% allowable threshold. The Center will also add Optometry O/P and Podiatry O/P services through this CON.

Per CON 231229, E&A Medical Solutions, the current operator of the Bronx Health Center, will retain ownership of its extension clinic at 51 East 125th Street, which will become E&A Medical Solutions' main site following the approval of this CON.

Adam Schreiber is the sole member of Felix Health New York, LLC. Ervin Rene Richo Marin, MD will serve as the Medical Director. The applicant has an Affiliation and Transfer Agreement with NYC H+H- Lincoln Hospital located 0.4 mile and 3 minutes away.

OPCHSM Recommendation
Contingent Approval

Need Summary

The applicant projects 13,745 visits in Year One and 25,200 in Year Three with 75% Medicaid and 5% Charity Care.

Program Summary

The individual background review indicates the proposed members have met the standard for approval as set forth in Public Health Law §2801-a(3).

Financial Summary

The purchase price of \$3,000,000 will be met with the sole member's personal resources.

Budget:	Year One	Year Three
Revenues	\$1,931,621	\$3,541,356
Expenses	<u>1,739,568</u>	<u>2,736,379</u>
Net Income	\$192,053	\$804,977

Health Equity Impact Assessment

This project does not meet the requirements for a Health Equity Impact Assessment under Section 2802-B of the PHL.

Recommendations

Health Systems Agency

There will be no HSA recommendation for this project.

Office of Primary Care and Health Systems Management

Approval contingent upon:

1. Submission of an executed lease assignment that is acceptable to the Department of Health. [BFA]
2. Submission of an executed transfer and affiliation agreement, acceptable to the Department, with a local acute care hospital. [HSP]

Approval conditional upon:

1. This project must be completed by **one year from the date of the recommendation letter**, including all pre-opening processes, if applicable. Failure to complete the project by this date may constitute an abandonment of the project by the applicant and the expiration of the approval. It is the responsibility of the applicant to request prior approval for any extensions to the project approval expiration date. [PMU]

Council Action Date

December 5, 2024

Need Analysis

Project Description

Felix Health New York LLC dba Felix Health is seeking approval to be established as the new operator of the Bronx Health Center, a Diagnostic and Treatment Center (D&TC) currently operated by E & A Medical Solutions, LLC, at 253 East 142nd Street, Bronx, NY 10451 (Bronx County) and add Optometry O/P and Podiatry O/P services. Medical Services - Primary Care, Medical Services - Other Medical Specialties, and Dental O/P services will continue to be available. T

Background and Analysis

The location is in a Health Professional Shortage Area (HPSA) for Primary Care, Mental Health, and Dental Health and is a Medically Underserved Area/Population (MUA/P). The primary service area for this project is Bronx County, specifically zip codes 10451, 10452, 10453, 10454, 10455, 10456, and 10457. These zip codes represent the communities of Mott Haven, the Hub, Concourse Village, Melrose, Highbridge, Morrisania, Port Morris, Longwood, and Hunts Point. The population of Bronx County is estimated at 1,443,229 based on 2022 American Community Survey data and is expected to increase to 1,597,728 by 2029 per projection data from the Cornell Program on Applied Demographics, an increase of 10.7%. Demographics for the primary service area are noted below including a comparison with New York State.

Demographics	Primary Service Area	Bronx County	New York State
Total Population	464,165	1,443,229	19,994,379
Hispanic or Latino (of any race)	65.1%	56.4%	19.5%
White (non-Hispanic)	2.5%	8.6%	53.8%
Black or African American (non-Hispanic)	29.2%	28.3%	13.8%
Asian(non-Hispanic)	0.9%	3.8 %	8.8%
Other (non-Hispanic)	2.3%	2.9%	4.1%

Source: 2022 American Community Survey (5-Year Estimates Data Profiles)

In 2022, 92.4% of the population of Bronx County had health coverage as follows:

Employee plans	30.1%
Medicaid	43.3%
Medicare	6.87%
Non-group plans	11.8%
Military or VA plans	0.379%

Source: Data USA

The projected payor mix includes:

Applicant Projected Payor Mix		
Payor	Year One	Year Three
Commercial	10%	10%
Medicare	10%	10%
Medicaid	75%	75%
Private Pay	0%	0%
Charity Care	5%	5%
Other	0%	0%

The applicant projects an increase from 4,797 visits in the current year to 13,745 visits in Year One and 25,200 in Year Three. The applicant has stated they will undertake extensive marketing and outreach

activities and expand the availability of services and hours of operation. Some of the projected increase in visits will be from adding Optometry O/P and Podiatry O/P services.

The hours of operation will be Sunday 9 am-3 pm, Monday 8 am-6 pm, Tuesday 8 am-8 pm, Wednesday 8 am-6 pm, Thursday 8 am-8 pm, Friday 8 am-6 pm, Saturday 9 am-4:30 pm. An answering service will be provided to address patient concerns during hours when the facility is closed.

The applicant has an Affiliation and Transfer Agreement with NYC H+H - Lincoln Hospital located 0.4 miles and 3 minutes away.

Prevention Quality Indicators (PQIs) are rates of admission to the hospital for conditions for which good outpatient care can potentially prevent the need for hospitalization, or for which early intervention can prevent complications or more severe disease. The table below provides information on PQI rates for 2021 related to this application.

Hospital Admissions per 100,000 Adults			
PQI Name	Primary Service Area	Bronx County	New York State
Diabetes Short-Term Complications	148	117	71
Diabetes Long-Term Complications	257	227	117
Chronic Obstructive Pulmonary Disease or Asthma	845	565	239
Hypertension	161	150	70
Heart Failure	667	526	377
Bacterial Pneumonia	143	98	88
Uncontrolled Diabetes	140	106	49
Prevention Quality Overall Composite	2189	1751	1050

Conclusion

Approval of this project will allow for increased access to Medical Services - Primary Care, Medical Services - Other Medical Specialties, Dental O/P, Podiatry O/P, and Optometry O/P services for the residents of Bronx County.

Program Analysis

Program Description

Bronx Health Center, an existing diagnostic and treatment center, currently operated by E&A Medical Solutions, request approval for a change of ownership. The proposed name will become Felix Health New York, LLC. The incoming owner will provide the same services of Medical services – primary care, medical services – other medical specialties and Dental O/P. Other medical specialties include cardiology, vascular, podiatry, ophthalmology, optometry, neurology, endocrinology, urology, wound care, and behavioral health (Less than 30% to be under the threshold).

The table below presents current staffing levels and projected staffing in Year One and Year Three:

Staffing Categories	Current Year	Year One	Year Three
Management and Supervision	2.2	1.0	2.0
Technician & Specialist	0.7	1.5	4.0
Registered Nurses	0	1	2
Aides, orderlies, and attendants	5.7	6	6
Physicians	1.9	1	3
Nurse Practitioners	0.2	1.5	2.0
Social Workers and Psychologists	0.1	0.6	1.5
Clerical and Other Administrative	0	2.0	2.0
Safety Officer	0.5	1.0	1.7
TOTAL	11.3	15.6	24.2

The Center is expected to generate 13,745 visits in Year One of operation, and increase to 25,200 by Year Three.

The Center will assume the current hospital transfer and affiliation agreement with NYC H+H/Lincoln Hospital 0.4 miles and 3 minutes travel from Felix Health.

Hours of operation are Sunday 9 am – 3 pm, Monday 8 am – 6 pm, Tuesday 8 am – 8 pm, Wednesday 8 am – 6 pm, Thursday 8 am – 8pm, Friday 8 am – 6 pm, and Saturday 9 am -4:30 pm. An answering service will be provided to address patient concerns during hours the facility is closed.

Adam Schreiber is the sole Member and Managing Member of Felix Health New York, LLC.

Character and Competence

Dr. Rene Riano Marin - proposed Medicaid Director - Dr. Marin graduated from Pontificia Universidad Javeriana in 2003. Dr. Riano Marin completed a residency in OB/GYN at Flushing Hospital Medical Center in 2015. He is licensed in NY through December 31,2024, and Board Certified in OB/GYN. Dr. Marin reports experience as a Clinical Director at Queens OB/GYN and Empire State Medical Wellness. Since 2019, Dr. Marin has been employed at Queens Obstetrics & Gynecology Services P.C. and Associate Program Director in the Department of Obstetrics and Gynecology at Flushing Hospital Medical Center since 2017. Dr. Marin has also been a Labor and Delivery Instructor at the Department of Obstetrics and Gynecology at Flushing Hospital Medical Center since 2015.

Dr. Marin was previously employed as a Clinical Instructor at Flushing Hospital Medical Center from 2015-2017 and Clinical Research Assistant at Oregon Health and Science University in Portland Oregon in 2010-2011.

Adam J. Schreiber - President and CEO of Juvo Autism and Behavioral Health Services from 2017-2021. The company provided therapy in homes, schools, and outpatient facilities for those diagnosed with autism spectrum disorder. He was responsible for all company operations.

President and CEO of Sunspire Health/Alita Care, an Inpatient & Outpatient Treatment Program for those suffering from substance use disorder and other behavioral health conditions from 2011-2017. He was responsible for all company operations.

Mr. Schreiber is currently in partnership with CareWell Health, Fairway GPO, Greenbrook TMS, Multi-Specialties Management, SDAP Corporation, and The Meadows Behavioral Health.

Adam J. Schreiber discloses ownership interest in other health care facilities. The States of California, Florida, Illinois, New Jersey, Texas, and Washington did not respond to the applicant's request for a Schedule 2D therefore the applicant submitted an affidavit attesting that the agencies are either currently licensed and in compliance with all applicable federal regulations or have closed. Mr. Schreiber reports less than a 5% ownership interest in all facilities.

Staff from the Division of Certification & Surveillance reviewed the disclosure information submitted for the proposed individual members identified above regarding licenses held, formal education, training in pertinent health and/or related areas, employment history, and a record of legal actions. 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.

CareWell Health (CWH) in NJ disclosed that in the beginning of 2024, subsequent to a complaint related to hemodialysis and radiology services, CareWell Health had several surveys from February until June. On February 1, 2024, a DPoC (Directed Plan of Correction) was issued by NJDOH related to radiology services predominantly being driven by CWH being a primary stroke center. There were further amendments to the DPoC on February 21st & 23rd. CareWell remained compliant to the DPoC throughout this time period. Subsequently, CMS issued a notice of termination from Medicare on April 26, 2024, related to patient rights and EMTALA. The PoC was submitted and accepted with a resurvey that was completed on June 24-26. On July 12, NJDOH rescinded the DPoC with the official letter provided on July 15th indicating CareWell was meeting standards of care as a primary stroke center. Lastly, CMS rescinded the termination from Medicare on July 24 and CWH was deemed compliant for Medicare Conditions of Participation as a result of the resurvey.

Colorado disclosed Meadows Outpatient Center Denver LLC as currently licensed. However, noted three (3) rule violations were issued in 9/2022 for lack of required information on Release of Informations. Signatures from guardians on treatment documentation and required staff signatures on documentation. All were state violations and were resolved with a 90 day action plan issued on 9/9/2022.

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.

Conclusion

The individual background review indicates the proposed members have met the standard for approval as set forth in Public Health Law §2801-a(3).

Financial Analysis

Operating Budget

The applicant has submitted an operating budget, in 2024 dollars, for the first and third years after the change in operator, summarized below:

	<u>Per Visit</u>	<u>Current Year</u> <u>(2022)</u>	<u>Per Visit</u>	<u>Year One</u>	<u>Per Visit</u>	<u>Year Three</u>
Revenues:						
Commercial MC	\$139.91	\$33,579	\$139.95	\$192,434	\$140.00	\$352,800
Medicare MC	\$94.94	\$22,786	\$94.97	\$130,580	\$95.00	\$239,400
Medicaid MC	\$168.02	\$685,012	\$168.00	\$1,731,902	\$168.00	\$3,175,200
Less Bad Debt		<u>\$0</u>		<u>\$123,295</u>		<u>\$226,044</u>
Total Revenues		\$741,377		\$1,931,621		\$3,541,356
Expenses:						
Operating	\$116.36	\$558,188	\$91.32	\$1,255,255	\$88.98	\$2,242,364
Capital	<u>\$32.24</u>	<u>\$154,673</u>	<u>\$35.24</u>	<u>\$484,313</u>	<u>\$19.60</u>	<u>\$494,015</u>
Total Expenses	\$148.61	\$712,861	\$127	\$1,739,568	\$109	\$2,736,379
Net Income		\$28,516		\$192,053		\$804,977
Utilization: (Visits)		4,797		13,745		25,200

The following is noted with respect to the submitted operating budget:

- Expense and utilization assumptions are based on historical experience.
- Revenues are based on current reimbursement methodologies.
- The applicant indicated that the increase in visits from the Current Year to Year One and Year Three is the result of the applicant undertaking extensive marketing and outreach activities, and expanded availability of service hours of operation.

Utilization is broken down by payor source during the current year, year one, and year three, summarized as follows:

	<u>Current</u> <u>(2022)</u>	<u>Year One</u>	<u>Year Three</u>
Commercial MC	5.00%	10.00%	10.00%
Medicare MC	5.00%	10.00%	10.00%
Medicaid MC	84.99%	75.00%	75.00%
Charity Care	<u>5.00%</u>	<u>5.00%</u>	<u>5.00%</u>
Total	100.00%	100.00%	100.00%

Asset Purchase Agreement

The applicant has submitted an executed asset purchase agreement for the acquisition of the operation, which is summarized below:

Date	September 15, 2023
Seller	E&A Medical Solutions, LLC
Purchaser	Felix Health New York, LLC
Assets Acquired	Equipment, furniture, furnishings, supplies, Seller's goodwill and business associated with the Clinic, client lists, patient files and medical records of any and all clients served by the Clinic, all other intangible assets owned by Seller and principally used in the business of the Clinic, all accounts receivable of the Clinic only for services rendered after the Closing Date and all rights, licenses or real property interests of Seller in connection with the Clinic.

Assets Excluded	Accounting records relating to the Clinic that the Seller is required to retain under applicable laws, Seller's cash, cash equivalents, and accounts receivable accruing from operations prior to the Closing Date, Seller's financial records, canceled checks, and bank statements accruing from operations prior to the Closing Date, Seller's books and records, tax records and the tax returns, the trade names used by Seller or the Clinic, insurance premiums regarding the Clinic and Seller's Federal Tax Identification Number, and government and non-government provider agreements.
Assumed Liabilities	Liabilities for payment of any applicable federal, state, or local taxes, any liability or obligation arising out of a breach or default by Seller of any contract or governmental permits or license, any liability or obligation in respect to the Excluded Assets, accounts payable arising or accruing as of the Closing Date attributable to the operation of the Clinics and any liability arising from the operation of the Clinic prior to the Closing.
Purchase Price	\$3,000,000
Payment of Purchase Price	\$50,000 pre-signing deposit, \$100,000 signing deposit and \$2,850,000 to be paid in total at the Closing.

The applicant has submitted an original affidavit, which is acceptable to the Department, in which the applicant agrees, notwithstanding any agreement, arrangement, or understanding between the applicant and the transferor to the contrary, to be liable and responsible for any Medicaid overpayments made to the facility and/or surcharges, assessments or fees due from the transferor pursuant to Article 28 of the Public Health Law with respect to the period of time prior to the applicant acquiring its interest, without releasing the transferor of its liability and responsibility. As of June 17, 2024, the facility had outstanding Medicaid liabilities of \$973.

Lease Rental Agreement

The applicant has submitted a draft lease assignment for the site that they will occupy, summarized below:

Premises	4,548 square feet located at 253 East 142 2 nd Street, Bronx, New York.
Lessor	Morris Rider Developers, LLC
Lessee	E&A Medical Solutions, LLC
Term	Extends to 2034.
Rental	\$154,672 annually with a 3% increase each year thereafter.
Provisions	The lessee shall be responsible for real estate taxes, maintenance, and utilities.

The applicant has indicated that the lease agreement will be an arm's length lease arrangement.

Capability and Feasibility

The purchase price of \$3,000,000 will be met with the sole member's personal resources. The working capital requirements are estimated at \$456,063, which is equivalent to two months of third-year expenses. The sole member will provide equity from personal resources to meet the equity requirements. BFA Attachment A, Net Worth Statement of the Proposed Member of Felix Health New York LLC, indicates the availability of sufficient funds for the equity contribution. BFA Attachment B, Pro Forma Balance Sheet of Felix Health New York LLC, indicates a positive net asset position of \$3,355,514 as of the first day of operation.

The submitted budget indicates a net income of \$192,053 and \$804,977 during Year One and Year Three, respectively. Revenues are based on current reimbursement methodologies. The submitted budget appears reasonable.

BFA Attachment C, 2022 and 2023 Internal Financial Statements of E&A Medical Solutions, LLC, show a negative working capital position and a positive net asset position in 2022 and 2023. The entity achieved a net income of \$90,755 and \$31,394 in 2022 and 2023, respectively. The applicant has indicated that the reason for the negative working capital positions are pandemic-related issues including loss of staff,

which resulted in overtime for remaining staff coverage, and increased costs of goods and services due to inflation which required a restructuring of the facility's business model.

Conclusion

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

Attachments

BHFP Attachment	Map
BFA Attachment A	Personal Net Worth Statement of the Proposed Member of Felix Health New York LLC
BFA Attachment B	Pro Forma Balance Sheet of Felix Health New York LLC
BFA Attachment C	Financial Summary- 2022 and 2023 Internal Financial Statements of E&A Medical Solutions



Department of Health

Public Health and Health Planning Council

Project # 241236-B

East 180 Operating, LLC d/b/a East 180th Street Health and
Treatment Center

Program: Diagnostic and Treatment Center

County: Bronx

Purpose: Establishment and Construction

Acknowledged: May 29, 2024

Executive Summary

Description

East 180th Operating, LLC, d/b/a East 180th Street Health and Treatment Center (The Center), requests approval to establish and construct an Article 28 diagnostic and treatment center (D&TC) at 870 East 180th Street, Bronx. This project amends and supersedes Project 212213-B. The original application's membership included Adam Henick and Divina Abreu-Espinal. Mr. Adam Henick is withdrawing his 20% ownership for health-related reasons and will be replaced with Hector Reyes.

The Center will occupy three (3) floors that will house twenty-one (21) exam rooms, two (2) dental rooms, a closed pharmacy, five (5) behavioral health treatment rooms with consultation rooms and designated support areas. The Center will be certified for Primary Medical Care and Specialty Care Services, including Psychological, O/P and Dental, O/P.

Dr. Cecilia Griselda Calderon, who is board-certified in Internal Medicine, will continue to serve as the Medical Director. The applicant maintains a transfer and affiliation agreement with a local area hospital, Bronx-Lebanon Bronx Health Care System, 2.2 miles (15 min) away.

Membership before and after the requested change is as follows:

<u>Current Membership</u>	<u>Ownership Percentage</u>
Adam Henick	20%
Divina Abreu-Espinal	80%

<u>Proposed Membership</u>	<u>Ownership Percentage</u>
Hector Reyes	20%
Divina Abreu-Espinal	80%

OPCHSM Recommendation
Contingent Approval

Need Summary

The applicant projects 28,393 visits in Year One and 47,318 visits in Year Three with 67% Medicaid and 5% Charity Care.

Program Summary

The individual background review indicates the proposed members have met the standard for approval as set forth in Public Health Law §2801-a(3).

Financial Summary

Total project cost of \$16,700,121 will be funded with Member's Equity of \$3,504,870 and two (2) separate and distinct loans totaling \$13,195,251. Mr. Hector Reyes will acquire Adam Henick's 20% membership interest for \$393,672.53,

<u>Budget:</u>	<u>Year One</u>	<u>Year Three</u>
Revenues	\$4,331,026	\$7,218,376
Expenses	<u>3,856,456</u>	<u>4,849,778</u>
Net Income	\$474,570	\$2,368,598

Health Equity Impact Assessment

This project does not require a Health Equity Impact Assessment as it does not meet the requirements under Public Health Law Section 2802-B

Recommendations

Office of Primary Care and Health Systems Management

Approval contingent upon:

1. Submission of a check for the amount enumerated in the approval letter, payable to the New York State Department of Health. Public Health Law Section 2802.7 states that all construction applications requiring review by the Public Health and Health Planning Council shall pay an additional fee of fifty-five hundredths of one percent of the total capital value of the project, exclusive of CON fees. [PMU]
2. The submission of State Hospital Code (SHC) Drawings for review and approval, as described in BAER Drawing Submission Guidelines DSG-1.0 [AER]
3. The submission of Engineering (MEP) Drawings for review and approval, as described in BAER Drawing Submission Guidelines DSG-1.0 [AER]
4. Submission of an executed loan commitment for the SBA Loan, acceptable to the Department. [BFA]
5. Submission of an executed loan commitment for the bridge loan, acceptable to the Department. [BFA]
6. Submission of an executed loan commitment agreement for the permanent loan acceptable to the Department. [BFA]
7. Submission of an executed RBAC Federal loan commitment for the permanent mortgage acceptable to the Department. [BFA]

Approval conditional upon:

1. This project must be completed by **March 15, 2028**, including all pre-opening processes, if applicable. Failure to complete the project by this date may constitute an abandonment of the project by the applicant and the expiration of the approval. It is the responsibility of the applicant to request prior approval for any extensions to the project approval expiration date. [PMU]
2. Construction must start on or before **June 15, 2025**, and construction must be completed by **December 15, 2027**, presuming the Department has issued a letter deeming all contingencies have been satisfied prior to commencement. It is the responsibility of the applicant to request prior approval for any changes to the start and completion dates. In accordance with 10 NYCRR Section 710.10(a), if construction is not started on or before the approved start date, this shall constitute abandonment of the approval. [PMU]
3. The submission of Final Construction Documents, as described in BAER Drawing Submission Guidelines DSG-05, is required prior to the applicant's start of construction. [AER]

Council Action Date
December 5, 2024

Need Analysis

Project Description

East 180 Operating, LLC, is submitting this amendment to CON project number 212213 requesting only a change in operator membership.

East 180 Operating, LLC, received Public Health and Health Planning Council approval on April 5, 2022, and an All Contingencies Satisfied letter on January 31, 2023, to establish and certify a newly constructed diagnostic and treatment center for the provision of traditional Article 28 diagnostic and treatment services to adult and pediatric patients. The Center, at 870 East 180th Street, Bronx, NY 10460 (Bronx County), will provide primary care, psychological, dental, and pharmacy services.

Background and Analysis

The Center will provide services to residents of Bronx County. The location is within a Health Professional Shortage Area for Primary Care, Mental Health, and Dental Health within a Medically Underserved Area. The population of Bronx County is estimated to increase to 1,597,728 by 2029 per projection data from the Cornell Program on Applied Demographics, an increase of 10.7%. Demographics for the primary service area are noted below including a comparison with New York State.

Demographics	Bronx County	New York State
Total Population	1,443,229	19,994,379
Hispanic or Latino (of any race)	56.4%	19.5%
White (non-Hispanic)	8.6%	53.8%
Black or African American (non-Hispanic)	28.3%	13.8%
Asian(non-Hispanic)	3.8%	8.8%
Other (non-Hispanic)	2.9%	4.1%

Source: 2022 American Community Survey (5-Year Estimates Data Profiles)

In 2022, 92.4% of the population of Bronx County had health coverage as follows:

Employee plans	30.1%
Medicaid	43.3%
Medicare	6.87%
Non-group plans	11.8%
Military or VA plans	0.379%

Source: Data USA

The projected payor mix includes:

Applicant Projected Payor Mix		
Payor	Year One	Year Three
Commercial	6%	6%
Medicare	19%	19%
Medicaid	67%	67%
Private Pay	1%	1%
Charity Care	5%	5%
Other	2%	2%

The Center will be operational six days per week for at least 66 hours. Hours of operation will increase as demand warrants.

The applicant maintains a transfer and affiliation agreement with a local area hospital, Bronx-Lebanon Bronx Health Care System, 2.2 miles (15 min) away.

Prevention Quality Indicators (PQIs) are rates of admission to the hospital for conditions for which good outpatient care can potentially prevent the need for hospitalization, or for which early intervention can prevent complications or more severe disease. The table below provides information on PQI rates for 2021 related to this application, indicating that the service area has higher PQI rates than New York State.

Hospital Admissions per 100,000 Adults		
PQI Name	Bronx County	New York State
Diabetes Short-Term Complications	117	71
Diabetes Long-Term Complications	227	117
Chronic Obstructive Pulmonary Disease or Asthma	565	239
Hypertension	150	70
Heart Failure	526	377
Bacterial Pneumonia	98	88
Uncontrolled Diabetes	106	49
Urinary Tract Infection	135	105
Prevention Quality Overall Composite	1,751	1,050

Conclusion

Approval of this project will allow the center to carry its efforts to serve the residents of Bronx County.

Program Analysis

Program Proposal

Proposed Operator	East 180 Operating, LLC
To Be Known As	East 180th Street Health and Treatment Center
Site Address	870 East 180th Street, Bronx NY, 10460. (Bronx County)
Specialties	Medical Services, Primary Care, Dental O/P
Hours of Operation	Monday through Friday 8:00 AM to 4:00 PM Saturday 8:00 AM to 12:00 PM
Staffing (1st Year / 3rd Year)	26.5 FTEs / 36.2 FTEs
Medical Director(s)	Cecilia Griselda Calderon, M.D.
Emergency, In-Patient and Backup Support Services Agreement and Distance	Bronx Lebanon/BronxCare Health System 2.2 miles / 15 minutes away

The following table shows the projected FTEs after Year One and Year Three of the project:

Position	Year One	Year Three
Management and Supervision	1.0	1.0
Technician and Specialists	1.0	2.0
Registered Nurses	1.0	1.0
Licensed Practical Nurses	4.0	5.0
Aides, Orderlies and Attendants	3.0	4.5
Physicians	2.0	2.7
Physicians' Assistants	1.0	2.0
Nurse Practitioners	0.5	1.0
Social Worker and Psychologist	2.0	3.0
Clerical and Other Administrative	8.0	11.0
Pharmacist	1.0	1.0
Pharmacist Assistant	1.0	1.0
Dentist	1.0	1.0
Totals	26.5	36.2

Character and Competence

The members of Meridian Surgery Center are:

Name	Ownership Interest
<i>Divina Espinal (previously approved in 212213-B)</i>	80.0%
<i>Hector Reyes (member new to this amendment)</i>	20.00%
Total	100.00%

Dr. Cecilia Griselda Calderon is the proposed Medical Director. Dr. Cecilia Griselda Calderon has been the Chief Medical Officer of HDR Healthcare Network for over two (2) years, Senior Medical Officer of Audubon Primary Care Medicine for over seven (7) years, and the Medical Director of 181st Street Medical PC for over eight (8) years. Dr. Calderon has been an Internal Medical Physician at CCN General Medicine for over eleven (11) years and a Primary Medical Physician at Amsterdam Medical PC for over three (3) years. Dr. Cecilia Griselda Calderon received her medical degree at Universidad Autonoma de Santo Domingo in the Dominican Republic and completed a residency in Internal Medicine at Bronx Lebanon Hospital. Dr. Cecilia Griselda Calderon is board certified in Internal Medicine.

Divina Abreu Espinal has been the Special Education High School Teacher and Chairperson for the Yonkers Public Schools for approximately ten (10) years. Divina Abreu Espinal has experience in human resources management and health care coordination as a Program Coordinator for special needs

students. During this time, Divina Abreu Espinal developed and implemented programs for students with learning disabilities of all spectrums, including interaction and coordination with the student's specialist providers. Divina Abreu Espinal represented the school district with more than 400 special needs students and acted as a liaison between the schools and the districts and have engaged with all agencies to ensure services are provided properly. Divina Abreu Espinal has ensured compliance with state regulations for special education students, HIPAA, and New York State's Dignity for All Student's Act. Divina Abrei Espinal has supervised a team of teachers, social workers, and specialist providers to ensure the full spectrum of services are provided to the students in accordance with regulations.

Hector Reyes, replacing Adam Henick fro previously approved Project 212213-B, received an MBA from the University of Tennessee in 2009. Hector Reyes is the current president of HDR Healthcare Management, a management company operating primary care medical practice, and has been in this role since 2018. From 2016 to present, Hector Reyes has functioned as the president of Morris Park Urgent Care Center. Hector Reyes is the current Chief Financial Officer of Audubon Primary Care Medicine and a managing partner/founder of 181st Street Urgent Care Center since 2014. Hector Reyes is also the Executive Vice President of CCN General Medicine PLLC, and the President of HDR Management Corp since 2014.

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.

Conclusion

The individual background review indicates the proposed members have met the standard for approval as set forth in Public Health Law §2801-a(3).

Financial Analysis

Total Project Cost and Financing

The total project cost is estimated at \$16,700,121 and detailed as follows:

New Construction	\$12,180,000
Renovation & Demolition	274,050
Site Development	537,950
Temporary Utilities	37,555
Design Contingency	1,200,000
Construction Contingency	600,000
Fixed Equipment (NIC)	101,500
Planning Consultant Fees	35,000
Architect /Engineering Fees	350,000
Construction Manager Fees	158,616
Other Fees	35,275
Moveable Equipment	329,875
Telecommunications	126,875
Financing Costs	40,000
Interim Interest Expense	600,088
CON Fee	2,000
Additional Processing Fee	<u>91,337</u>
Total Project Cost	\$16,700,121

The total project costs of \$16,700,121 will be met with \$3,504,870 in Members' Equity and with two (2) loans totaling \$13,195,251. Following the construction period, the first loan of \$8,315,251 will be a 120-month permanent loan based on a 25-year amortization schedule. The second loan of \$4,880,000 is based on a 25-year fixed term loan and 25-year amortization schedule.

Operating Budget

The applicant submitted a projected budget for year one and year three, in 2024 dollars, as shown below:

	<u>Year One</u>		<u>Year Three</u>	
Revenues:	<u>Per Visit</u>	<u>Total</u>	<u>Per Visit</u>	<u>Total</u>
Commercial FFS	\$77.69	\$66,169	\$77.69	\$110,282
Commercial MC	\$62.60	53,334	\$62.60	88,890
Medicare FFS	\$134.05	152,228	\$134.05	253,714
Medicare MC	\$110.39	470,142	\$110.39	783,570
Medicaid FFS	\$219.27	124,503	\$219.27	207,504
Medicaid MC	\$176.77	3,262,052	\$176.77	5,436,753
Private Pay	\$80.00	22,712	\$80.00	37,854
*Other Revenue		<u>145,499</u>		<u>242,499</u>
Total Revenue		\$4,331,026		\$7,218,376
Expenses:				
Operating	\$100.96	\$2,904,634	\$81.57	\$3,897,956
Capital	<u>34.86</u>	<u>951,822</u>	<u>20.12</u>	<u>951,822</u>
Total Expenses	\$135.82	\$3,856,456	\$101.69	\$4,849,778
Net Income		<u>\$474,570</u>		<u>\$2,368,598</u>
Visits		28,393		47,318
Cost/Visit		\$135.82		\$101.69

*Other revenue is for in-house pharmacy revenue.

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

	<u>Year One</u>		<u>Year Three</u>	
	<u>Visits</u>	<u>%</u>	<u>Visits</u>	<u>%</u>
Commercial FFS	852	3%	1,420	3%
Commercial MC	852	3%	1,420	3%
Medicare FFS	1,136	4%	1,893	4%
Medicare MC	4,259	15%	7,098	15%
Medicaid FFS	568	2%	946	2%
Medicaid MC	18,454	65%	30,756	65%
Private Pay	284	1%	473	1%
Charity Care	1,420	5%	2,366	5%
All Other/WC	<u>568</u>	<u>2%</u>	<u>946</u>	<u>2%</u>
Total	28,393	100%	47,318	100%

The following is noted with respect to the submitted budget:

- Revenue assumptions are based on the Ambulatory Health Care Facility-1 Cost Reports for several Article 28 D&TCs operating in the same geographic area with similar square footage, specialties, and anticipated patient flow.
- Year Three revenues are based on 100% visits in treating Primary Medical Care, and Specialty Care Services, including Psychological, O/P and Dental, O/P.
- Expenses in Years One and Three include salaries, benefits, rent and depreciation.
- The applicant anticipates lower volume during the start up period. Volume is expected to increase by Year Three, due to marketing efforts and name recognition..

Purchase and Sale Agreement

The applicant submitted an executed purchase and sale agreement which will be effectuated in accordance with the purchase agreement, the terms of which are summarized below.

Date	TBD
Buyer	Hector Reyes
Seller	Adam Henick
Deliverables	Bill of Sale, affidavit of title evidencing the purchase of the membership interest.
Purchase Price	\$393,672.53
Payment of Purchase Price	Equity to be paid at closing, by the buyer, upon PHHPC approval.

Operating Agreement

The applicant submitted an executed amended operating agreement the terms which are summarized below.

Date	July 21, 2021
Company	East 180 Operating, LLC
Location	870 East Street, Bronx, New York 10460
Profit/Loss	Proportional to shareholders interest
*Management	Member Managed

*Members will have the right to sell his or her interest under the agreement under the guideline written in the agreement.

Lease Agreement

The applicant has submitted an executed lease agreement summarized below.

Date:	September, 2021
Premises:	11,979 square feet of space at 870 East 180th Street, Bronx, NY 10460
Owner:	Sonid Holdings, LLC (Jose Espinal-Sole Member).
Tenant:	East 180 Operating, LLC
Security:	\$56,250 deposit paid
Rental:	The base rent is \$225,000 per annum for years one through five, with a 10% increase for each five-year period thereafter. From the Commencement date until the existing building is vacant there shall be no rent due. From the date the existing building is vacant until the date construction commences, base rent shall be \$5,000 plus additional rent equal to all taxes and water/sewer due. The rent and additional rent due shall accrue and be payable by Tenant upon the commencement of construction. From the date construction commences until a date that is six months after the issuance of a permanent or temporary certificate of occupancy and the issuance of an operating certificate, Base Rent and Additional Rent shall accrue and be payable by Tenant to Landlord of 60% of the distribution of profits according to the Operating Agreement of Tenant.
Term:	49 years
Provisions:	Tenant is also responsible for taxes, assessments, water and sewer rates or charges, and other governmental charges.

The lease will be non-arms length as there is a relationship between the landlord and one of the lessees. The applicant has submitted two (2) letters of rent reasonableness from New York State realtors indicating that the rental was reasonable.

Capability and Feasibility

The total project cost of \$16,700,121 will be funded with Members' Equity of \$3,504,870 and two (2) separate and distinct loans in the amount of \$13,195,251 to East 180 Operating, LLC. Working capital requirements are estimated at \$808,296 based on two months of third year expense and will be funded in Members' Equity. A disproportionate share affidavit has been provided by Hector Reyes. BFA Attachment A, Net Worth Statement of the Proposed Members, shows sufficient resources to meet the total project cost and working capital requirement.

The Purchase and Sale Agreement Price for the 20% membership by Hector Reyes is \$2,368,598.

The submitted budget indicates the facility will generate a net income of \$474,570 and \$2,368,598 in Year One and Year Three, respectively. The revenue assumptions are based on several actual Article 28 diagnostic and treatment centers operating in the same geographic area with similar square footage, specialties, and anticipated patient flow.

BFA Attachment C, Pro Forma Balance Sheet of the Proposed Members, indicates that the facility will initiate operations with members equity of \$4,310,166.

Conclusion

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

Attachments

BFA Attachment A	Net Worth Statement of Proposed Members
BFA Attachment B	Organizational Chart
BFA Attachment C	Pro Forma Balance Sheet of Proposed Members



Project # 242028-B

Gamms, LLC d/b/a Zelcare Family Health Network

Program: Diagnostic and Treatment Center **County:** Orange
Purpose: Establishment and Construction **Acknowledged:** August 21, 2024

Executive Summary

Description

GAMMS LLC (The Center), an existing limited liability company, requests approval to establish and construct a new Diagnostic and Treatment Center (D&TC) by converting a private practice at 3 Hamaspik Way, Monroe (Orange County). The Center will provide primary care and other medical specialties including, internal medicine, neurology, ophthalmology/optometry, cardiology, pain management, psychiatry and psychology, pulmonology, gastroenterology, and orthopedics.

The Center will be known as Zelcare Family Health Network. Jonathan Gamss, MD. will serve as the Medical Director. St. Luke's Cornwall, 11 miles and 17 minutes away, will serve as the backup hospital for this project.

The proposed members of GAMMS, LLC are as follows:

<u>Members</u>	<u>Ownership</u>
Jonathan Gamss, MD.	33.4%
Moses Jacobowitz	33.3%
Lazar Schwartz	<u>33.3%</u>
Total	100%

OPCHSM Recommendation

Contingent Approval

Need Summary

The applicant projects 16,000 visits in Year One and 29,600 in Year Three with 63% Medicaid and 2% Charity Care.

Program Summary

The individual background review indicates the proposed members have met the standard for approval as set forth in Public Health Law §2801-a(3).

Financial Summary

Total project costs of \$3,035,055 will be met with \$303,506 from the proposed members' personal resources and \$2,729,549 funded by the landlord and one of the individuals who is a party of the sublease.

<u>Budget:</u>	<u>Year One</u>	<u>Year Three</u>
Revenues	\$2,638,642	\$4,881,492
Expenses	<u>2,330,960</u>	<u>3,782,399</u>
Net Income	\$307,682	\$1,099,093

Health Equity Impact Assessment

This project does not meet the requirements for a Health Equity Impact Assessment under Section 2802-B of the PHL.

Recommendations

Health Systems Agency

There will be no HSA recommendation for this project.

Office of Primary Care and Health Systems Management

Approval contingent upon:

1. Submission of a check for the amount enumerated in the approval letter, payable to the New York State Department of Health. Public Health Law Section 2802.7 states that all construction applications requiring review by the Public Health and Health Planning Council shall pay an additional fee of fifty-five hundredths of one percent of the total capital value of the project, exclusive of CON fees. [PMU]
2. Submission of an executed transfer and affiliation agreement, acceptable to the Department, with a local acute care hospital. [HSP]
3. Submission of a working capital loan commitment that is acceptable to the Department of Health. [BFA]

Approval conditional upon:

1. This project must be completed by **March 15, 2025**, including all pre-opening processes, if applicable. Failure to complete the project by this date may constitute an abandonment of the project by the applicant and the expiration of the approval. It is the responsibility of the applicant to request prior approval for any extensions to the project approval expiration date. [PMU]
2. Construction must start on or before **June 15, 2025**, and construction must be completed by **December 15, 2025**, presuming the Department has issued a letter deeming all contingencies have been satisfied prior to commencement. It is the responsibility of the applicant to request prior approval for any changes to the start and completion dates. In accordance with 10 NYCRR Section 710.10(a), if construction is not started on or before the approved start date, this shall constitute abandonment of the approval. [PMU]
3. The submission of Final Construction Documents, as described in BAER Drawing Submission Guidelines DSG-05, is required prior to the applicant's start of construction. [AER]
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 applicant must ensure registration for and training of facility staff on the Department's Health Commerce System (HCS). The HCS is the secure web-based means by which facilities must communicate with the Department and receive vital information. Upon receipt of the Operating Certificate, the Administrator/director that has day-to-day oversight of the facility's operations shall submit the HCS Access Form at the following link to begin the process to enroll for HCS access for the first time or update enrollment information as necessary:
https://www.health.ny.gov/facilities/hospital/docs/hcs_access_form_new_clinics.pdf. Questions may be directed to the Division of Hospitals and Diagnostic & Treatment Centers at 518-402-1004 or email: hospinfo@health.ny.gov [HSP]
6. The submission of Final Construction Documents, as described in BAER Drawing Submission Guidelines DSG-05, is required prior to the applicant's start of construction. [AER]

Council Action Date

December 5, 2024

Need Analysis

Project Description

GAMMS LLC (The Center), an existing limited liability company, requests approval to establish and construct a new Diagnostic and Treatment Center (D&TC) by converting a private practice at 3 Hamaspik Way, Monroe (Orange County). The Center will provide primary care and other medical specialties including, internal medicine, neurology, ophthalmology/optometry, cardiology, pain management, psychiatry and psychology, pulmonology, gastroenterology, and orthopedics.

Background and Analysis

The proposed service area is Orange County centered upon zip code 10950, which includes the village of Kiryas Joel coterminous with the Town of Palm Tree. The majority of residents in Kiryas Joel are members of a Hasidic Jewish sect, tend to have large families, with many young residents within their community. The proposed location is in a Health Professional Shortage Area for primary care and mental health. The population of Orange County is estimated to decrease to 396,429 by 2029 per projection data from the Cornell Program on Applied Demographics, a decrease of 1.19%. Demographics for the primary service area are noted below including a comparison with New York State.

Demographics	Kiryas Joel	Zip Code 10950	Orange County	New York State
Total Population	34,368	63,011	401,237	19,994,379
Hispanic or Latino (of any race)	2.6%	12.5%	22.3%	19.5%
White (non-Hispanic)	96.1%	81.4%	60.5%	53.8%
Black or African American (non-Hispanic)	0.1%	2.6%	10.5%	13.8%
Asian(non-Hispanic)	0%	1.3%	2.8%	8.8%
Other (non-Hispanic)	0.5%	2.2%	3.9%	4.1%

Source: 2022 American Community Survey (5-Year Estimates Data Profiles)

In 2022, 95.1% of the population of Orange County and 99.1% of Kiryas Joel population had health coverage as follows:

Health Plans	Kiryas Joel	Orange County
Employee plans	9.9%	49.0%
Medicaid	81.3%	22.6%
Medicare	1.11%	10.5%
Non-group plans	6.77%	11.7%
Military or VA plans	0.0262%	1.26%

Source: Data USA

The projected payor mix includes:

Applicant Projected Payor Mix		
Payor	Year One	Year Three
Commercial	13.99%	14%
Medicare	18%	18%
Medicaid	63.01%	63%
Private Pay	3%	3%
Charity Care	2%	2%

According to the applicant, the primary care practice currently has over 10,500 patients with approximately 30,000 patient visits yearly. They project 16,000 visits in Year One and 29,600 visits in Year Three for the proposed facility.

The establishment of this diagnostic and treatment center is part of an overall plan to provide expanded comprehensive integrated primary care and other medical specialty services to those in the target area, necessitated in part due to the death of the physician who owned the Primary Care practice. With the establishment of an Article 28 D&TC, the applicant seeks to reduce preventable hospital admissions and the reduction in unnecessary use of hospital emergency rooms in the community through treatment and education, in a culturally and linguistically sensitive setting. In addition to decreasing the use of hospital emergency rooms, this project seeks to prevent illness and disease through early diagnosis and intervention, information, and advocacy.

There are two approved facilities which are under construction within the 3-mile radius of the proposed facility providing similar services as the applicant planning to serve Kiryas Joel and surrounding areas. Ezras Choilim Health Center Inc is 0.3 miles from the proposed facility and GMZY Health Management is within 2.7 Miles from the proposed facility.

Prevention Quality Indicators (PQIs) are rates of admission to the hospital for conditions for which good outpatient care can potentially prevent the need for hospitalization, or for which early intervention can prevent complications or more severe disease. The table below provides information on PQI rates for 2021 related to this application.

Hospital Admissions per 100,000 Adults			
PQI Name	Zip Code 10950	Orange County	New York State
Diabetes Short-Term Complications	25	72	71
Diabetes Long-Term Complications	62	97	117
Chronic Obstructive Pulmonary Disease or Asthma	108	220	239
Hypertension	47	96	70
Heart Failure	171	329	377
Bacterial Pneumonia	56	132	88
Uncontrolled Diabetes	31	55	49
Urinary Tract Infection	75	127	105
Prevention Quality Overall Composite	543	1,066	1,050

Source: *Health.Data.NY.Gov*

Conclusion

Approval of this project will allow for increased access to medical services, such as primary care, other medical specialties, optometry, and podiatry services for the residents of Kiryas Joel and Orange County.

Program Analysis

Project Proposal

Proposed Operator	Gamms, LLC
To Be Known As	Zelcare Family Health Network
Site Address	3 Hamaspik Way Monroe, NY 10950 (Orange)
Specialties	Medical Services-Primary Care Medical Services-Other Medical Specialties Internal Medicine Neurology Ophthalmology/Optometry Cardiology Pain Management Psychiatry and Psychology Pulmonology Gastroenterology Orthopedics Endocrinology Optometry O/P Podiatry O/P
Hours of Operation	Monday through Thursday: 9:00 AM - 11:00 PM Friday: 9:00 AM - 11:00 PM Saturday 4:00 PM – midnight Sunday 10:00 AM – 11:00 PM Hours will be adjusted as needed to better reflect the needs of the community.
Staffing (1st Year / 3rd Year)	16.70 FTEs / 30.45 FTEs
Medical Director(s)	Dr. Jonathan Gamss
Emergency, In-Patient and Backup Support Services Agreement and Distance	Expected to be provided by St. Lukes Cornwall 17 minutes / 11 miles

The following table presents the projected FTEs in Year One and Year Three after completion of the project:

Position	Year One	Year Three
Management and Supervision	1.2	1.2
Technician and Specialist	1.0	2.0
Registered Nurses	0.5	1.0
Aides, Orderlies and Attendants	3.0	5.0
Physicians	4.0	8.25
Nurse Practitioners	1.0	2.0
Social Workers and Psychologists	1.0	2.0
Infection Control, Environment and Food Service	2.0	4.0
Clerical and Other Administrative	3.0	5.0
Totals	16.7	30.45

Character and Competence
The members of Gamms, LLC are:

Name	Ownership Interest
Jonathan Gamss, MD	33.4%
Moses Jacobowitz	33.3%
Lazar Schwartz	33.3%
Total	100%

Dr. Jonathan Gamss will serve as the medical director and partial owner of the facility. Dr. Gamss received a medical degree from Albert Einstein College of Medicine in 2004 and holds licensure in NY and NJ. Dr. Gamss is the current owner of PC practice with experience in managing, staffing, scheduling, budgeting, reviewing, and maintaining compliance with laws of a practice with 10,000 patient visits in 2022. Dr. Gamss was named as a defendant in the following disclosed lawsuits:

Chahua - this case was dismissed with prejudice on 3/25/15.

Piperato - regarding a young patient who injured their leg on a trampoline. The patient was seen on 3/22, 3/24, 3/25 and 3/26 and discharged after a workup. On 3/27 the patient sought care at another facility who identified compartment syndrome with emergency fasciotomy performed without success, resulting in the patient's lower leg being amputated. Per the applicant, training was done with medical staff to recognize the early stages of compartment syndrome and the case was settled.

Bargellini - Dr. Jonathan Gamss has been dismissed from this case.

Kearney - a newborn with fever presented and admitted to the hospital however there was a delay in administering antibiotics and the infant had a seizure.

Abdul Rau f- A nine-month-old patient with viral illness was seen in Fast Track by a physician assistant. The patient was discharged after workup with normal vitals and a positive viral panel noted. The patient presented back to the emergency room the next day with worsening respiratory complaints and decompensated. The patient coded and died in the emergency room. Autopsy revealed overwhelming viremia.

Moses Jacobowitz currently works for Diamond Billing NY, LLC, a medical billing business. Moses Jacobowitz graduated from Yashiba of Nitra Rabbinical College with a First Talmudic Degree in 2000. Prior to this Moses Jacobowitz attended Yeshiva Bnei Shimon Yisroel of Shopron for four (4) years. Moses Jacobowitz has disclosed ownership in three (3) facilities: BMG East Orange, LLC, Riverview Medical Care, LLC, and Citywide Urgent Care NJ, LLC. Moses Jacobowitz has provided a signed affidavit indicating these facilities are in good standing.

Lazar Schwartz currently works as a Physician Assistant for Vladimir Zelenko M.D., PC since 2022 and works as a per-diem physician assistant for Ahava Rehabilitation and Medical Center since 2023. Lazar Schwartz also is currently working as a paramedic for KJ volunteer EMS since 2018. Prior to this Lazar Schwartz worked as a paramedic for Rockland Paramedic Services for five (5) years and as the Director of Employment for Yedei Chesed, an Office for People with Developmental Disabilities (OPWDD) for three (3) years. Lazar Schwartz attended SUNY Rockland from 2014-2016, studying Pre-Med and Touro University from 2019-2022, receiving a bachelor's in science and Masters in PA Studies.

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.

Conclusion

The individual background review indicates the proposed members have met the standard for approval as set forth in Public Health Law §2801-a(3).

Financial Analysis

Total Project Cost and Financing

Total project cost for renovations and the acquisition of moveable equipment is estimated at \$3,035,055, further broken down as follows:

Renovation and Demolition	\$1,907,148
Design Contingency	190,715
Construction Contingency	190,715
Architect/Engineering Fees	148,128
Other Fees (Consultant)	55,000
Moveable Equipment	524,758
CON Fee	2,000
Additional Processing Fee	<u>16,591</u>
Total Project Cost	\$3,035,055

The applicant has indicated that the total project cost has already been paid for and completed. The proposed members paid \$303,506 with personal resources and the remainder, \$2,729,549, was paid by the landlord and one of the individuals who is a party of the sublease. Moses Jacobowitz provided an affidavit attesting to the equity contributions.

Operating Budget

The applicant has submitted an operating budget, in 2024 dollars, for the first and third year of operation, summarized below:

	Year One		Year Three	
	Per Visit	Total	Per Visit	Total
Revenues:				
Commercial FFS	\$200.00	\$320,000	200.00	\$592,000
Commercial MC	\$170.00	\$108,630	170.00	\$201,280
Medicare FFS	\$200.00	\$480,000	200.00	\$888,000
Medicare MC	\$170.00	\$81,600	170.00	\$150,960
Medicaid FFS	\$179.60	\$57,473	179.60	\$106,145
Medicaid MC	\$152.66	\$1,490,139	152.66	\$2,756,627
Private Pay	\$210.00	<u>\$100,800</u>	210.00	<u>\$186,480</u>
Total		\$2,638,642		\$4,881,492
Expenses:				
Operating	\$107.96	\$1,727,307	\$107.88	\$3,193,171
Capital	<u>\$37.73</u>	<u>\$603,653</u>	<u>\$19.91</u>	<u>\$589,228</u>
Total Expenses	\$145.69	\$2,330,960	\$127.78	\$3,782,399
Net Income		\$307,682		\$1,099,093
Utilization: (Visits)		16,000		29,600

The following is noted with respect to the submitted operating budget:

- Revenues are based on current reimbursement methodologies for providing primary care and other medical specialties.
- Expense and utilization assumptions are based on the actual experience, expenses and utilization of the existing PC.
- Reimbursement for Commercial Insurance (fee for service and managed care) and Medicare (fee for service and managed care) will remain the same. The Medicaid rate for fee for service was based on the Medicaid base rate plus approved cost capital. The Medicaid Managed Care rate is based on a percentage of the Medicaid fee for service rates.

Utilization, broken down by payor source, for the first and third years are as follows:

	<u>Year One</u>	<u>Year Three</u>
Commercial FFS	10.00%	10.00%
Commercial MC	3.99%	3.99%
Medicare FFS	15.00%	15.00%
Medicare MC	3.00%	3.00%
Medicaid FFS	2.00%	2.00%
Medicaid MC	61.01%	61.01%
Private Pay	3.00%	3.00%
Charity Care	<u>2.00%</u>	<u>2.00%</u>
Total	100.00%	100.00%

Lease Rental Agreement

The applicant has submitted an executed lease rental agreement for the site that the Center will be located, summarized below:

Date	May 7, 2024
Premises	6,876 square feet located at 3 Hamaspik Way, Monroe, New York.
Lessor	Beyo Hoc LLC
Lessee	Moses Jacobowitz and Dov Markowitz
Term	10 years
Rental	Year 1-3.5: \$185,652 (\$27.00 per sq.ft.)
	Year 3.5-4.5: \$189,365 (27.54 per sq.ft.)
	Year 4.5-5.5: \$193,147 (\$28.09 per sq.ft.)
	Year 5.5-6.5: \$196,997 (\$28.65 per sq.ft.)
	Year 6.5-7.5: \$200,895 (\$29.23 per sq.ft.)
	Year 7.5-8.5: \$204,974 (\$29.81 per sq.ft.)
	Year 8.5-9.5: \$209,099 (\$30.41 per sq.ft.)
	Year 9.5-10: \$213,225 (\$31.01 per sq.ft.)
Provisions	The lessee shall be responsible for real estate taxes, maintenance and utilities.

Sublease Agreement

The applicant has submitted an executed sublease agreement for the site that the Center will be located, summarized below:

Premises	6,876 square feet located at 3 Hamaspik Way, Monroe, New York
Sublessor	Moses Jacobowitz and Dov Markowitz
Sublessee	Gamms LLC
Term	10 years
Rental	Year 3.5-4.5: \$189,365 (27.54 per sq.ft.)
	Year 4.5-5.5: \$193,147 (\$28.09 per sq.ft.)
	Year 5.5-6.5: \$196,997 (\$28.65 per sq.ft.)
	Year 6.5-7.5: \$200,895 (\$29.23 per sq.ft.)
	Year 7.5-8.5: \$204,974 (\$29.81 per sq.ft.)
	Year 8.5-9.5: \$209,099 (\$30.41 per sq.ft.)
	Year 9.5-10: \$213,225 (\$31.01 per sq.ft.)
Provisions	The sublessee shall be responsible for real estate taxes, maintenance and utilities.

The sublease agreement will be a non-arm's length lease arrangement since there is a relationship between the sublessor and the sublessee. The applicant has submitted two real estate letters attesting to the reasonableness of the per square foot rental.

Capability and Feasibility

The applicant has indicated that the total project cost has already been paid for and completed. The proposed members paid \$303,506 from personal resources and the remainder, \$2,729,549, was paid by the landlord and one of the individuals who is a party of the sublease. The applicant provided an affidavit from Moses Jacobowitz attesting to the equity contributions.

The working capital requirements are estimated at \$630,400, which is equivalent to two months of third year expenses. The applicant will finance \$315,200 at an interest rate of 7% for a three-year term and has provided a letter of interest for the financing. The remainder, \$315,200, will be provided in equity from the proposed members of GAMMS, LLC. BFA Attachment A indicates the availability of sufficient funds to meet the equity contributions for the total project cost and the working capital contributions. The applicant has provided in the operating agreement that, if necessary, the proposed members will provide equity disproportionate to their ownership interests. BFA Attachment B, Pro Forma Balance Sheet of GAMMS, LLC as of the first day of operation, indicates a positive net asset position of \$3,665,455.

The submitted budget indicates a net income of \$307,682 and \$1,099,093 during Year One and Year Three, respectively. Revenues are based on current reimbursement methodologies for providing primary care and other medical specialties. The submitted budget appears reasonable.

Conclusion

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

Attachments

BHFP Attachment	Map
BFA Attachment A	Net Worth
BFA Attachment B	Pro Forma Balance Sheet



**Department
of Health**

**Public Health and Health
Planning Council**

Project # 231099-E
1st Class Home Care Services of NY Inc. d/b/a
1st Class Care Services Inc.

Program: LHCSA
Purpose: Establishment

County: Queens
Acknowledged: April 3, 2023

Executive Summary

Description

1st Class Home Services of NY Inc. d/b/a 1st Class Care Services Inc. requests approval to become the new operator of 1st Class Care Services, Inc., an existing Licensed Home Care Services Agency (LHCSA).

The proposed operator has been assisting the agency pursuant to a management agreement approved by the Department of Health on September 25, 2018.

OALTC Recommendation
Approval

Need Summary

In accordance with 10 NYCRR §765-1.16(c)2, this application is exempt from Public Need review as the agency is actively serving over 25 patients, as attested to by the current operator.

Program Summary

The individual background review indicates the proposed members have met the standard for approval as set forth in Public Health Law §3605.

Financial Summary

In accordance with 10 NYCRR §765-1.2(b)3 the applicant has submitted financial documents prepared by a Certified Public Accountant (CPA) demonstrating the financial feasibility of the agency.

Recommendations

Health Systems Agency

There will be no HSA recommendation for this project.

Office of Aging and Long-Term Care

1. **Approval conditional upon:** This project must be completed by one year from the date of the approval letter, including all pre-opening processes, if applicable. Failure to complete the project by this date may constitute an abandonment of the project by the applicant and the expiration of the approval. It is the responsibility of the applicant to request prior approval for any extensions to the project approval expiration date. [PMU]

Council Action Date

December 5, 2024

Program Analysis

Background

1st Class Home Services of NY Inc. d/b/a 1st Class Care Services Inc. requests approval to become the new operator of 1st Class Care Services, Inc., an existing Licensed Home Care Services Agency. The proposed operator has been assisting the agency pursuant to a management agreement approved by the Department of Health on September 25, 2018.

This application does not propose any changes to the LHCSA's service area, branch offices, or licensed services.

The applicant will continue to serve the residents of the following counties from its main office located at 39-07 Prince Street, Suite #3E, Flushing, New York, 11354:

- Bronx
- Kings
- Nassau
- New York
- Queens
- Richmond

The applicant will continue to provide the following healthcare services:

- Audiology
- Home Health Aide
- Homemaker
- Housekeeper
- Medical Social Services
- Medical Supplies Equipment and Appliances
- Nursing
- Nutritional
- Personal Care
- Therapy – Occupational
- Therapy – Physical
- Therapy – Respiratory
- Therapy - Speech Language Pathology

Character and Competence

1st Class Home Care Services of NY, Inc. d/b/a 1st Class Care Services, Inc. will be comprised of the following individuals:

Jian Fan Chen, President – 60%

Employment

Administrator, 1st Class Care Services Inc. (March 2019 – Present)

Affiliations

Manager of 1st Class Home Care Services of NY Inc. (September 2018 – Present)

Steven Chiu-Man Chin, Secretary – 40%

Employment

CFO, 1st Class Care Services Inc. (March 2018 – Present)

Affiliations

Manager of 1st Class Home Care Services of NY Inc. (September 2018 – Present)

A review of the Personal Qualifying Information indicates that the applicant has the required character and competence to operate a Licensed Home Care Services Agency.

A search of the individuals named above revealed no matches on either the Medicaid Disqualified Provider List or the OIG Exclusion List.

Facility Compliance/Enforcement

The information provided by the Center of Home and Community Based Services has indicated that the applicant has provided sufficient supervision to prevent harm, maintain the health, safety, and welfare of residents, and prevent recurrent code violations.

Need Review

In accordance with 10 NYCRR §765-1.16(c)2, this application is exempt from Public Need review as the agency is actively serving over 25 patients, as attested to by the current operator.

Financial Review

In accordance with 10 NYCRR §765-1.2(b)3 the applicant has submitted financial documents prepared by a Certified Public Accountant (CPA) demonstrating the financial feasibility of the agency.

Workforce Review

The applicant's response regarding the recruitment and retention of the workforce was adequately addressed. Please refer to Attachment A.

Conclusion

The individual background review indicates the proposed members have met the standards for approval as set forth in Public Health Law §3605.

Attachments

Attachment A	Workforce Response
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**Department
of Health**

**Public Health and Health
Planning Council**

Project # 231215-E
Covenant Care of New York, LLC

Program: LHCSA
Purpose: Establishment

County: Columbia
Acknowledged: June 7, 2023

Executive Summary

Description

Covenant Care of New York, LLC requests approval to obtain licensure as a Licensed Home Care Services Agency (LHCSA) pursuant to Article 36 of the Public Health Law.

**OALTC Recommendation
Approval**

Need Summary

In accordance with 10 NYCRR §765-1.16(c), this application meets the need requirements as they are proposing to operate in Columbia County, which is a county with presumed need.

Program Summary

The individual background review indicates the proposed member has met the standard for approval as set forth in Public Health Law §3605.

Financial Summary

In accordance with 10 NYCRR §765-1.2(b)(3), the applicant has submitted financial documents prepared by a Certified Public Accountant (CPA) demonstrating the financial feasibility of the agency.

Recommendations

Health Systems Agency

There will be no HSA recommendation for this project.

Office of Aging and Long-Term Care

Approval conditional upon:

1. This project must be completed by one year from the date of the approval letter, including all pre-opening processes, if applicable. Failure to complete the project by this date may constitute an abandonment of the project by the applicant and the expiration of the approval. It is the responsibility of the applicant to request prior approval for any extensions to the project approval expiration date.
[PMU]

Council Action Date

December 5, 2024

Program Analysis

Background

Covenant Care of New York, LLC seeks to establish an LHCSA to serve the residents of the following county from an office located at 1 Hudson City Center, Suite 304D, Hudson, NY. 12534:

- Columbia

The applicant proposes to provide the following healthcare services:

- Nursing
- Personal Care Aid
- Homemaker
- Housekeeper

Character and Competence Review

Covenant Care of New York, LLC will be comprised of the following individual:

Beatrice Ortsin – 100%

Employment

Direct Support Professional and Medication Administration, New Horizon Resources (May 2018 - Present)

Affiliations

No offices held or ownership interests in other health facilities.

The applicant states that they have extensive experience in the health care field, including home health care, and have high standards when it comes to compliance while fostering a culture of empathy and innovation among their team. They are committed to making a positive difference in the lives of their clients. The applicant also states they have hands-on experience working directly with patients, understanding their unique needs, and developing tailored care plans to promote their well-being and independence. In addition, they commit to staying abreast of industry regulations and best practices and will continuously refine operations to exceed expectations and maintain compliance with all governing bodies.

A review of the Personal Qualifying Information indicates that the applicant has the required character and competence to operate a Licensed Home Care Services Agency.

A search of the individuals and entities named above revealed no matches on either the Medicaid Disqualified Provider List or the OIG Exclusion List.

Facility Compliance/Enforcement

Not applicable, as there are no affiliated licensed agencies.

Need Review

In accordance with 10 NYCRR §765-1.16(c), this application meets the need requirements as they are proposing to operate in Columbia County, which is a county with presumed need.

Financial Review

In accordance with 10 NYCRR §765-1.2(b)(3), the applicant has submitted financial documents prepared by a Certified Public Accountant (CPA) demonstrating the financial feasibility of the agency.

Workforce Review

Covenant Care of New York, LLC reports they are committed to addressing workforce shortages through strategic investments in recruitment and training. Covenant Care of New York, LLC has allocated a budget for the development of an organized training program in collaboration with local community colleges and vocational schools. This program will focus on training new home health aides and continuing education for existing staff. The applicant will aim to train at least 50 new aides annually and provide specialized training in areas such as geriatric care, chronic disease management, and palliative care. Please refer to Attachment A for the entire Workforce Review submission.

Conclusion

The individual background review indicates the proposed member has met the standard for approval as set forth in New York State Public Health Law §3605.

Attachments

Attachment A	Workforce Summary
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**Department
of Health**

**Public Health and Health
Planning Council**

Project # 241261-E

Brookdale Hospital Medical Center d/b/a
Brookdale Licensed Home Care Services Agency

Program: LHCSA
Purpose: Establishment

County: Kings
Acknowledged: June 21, 2024

Executive Summary

Description

The Brookdale Hospital Medical Center d/b/a Brookdale Licensed Home Care Services Agency, a not-for-profit corporation, requests approval to obtain licensure as a Licensed Home Care Services Agency (LHCSA) pursuant to Article 36 of the Public Health Law.

OALTC Recommendation
Contingent approval

Need Summary

In accordance with 10 NYCRR §765-1.16(c)(3), this application is exempt from Public Need review as the agency is only serving patients associated with the Assisted Living Program (ALP), as attested to by the current operator.

Program Summary

The individual background review indicates the proposed members have met the standard for approval as set forth in Public Health Law §3605.

Financial Summary

In accordance with 10 NYCRR §765-1.2(b)(3), the applicant has submitted financial documents prepared and signed by the Chief Financial Officer of One Brooklyn Health System demonstrating the financial feasibility of the agency.

Recommendations

Health Systems Agency

There will be no HSA recommendation for this project.

Office of Aging and Long-Term Care

Approval contingent upon:

1. Submission of a photocopy of an executed copy of the proposed Amended and Executed Bylaws of The Brookdale Hospital Medical Center, acceptable to the Department. [CSL]
2. Submission of a photocopy of an amended and executed copy of the Certificate of Incorporation of The Brookdale Hospital Medical Center, acceptable to the Department. [CSL]

Approval conditional upon:

1. This project must be completed by one year from the date of the approval letter, including all pre-opening processes, if applicable. Failure to complete the project by this date may constitute an abandonment of the project by the applicant and the expiration of the approval. It is the responsibility of the applicant to request prior approval for any extensions to the project approval expiration date. [PMU]

Council Action Date

December 5, 2024

Program Analysis

Background

Brookdale Hospital Medical Center d/b/a Brookdale Licensed Home Care Services Agency seeks to establish an LHCSA to service its Assisted Living Program (ALP). The LHCSA and the ALP will have identical membership.

The applicant proposes to serve the residents of the following county from an office at 560 Rockaway Parkway, Brooklyn, New York 11212:

- Kings

The applicant proposes to provide the following healthcare services:

- Nursing
- Home Health Aide

Character and Competence Review

Brookdale Hospital Medical Center d/b/a Brookdale Licensed Home Care Services Agency will be comprised of the following board members:

Alexander Rovt – Chairperson

Employment

IBE Trade Corp. (November 1989 – Present)

Affiliations

- One Brooklyn Health Systems, Inc. (October 2016 - Present)
- Brookdale University Hospital and Medical Center (January 2001 - Present)
- Maimonides Medical Center (January 2010 - Present)
- Prime Home Health Services, LLC (January 2007- Present)
- Prime Health Choice, LLC (January 2010 - Present)
- Assisted Home Care, LLC (January 2016 - Present)
- Optima Center Brentwood, LLC d/b/a Maria Regina Rehab & Nursing (May 2024 - Present)
- TLCN Home Care (January 2016 - Present)
- Optima Care Little Neck, LLC d/b/a Little Neck Care Center For Nursing (January 2016 - Present)
- Optima Care White Plains, LLC d/b/a White Plains Center For Nursing (January 2016 - Present)
- Optima Care Smithtown, LLC d/b/a Brookside MultiCare Center For Nursing (January 2016 - Present)

Robert Waterman – Vice Chairperson

Employment

Career Manager and Internship Coordinator (April 2008 – Present)

Affiliations

- One Brooklyn Health Systems, Inc. (October 2016 - Present)

Henna White – Secretary/Treasurer

Employment

Touro University (January 2018 – Present)

Affiliations

- One Brooklyn Health Systems, Inc. (October 2016 - Present)

Victor A. Ayala – Board Member

Employment

New York City College of Technology CUNY (September 1980 – Present)

Affiliations

- One Brooklyn Health Systems, Inc. (January 2017 - Present)

Lewis W Marshall Jr. – Board Member

Employment

Health & Hospitals/Lincoln Hospital (April 2020 – Present)

Affiliations

- One Brooklyn Health Systems, Inc. (March 2024 - Present)

Michael J. Scagnelli – Board Member

Employment

Town Of Neversink (January 2023 – Present)

Affiliations

- One Brooklyn Health Systems, Inc. (January 2017 - Present)

Hope L. Mason – Board Member

Employment

Retired (January 2015)

Affiliations

- Ryan/Chelsea-Clinton Community Health Center (January 2010 - Present)
- William F. Ryan Community Health Center (January 1985 - December 2023)
- One Brooklyn Health Systems, Inc. (June 2017 - Present)

RC Hugh Nelson – Board Member

Employment

Ebenezer Urban Ministry Center formerly Church of God (April 2020 – Present)

Affiliations

- One Brooklyn Health Systems, Inc. (June 2017 - Present)

Mark N. Shelton – Board Member

Employment

The Juilliard School (December 2020 – Present)

Affiliations

- One Brooklyn Health Systems, Inc. (June 2017 - Present)

Richard E. Green

Employment

Crown Heights Youth Collective, Inc (May 1978 – Present)

Affiliations

- One Brooklyn Health Systems, Inc. (June 2018 - Present)

Nusin Shtern – Board Member

Employment

Retired

Affiliations

- One Brooklyn Health Systems, Inc. (June 2018 - Present)

Michael L. Nairne – Board Member

Employment

Mesirow (April 2022 – Present)

Affiliations

- One Brooklyn Health Systems, Inc. (June 2018 - Present)

Maurice A. Reid – Board Member

Employment

Kenjacon Consultants, LLC (January 2003 - Present)

Affiliations

- Brownsville Multi-Service Family Health Center (January 1994 - January 2023)
- One Brooklyn Health Systems, Inc. (June 2018 - Present)

Aryeh Katzin – Board Member

Employment

RAJE USA (September 2012 – Present)

Affiliations

- One Brooklyn Health Systems, Inc. (June 2018 - Present)

Anthony Clemenza – Board Member

Employment

Retired

Affiliations

- One Brooklyn Health Systems, Inc. (June 2018 - Present)

Edna D. Wells-Handy – Board Member

Employment

LSC, LLC Consultants/ Investigations, Compliance, Monitoring: DE&I/OD (January 2008 - Present)

Affiliations

- One Brooklyn Health Systems, Inc. (June 2018 - Present)

Joseph Ciuffo, MD – Board Member

Employment

Joseph Ciuffo MD Self Employed (January 1987 - Present)

Affiliations

- One Brooklyn Health Systems, Inc. (August 2018 - Present)

Jonathan Mawere – Board Member

Employment

Queens Boulevard Extended Care Facility Management, LLC (January 2014 - Present)

Affiliations

- Queens Boulevard Extended Care Facility Dialysis Center, LLC (July 2019 - Present)
- Queens Boulevard Extended Care Facility Management, LLC (July 2014 - Present)
- Queens Boulevard Extended Care Facility Corp. (July 2008 - December 2013)
- One Brooklyn Health Systems, Inc. (March 2024 - Present)

Alexander Lanzman – Board Member

Employment

Oppenheimer & Co. (November 1997 - Present)

Affiliations

- One Brooklyn Health Systems, Inc. (May 2023 - Present)

A review of the Personal Qualifying Information indicates that the applicant has the required character and competence to operate a Licensed Home Health Agency.

A search of the individuals and entities named above revealed no matches on either the Medicaid Disqualified Provider List or the OIG Exclusion List.

Facility Compliance/Enforcement

A review of the compliance history of the above-mentioned affiliated facilities reveals the following:

- Queens Boulevard Extended Care Facility was fined a \$650 civil penalty pursuant to survey findings F884 survey exit date was June 21, 2021.
- White Plains Center for Nursing Care was fined a \$650 civil penalty pursuant to survey findings F884 survey exit date was February 15, 2021.
- Brookside Multicare Nursing Center was fined a \$3,145.35 civil penalty pursuant to survey findings F884 survey. Exit date was August 14, 2023.
- Brookside Multicare Nursing Center was fined a \$9,750 civil penalty pursuant to survey findings F880 survey exit date was November 2, 2022.
- Brookside Multicare Nursing Center was fined a \$9,750 civil penalty pursuant to survey findings F880 survey exit date was November 22, 2021.
- Brookside Multicare Nursing Center was fined a \$15,000 civil penalty pursuant to survey findings F880 survey exit date was December 18, 2020.
- Brookside Multicare Nursing Center was fined a \$6,893.25 civil penalty pursuant to survey findings F689 survey exit date was January 24, 2018.
- Brookside Multicare Nursing Center was fined \$6,000 pursuant to a Stipulation and Order NH-23-015 for Infection Control 415.19 on November 2, 2022.
- Brookside Multicare Nursing Center was fined \$2,000 pursuant to a Stipulation and Order NH-22-087 for Infection Control 415.19 (a) on November 22, 2021.
- Brookside Multicare Nursing Center was fined \$14,000 pursuant to a Stipulation and Order NH-21-216 for Infection Control 415.19(a) (1,2) and 415.19(b)(4) on December 18, 2020.
- Brookside Multicare Nursing Center was fined \$2,000 pursuant to a Stipulation and Order NH-20-070 for Infection Control 415.19(a)(1) on June 15, 2020.
- Brookside Multicare Nursing Center was fined \$36,000 pursuant to a Stipulation and Order NH-23-010 for PPE reporting 415.19(f)(1) infection control on April 19, 2020, and April 27, 2020.
- Brookside Multicare Nursing Center was fined \$10,000 pursuant to a Stipulation and Order NH-19-015 for Quality-of-care Adequate Supervision to prevent accidents 415.12(h)(1). Survey exit date was January 24, 2018.

Need Review

In accordance with 10 NYCRR §765-1.16(c)(3), this application is exempt from Public Need review as the agency is only serving patients associated with the Assisted Living Program (ALP), as attested to by the current operator.

Financial Review

In accordance with 10 NYCRR §765-1.2(b)3, the applicant has submitted financial documents prepared and signed by the Chief Financial Officer of One Brooklyn Health System demonstrating the financial feasibility of the agency.

Workforce Review

The applicant's response regarding the recruitment and retention of the workforce was adequately addressed. Please refer to Attachment A.

Conclusion

The individual background review indicates that the proposed members have met the standard for approval as set forth in New York State Public Health Law §3605.

Attachments

Attachment A	Workforce Summary
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Department of Health

Public Health and Health Planning Council

Project # 241128-E

Mount Sinai Home Health, LLC

Program: LHCSA
Purpose: Establishment

County: New York
Acknowledged: April 9, 2024

Executive Summary

Description

Mount Sinai Home Health, LLC, a New York State limited liability company and a subsidiary of the Mount Sinai Health System, is requesting approval to establish a new Licensed Home Care Services Agency (LHCSA) pursuant to Article 36 of the Public Health Law.

OALTC Recommendation Approval

Need Summary

In accordance with 10 NYCRR §765- 1.16(c), this application is not exempt from public need review as the agency is not actively serving 25 patients as attested to by the current operator. Pursuant to 10 NYCRR §765-1.16(c)4 a rebuttal to the presumption of no need was submitted, which was determined to be sufficient based on the criteria set forth in 10 NYCRR §765-1.16(d).

Program Summary

The individual background review indicates the proposed members have met the standard for approval as set forth in Public Health Law §3605.

Financial Summary

In accordance with 10 NYCRR §765-1.2(b)(3), the applicant has submitted financial documents prepared by a Certified Public Accountant (CPA) demonstrating the financial feasibility of the agency.

Recommendations

Health Systems Agency

There will be no HSA recommendation for this project.

Office of Aging and Long-Term Care

Approval conditional upon:

1. This project must be completed by one year from the date of the approval letter, including all pre-opening processes, if applicable. Failure to complete the project by this date may constitute an abandonment of the project by the applicant and the expiration of the approval. It is the responsibility of the applicant to request prior approval for any extensions to the project approval expiration date. [PMU]

Council Action Date

December 5, 2024

Program Analysis

Background

Mount Sinai Home Health, LLC, a subsidiary of the Mount Sinai Health System, seeks to establish a new Licensed Home Care Services Agency (LHCSA) pursuant to Article 36 of the Public Health Law that will provide home care services exclusively to patients in the Mount Sinai Health System, for Mount Sinai's Home Infusion pharmacy, and for Hospitalization at Home.

An affidavit of no control has been implemented above Mount Sinai Home Health, LLC whereby all entities and persons above the LLC will refrain from exercising control over the LHCSA by directing or causing the direction of the actions, management, or policies of the agency, whether through voting securities or voting rights thereunder, electing or appointing directors, the direct and indirect determination of policies, or otherwise. Please refer to Attachment A for the organizational chart.

The applicant proposes to serve the residents of the following counties from an office located at 419 West 114th Street, New York, NY 10025:

- Kings
- Queens
- Bronx
- Richmond
- New York
- Westchester
- Nassau
- Suffolk

The applicant proposes to provide the following healthcare services:

- Nursing
- Home Health Aide
- Therapy- Physical
- Therapy- Occupational
- Therapy- Speech Language Pathology
- Medical Social Services

Character and Competence Review

Mount Sinai Home Health System, LLC will be comprised of the following individuals:

Margaret Pastuszko – Manager

Employment

President and Chief Operating Officer, Mount Sinai Health System (January 2019 – Present)

Affiliations

No offices held or ownership interests in other health facilities.

Stephen Harvey – Manager

Employment

Executive Vice President and Chief Financial Officer, Mount Sinai Health System (October 2021 – Present)

Affiliations

No offices held or ownership interests in other health facilities.

Jeffrey Silberstein – Manager

Employment

Executive Vice President and Chief Administrative Officer and Dean for Operations, Mount Sinai Health System (June 1997 – Present)

Affiliations

No offices held or ownership interests in other health facilities.

A review of the Personal Qualifying Information indicates that the applicant has the required character and competence to operate a Licensed Home Health Care Agency.

A search of the individuals and entities named above revealed no matches on either the Medicaid Disqualified Provider List or the OIG Exclusion List.

Facility Compliance/Enforcement

Not applicable, as there are no affiliated licensed healthcare agencies.

Need Review

In accordance with 10 NYCRR §765-1.16(c), this application is not exempt from a public need review as the agency is applying for counties with no presumed need. Pursuant to 10 NYCRR §765-1.16(c)(4), an application may still be submitted; however, it must contain a rebuttal and present data-driven evidence A rebuttal to the presumption of no need was submitted, and it was determined by the Department to be sufficient.

Specifically, the applicant reports they will be serving patients who receive care in Mount Sinai Hospital and affiliate network hospitals and practices. Their focus will be to provide acute hospital-level care in the home setting under Hospital at Home, or rehabilitation health care facility level care in Subacute Rehab at Home. Mount Sinai Home Health, LLC will also focus on patients who require complex care and intravenous medications after hospital admission or due to ongoing chronic disease. The agency will be able to coordinate with Mount Sinai physicians and allied partners to ensure continuity of care and services tailored to their patient caseload.

Mount Sinai was also able to demonstrate the unduplicated number of patients on waiting lists for high-acuity home nursing and infusion services. According to the applicant, there was a significant number of patients who had to remain in the hospital to receive infusion services due to the limitations of LHCSAs in the area who could provide those services. This care is provided by highly trained IV nurses who are qualified to provide that care in the home setting.

As stated by the applicant, the agency will primarily utilize the existing workforce from the Mount Sinai Health System and will provide skill assessments, training programs, regulatory compliance, supervision, and ongoing development to its workforce. Mount Sinai Home Health LLC will have access to the Mount Sinai Health System's Human Resources Department, as well as, their education and development programs to assist with nurse recruitment, retention, and training. The goal of this approach is to expand the workforce by tapping into an available pool of experienced caregivers, reducing costs by eliminating the need for extensive recruitment and onboarding new staff, and client continuity by allowing patients who prefer their caregivers to continue receiving care from the same individuals within the organization.

The applicant also reports that the Mount Sinai Health System has a long and positive history of providing health services to the residents of New York State and has proven to be culturally competent. With access to Mount Sinai's workforce, Mount Sinai Home Health, LLC intends to prioritize matching staff to individual clients in order to create a seamless transition from hospital care to home care. The LHCSA will also be able to offer cultural competency training as well as provide regular supervision and communication to ensure that each patient feels comfortable with their caretakers. Mount Sinai Home Health, LLC agrees to serve the underserved populations within the proposed counties. It is the applicant's intention to provide quality home care treatment to those populations who have limited access to affordable, high-standard care.

Financial Review

In accordance with 10 NYCRR §765-1(b)(3) the applicant has submitted financial documents prepared by a Certified Public Accountant (CPA) demonstrating the financial feasibility of the agency.

Workforce Review

The applicant's response regarding the recruitment and retention of the workforce was adequately addressed. Please refer to Attachment B.

Conclusion

The individual background review indicates the proposed members have met the standard for approval as set forth in Public Health Law §3605.

Attachments	
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OALTC Attachment A	Organizational Chart
OALTC Attachment B	Workforce Review



Department of Health

Public Health and Health Planning Council

Project # 222211-E Nurturing Angels Homecare, Inc.

Program: LHCSA
Purpose: Establishment

County: Kings
Acknowledged: December 23, 2022

Executive Summary

Description

Nurturing Angels Homecare, Inc., an existing Licensed Home Care Services Agency (LHCSA), is requesting approval for a 95% ownership transfer from one withdrawing shareholder to one existing shareholder and one new shareholder.

There will be no changes to the LHCSA's service area, branch offices, or licensed services.

OALTC Recommendation
Contingent Approval

Need Summary

In accordance with 10 NYCRR §765-1.16(c)2, this application is exempt from Public Need review as the agency is actively serving over 25 patients, as attested to by the current operator.

Program Summary

The individual background review indicates the proposed members have met the standard for approval as set forth in Public Health Law §3605.

Financial Summary

In accordance with 10 NYCRR §765-1.2(b)3 the applicant has submitted financial documents prepared by a Certified Public Accountant (CPA) demonstrating the financial feasibility of the agency.

Recommendations

Health Systems Agency

There will be no HSA recommendation for this project.

Office of Aging and Long-Term Care

Approval contingent upon:

1. Submission of a photocopy of an amended and executed copy of the Certificate of Incorporation, acceptable to the Department. [CSL]

Approval conditional upon:

1. This project must be completed by one year from the date of the approval letter, including all pre-opening processes, if applicable. Failure to complete the project by this date may constitute an abandonment of the project by the applicant and the expiration of the approval. It is the responsibility of the applicant to request prior approval for any extensions to the project approval expiration date. [PMU]

Council Action Date

December 5, 2024

Program Analysis

Background

Nurturing Angels Homecare, Inc., requests approval for a 95% ownership transfer from one withdrawing shareholder to one existing shareholder and one new shareholder.

The current ownership of Nurturing Angels Homecare, Inc. is as follows:

- Mana Masih (95%)
- Gail Avshayev (5%)

Following the approval of this application, the proposed ownership will be as follows:

- Gail Avshayev (80%)
- Aphelia Gurshomov (20%)

The applicant will continue to serve residents from its main office located at 1707 Kings Highway, 2nd Floor, Brooklyn, NY 11229.

The agency serves the following counties:

- Bronx
- Kings
- Nassau
- New York
- Queens
- Richmond

The agency provides the following healthcare services:

- Audiology
- Home Health Aide
- Homemaker
- Housekeeper
- Medical Social Services
- Medical Supplies Equipment and Appliances
- Nursing
- Nutritional
- Personal Care
- Therapy – Occupational
- Therapy – Physical
- Therapy – Respiratory
- Therapy - Speech Language Pathology

Character and Competence Review

Nurturing Angels Homecare, Inc. will be comprised of the following individuals:

Gail Avshayev, President - 80%

Employment

Registered Nurse, Nurturing Angels Homecare, Inc. (November 2023 – Present)

Affiliations

Nurturing Angels Homecare, Inc. (May 2019 – Present)

Aphelia Gurshomov, Vice President - 20%

Employment

Manager, Nurturing Angels Homecare, Inc. (June 2019 – Present)

Affiliations

No offices held or ownership interests in health facilities were disclosed.

A review of the Personal Qualifying Information indicates that the applicants have the required character and competence to operate a Licensed Home Care Services Agency.

A search of the individuals named above reveals no matches on either the Medicaid Disqualified Provider List or the OIG Exclusion List.

Facility Compliance/Enforcement

The information provided by the Center for Home and Community Based Services has indicated that the applicant has provided sufficient supervision to prevent harm, maintain the health, safety, and welfare of residents, and prevent recurrent code violations.

Need Review

In accordance with 10 NYCRR §765-1.16(c)2, this application is exempt from Public Need review as the agency is actively serving over 25 patients, as attested to by the current operator.

Financial Review

In accordance with 10 NYCRR §765-1.2(b)3 the applicant has submitted financial documents prepared by a Certified Public Accountant (CPA) demonstrating the financial feasibility of the agency.

Workforce Review

The applicant's response regarding the recruitment and retention of the workforce was adequately addressed. Refer to Attachment A for the Workforce Review.

Conclusion

The individual background review indicates the proposed members have met the standards for approval as set forth in Public Health Law §3605.

Attachments

Attachment A	Workforce Summary
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**Department
of Health**

**Public Health and Health
Planning Council**

Project # 222224-E
Responsible Homecare, Inc.

Program: LHCSA
Purpose: Establishment

County: Kings
Acknowledged: December 15, 2022

Executive Summary

Description

Responsible Homecare, Inc., an existing Licensed Home Care Services Agency (LHCSA), is requesting approval for an 80.2% ownership transfer from two current shareholders to two existing shareholders.

**OALTC Recommendation
Approval**

Need Summary

In accordance with 10 NYCRR §765-1.16(c)2, this application is exempt from public need review as the agency is actively serving over 25 patients, as attested to by the current operator.

Program Summary

The individual background review indicates the proposed members have met the standard for approval as set forth in Public Health Law §3605.

Financial Summary

In accordance with 10 NYCRR §765-1.2(b)3 the applicant has submitted financial documents prepared by a Certified Public Accountant (CPA) demonstrating the financial feasibility of the agency.

Recommendations

Health Systems Agency

There will be no HSA recommendation for this project.

Office of Aging and Long-Term Care

1. **Approval conditional upon:** This project must be completed by one year from the date of the approval letter, including all pre-opening processes, if applicable. Failure to complete the project by this date may constitute an abandonment of the project by the applicant and the expiration of the approval. It is the responsibility of the applicant to request prior approval for any extensions to the project approval expiration date. [PMU]

Council Action Date

December 5, 2024

Program Analysis

Background

Responsible Homecare, Inc., is requesting approval for an 80.2% ownership transfer from two current shareholders to two existing shareholders.

The current ownership for Responsible Homecare, Inc. is as follows:

- Arnold Rabinovich (70.2%)
- Natalya Chomaya (10%)
- Milana Orkina (9.9%)
- Ryan Orkin (9.9%)

Following the approval of this application, the proposed ownership will be as follows:

- Milana Orkina (51%)
- Ryan Orkin (49%)

The applicant will continue to serve the residents of the following counties from an office located at 1719 East 12th Street, 2nd Floor, Brooklyn, New York 11229:

- Kings
- Queens
- Bronx
- Richmond
- New York
- Nassau

The applicant will continue to provide the following home care services:

- Nursing
- Audiology
- Nutritional
- Medical Supplies, Equipment & Appliances
- Home Health Aide
- Personal Care
- Therapy – Respiratory
- Therapy – Physical
- Therapy – Speech Language Pathology
- Therapy – Occupational
- Medical Social Services
- Housekeeper
- Homemaker

Character and Competence

Responsible Homecare, Inc. will be comprised of the following individuals:

Milana Orkina – 51%

Employment

President, Responsible Homecare, Inc. (September 2019 – Present)

Affiliations

- Choose CDPAP, Inc. (December 2022 – Present)
- Responsible Homecare, Inc. (September 2019 – Present)

Ryan A Orkin – 49%

Employment

- HR Coordinator, Responsible Homecare, Inc. (April 2024 – Present)
- HR Aide On-boarder, Responsible Homecare, Inc. (March 2024 – March 2024)
- Assistant, Steel Trade Services, LLC. (April 2021 – March 2022)

Affiliations

Responsible Homecare, Inc. (March 2021 – Present)

A review of the Personal Qualifying Information indicates that the applicant has the required character and competence to operate a Licensed Home Care Services Agency.

A search of the individuals and entities named above revealed no matches on either the Medicaid Disqualified Provider List or the OIG Exclusion List.

Facility Compliance/Enforcement

The information provided by the Center of Home and Community Based Services has indicated that the applicant has provided sufficient supervision to prevent harm, maintain the health, safety, and welfare of residents, and prevent recurrent code violations.

Need Review

In accordance with 10 NYCRR §765-1.16(c)2, this application is exempt from public need review as the agency is actively serving over 25 patients, as attested to by the current operator.

Financial Review

In accordance with 10 NYCRR §765-1.2(b)3, the applicant has submitted financial documents prepared by the Certified Public Accountant (CPA) demonstrating the financial feasibility of the agency.

Workforce Review

The applicant's response regarding the recruitment and retention of the workforce was adequately addressed. Please refer to Attachment A.

Conclusion

The individual background review indicates the proposed members have met the standard for approval as set forth in New York State Public Health Law §3605.

Attachments

Attachment A

Workforce Summary

MEMORANDUM

To: Colleen Leonard, Executive Secretary
Public Health and Health Planning Council

From: Sarah Gold, Senior Attorney
Bureau of Program Counsel

Date: November 7, 2024

Subject: Approval for St. Charles Hospital to use the assumed names “Catholic Health Specialty Pharmacy” and “Catholic Health Home Infusion Pharmacy”

This is to request that the above matter be included on the agendas for the next Establishment and Project Review Committee and Public Health and Health Planning Council (PHHPC) meetings.

The attachments relating to this matter include the following:

- 1) Memorandum to the Public Health and Health Planning Council from Kathy Marks, General Counsel;
- 2) A photocopy of a letter from Senior Associate Counsel requesting consent to the proposed Certificates of Assumed Name for St. Charles Hospital dated September 16, 2024;
- 3) A photocopy of the Certificate of Assumed Name for Catholic Health Specialty Pharmacy.
- 4) A photocopy of the Certificate of Assumed Name for Catholic Health Home Infusion Pharmacy.
- 5) The Resolution by Unanimous Written Consent of the Executive Committee of the Board of Directors of Catholic Health and the Board of Trustees of St. Charles Hospital, dated September 17, 2024.
- 6) The Resolution of Approval of the corporate members of Catholic Health, dated September 18, 2024.
- 7) A photocopy of the Certificate of Incorporation of St. Charles Hospital, Port Jefferson, New York dated July 29, 1958 as well as various amendments to the Certificate of Incorporation and associated approvals.
- 8) A photocopy of the Operating Certificate of St. Charles Hospital effective May 6, 2024.



MEMORANDUM

To: Public Health and Health Planning Council

From: Kathy Marks *KSM*
General Counsel
Division of Legal Affairs

Date: November 7, 2024

Subject: Approval for St. Charles Hospital to use the assumed names “Catholic Health Specialty Pharmacy” and “Catholic Health Home Infusion Pharmacy”

St. Charles Hospital (“St. Charles”) requests approval to use the assumed names “Catholic Health Specialty Pharmacy” and “Catholic Health Home Infusion Pharmacy” for their specialty pharmacy services.

St. Charles Hospital is a non-profit corporation formed on July 29, 1958 to create a hospital in Port Jefferson, New York.

Attached is a letter from Stacey R.B. Aicher, Esq., senior associate counsel for the applicant, along with the Proposed Certificates of Assumed Name. Additionally attached are the Unanimous Consent of the members of St. Charles to utilize the d/b/a “Catholic Health Specialty Pharmacy” and “Catholic Health Home Infusion Pharmacy” for their specialty pharmacy services, a Resolution of Approval of the corporate members of Catholic Health, and the original Operating Certificate for St. Charles Hospital.

There is no legal objection to the proposed assumed names and corporate purposes, and they are in legally acceptable forms.

Attachments.



Office of General Counsel

Stacey R.B. Aicher, Esq.
Sr. Associate Counsel
(516) 705-1687
Stacey.Aicher@chsli.org

September 16, 2024

Via Email: Colleen.leonard@health.ny.gov

Ms. Colleen Leonard
Department of Health
Division of Legal Affairs
Corning Tower, Room 2482
Empire State Plaza
Albany, NY 12237

Re: Certificate of Assumed Name for St. Charles Hospital

Dear Ms. Leonard:

Please allow this letter to serve as a request for approval of the filing of the Certificate of Assumed Name for St. Charles Hospital. The proposed name is **Catholic Health Specialty Pharmacy**.

The proposed assumed name accurately reflects the specialty pharmacy services provided by St. Charles Hospital and its established co-operator, Catholic Health.

Enclosed is a copy of the proposed Certificate of Assumed Name. Please provide your approval for this request.

Thank you for your consideration.

Sincerely,

A handwritten signature in black ink, appearing to read "Stacey R.B. Aicher", with a long horizontal line extending to the right.

Stacey R.B. Aicher

Enclosure



**Division of Corporations,
State Records and
Uniform Commercial Code**

New York State
Department of State
Division of Corporations,
State Records and
Uniform Commercial Code
One Commerce Plaza
99 Washington Avenue
Albany, NY 12231
www.dos.ny.gov

Certificate of Assumed Name

(Pursuant to General Business Law §130)

1. REAL NAME OF ENTITY:

St. Charles Hospital and Rehabilitation Center

1a. FICTITIOUS NAME, IF ANY, OF FOREIGN ENTITY (Not Assumed Name):

2. THE ENTITY WAS FORMED OR AUTHORIZED UNDER THE FOLLOWING NEW YORK LAW (Check one):

- ☐ Business Corporation Law ☐ Limited Liability Company Law ☐ Religious Corporations Law
☐ Education Law ☒ Not-for-Profit Corporation Law ☐ Revised Limited Partnership Act
☐ Other (specify law): _____

3. ASSUMED NAME OF ENTITY:

Catholic Health Specialty Pharmacy

4. PRINCIPAL PLACE OF BUSINESS IN NEW YORK STATE (MUST INCLUDE NUMBER AND STREET). IF NONE, CHECK THIS BOX ☐ AND PROVIDE OUT-OF- STATE ADDRESS:

200 Belle Terre Road, Port Jefferson, NY 11777

5. COUNTY(IES) IN WHICH ENTITY DOES OR INTENDS TO DO BUSINESS:

☐ ALL COUNTIES (or check applicable county(ies) below)

- | | | | | | | | |
|-----------------------------------|--------------------------------------|-------------------------------------|---------------------------------------|---|------------------------------------|--------------------------------------|--|
| <input type="checkbox"/> Albany | <input type="checkbox"/> Cattaraugus | <input type="checkbox"/> Chenango | <input type="checkbox"/> Delaware | <input type="checkbox"/> Franklin | <input type="checkbox"/> Hamilton | <input type="checkbox"/> Lewis | <input type="checkbox"/> Montgomery |
| <input type="checkbox"/> Allegany | <input type="checkbox"/> Cayuga | <input type="checkbox"/> Clinton | <input type="checkbox"/> Dutchess | <input type="checkbox"/> Fulton | <input type="checkbox"/> Herkimer | <input type="checkbox"/> Livingston | <input checked="" type="checkbox"/> Nassau |
| <input type="checkbox"/> Bronx | <input type="checkbox"/> Chautauqua | <input type="checkbox"/> Columbia | <input type="checkbox"/> Erie | <input type="checkbox"/> Genesee | <input type="checkbox"/> Jefferson | <input type="checkbox"/> Madison | <input type="checkbox"/> New York |
| <input type="checkbox"/> Broome | <input type="checkbox"/> Chemung | <input type="checkbox"/> Cortland | <input type="checkbox"/> Essex | <input type="checkbox"/> Greene | <input type="checkbox"/> Kings | <input type="checkbox"/> Monroe | <input type="checkbox"/> Niagara |
| <input type="checkbox"/> Oneida | <input type="checkbox"/> Orleans | <input type="checkbox"/> Queens | <input type="checkbox"/> St. Lawrence | <input type="checkbox"/> Schuyler | <input type="checkbox"/> Sullivan | <input type="checkbox"/> Warren | <input type="checkbox"/> Wyoming |
| <input type="checkbox"/> Onondaga | <input type="checkbox"/> Oswego | <input type="checkbox"/> Rensselaer | <input type="checkbox"/> Saratoga | <input type="checkbox"/> Seneca | <input type="checkbox"/> Tioga | <input type="checkbox"/> Washington | <input type="checkbox"/> Yates |
| <input type="checkbox"/> Ontario | <input type="checkbox"/> Otsego | <input type="checkbox"/> Richmond | <input type="checkbox"/> Schenectady | <input type="checkbox"/> Steuben | <input type="checkbox"/> Tompkins | <input type="checkbox"/> Wayne | |
| <input type="checkbox"/> Orange | <input type="checkbox"/> Putnam | <input type="checkbox"/> Rockland | <input type="checkbox"/> Schoharie | <input checked="" type="checkbox"/> Suffolk | <input type="checkbox"/> Ulster | <input type="checkbox"/> Westchester | |

6. ADDRESS OF EACH LOCATION, INCLUDING NUMBER AND STREET, IF ANY, OF EACH PLACE WHERE THE ENTITY CARRIES ON, CONDUCTS OR TRANSACTS BUSINESS IN NEW YORK STATE. (Use page 2 if needed. The address(es) must be a number and street, city, state and zip code. The address(es) must be within the county(ies) indicated in paragraph 5.) If none, check this box ☐: No New York State Business Location.

3279 Veterans Memorial Highway, Ronkonkoma, NY 11779

1895 Walt Whitman Road, Melville, NY 11747

Print or Type James O'Connor
Name of Signer: _____

Signature: _____

Capacity of Signer (Check one): ☐ Authorized Person ☒ Officer of the Corporation ☐ General Partner of the Limited Partnership
☐ Member of the Limited Liability Company ☐ Manager of the Limited Liability Company

Certificate of Assumed Name

6. ADDRESS OF EACH LOCATION, INCLUDING NUMBER AND STREET, IF ANY, OF EACH PLACE WHERE THE ENTITY CARRIES ON OR CONDUCTS OR TRANSACTS BUSINESS IN NEW YORK STATE: (Continued)

500 Commack Road, Commack, NY 11725

3 Technology Drive, East Setauket, NY 11733

77 Route 112, Patchogue, NY 11772

240 Middle Country Road, Smithtown, NY 11787

2100 Middle Country Road, Centereach, NY 11720

2112 Middle Country Road, P100, Centereach, NY 11720

501a Montauk Highway, West Babylon, NY 11704

761B Merrick Avenue, Westbury, NY 11590, and 70 Arkay Drive, Hauppauge, NY 11788

Filer's Name and Mailing Address:

Stacey R.B. Aicher, Esq.

Name:

Catholic Health

Company, if Applicable:

992 North Village Avenue

Mailing Address:

Rockville Centre, NY 11570

City, State and Zip Code:

NOTE: You are not required to use this form. This certificate should be prepared under the guidance of an attorney.

FEE: Limited Liability Companies and Limited Partnerships - \$25.

Corporations - \$25 plus the fee for each county indicated in paragraph 5. The additional fee for each county within New York City (Bronx, Kings, New York, Queens and Richmond) is \$100 additional. The fee for each county outside New York City is \$25. Checks over \$500 must be certified.

(For office use only)



**Division of Corporations,
State Records and
Uniform Commercial Code**

New York State
Department of State
Division of Corporations,
State Records and
Uniform Commercial Code
One Commerce Plaza
99 Washington Avenue
Albany, NY 12231
www.dos.ny.gov

Certificate of Assumed Name

(Pursuant to General Business Law §130)

1. REAL NAME OF ENTITY:

St. Charles Hospital and Rehabilitation Center

1a. FICTITIOUS NAME, IF ANY, OF FOREIGN ENTITY (Not Assumed Name):

2. THE ENTITY WAS FORMED OR AUTHORIZED UNDER THE FOLLOWING NEW YORK LAW (Check one):

- ☐ Business Corporation Law ☐ Limited Liability Company Law ☐ Religious Corporations Law
☐ Education Law ☒ Not-for-Profit Corporation Law ☐ Revised Limited Partnership Act
☐ Other (specify law): _____

3. ASSUMED NAME OF ENTITY:

Catholic Health Home Infusion Pharmacy

4. PRINCIPAL PLACE OF BUSINESS IN NEW YORK STATE (MUST INCLUDE NUMBER AND STREET). IF NONE, CHECK THIS BOX ☐ AND PROVIDE OUT-OF- STATE ADDRESS:

200 Belle Terre Road, Port Jefferson, NY 11777

5. COUNTY(IES) IN WHICH ENTITY DOES OR INTENDS TO DO BUSINESS:

☐ ALL COUNTIES (or check applicable county(ies) below)

- | | | | | | | | |
|-----------------------------------|--------------------------------------|-------------------------------------|---------------------------------------|---|------------------------------------|--------------------------------------|--|
| <input type="checkbox"/> Albany | <input type="checkbox"/> Cattaraugus | <input type="checkbox"/> Chenango | <input type="checkbox"/> Delaware | <input type="checkbox"/> Franklin | <input type="checkbox"/> Hamilton | <input type="checkbox"/> Lewis | <input type="checkbox"/> Montgomery |
| <input type="checkbox"/> Allegany | <input type="checkbox"/> Cayuga | <input type="checkbox"/> Clinton | <input type="checkbox"/> Dutchess | <input type="checkbox"/> Fulton | <input type="checkbox"/> Herkimer | <input type="checkbox"/> Livingston | <input checked="" type="checkbox"/> Nassau |
| <input type="checkbox"/> Bronx | <input type="checkbox"/> Chautauqua | <input type="checkbox"/> Columbia | <input type="checkbox"/> Erie | <input type="checkbox"/> Genesee | <input type="checkbox"/> Jefferson | <input type="checkbox"/> Madison | <input type="checkbox"/> New York |
| <input type="checkbox"/> Broome | <input type="checkbox"/> Chemung | <input type="checkbox"/> Cortland | <input type="checkbox"/> Essex | <input type="checkbox"/> Greene | <input type="checkbox"/> Kings | <input type="checkbox"/> Monroe | <input type="checkbox"/> Niagara |
| <input type="checkbox"/> Oneida | <input type="checkbox"/> Orleans | <input type="checkbox"/> Queens | <input type="checkbox"/> St. Lawrence | <input type="checkbox"/> Schuylar | <input type="checkbox"/> Sullivan | <input type="checkbox"/> Warren | <input type="checkbox"/> Wyoming |
| <input type="checkbox"/> Onondaga | <input type="checkbox"/> Oswego | <input type="checkbox"/> Rensselaer | <input type="checkbox"/> Saratoga | <input type="checkbox"/> Seneca | <input type="checkbox"/> Tioga | <input type="checkbox"/> Washington | <input type="checkbox"/> Yates |
| <input type="checkbox"/> Ontario | <input type="checkbox"/> Otsego | <input type="checkbox"/> Richmond | <input type="checkbox"/> Schenectady | <input type="checkbox"/> Steuben | <input type="checkbox"/> Tompkins | <input type="checkbox"/> Wayne | |
| <input type="checkbox"/> Orange | <input type="checkbox"/> Putnam | <input type="checkbox"/> Rockland | <input type="checkbox"/> Schoharie | <input checked="" type="checkbox"/> Suffolk | <input type="checkbox"/> Ulster | <input type="checkbox"/> Westchester | |

6. ADDRESS OF EACH LOCATION, INCLUDING NUMBER AND STREET, IF ANY, OF EACH PLACE WHERE THE ENTITY CARRIES ON, CONDUCTS OR TRANSACTS BUSINESS IN NEW YORK STATE. (Use page 2 if needed. The address(es) must be a number and street, city, state and zip code. The address(es) must be within the county(ies) indicated in paragraph 5.) If none, check this box ☐: No New York State Business Location.

3279 Veterans Memorial Highway, Ronkonkoma, NY 11779

1895 Walt Whitman Road, Melville, NY 11747

Print or Type James O'Connor
Name of Signer: _____

Signature: 

Capacity of Signer (Check one): ☐ Authorized Person ☒ Officer of the Corporation ☐ General Partner of the Limited Partnership
☐ Member of the Limited Liability Company ☐ Manager of the Limited Liability Company

Certificate of Assumed Name

6. ADDRESS OF EACH LOCATION, INCLUDING NUMBER AND STREET, IF ANY, OF EACH PLACE WHERE THE ENTITY CARRIES ON OR CONDUCTS OR TRANSACTS BUSINESS IN NEW YORK STATE: (Continued)

500 Commack Road, Commack, NY 11725

3 Technology Drive, East Setauket, NY 11733

77 Route 112, Patchogue, NY 11772

240 Middle Country Road, Smithtown, NY 11787

2100 Middle Country Road, Centereach, NY 11720

2112 Middle Country Road, P100, Centereach, NY 11720

501a Montauk Highway, West Babylon, NY 11704

761B Merrick Avenue, Westbury, NY 11590, and 70 Arkay Drive, Hauppauge, NY 11788

Filer's Name and Mailing Address:

Stacey R.B. Aicher, Esq.

Name:

Catholic Health

Company, if Applicable:

992 North Village Avenue

Mailing Address:

Rockville Centre, NY 11570

City, State and Zip Code:

NOTE: You are not required to use this form. This certificate should be prepared under the guidance of an attorney.

FEE: Limited Liability Companies and Limited Partnerships - \$25.

Corporations - \$25 plus the fee for each county indicated in paragraph 5. The additional fee for each county within New York City (Bronx, Kings, New York, Queens and Richmond) is \$100 additional. The fee for each county outside New York City is \$25. Checks over \$500 must be certified.

(For office use only)

**Resolutions by Unanimous Written Consent of the Executive Committees
of the Board of Directors of Catholic Health
and the Board of Trustees of St. Charles Hospital**

As of September 17, 2024

WHEREAS, Catholic Health is in the process of transferring the pharmacy licenses held by My CHS Rx, Inc. at 2112 Middle Country Road, Centereach, NY and 70 Arkay Drive, Hauppauge, NY, respectively, to St. Charles Hospital ("St. Charles") for the expansion of the hospital's pharmacy services; and

WHEREAS, in connection with the transfer of the pharmacy licenses, St. Charles Hospital wishes to use the following assumed names:

- "Catholic Health Specialty Pharmacy" for the pharmacy location at 2112 Middle Country Road, Centereach, NY
- Catholic Health Home Infusion Pharmacy, for the pharmacy location at 70 Arkay Drive, Hauppauge, NY

and

WHEREAS, Catholic Health is the sole corporate member of St. Charles Hospital and, under the provisions of the Catholic Health and St. Charles Hospital corporate bylaws, Catholic Health exercises certain reserved powers over St. Charles Hospital, including as to the adoption of corporate documents, subject to the authority of the Corporate Members of Catholic Health as required by the Catholic Health Bylaws; and

WHEREAS, Catholic Health and St. Charles Hospital now seek approval to use the assumed names identified above in connection with expansion of the hospital's pharmacy services to the Centereach and Hauppauge pharmacy locations.

NOW, BE IT:

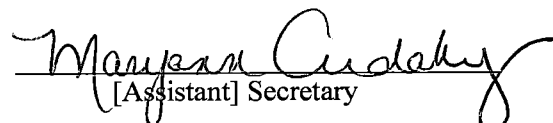
RESOLVED, that the members of the Executive Committee of the Board of Directors of Catholic Health and the Board of Trustees of St. Charles Hospital, hereby approve, by unanimous consent (via email), the use of the assumed names by St. Charles Hospital as listed herein, and be it further

RESOLVED, that the Executive Committee authorizes and directs the President of St. Charles Hospital, and/or his designee(s) (each, an "**Authorized Person**"), in the name and on behalf of St. Charles Hospital, to execute and deliver all such documents as may be necessary or appropriate to effectuate obtaining the assumed names as identified herein, and to do and perform such other acts and things and to take all such other steps as may be advisable, convenient or proper to carry out fully the intent and purpose of these Resolutions, and the determination of the necessity, appropriateness and desirability of such actions is hereby ratified, and be it further

RESOLVED, that, subject to approval of the Catholic Health Corporate Members, these Resolutions shall be effective immediately.

Certification by Board [Assistant] Secretary

I certify that the foregoing is a true and accurate copy of the Resolutions by Unanimous Consent provided (via email) by each member of the Executive Committee of the Board of Directors of Catholic Health and the Board of Trustees of St. Charles Hospital, to the actions above given on September 17, 2024.


[Assistant] Secretary

**RESOLUTION OF APPROVAL
OF THE
CORPORATE MEMBERS OF CATHOLIC HEALTH**

At a meeting held on September 18, 2024

WHEREAS, the Corporate Members of Catholic Health (the “**Members**”) have reviewed Catholic Health’s request to approve the following assumed names of St. Charles Hospital: “**Catholic Health Specialty Pharmacy**” and “**Catholic Health Home Infusion Pharmacy**” (the “Assumed Names”) in connection with the hospital’s pharmacy services; and

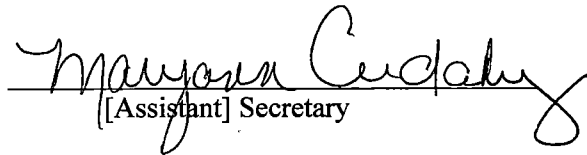
WHEREAS, the Catholic Health Board of Directors, by its Executive Committee, has approved and is recommending to the Catholic Health Corporate Members approval of the Assumed Names of St. Charles Hospital.

NOW, THEREFORE, the Catholic Health Corporate Members hereby approve the use of the Assumed Names by St. Charles Hospital in connection with the hospital’s pharmacy services.

These Resolutions shall be effective immediately.

Certification by Board [Assistant] Secretary

I certify that the foregoing is a true and accurate copy of the Resolution by the CH Corporate Members at their September 18, 2024 meeting.


[Assistant] Secretary

*State of New York }
Department of State }* ss:

I hereby certify that the annexed copy has been compared with the original document in the custody of the Secretary of State and that the same is a true copy of said original.

Witness my hand and seal of the Department of State on

July 07, 2006



A handwritten signature in black ink, appearing to read "D. J. [unclear]", written over a horizontal line.

Special Deputy Secretary of State

CERTIFICATE OF INCORPORATION

-of-

ST. CHARLES HOSPITAL, PORT JEFFERSON, NEW YORK.

* * * * *

We, the undersigned for the purpose of forming a
Membership Corporation, pursuant to the Membership
Corporation Law of the State of New York, hereby certify:

FIRST; That the name of the proposed corporation
shall be ST. CHARLES HOSPITAL, PORT JEFFERSON, NEW YORK.

SECOND: The purposes for which this corporation
is to be formed are as follows:

As a nonprofit corporation none of the income of
which shall accrue to any member:

(a) To establish and maintain a home for mentally
retarded children.

(b) In conformity with the law to establish,
maintain, conduct and operate two hospitals with out-patient
departments thereof, for nursing, medical and surgical care
and treatment of this sick, invalid, blind, disabled, crippled,
diseased, convalescent, infirm or otherwise defective or
disabled or helpless persons regardless of age, race,
nationality or creed.

(c) To solicit and collect funds to carry out the purposes enumerated herein; to expend, contribute, disburse and otherwise carry out the purposes herein from the funds so collected.

(d) To receive grants and funds authorized by law to be made by any government agency to corporations or persons engaged in activities identical or similar to those engaged in by this membership corporation.

THIRD: The territory in which its operations are to be principally conducted is Nassau and Suffolk Counties in the State of New York.

FOURTH: The village, town and county in which the said office is to be located is Port Jefferson, Township of Brookhaven, Suffolk County, New York.

FIFTH: The number of its directors shall be not less than three (3) nor more than nineteen in number.

SIXTH: The names and residences of the directors of the corporation until the first annual meeting are:

<u>NAME</u>	<u>ADDRESS</u>
Most Reverend Walter P. Kellenberg, D.D.	29 Quealy Place, Rocville Centre, New York
Reverend Myron J. Purica	9 North Clinton Ave. Bay Shore, New York
Reverend Peter L. Nolan	40 Grove Place, Babylon, New York

Reverend Edward L. Melton

1000 North Village Ave.,
Rockville Centre,
New York

Mother Yvonne

c/o St. Charles Hospital
Port Jefferson,
New York

Mother Maurice

c/o St. Charles Hospital
Port Jefferson,
New York

Sister Celeste

c/o St. Charles Hospital
Port Jefferson
New York

John E. Baxter

3 South Clinton Avenue,
Bay Shore,
New York

Adam Muller

30 Liberty Avenue,
Lindenhurst,
New York

Richard J. Boylan

Locust Lane,
Huntington Bay,
Halesite,
New York

Robert B. Baxter

39 South Windsor Avenue,
Brightwaters,
New York

John J. Halleron, Jr.

49 Irish Lane,
East Islip,
New York

134 / 4



SEVENTH; All of the subscribers to this certificate are of full age; at least two thirds of them are citizens of the United States; at least one of them is a resident of the State of New York. Of the persons named as directors at least one is a citizen of the United States and a resident of the State of New York.

IN WITNESS WHEREOF we have made, subscribed and acknowledged this certificate this 4th day of July 1936.

Nathaniel P. Hellenberg

Myron J. Durick

John L. Dean

Edward L. Walton

Mother Florence

Mother Maurice

Sister Celeste

John L. Dean

John P. Dooler

John P. Dooler

Robert B. Bayler

STATE OF NEW YORK)

COUNTY OF NASSAU)

SS.:

On the 27th day of July, 1938, before me personally came WALTER P. ELLENBERG, to me known and known to me to be one of the persons who executed the foregoing certificate of incorporation and he acknowledged to me that he executed the same.

MARION C. SLIK
NOTARY PUBLIC, State of New York
No. 0-425
Qualified Nassau County
Term Expires March 30, 1939

Marion C. Slik
Notary Public

STATE OF NEW YORK)

COUNTY OF NASSAU)

SS.:

On the 27th day of July, 1938, before me personally came IRON J. PUBLICK, to me known and known to me to be one of the persons who executed the foregoing certificate of incorporation, and he acknowledged to me that he executed the same.

MARION C. SLIK
NOTARY PUBLIC, State of New York
No. 0-425
Qualified Nassau County
Term Expires March 30, 1939

Marion C. Slik
Notary Public

STATE OF NEW YORK)

COUNTY OF NASSAU)

SS.:

On the 27th day of July, 1938, before me personally came PETER L. NOLAN, to me known and known to me to be one of the persons who executed the foregoing certificate of incorporation and he acknowledged to me that he executed the same.

MARION C. SLIK
NOTARY PUBLIC, State of New York
No. 0-425
Qualified Nassau County
Term Expires March 30, 1939

Marion C. Slik
Notary Public

STATE OF NEW YORK)

COUNTY OF NASSAU)

SS.:

On the 9th day of July, 1958, before me personally came EDWARD L. MELTON, to me known and known to me to be one of the persons who executed the foregoing certificate of incorporation and he acknowledged to me that he executed the same.

MARION C. ESLIK
NOTARY PUBLIC
No. 3, 42
Qualified in Nassau County
Term 1, 1958 to 1, 30, 1959

Marion C. Eslik
Notary Public

STATE OF NEW YORK)

COUNTY OF NASSAU)

SS.:

On the 29th day of July, 1958, before me personally came MOTHER YVONNE, to me known and known to me to be one of the persons who executed the foregoing certificate of incorporation and she acknowledged to me that she executed the same.

MARION C. ESLIK
NOTARY PUBLIC
No. 3, 42
Qualified in Nassau County
Term 1, 1958 to 1, 30, 1959

Marion C. Eslik
Notary Public

STATE OF NEW YORK)

COUNTY OF NASSAU)

SS.:

On the 27th day of July, 1958, before me personally came MOTHER MAURICE, to me known and known to me to be one of the persons who executed the foregoing certificate of incorporation and she acknowledged to me that she executed the same.

MARION C. ESLIK
NOTARY PUBLIC
No. 3, 42
Qualified in Nassau County
Term 1, 1958 to 1, 30, 1959

Marion C. Eslik
Notary Public

STATE OF NEW YORK)

COUNTY OF NASSAU)

On the 27th day of July, 1958, before me personally came SISTER CELESTE, to me known and known to me to be one of the persons who executed the foregoing certificate of incorporation and she acknowledged to me that she executed the same.

MARION C. ELLIS
NOTARY PUBLIC
No. 389-425
State of New York
County of Nassau
Term 1958

Marion C. Ellis
Notary Public

STATE OF NEW YORK)

COUNTY OF NASSAU)

On the 27th day of July, 1958, before me personally came JOHN E. BAXTER, to me known and known to me to be one of the persons who executed the foregoing certificate of incorporation and he acknowledged to me that he executed the same.

MARION C. ELLIS
NOTARY PUBLIC
No. 389-425
State of New York
County of Nassau
Term 1958

Marion C. Ellis
Notary Public

STATE OF NEW YORK)

COUNTY OF NASSAU)

On the 27th day of July, 1958, before me personally came ADAM MULLER, to me known and known to me to be one of the persons who executed the foregoing certificate of incorporation and he acknowledged to me that he executed the same.

MARION C. ELLIS
NOTARY PUBLIC
No. 389-425
State of New York
County of Nassau
Term 1958

Marion C. Ellis
Notary Public

STATE OF NEW YORK)

COUNTY OF NASSAU)

On the 22nd day of July, 1958, before me personally came RICHARD J. BOYLAN, to me known and known to me to be one of the persons who executed the foregoing certificate of incorporation and he acknowledged to me that he executed the same.

MARIC C. TESLIK
NOTARY PUBLIC
New York
County of Nassau
State of New York

Notary Public

STATE OF NEW YORK)

COUNTY OF NASSAU)

On the 29th day of July, 1958, before me personally came ROBERT B. BAXTER, to me known and known to me to be one of the persons who executed the foregoing certificate of incorporation and he acknowledged to me that he executed the same.

MARIC C. TESLIK
NOTARY PUBLIC
New York
County of Nassau
State of New York

Notary Public

STATE OF NEW YORK)

COUNTY OF NASSAU)

On the 27th day of July, 1958, before me personally came JOHN J. MALLRON, JR., to me known and known to me to be one of the persons who executed the foregoing certificate of incorporation and he acknowledged to me that he executed the same.

MARIC C. TESLIK
NOTARY PUBLIC
New York
County of Nassau
State of New York

Notary Public

72-7

STATE OF NEW YORK)

COUNTY OF NASSAU)

WALTER P. KELLERBERG, being duly sworn, deposes and says that he is one of the persons described in and who executed the foregoing Certificate of Incorporation and that he is of full age, a citizen of the United States and a resident of the State of New York.

Sworn to before me this

27th day of July, 1958.

Walter P. Kellerberg

MARION C. YESLIK
NOTARY PUBLIC, State of New York

Qualification expires July 1, 1959
Term of Office Nassau County

Walter P. Kellerberg

STATE OF NEW YORK)

COUNTY OF NASSAU)

MYRON J. JURICK, being duly sworn, deposes and says that he is one of the persons described in and who executed the foregoing Certificate of Incorporation and that he is of full age, a citizen of the United States and a resident of the State of New York.

Sworn to before me this

27th day of July, 1958.

Myron J. Jurick

MARION C. YESLIK
NOTARY PUBLIC, State of New York

Myron J. Jurick

STATE OF NEW YORK)

COUNTY OF NASSAU)

WALTER L. POLAN, being duly sworn, deposes and says that he is one of the persons described in and who executed the foregoing Certificate of Incorporation and that he is of full age, a citizen of the United States and a resident of the State of New York.

Sworn to before me this

29th day of July, 1958.

Walter L. Polan

MARION C. YESLIK
NOTARY PUBLIC, State of New York

Walter L. Polan

15477 - 10

STATE OF NEW YORK)

COUNTY OF NASSAU)

EDWARD L. MELTON, being duly sworn, deposes and says that he is one of the persons described in and who executed the foregoing Certificate of Incorporation and that he is of full age, a citizen of the United States and a resident of the State of New York.

Sworn to before me this

29th day of July, 1958.

Maurice C. Trank

MA
NOTARY PUBLIC

NEW YORK
Nassau

Edward L. Melton

STATE OF NEW YORK) NY 31-1549

: SS.:

COUNTY OF NASSAU)

MOTHER YVONNE, being duly sworn, deposes and says that she is one of the persons described in and who executed the foregoing Certificate of Incorporation and that she is of full age, a citizen of the United States and a resident of the State of New York.

Sworn to before me this

29th day of July, 1958.

Maurice C. Trank

MA
NOTARY PUBLIC

Mother Yvonne

STATE OF NEW YORK) NY 31-1549

: SS.:

COUNTY OF NASSAU)

MOTHER MAURICE, being duly sworn, deposes and says that she is one of the persons described in and who executed the foregoing Certificate of Incorporation and that she is of full age, a citizen of the United States and a resident of the State of New York.

Sworn to before me this

29th day of July, 1958.

Maurice C. Trank

MA
NOTARY PUBLIC

Mother Maurice

MA
NOTARY PUBLIC

STATE OF NEW YORK)

COUNTY OF NASSAU)

SISTER CELESTE, being duly sworn, deposes and says that she is one of the persons described in and who executed the foregoing Certificate of Incorporation and that she is of full age, a citizen of the United States and a resident of the State of New York.

Sworn to before me this

27th day of July, 1958.

MARION C. TRILICK
NOTARY PUBLIC, New York

Sister Celeste

STATE OF NEW YORK)

COUNTY OF NASSAU)

JOHN E. BAXTER, being duly sworn, deposes and says that he is one of the persons described in and who executed the foregoing Certificate of Incorporation and that he is of full age, a citizen of the United States and a resident of the State of New York.

Sworn to before me this

27th day of July, 1958.

MARION C. TRILICK
NOTARY PUBLIC, New York

John E. Baxter

STATE OF NEW YORK)

COUNTY OF NASSAU)

ADAM MULLER, being duly sworn, deposes and says that he is one of the persons described in and who executed the foregoing Certificate of Incorporation and that he is of full age, a citizen of the United States and a resident of the State of New York.

Sworn to before me this

27th day of July, 1958.

MARION C. TRILICK
NOTARY PUBLIC, New York

Adam Muller

13417 12

STATE OF NEW YORK)

SS.

COUNTY OF NASSAU)

RICHARD J. BOYLAN, being duly sworn, deposes and says that he is one of the persons described in and who executed the foregoing Certificate of Incorporation and that he is of full age, a citizen of the United States and a resident of the State of New York.

Sworn to before me this

day of July, 1938.

Marion C. Trunk

MARION C. TRUNK
NOTARY PUBLICSLIK
NEW YORK

STATE OF NEW YORK)

SS.

COUNTY OF NASSAU)

ROBERT B. BAXTER, being duly sworn, deposes and says that he is one of the persons described in and who executed the foregoing Certificate of Incorporation and that he is of full age, a citizen of the United States and a resident of the State of New York.

Sworn to before me this

day of July, 1938.

Marion C. Trunk

MARION C. TRUNK
NOTARY PUBLICSLIK
NEW YORK

STATE OF NEW YORK)

SS.

COUNTY OF NASSAU)

JOHN J. HALLERON, JR., being duly sworn, deposes and says that he is one of the persons described in and who executed the foregoing Certificate of Incorporation and that he is of full age, a citizen of the United States and a resident of the State of New York.

Sworn to before me this

day of July, 1938.

Marion C. Trunk

MARION C. TRUNK

SLIK

127754

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I, HON. MARIO PITTONI, a Justice of the
Supreme Court of the Tenth Judicial District, hereby approve

the foregoing Certificate of Incorporation of St. Charles
Hospital, Port Jefferson, New York. *and consent that the same be filed.*

Dated: Mineola, New York.

AUG 12 1958



Justice of the Supreme Court of
the State of New York

STATE OF NEW YORK)

COUNTY OF NASSAU)

ss.:

HENDERSON MORRISON, JR., being duly sworn, deposes
and says:

That he is the attorney for the subscribers to the
annexed Certificate of Incorporation and that no previous
application for the approval of said Certificate by any
Justice of the Supreme Court has ever been made.

Sworn to before me this

11 AUGUST

day of July, 1944.

Eugene L. Henderson Morrison

NOTARY PUBLIC, State of New York

My Comm. Expires 1945

124735

CERTIFICATE OF INCORPORATION

OF

424 W. 46th ST. REALTY CORP.

PURSUANT TO

ARTICLE II

OF

THE STOCK CORPORATION LAW.

STATE OF NEW YORK
DEPARTMENT OF STATE
FILED SEP 30 1958

TAX \$ 10 -
FILING FEE \$ 40 -

Carrie S. Delap

Secretary of State

BY

J. Gray

CONTINENT LAWYERS ALBANY SERVICE

30 BROADWAY, NEW YORK 7, N.Y.

124.195

5

State of New York }
Department of State } ss:

I hereby certify that the annexed copy has been compared with the original document in the custody of the Secretary of State and that the same is a true copy of said original.

Witness my hand and seal of the Department of State on

July 07, 2006



A handwritten signature in black ink, appearing to read "Neil A. ...", written over a horizontal line.

Special Deputy Secretary of State

CERTIFICATE
OF
INCREASE IN NUMBER OF DIRECTORS
OF

ST. CHARLES HOSPITAL, PORT JEFFERSON, NEW YORK

Pursuant to Section Thirty of the
Membership Corporations Law

WE, the undersigned, RT. REV. MSGR. MYRON J. PURICK, Vice
President and VY. REV. MSGR. EDWARD L. MELTON, Secretary of St.
Charles Hospital, Port Jefferson, New York, a membership corporation,
for the purpose of increasing the number of directors, pursuant to
Section Thirty of the Membership Corporations Law, do hereby make,
sign, acknowledge and file this certificate as follows: 472052

FIRST: The name of the corporation is ST. CHARLES
HOSPITAL, PORT JEFFERSON, NEW YORK, and that is the name under
which it was originally incorporated.

SECOND: The original certificate of incorporation was
filed in the office of the Secretary of State on the 30th day of
September, 1958.

THIRD: The number of directors previously authorized is
not less than three (3) nor more than nineteen (19) in number and
the said number as increased is not less than nineteen (19) nor
more than twenty-five (25) in number.

)

IN WITNESS WHEREOF, we have subscribed and acknowledged
this certificate this 30th day of November, 1964.

Myron J. Purick
Vice President

Edward L. Melton
Secretary

STATE OF NEW YORK)
) SS.:
COUNTY OF SUFFOLK)

On the 30th day of November, 1964, before me personally
appeared RT. REV. MSGR. MYRON J. PURICK and VY. REV. MSGR. EDWARD
L. MELTON, to me known to be the individuals described in and who
executed the foregoing instrument, and duly acknowledged that they
executed the same.

MARION C. TEAGUE
NOTARY PUBLIC, Suffolk County, New York
No. 35454-1
Qualified in Suffolk County
Term Expires March 30, 1968

STATE OF NEW YORK)
) SS.:
COUNTY OF SUFFOLK)

VY. REV. MSGR. EDWARD L. MELTON, being duly sworn,
deposes and says:

That he is Secretary of ST. CHARLES HOSPITAL, PORT
JEFFERSON, NEW YORK, a membership corporation, and that he has
been authorized to execute and file the foregoing certificate
of increase in the number of directors pursuant to Section Thirty
of the Membership Corporations Law, by the concurring vote of a
majority of the members of the corporation present at a special
meeting thereof, duly called and held for the purpose upon ten
(10) days' notice, pursuant to Section Forty-three of the
Membership Corporations Law, on the 13th day of May, 1964.

Sworn to before me this

5th day of November, 1964

Edward L. Melton
Vy. Rev. Msgr. Edward L. Melton

Marion C. Trish

MARION C. TRISH
NOTARY PUBLIC, STATE OF NEW YORK
No. 30 3975625
Qualified in Suffolk County
Term Expires March 30 1967

STATE OF NEW YORK)
) SS.:
COUNTY OF SUFFOLK)

RT. REV. MSGR. MYRON J. PURICK, being duly sworn,
deposes and says:

That he is Vice President of ST. CHARLES HOSPITAL,
PORT JEFFERSON, NEW YORK, a membership corporation, and that
he has been authorized to execute and file the foregoing
certificate of increase in the number of directors pur-
suant to Section Thirty of the Membership Corporations Law,
by the concurring vote of a majority of the members of
the corporation present at a special meeting thereof, duly
called and held for the purpose upon ten (10) days' notice,
pursuant to Section Forty-three of the Membership Corpora-
tions Law, on the 13th day of May, 1964.

Sworn to before me this

24th day of December, 1964.

JOHN J. HALL, Notary Public,
Notary for the State of New York,
Qualified in Suffolk County,
and State of New York,
Commission Expires March 10, 1965

Myron J. Purick
Rt. Rev. Msgr. Myron J. Purick

C E R T I F I C A T E

of

INCREASE IN NUMBER OF DIRECTORS

of

ST. CHARLES HOSPITAL, PORT JEFFERSON, NEW YORK
Pursuant to Section Thirty of the
Membership Corporations Law

Dated: November 30, 1964

STATE OF NEW YORK
DEPARTMENT OF STATE

FILED DEC 30 1964

TAX none
FILING FILE 30

John F. Thompson
Secretary of State

O. Bell

-5-

HALLERON & O'BRIEN
ATTORNEYS AND COUNSELORS AT LAW
189 MONTAGUE STREET
BROOKLYN 1, N.Y.

472952

a/3456
Got 1/1/65
3/1/65

State of New York }
Department of State } ss:

I hereby certify that the annexed copy has been compared with the original document in the custody of the Secretary of State and that the same is a true copy of said original.

Witness my hand and seal of the Department of State on

July 07, 2006



A handwritten signature in black ink, appearing to read "N. J. ...", is written over the printed title.

Special Deputy Secretary of State

CERTIFICATE OF AMENDMENT

OF

CERTIFICATE OF INCORPORATION

OF

ST. CHARLES HOSPITAL, PORT JEFFERSON, NEW YORK

(Under Section 803 of the Not-For-Profit Corporation Law)

RECEIVED BY

77 JUL 14 AM 10:27

NASSAU COUNTY CLERK'S OFFICE

A417186

WE, the undersigned, being the President and Secretary respectively, of St. Charles Hospital, Port Jefferson, New York, do hereby certify:

1. The name of the corporation is St. Charles Hospital, Port Jefferson, New York.

2. The certificate of incorporation was filed by the Department of State on the 30th day of September, 1958.

3. Subsequent to the filing of the certificate of incorporation the same, by certificate dated November 30th, 1964 and filed by the Department of State on December 30th, 1964, was amended by changing the provision for the number of directors to be not less than nineteen (19) nor more than twenty-five (25) in number.

4. The certificate of incorporation is hereby amended by changing the provision for the number of directors to read as follows...

"The number of directors constituting the entire Board shall be not less than three (3)."

5. The manner in which the amendment of the certificate of incorporation set forth in the preceding paragraph was authorized was by the unanimous written consent signed by all of the members of this corporation entitled to vote thereon dated April 27th, 1977.

6. The corporation is a corporation as defined in subparagraph (a) (5) of Section 102 (Definitions) of the Not-For-Profit Corporation Law and it is a type B corporation under Section 201 of said Law. The corporate purposes as set forth in the aforesaid certificate of incorporation are not enlarged, limited or otherwise changed by this certificate of amendment.

7. The post office address of this corporation to which the Secretary of State shall mail a copy of any notice required by law is 200 Belle Terre Road, Port Jefferson, New York, 11777.

7

8. All approvals or consents required by law will be endorsed upon or annexed to this certificate of amendment prior to delivery of it to the Department of State of the State of New York for filing.

IN WITNESS WHEREOF, we have hereunto set our hands this 27th day of April, 1977.

+ John R. McGann
Most Rev. John R. McGann, President

Sav. Saverio C. Mattei
Rev. Saverio C. Mattei, Secretary

3

STATE OF NEW YORK)
COUNTY OF NASSAU) SS:.

MOST REVEREND JOHN R. MCGANN, being duly sworn, deposes and says: that deponent is President of St. Charles Hospital, Port Jefferson, New York; that deponent has read the foregoing certificate of amendment of certificate of incorporation of St. Charles Hospital, Port Jefferson, New York, and knows the contents thereof; that the same is true to deponent's own knowledge except as to the matters therein stated to be alleged upon information and belief, and as to those matters deponent believes it to be true. This verification is made by deponent because St. Charles Hospital, Port Jefferson, New York, is a corporation. Deponent is an officer thereof, to wit, its President.

Sworn to before me this
27th day of April, 1977

John R. McGann
Most Reverend John R. McGann

ROBERT E. SCHOLLY
NOTARY PUBLIC, State of New York
No. 30-6840300
Qualified in Nassau County
Term Expires March 30, 1978

STATE OF NEW YORK)
COUNTY OF NASSAU) SS:.

REVEREND SAVERIO C. MATTEI, being duly sworn, deposes and says: that deponent is Secretary of St. Charles Hospital, Port Jefferson, New York; that deponent has read the foregoing certificate of amendment of certificate of incorporation of St. Charles Hospital, Port Jefferson, New York, and knows the contents thereof; that the same is true to deponent's own knowledge except as to the matters therein stated to be alleged upon information and belief, and as to those matters deponent believes it to be true. This verification is made by deponent because St. Charles Hospital, Port Jefferson, New York, is a corporation. Deponent is an officer thereof, to wit, its Secretary.

Sworn to before me this
27th day of April, 1977

Rev. Saverio C. Mattei
Reverend Saverio C. Mattei

ROBERT E. SCHOLLY
NOTARY PUBLIC, State of New York
No. 30-6840300
Qualified in Nassau County
Term Expires March 30, 1978

I, **DOUGLAS F. YOUNG**, a Justice of the Supreme Court of the State of New York, Tenth Judicial District, hereby approve the foregoing certificate of amendment of certificate of incorporation of St. Charles Hospital, Port Jefferson, New York, and consent that the same be filed.

Dated: ~~May~~ ^{July} 14, 1977

D. Young
Justice of the Supreme Court
Tenth Judicial District
State of New York

DOUGLAS F. YOUNG

STATE OF NEW YORK)
COUNTY OF NASSAU) SS:.

ROBERT E. SCHOLLY, being duly sworn, deposes and says:
That he is a member of the firm of Bennett, Kaye & Scholly, attorneys for the subscribers to the annexed certificate of amendment of certificate of incorporation of St. Charles Hospital, Port Jefferson, New York, and that no previous application for the approval of said certificate by any Justice of the Supreme Court has ever been made.

Sworn to before me this
28th day of April, 1977.

Gloria Lickteig

GLORIA LICKTEIG
NOTARY PUBLIC, State of New York
No. 30-2455550
Qualified in Nassau County
Commission Expires March 30, 1979

Robert E. Scholly
Robert E. Scholly

WAIVERS OF NOTICE OF WITHIN APPLICATION.

THE UNDERSIGNED HAS NO
OBJECTION TO THE GRANTING
OF JUDICIAL APPROVAL
HEREON AND WAIVES
STATUTORY NOTICE

Dated New York, N.Y. June 29th, 1977

LOUIS J. LEEKOWITZ
Attorney General
State of New York

BY *Irwin Leibowitz*
IRWIN LEIBOWITZ
ASSISTANT ATTORNEY GENERAL
STATE OF NEW YORK

CERTIFICATE OF AMENDMENT

OF

CERTIFICATE OF INCORPORATION

A417186

OF

ST. CHARLES HOSPITAL,
PORT JEFFERSON, NEW
YORK

Under Section 803 of the Not-
For-Profit Corporation Law

B

BENNETT, KAYE & SCHOLLY

ATTORNEYS

255 Merrick Road

Rockville Centre

Nassau County, N. Y. 11570

766-0081

NFP

4/30/58

Suffolk Co

1240754

no Twp. no No. 111

STATE OF NEW YORK
DEPARTMENT OF STATE
TAX : *None*
FILING FEE : *32*

FILED JUL 25 1977

Instructions

Secretary of State

520 Suffolk

Type B

State of New York }
Department of State } ss:

I hereby certify that the annexed copy has been compared with the original document in the custody of the Secretary of State and that the same is a true copy of said original.

Witness my hand and seal of the Department of State on

July 07, 2006



A handwritten signature in black ink, appearing to read "N. J. ...".

Special Deputy Secretary of State

4196P/36P/706298

CERTIFICATE OF AMENDMENT

OF

CERTIFICATE OF INCORPORATION

OF

ST. CHARLES HOSPITAL, PORT JEFFERSON, NEW YORK

(Under Section 803 of the Not-for-Profit Corporation Law)

We, the undersigned, the Chairman and Secretary respectively of ST. CHARLES HOSPITAL, PORT JEFFERSON, NEW YORK hereby certify:

1. The name of the corporation is ST. CHARLES HOSPITAL, PORT JEFFERSON, NEW YORK ("St. Charles Hospital" or the "Corporation").
2. The Certificate of Incorporation of St. Charles Hospital was filed by the Department of State on September 30, 1958 pursuant to the Membership Corporation Law of the State of New York.
3. St. Charles Hospital is a corporation as defined in subparagraph (a)(5) of section 102 of the Not-for-Profit Corporation Law of the State of New York and is a Type B corporation under section 201 of said law and shall remain a Type B corporation after this

4. The Certificate of Incorporation of the Corporation is hereby amended to effect a change in the corporate purposes pursuant to section 801 (b)(2) of the Not-for-Profit Corporation Law of the State of New York. The purposes of the Corporation, as set forth in Article SECOND of the Certificate of Incorporation, are hereby amended to read as follows:

The purposes for which this Corporation is to be formed are as follows:

As a nonprofit corporation none of the income of which shall accrue to any member:

- (a) To establish and maintain a home for mentally retarded children.
- (b) In conformity with the law to establish, maintain, conduct and operate two hospitals with out-patient departments thereof, for nursing, medical and surgical care and treatment of the sick, invalid, blind, disabled, crippled, diseased, convalescent, infirm or otherwise defective or disabled or helpless persons regardless of age, race, nationality or creed.
- (c) To solicit and collect funds to carry out the purposes enumerated herein; to expend, contribute, disburse and otherwise carry out the purposes herein from the funds so collected.
- (d) To receive grants and funds authorized by law to be made by any government agency to corporations or persons engaged in activities identical or similar to those engaged in by this membership corporation.
- (e) To receive and care for abandoned, destitute, neglected and dependent children as defined in the Social Services Law of the State of New York and to establish and operate a facility for such purpose.

PROVIDED, however, that no such facility shall be established or opened without approval of the New York State Department of Social Services, as required. The authority to establish or open such facility shall be limited to five years unless such period is extended or this limitation is waived by the Department of Social Services.

5. This amendment to the Certificate of Incorporation of St. Charles Hospital was authorized by the unanimous written consent signed by all of the members of the Corporation entitled to vote thereon.

6. The Secretary of State is hereby designated as agent of the Corporation upon whom process against it may be served. The post office address within the State of New York to which the Secretary of State shall mail a copy of any process against the Corporation served upon him is P.O. Box 200 Belle Terre Road, Port Jefferson, New York 11777.

7. Nothing herein shall authorize this Corporation, directly or indirectly, to engage in or include among its purposes, any of the activities mentioned in Not-for-Profit Corporation Law Section 404 (c-n), (p-s) and (u).

IN WITNESS WHEREOF, the undersigned have executed and signed this certificate this 1st day of September 1987.

John R. McGann
MOST. REV. JOHN R. MCGANN, Chairman

Mary Logan, C.S.J.
SR. MARY LOGAN, C.S.J., Secretary

VERIFICATION

STATE OF NEW YORK)
COUNTY OF SUFFOLK) SS.:

MOST REV. JOHN R. MCGANN being duly sworn, depose and say, that deponent is Chairman of ST. CHARLES HOSPITAL, PORT JEFFERSON, NEW YORK; that deponent has read the foregoing certificate of amendment of certificate of incorporation of ST. CHARLES HOSPITAL, PORT JEFFERSON, NEW YORK, and knows the contents thereof; that the same is true to deponent's own knowledge except as to the matters therein stated to be alleged upon information and belief, and as to those matters deponent believes it to be true. This verification is made by deponent because ST. CHARLES HOSPITAL, PORT JEFFERSON, NEW YORK, is a corporation. Deponent is an officer thereof, to wit, its Chairman.

John R. McGann
MOST REV. JOHN R. MCGANN, Chairman

Sworn to before me this
7th day of *Sept.*, 1987

Joyce A. DeWita
Notary Public

-4-

JOYCE A. DEWITA
Notary Public, State of New York
No. 4730488
Term Expires September 30, 1988

0000 09 18

VERIFICATION

STATE OF NEW YORK)
) SS.:
COUNTY OF SUFFOLK)

SR. MARY LOGAN being duly sworn, depose and say, that deponent is Secretary of ST. CHARLES HOSPITAL, PORT JEFFERSON, NEW YORK; that deponent has read the foregoing certificate of amendment of certificate of incorporation of ST. CHARLES HOSPITAL, PORT JEFFERSON, NEW YORK, and knows the contents thereof; that the same is true to deponent's own knowledge except as to the matters therein stated to be alleged upon information and belief, and as to those matters deponent believes it to be true. This verification is made by deponent because ST. CHARLES HOSPITAL, PORT JEFFERSON, NEW YORK, is a corporation. Deponent is an officer thereof, to wit, its Secretary.

Mary Logan, C.S.J.
SR. MARY LOGAN, C.S.J., Secretary

Sworn to before me this
11th day of *Sept*, 1987

Joyce A. DeVita
Notary Public

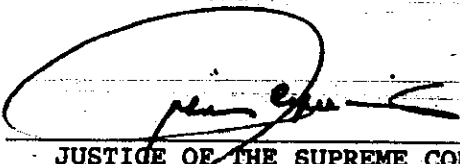
-5-

JOYCE A. DEVITA
Notary Public, State of New York
No. 4730438
Term Expires September 30, 1988

CONSENT TO CERTIFICATE OF AMENDMENT
TO CERTIFICATE OF INCORPORATION

The undersigned, a Justice of the Supreme Court
of the State of New York, Tenth Judicial District, wherein is
located the principal office of ST. CHARLES HOSPITAL, PORT
JEFFERSON, NEW YORK hereby approves the within Certificate of
Amendment of the Certificate of Incorporation of ST. CHARLES
HOSPITAL, PORT JEFFERSON, NEW YORK and the filing hereof.

Dated: September 6, 1938


JUSTICE OF THE SUPREME COURT
OF THE STATE OF NEW YORK,
TENTH JUDICIAL DISTRICT

The undersigned has no objection to the granting of judicial
approval hereon and waives statutory notice.

Attorney General
State of New York

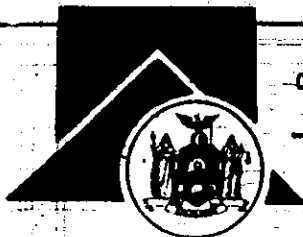
Dated: _____

By: _____

September 3, 1938
THE UNDERSIGNED HAS NO OBJECTION
TO THE GRANTING OF JUDICIAL
APPROVAL HEREON AND WAIVES
STATUTORY NOTICE.

ROBERT A. ABRAMS, ATTORNEY GEN.
STATE OF NEW YORK


ROBERT R. MOLIC
Assistant Attorney General



STATE OF NEW YORK
DEPARTMENT OF HEALTH
CORNING TOWER BUILDING
ALBANY, N.Y. 12237

PUBLIC HEALTH COUNCIL

Morton P. Hyman
Chairman

November 30, 1987

Richard A. Dennett, Esq.
c/o Garfunkel, Wild & Travis
175 Great Neck Road
Great Neck, New York 11021

Re: St. Charles Hospital, Port Jefferson, New York

Dear Mr. Dennett:

The certificate of amendment of the certificate of incorporation of the above referenced corporation does not require the approval of the Public Health Council for filing with the Department of State, since the certificate neither alters the corporation's purposes under Article 28 of the Public Health Law nor changes its name.

Sincerely,

Karen Westervelt

Karen Westervelt
Executive Secretary

0000 0921



NEW YORK STATE
OFFICE OF MENTAL HEALTH

44 Holland Avenue, Albany, New York 12226

RICHARD C. SURLS, Ph.D., Commissioner

QUALITY ASSURANCE DIVISION
ANNE O'SULLIVAN, Deputy Commissioner

March 17, 1988

Mr. Richard A. Dennett
Attorney at Law
Garfunkel, Wild, & Travis, P.C.
175 Great Neck Road
Great Neck, NY 11021

Dear Mr. Dennett:

RE: Certificate of Amendment of
Certificate of Incorporation
of Charles Hospital

The Office of Mental Health has reviewed the proposed Certificate of Amendment of the Certificate of Incorporation of St. Charles Hospital. St. Charles Hospital is an Article 28 facility which neither offers nor proposes to offer, mental health programs, therefore, this office is not affected by the proposed amendment and declines to comment on it.

If you have any questions regarding this matter, please feel free to contact me at (518) 474-5570.

Sincerely,

Larry Chase
Director
Bureau of Inspection and
Certification

LC:SR:ag

cc: John McMahon

STATE OF NEW YORK
DEPARTMENT OF SOCIAL SERVICES
ALBANY, NEW YORK

KNOW ALL MEN BY THESE PRESENTS:

Pursuant to the provisions of Section 460-a of the Social Services Law, and Section 404-b of the Not-for-Profit Corporation Law, due inquiry and investigation having been made, approval is hereby given to the filing of the annexed certificate of admendment of the certificate of incorporation of ST. CHARLES HOSPITAL.

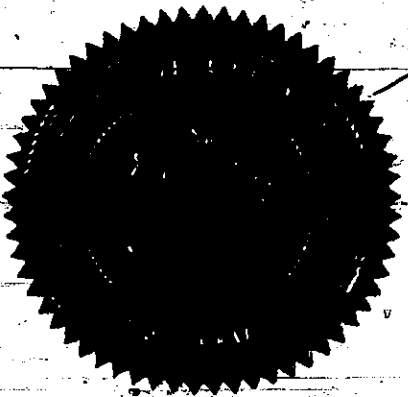
This approval gives the corporation authority to establish and operate a crisis-nursery facility to care for children for a five year period.

IN WITNESS WHEREOF, this document is executed and the seal of the New York State Department of Social Services is affixed this 16th day of August, 1988.

CESAR A. PERALES
Commissioner

BY:

Joseph Sami
Deputy Commissioner
Division of Services



9

SEP 11 1 04 PM '88

5664920

CERTIFICATE OF AMENDMENT

OF

CERTIFICATE OF INCORPORATION

OF

ST. CHARLES HOSPITAL, PORT
JEFFERSON, NEW YORK

BILLED

GARFUNKEL, WILD & TRAVIS, P.C.

ATTORNEYS AT LAW

175 GREAT NECK ROAD

GREAT NECK, N.Y. 11021

(516) 466-3000

STATE OF NEW YORK
DEPARTMENT OF STATE

FILED SEP 15 1988

AMT. OF CHECK \$ 50

STAMPING FEE \$ 30

TAXES

COUNTY FEE \$ 10

1 COPY \$ 10

GEN. F. 10

RECORD \$ 10

SPECIAL HANDLE \$ 10

ST. 10

247682

SEP 6 9 05 AM '88

SEP 15 7 48 AM '88

SEP 15 7 48 AM '88

State of New York }
Department of State } ss:

I hereby certify that the annexed copy has been compared with the original document in the custody of the Secretary of State and that the same is a true copy of said original.

Witness my hand and seal of the Department of State on

July 07, 2006



A handwritten signature in black ink, appearing to read "D. A. Z.", written over a horizontal line.

Special Deputy Secretary of State

CERTIFICATE OF AMENDMENT

1-950811000332

OF THE

CERTIFICATE OF INCORPORATION

OF

ST. CHARLES HOSPITAL, PORT JEFFERSON, NEW YORK

(Under Section 803 of the Not-for-Profit Corporation Law)

The undersigned, being the President and Secretary of
St. Charles Hospital, Port Jefferson, New York, hereby certify:

1. The name of the corporation is ST. CHARLES HOSPITAL, PORT
JEFFERSON, NEW YORK (the "Corporation").

2. The Certificate of Incorporation of the Corporation was
filed by the Department of State on September 30, 1958 pursuant to
the Membership Corporation Law of the State of New York.

3. The Corporation is a corporation as defined in
subparagraph (a)(5) of Section 102 of the Not-for-Profit
Corporation Law of the State of New York and is a Type B
corporation under Section 201 of said law and shall remain a Type
B corporation after this Amendment.

4. The Certificate of Incorporation of the Corporation is
hereby amended to effect changes to the corporate purposes and
powers of the Corporation pursuant to section 801(b)(2)&(3) of the
Not-for-Profit Corporation Law necessary in order to qualify the

Corporation to secure the benefits of financing with the assistance of mortgage insurance under the provisions of the National Housing Act. The purposes and powers of the Corporation as set forth in Article SECOND of the Certificate of Incorporation are hereby amended and restated as follows:

1. The purposes for which this Corporation is formed are as follows:

- (a) To operate as a not-for-profit corporation, none of the income of which shall accrue to any member;
- (b) To establish and maintain a home for mentally retarded children;
- (c) To provide on a non-profit basis, hospital facilities and services for the care and treatment of persons who are acutely ill who otherwise require medical care and related services of the kind customarily furnished most effectively by hospitals, pursuant to Section 242 of the National Housing Act, as amended, including without limitation, to establish, maintain, conduct and operate two hospitals with out-patient departments thereof, for nursing, medical and surgical care and treatment of the sick, invalid, blind, disabled, crippled, diseased, convalescent, infirm or otherwise defective or disabled or helpless persons regardless of age, race, nationality or creed;
- (d) To solicit and collect funds to carry out the purposes enumerated herein; to expend, contribute, disburse and otherwise carry out the purposes herein from the funds so collected;
- (e) To receive grants and funds authorized by law to be made by any government agency to corporations or persons engaged in activities identical or similar to those engaged in by the Corporation; and
- (f) To receive and care for abandoned, destitute, neglected and dependent children as defined in the Social Services Law of the State of New York and to establish and operate a facility for such purpose, PROVIDED, however, that no such facility shall be established or opened without approval of the New York State Department of Social Services, as

required. The authority to establish or open such facility shall be limited to five years unless such period is extended or this limitation is waived by the Department of Social Services.

2. In furtherance of the foregoing purposes, the Corporation shall have all the general powers enumerated in Section 202 of the Not-for-Profit Corporation Law together with the power to do and perform all acts reasonably necessary to accomplish the purposes of the Corporation, including the execution of a Regulatory Agreement with the Secretary of Housing and Urban Development, acting by and through the Federal Housing Commissioner, and such other instruments and undertakings as may be necessary to enable the Corporation to secure the benefits of financing with the assistance of mortgage insurance under the provisions of the National Housing Act. Such Regulatory Agreement and other instruments and undertakings shall remain binding upon the Corporation, its successors and assigns, so long as a mortgage on the Corporation's property is insured or held by the Secretary of Housing and Urban Development.

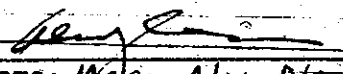
3. In the event of the dissolution of the Corporation or the winding up of its affairs, or other liquidation of its assets, the Corporation's property shall not be conveyed to any organization created or operated for profit or to any individual for less than the fair market value of such property, and all assets remaining after the payment of the Corporation's debts shall be conveyed or distributed to such organization or organizations organized and operated exclusively for charitable, educational or health care purposes as shall, at that time qualify as an exempt organization or organizations under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, PROVIDED, however, that the Corporation shall at all times have the power to convey any or all of its property to the Secretary of Housing and Urban Development or his nominee, subject to the approval of a Justice of the Supreme Court of the State of New York in accordance with New York law.

5. This amendment to the Certificate of Incorporation of the Corporation was authorized by the unanimous vote of the membership of the Corporation at a meeting of the Corporation duly called and held in accordance with the Bylaws of the Corporation at which meeting a quorum was present and acting throughout.

6. The Secretary of State is hereby designated the agent of the Corporation upon whom process against it may be served. The post office address to which the Secretary of State shall mail a copy of any process against the Corporation served upon him is: 200 Belle Terre Road, Port Jefferson, New York 11777, Attn: President.

IN WITNESS WHEREOF, the undersigned have executed this Certificate this 22nd day of May, 1995 and affirm under penalties of perjury that the statements set forth herein are true.


Barry T. Zeman
President

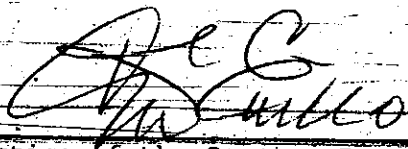

Name: Msgr. Alan Placa
Secretary

COI0001T.WP5/S03169

CONSENT TO CERTIFICATE OF AMENDMENT
TO CERTIFICATE OF INCORPORATION

The undersigned, a Justice of the Supreme Court of the State of New York, Tenth Judicial District, wherein is located the principal office of St. Charles Hospital, Port Jefferson, New York hereby approves the within Certificate of Amendment of the Certificate of Incorporation of St. Charles Hospital, Port Jefferson, New York and the filing thereof.

Dated: RIVERHEAD, New York
7/21, 1995


Justice of the Supreme Court

RKD
HON. GERARD DEMILIO

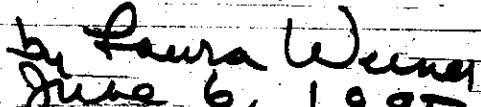
The undersigned has no objection to the granting of judicial approval hereon and waives statutory notice.

Attorney General
State of New York

By: _____

Dated: _____

THE UNDERSIGNED HAS NO OBJECTION
TO THE GRANTING OF JUDICIAL
APPROVAL HEREON AND WAIVES
STATUTORY NOTICE
DENNIS C. VANEK ATTORNEY GEN.
STATE OF NEW YORK


June 6, 1995
Assistant Attorney General



NEW YORK STATE
OFFICE OF ALCOHOLISM
AND
SUBSTANCE ABUSE SERVICES
1450 Western Avenue
Albany, New York 12203-3526

June 7, 1995

Mr. Kevin P. Downes
Garfunkel, Wild & Travis
111 Great Neck Road
Great Neck, New York 11021

Dear Mr. Downes:

Subject: ~~Certificate of Amendment of the Certificate of Incorporation of St.~~
Charles Hospital, Port Jefferson, New York -- COI #9517

We have reviewed the above-referenced. In keeping with long-standing practice on New York State Department of Health certified acute care hospitals that operate alcoholism treatment programs, Office of Alcoholism and Substance Abuse consent is not required because the corporate authority to operate these types of programs is viewed as subsumed under the hospital's existing corporate purposes.

Sincerely,

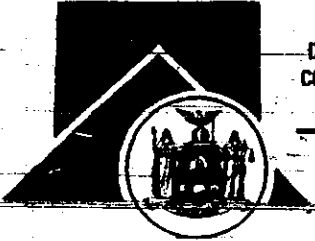
Elliott Lefkowitz

Elliott Lefkowitz
Assistant Director
Project Review Unit

Attachment

cc: A. Aquino
R. Ball
W. Lachanski
M. Nadell Penrose
C. Sansonia
J. Shipherd
B. Zeman

[c:\wpdocs\coi\9517\downes.1]



STATE OF NEW YORK
DEPARTMENT OF HEALTH
CORNING TOWER BUILDING
ALBANY, N.Y. 12237

PUBLIC HEALTH COUNCIL

June 13, 1995

Kevin P. Downes, Esq.
Garfunkel, Wild & Travis, P.C.
111 Great Neck Road
P.O. Box 220602
Great Neck, New York 11021

Re: Certificate of Amendment of the Certificate of Incorporation
of St. Charles Hospital, Port Jefferson, New York

Dear Mr. Downes:

The certificate of amendment to the certificate of incorporation of the above, dated May 22, 1995, does not require the formal approval of the Council, since, pursuant to Section 804(a)(1) of the Not-for-Profit Corporation Law, the certificate neither adds, changes or eliminates a purpose, power or provision the inclusion of which requires the Council's approval, nor does it change the name of the corporation. The certificate merely expands the corporation's purposes in order to secure financial benefits pursuant to provisions of the National Housing Act.

Sincerely,

Karen Westervelt
Executive Secretary



NEW YORK STATE
OFFICE OF MENTAL HEALTH

44 Holland Avenue, Albany, New York 12229

RICHARD C. SURLES, Ph.D., Commissioner

QUALITY ASSURANCE DIVISION
SANDRA L. FORQUER, Ph.D., Deputy Commissioner

July 13, 1995

Kevin P. Downes, Esq.
Garfunkel, Wild & Travis, P.C.
Attorneys at Law
111 Great Neck Road
P.O. Box 220602
Great Neck, NY 11021

RE: Certificate of Amendment to Certificate of
Incorporation
St. Charles Hospital, Port Jefferson, NY

Dear Mr. Downes:

The Office of Mental Health (OMH) has reviewed the Certificate of Amendment to the Certificate of Incorporation for the above referenced organization which was received by us on May 25, 1995. The purposes for which the corporation has been formed do not constitute the operation of a facility for the mentally ill which requires an Operating Certificate under Article 31 of the Mental Hygiene Law. Therefore, approval of the Certificate of Amendment by the Office of Mental Health is not required.

This letter shall not be construed as an endorsement by the Office of Mental Health of any activity or purpose of this corporation.

Sincerely,

Larry Chas
Director
Bureau of Inspection
and Certification

LC:RB

cc: John McMahon
Richard Beer

f:\users\coqansb\wp51\data\certinc\stchas.ltr

8





STATE OF NEW YORK
OFFICE OF MENTAL RETARDATION AND DEVELOPMENTAL DISABILITIES

44 HOLLAND AVENUE • ALBANY • NY • 12228-0001
518•473•1987 518•474•3694 TDD

THOMAS A. MAUL
Commissioner

(518) 474-7700
Fax: (518) 474-7382

ULISE THOMPSON
Executive Deputy Commissioner

August 9, 1995

Empire Corporate Services
4 Central Avenue
Albany, New York 12210

Re: St. Charles Hospital, Port Jefferson, New York

Dear Ms. Dooley:

This is in response to your note to Anthony Russo, Esq. of this office to whom you sent a copy of a proposed Certificate of Amendment relating to the above-indicated corporation.

Upon review of other corporate documents, it appears that the corporation was originally empowered to establish and maintain a home for mentally retarded children. The Certificate of Incorporation was filed with the Department of State in 1958 after approval by the Board of Social Welfare.

The proposed Certificate of Amendment does not effect any change with respect to the aforementioned purpose and, does not, therefore, require approval by the Office of Mental Retardation and Developmental Disabilities.

Very truly yours,

Nancy C. Roth
Nancy C. Roth
Assistant Counsel

NCR

cc: Anthony Russo, Esq.
Gretchen Booth

9

Right at home. Right in the neighborhood.



950811000332

FILED

E-12

CERTIFICATE OF AMENDMENT OF THE CERTIFICATE OF INCORPORATION OF ST. CHARLES HOSPITAL, PORT JEFFERSON, NEW YORK		Under Section 303 of the Not-For-Profit Corporation Law
BILLED		
GARFUNKEL, WILD & TRAVIS, P.C. ATTORNEYS AT LAW 175 GREAT NECK ROAD GREAT NECK, N. Y. 11021 (516) 466-3090		

E-12

STATE OF NEW YORK
DEPARTMENT OF STATE

FILED AUG 11 1995

TAXES

BY

me

stff

(10)

950811000332

*State of New York } ss:
Department of State }*

I hereby certify that the annexed copy has been compared with the original document in the custody of the Secretary of State and that the same is a true copy of said original.

Witness my hand and seal of the Department of State on

July 07, 2006



A handwritten signature in black ink, appearing to read "N. J. ...", is written over the printed title.

Special Deputy Secretary of State

971024000754

CERTIFICATE OF AMENDMENT

OF THE

CERTIFICATE OF INCORPORATION

OF

ST. CHARLES HOSPITAL, PORT JEFFERSON, NEW YORK

Under Section 803 of the Not-For-Profit Corporation Law

We, the undersigned, the Board Chair and Secretary of St. Charles Corporation (the "Corporation"), hereby certify that:

1. The name of the Corporation is St. Charles Hospital, Port Jefferson, New York
2. The Corporation was formed under the name St. Charles Hospital, Port Jefferson, New York pursuant to the Membership Corporations Law of the State of New York and the Certificate of Incorporation of said Corporation was filed by the Department of State on September 30, 1958.
3. The Corporation is a corporation as defined in subparagraph (a)(5) of Section 102 of the Not-For-Profit Corporation Law of the State of New York.
4. The Corporation is a Type B corporation under Section 201 of the Not-For-Profit Corporation Law of the State of New York, and it shall continue to be a Type B corporation.
5. The Certificate of Incorporation of the Corporation is hereby amended to change the name and define the membership of the Corporation. The corporate purposes and powers of the Corporation are not enlarged, limited or otherwise changed by this Certificate of Amendment.
6. The Certificate of Incorporation is amended as follows:
 - A. Paragraph "First" of the Certificate of Incorporation, concerning the name of the Corporation is hereby amended to read in its entirety as follows:

First. The name of the Corporation is Port Charles Hospital and Rehabilitation Center (the "Corporation").
 - B. Paragraph "Eighth" of the Certificate of Incorporation, concerning the membership of the Corporation is hereby added to read in its entirety as follows:

Eighth. Catholic Health System of Long Island, Inc., shall be the sole member of the Corporation.

7. The Secretary of State of New York is hereby designated as the agent of the Corporation upon whom any process against the Corporation may be served, and the post office address to which the Secretary of State shall mail a copy of any process against the Corporation so served upon him is 200 Belle Terre Road, Port Jefferson, New York 11777.

8. The foregoing amendments to the Certificate of Incorporation were authorized by the unanimous consent of the members of the Corporation entitled to vote thereon pursuant to Section 614 of the Not-For-Profit Corporation Law of the State of New York.

IN WITNESS WHEREOF, the undersigned have executed this Certificate of Amendment and affirmed as true the statements made therein under penalties of perjury this 24th day of October, 1997.

John R. McGann
JOHN R. MCGANN, Board Chair

Alan J. Placa
ALAN J. PLACA, Secretary

STATE OF NEW YORK)
) ss.:
COUNTY OF SUFFOLK)

On October 24, 1997, before me personally appeared JOHN R. MCGANN and ALAN J. PLACA, to me known, who, being by me duly sworn, did depose and say that they reside, respectively, at ROCKVILLE CENTRE, N.Y. and DEER PARK, N.Y.; that they are the Board Chair and Secretary of St. Charles Hospital, Port Jefferson, New York, the corporation described in and which executed the foregoing instrument; that they know the seal of said Corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by order of the Board of Directors of said Corporation, and that they signed their names thereto by like order.

John A. Alessandro
Notary Public

JOHN A. ALESSANDRO
Notary Public, State of New York
No. 02AL5064066
Qualified in Nassau County
Commission Expires January 2, 1998

K 971024000 *754*

CERTIFICATE OF AMENDMENT
OF THE
CERTIFICATE OF INCORPORATION
OF

ST. CHARLES HOSPITAL, PORT JEFFERSON, NEW YORK

Under Section 803 of the Not-For-Profit Corporation Law

FILED

OCT 24 4 54 PM '97

Filed by:

ISEMAN, CUNNINGHAM, RIESTER & HYDE, LLP.
9 Thurlow Terrace
Albany, New York 12203
(518) 462-3000

STATE OF NEW YORK
DEPARTMENT OF STATE

FILED OCT 24 1997

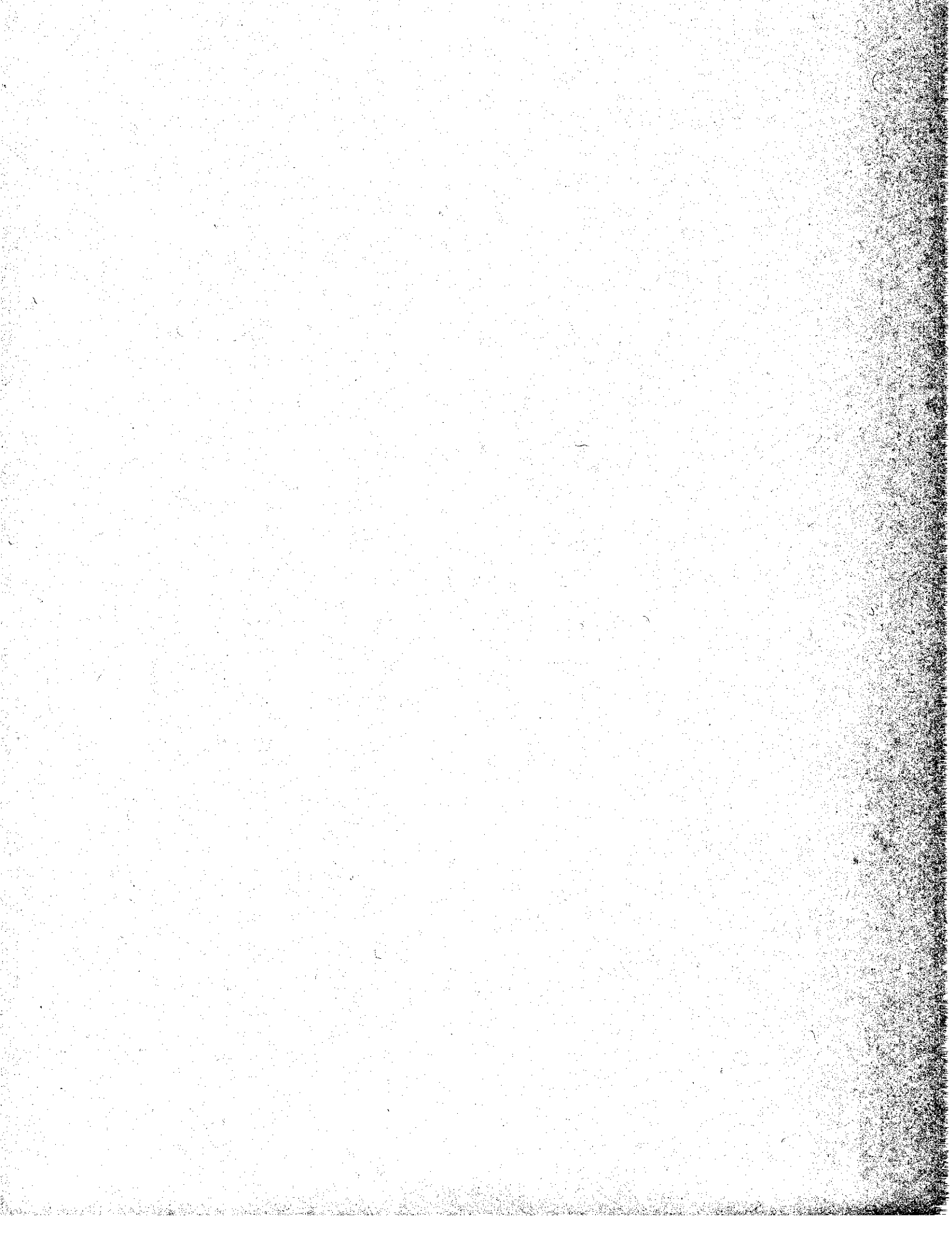
TAX \$

BY:

dja
cuttack

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971024000 *793*



*State of New York }
Department of State }* ss:

I hereby certify that the annexed copy has been compared with the original document in the custody of the Secretary of State and that the same is a true copy of said original.

Witness my hand and seal of the Department of State on

July 07, 2006



A handwritten signature in black ink, appearing to read "D. A. [unclear]".

Special Deputy Secretary of State

1980923000555

CERTIFICATE OF AMENDMENT
OF THE
CERTIFICATE OF INCORPORATION
OF

PORT CHARLES HOSPITAL AND REHABILITATION CENTER

Under Section 803 of the Not-For-Profit Corporation Law

We, the undersigned, the President and Secretary of Port Charles Hospital and Rehabilitation Center (the "Corporation"), hereby certify that:

1. The name of the Corporation is Port Charles Hospital and Rehabilitation Center.
2. The Corporation was formed under the name ~~St. Charles Hospital, Port Jefferson~~, New York pursuant to the Membership Corporations Law of the State of New York and the Certificate of Incorporation of said Corporation was filed by the Department of State on September 30, 1958.
3. The Corporation is a corporation as defined in subparagraph (a)(5) of Section 102 of the Not-For-Profit Corporation Law of the State of New York.
4. The Corporation is a Type B corporation under Section 201 of the Not-For-Profit Corporation Law of the State of New York, and it shall continue to be a Type B corporation.
5. The Certificate of Incorporation of the Corporation is hereby amended to amend the name of the Corporation. The corporate purposes and powers of the Corporation are not enlarged, limited or otherwise changed by this Certificate of Amendment.
6. The Certificate of Incorporation is amended as follows:

Paragraph "First" of the Certificate of Incorporation, concerning the name of the Corporation is hereby amended to read in its entirety as follows:

First. The name of the Corporation is St. Charles Hospital and Rehabilitation Center (the "Corporation").
7. The Secretary of State of New York is hereby designated as the agent of the Corporation upon whom any process against the Corporation may be served, and the post office address to which the Secretary of State shall mail a copy of any process against the Corporation so served upon him is 200 Belle Terre Road, Port Jefferson, New York 11777.

8. The foregoing amendments to the Certificate of Incorporation were authorized by the unanimous consent of the members of the Corporation entitled to vote thereon pursuant to Section 614 of the Not-For-Profit Corporation Law of the State of New York.

IN WITNESS WHEREOF, the undersigned have executed this Certificate of Amendment and affirmed as true the statements made therein under penalties of perjury this 4th day of May, 1998.

Barry T. Zeman, President

Msgr. Alan J. Placa, Secretary

STATE OF NEW YORK)

) ss.:

COUNTY OF SUFFOLK)

On May 4th, 1998, before me personally appeared Barry T. Zeman and Msgr. Alan J. Placa, to me known, who, being by me duly sworn, did depose and say that they reside, respectively, at Belle Terre, NY and Deer Park, NY; that they are the President and Secretary of Port Charles Hospital and Rehabilitation Center, Port Jefferson, New York, the corporation described in and which executed the foregoing instrument; and that they signed their names thereto by order of the Board of Trustees of said corporation.

Martine Zebrowski
Notary Public

MARTINE ZEBROWSKI
NOTARY PUBLIC, State of New York
No. 4643419
Qualified in Nassau County
Commission Expires 10/31/99

JUN - 9 1998



STATE OF NEW YORK
DEPARTMENT OF HEALTH
CORNING TOWER BUILDING
ALBANY, N.Y. 12237

PUBLIC HEALTH COUNCIL

June 3, 1998

RECEIVED

JUN 10 1998

D. KIRBY

Deborah A. Kirby, Esq.
Iseman, Cunningham, Riester & Hyde, LLP
Attorneys and Counselors at Law
9 Thurlow Terrace
Albany, New York 12203

Re: Certificate of Amendment of the Certificate of Incorporation of Port Charles Hospital and Rehabilitation Center

Dear Ms. Kirby:

AFTER INQUIRY and INVESTIGATION and in accordance with action taken at a meeting of the Public Health Council held on the 29th day of May, 1998, I hereby certify that the Certificate of Amendment to the Certificate of Incorporation of Port Charles Hospital and Rehabilitation Center hereafter to be known as St. Charles Hospital and Rehabilitation Center, Inc. dated May 4, 1998 is approved.

Sincerely,

Karen S. Westervelt
Executive Secretary

RESOLUTION

RESOLVED, that the Public Health Council, on this 29th day of May, 1998, approves the filing of the Certificate of Amendment to the Certificate of Incorporation of Port Charles Hospital, hereafter to be known as St. Charles Hospital and Rehabilitation Center, dated May 4, 1998.

1980923000555

CERTIFICATE OF AMENDMENT

OF

THE CERTIFICATE OF INCORPORATION

OF

PORT CHARLES HOSPITAL AND REHABILITATION CENTER

Under Section 803 of the Not for Profit Corporation Law

Suff. N.Y.S. 27

FILER:

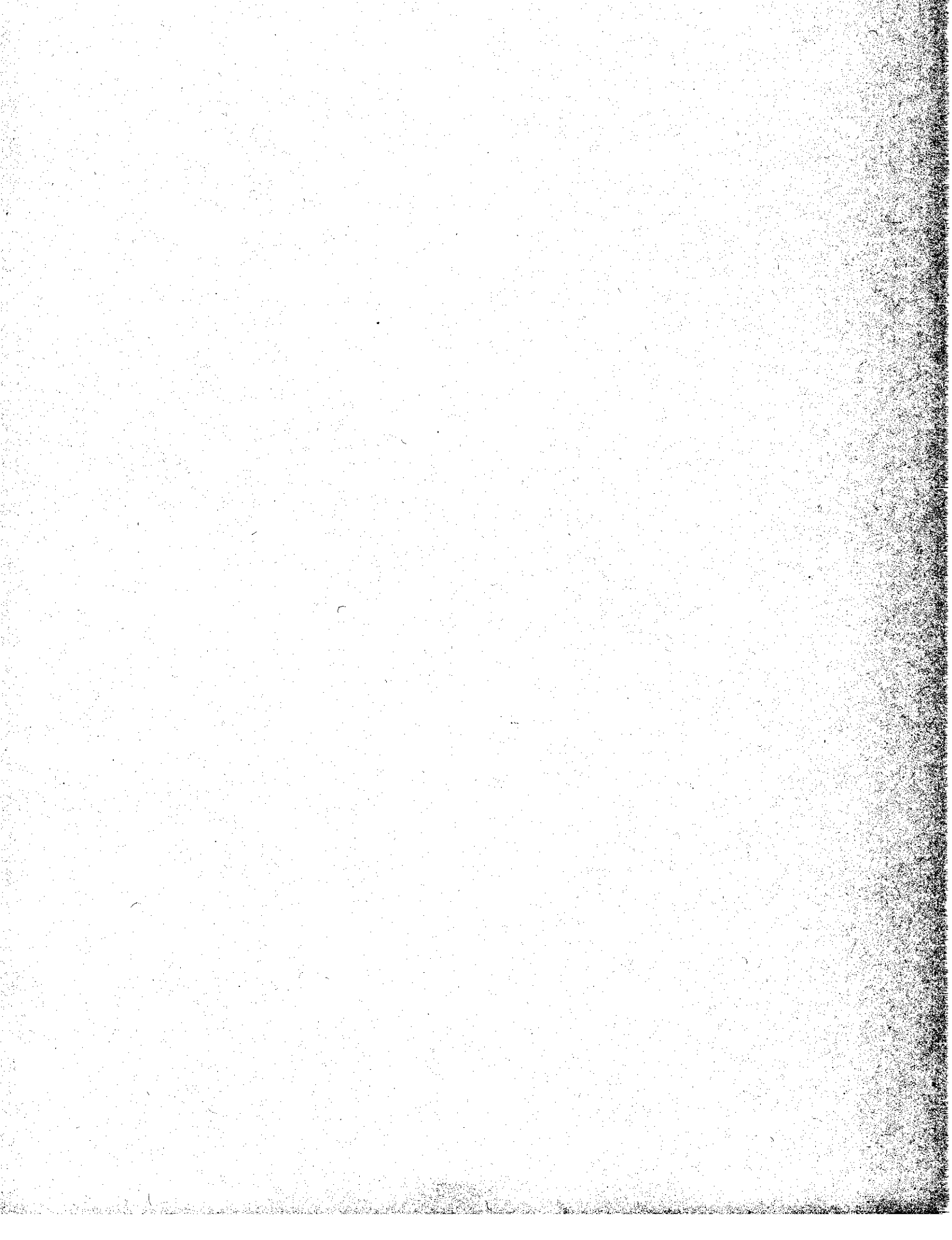
ISEMAN, CUNNINGHAM, REKISTER & HYDE LLP
37 EAST GIBSON STREET
CANANDAIGUA, NY-14424

LC
STATE OF NEW YORK
JUL 23 1998
046
Suff

Suff 27

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98092000562



State of New York }
Department of State } ss:

I hereby certify that the annexed copy has been compared with the original document in the custody of the Secretary of State and that the same is a true copy of said original.

Witness my hand and seal of the Department of State on

July 07, 2006



A handwritten signature in black ink, appearing to read "D. J. Aze".

Special Deputy Secretary of State

F-99091700066P

Certificate of Amendment
of the
Certificate of Incorporation
of

St. Charles Hospital and Rehabilitation Center

Under Section 803 of the Not-For-Profit Corporation Law

We, the undersigned, the President and Secretary of St. Charles Hospital and Rehabilitation Center (the "Corporation"), hereby certify that:

1. The name of the Corporation is St. Charles Hospital and Rehabilitation Center.
2. The Corporation was formed under the name St. Charles Hospital, Port Jefferson, New York pursuant to the Membership Corporations Law of the State of New York and the Certificate of Incorporation of said Corporation was filed by the Department of State on September 30, 1958.
3. The Corporation is a corporation as defined in subparagraph (a)(5) of Section 102 of the Not-For-Profit Corporation Law of the State of New York.
4. The Corporation is a Type B corporation under Section 201 of the Not-For-Profit Corporation Law of the State of New York, and it shall continue to be a Type B corporation.
5. The Certificate of Incorporation of the Corporation is hereby amended to add a new paragraph "Ninth" wherein the Corporation (i) is specifically authorized to enter into a master trust indenture or other similar instrument with other members of an obligated group; (ii) specifically delegates to Catholic Health System of Long Island, Inc. certain financial responsibilities with respect to the operation of the Corporation; and (iii) generally delegates to Catholic Health System of Long Island, Inc. other responsibilities with respect to the operation of the Corporation.
6. To effectuate the amendments described in paragraph 5 of this Certificate of Amendment, paragraph "Ninth" of the Certificate of Incorporation is hereby added to read in its entirety as follows:

Certificate of Amendment of the Certificate of Incorporation of
ST. CHARLES HOSPITAL AND REHABILITATION CENTER

Page 2

Ninth. The Corporation shall have the power to enter into a master trust indenture or similar instrument as a member of a group wherein each member is jointly and severally liable for the debts and obligations of the group and each member thereof pursuant to the terms of such indenture or instrument, for the purpose of securing capital and other financing on favorable terms, and to exercise and comply with all terms and conditions of such indenture or other instrument. In order to effectuate such power and purpose, the Corporation (i) delegates to Catholic Health System of Long Island, Inc., pursuant to Section 701 of the Not-For-Profit Corporation Law, authority on behalf of the Corporation to accept, utilize, transfer and share in the assets, revenues and income of the Corporation as necessary to carry out the obligations of the Corporation pursuant to such master trust indenture or similar instrument. The Corporation further delegates to Catholic Health System of Long Island, Inc. pursuant to Section 701 of the Not-For-Profit Corporation Law, the following exclusive authority: approve strategic plans; approve capital budgets; approve operating budgets; approve debt; maintain a single, consolidated set of books and financial records; implement a joint quality assessment program; implement joint medical staff credentialing; combine and centralize administrative and support functions and authority to approve the submission of CON applications; and such additional decision making authority as is permitted to be exercised by a corporation with authority to operate a hospital, the activation or rescission by the Corporation of the delegation of such additional decision making authority to occur by resolution of the Board of Trustees of the Corporation setting forth the matters in respect of which the delegation of such additional decision making authority is being activated or rescinded, provided, however, that a certified copy of any such resolution shall have been provided to the Department of Health prior review of any such activation or rescission, and further provided, that any amendment to this Certificate of Incorporation to rescind or limit the delegation of such additional decision making authority shall require the prior approval of the Public Health Council.

7. The Secretary of State of New York is hereby designated as the agent of the Corporation upon whom any process against the Corporation may be served, and the post office address to which the Secretary of State shall mail a copy of any process against the Corporation so served upon him is 100 Port Washington Boulevard, Roslyn, New York 11576.

8. The foregoing amendments to the Certificate of Incorporation were authorized by vote of the sole member of the Corporation entitled to vote thereon pursuant to Section 802 of the Not-For-Profit Corporation Law of the State of New York.

Certificate of Amendment of the Certificate of Incorporation of
ST. CHARLES HOSPITAL AND REHABILITATION CENTER
Page 3

In Witness Whereof the undersigned have executed this Certificate of Amendment
and affirmed as true the statements made therein under penalties of perjury this 13th day of
August, 1999.


BARRY T. ZEMAN
President


REV. MSGR. ALAN J. PLACA
Secretary



STATE OF NEW YORK
DEPARTMENT OF HEALTH
CORNING TOWER BUILDING
ALBANY, N.Y. 12237

PUBLIC HEALTH COUNCIL

September 3, 1999

Ms. Deborah Kirby
Attorney-at-Law
Iseman, Cunningham, Ricster & Hyde
P.O. Box 179, 37 East Gibson Street
Canandaigua, New York 11424

Re: Certificate of Amendment of the Certificate of Incorporation of St. Charles Hospital and Rehabilitation Center

Dear Ms. Kirby:

AFTER INQUIRY and INVESTIGATION and in accordance with action taken at a meeting of the Public Health Council held on the 19th day of March, 1999, I hereby certify that the Public Health Council consents to the filing of the Certificate of Amendment to the Certificate of Incorporation of St. Charles Hospital and Rehabilitation Center, dated August 13, 1999.

Sincerely,

Karen S. Westervelt
Executive Secretary

At a Special Term of the Supreme Court of the State of New York, held in the County of Nassau, Tenth Judicial District, at the Courthouse thereof located at the Supreme Court Building, Mineola, New York, on the 16th day of September, 1999.

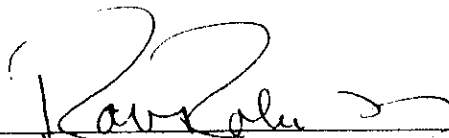
PRESENT: HON. ROBERT ROBERTO, JR. Justice

In the Matter of the Application of ST. CHARLES HOSPITAL AND REHABILITATION CENTER for an Order approving the Certificate of Amendment to its Certificate of Incorporation under Section 803 of the Not-for-Profit Corporation Law

ORDER

I, ROBERT ROBERTO, JR., a Justice of the Supreme Court of the State of New York, Nassau County, for the Tenth Judicial District do hereby approve the within Certificate of Amendment to the Certificate of Incorporation of St. Charles Hospital and Rehabilitation Center, pursuant to section 804 of the Not-For-Profit Corporation Law and consent that the same be filed.

Dated: September 16, 1999.



Justice of the Supreme Court
Nassau County
Tenth Judicial District

**DRAWDOWN
NIS
27**

99091700068

**Certificate of Amendment
of the
Certificate of Incorporation
of**

St. Charles Hospital and Rehabilitation Center

Under Section 803 of the Not-For-Profit Corporation Law

Filed by:

DEBORAH A. KIRBY, ESQ.
ISEMAN, CUNNINGHAM, RIESTER & HYDE, LLP
37 East Gibson Street
Canandaigua, New York 14424

2.11
STATE OF NEW YORK
DEPARTMENT OF STATE
FILED SEP 17 1999

Suff

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990917000687

State of New York }
Department of State } ss:

I hereby certify that the annexed copy has been compared with the original document in the custody of the Secretary of State and that the same is a true copy of said original.

Witness my hand and seal of the Department of State on

July 07, 2006



A handwritten signature in black ink, appearing to read "N. J. ...", is written over the printed title.

Special Deputy Secretary of State

1-060606000645

New York State
Department of State
Division of Corporations, State Records
and Uniform Commercial Code
41 State Street
Albany, NY 12231
www.dos.state.ny.us

CERTIFICATE OF CHANGE
OF
ST. CHARLES HOSPITAL AND REHABILITATION CENTER

Under Section 803-A of the Not-for-Profit Corporation Law

FIRST: The original name of the corporation is: St. Charles Hospital, Port Jefferson, New York.
The present name of the corporation is: St. Charles Hospital and Rehabilitation Center.

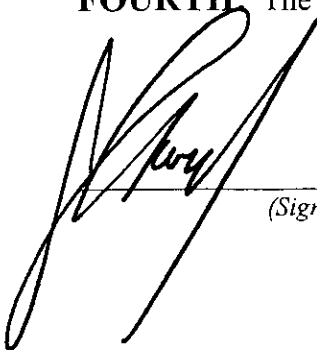
SECOND: The certificate of incorporation was filed by the Department of State on:
September 30, 1958.

THIRD: The change effected hereby is:

The address to which the Secretary of State shall forward copies of process accepted on
behalf of the corporation is changed to read in its entirety as follows:

St. Charles Hospital and Rehabilitation Center
200 Belle Terre Rd.
Port Jefferson, NY 11777

FOURTH: The board of directors authorized the change.



(Signature)

Joseph Tantillo, Jr., Chairman of the Board, SCH
(Name and Title of Signer)

/

136 05 050 00645

CERTIFICATE OF CHANGE
OF
ST. CHARLES HOSPITAL AND REHABILITATION CENTER

Under Section 803-A of the Not-for-Profit Corporation Law

Suff

Filed by: Catholic Health Services of Long Island
992 North Village Avenue
Rockville Centre, N.Y. 11570

For Office Use Only

STATE OF NEW YORK
DEPARTMENT OF STATE
FILED JUN 08 2008
TAX \$
BY: Suff

Suff

2

136 05 050 000714

FILING RECEIPT

=====

ENTITY NAME: ST. CHARLES HOSPITAL AND REHABILITATION CENTER

DOCUMENT TYPE: CHANGE (DOM. NFP)
PROCESS

COUNTY: SUFF

SERVICE COMPANY: ** NO SERVICE COMPANY **

SERVICE CODE: 00

=====

FILED:06/06/2006 DURATION:***** CASH#:060606000714 FILM #:060606000645

ADDRESS FOR PROCESS

THE CORPORATION
200 BELLE TERRE RD.
PORT JEFFERSON, NY 11777

REGISTERED AGENT

=====

FILER	FEES	20.00	PAYMENTS	20.00
-----	----		-----	
	FILING	20.00	CASH	0.00
	TAX	0.00	CHECK	20.00
CATHOLIC HEALTH SERVICES OF LONG	CERT	0.00	CHARGE	0.00
LAND	COPIES	0.00	DRAWDOWN	0.00
2 NORTH VILLAGE AVENUE	HANDLING	0.00	OPAL	0.00
ROCKVILLE CENTRE, NY 11570			REFUND	0.00

Facility Id. 896
Certificate No. 5149001H

Certified Beds - Total	243
Chemical Dependence -	40
Chemical Dependence -	20
Coronary Care	8
Intensive Care	8
Maternity	22
Medical / Surgical	55
Neonatal Continuing Care	3
Neonatal Intermediate Care	3
Pediatric	8
Physical Medicine and	66
Traumatic Brain Injury	10

State of New York
Department of Health
Office of Primary Care and Health Systems Management
OPERATING CERTIFICATE



Effective Date: 05/06/2024
Expiration Date: NONE

Hospital

St. Charles Hospital
200 Belle Terre Road
Port Jefferson, New York 11777

Operator: Catholic Health System of Long Island, Inc.
Co-Operator: St Charles Hosp and Rehab Ctr Inc
Operator Class: Voluntary Not for Profit Corporation

Has been granted this Operating Certificate pursuant to Article 28 of the Public Health Law for the service(s) specified.

Ambulatory Surgery - Multi Specialty	Audiology O/P	Burns Care	Chemical Dependence - Detoxification	Chemical Dependence - Rehabilitation
Chemical Dependence - Rehabilitation O/P	Chemical Dependence - Withdrawal O/P	Clinic Part Time Services	Clinical Laboratory Service	Coronary Care
Dental O/P	Emergency Department	Intensive Care	Level II Perinatal Care	Lithotripsy
Maternity	Medical Services - Other Medical Specialties	Medical Services - Primary Care	Medical Social Services	Medical/Surgical
Neonatal Continuing Care	Neonatal Intermediate Care	Nuclear Medicine - Diagnostic	Pediatric	Physical Medical Rehabilitation
Primary Stroke Center	Radiology - Diagnostic	Renal Dialysis - Acute	Respiratory Care	Therapy - Occupational O/P
Therapy - Physical O/P	Therapy - Speech Language Pathology	Therapy - Vocational Rehabilitation O/P	Traumatic Brain Injury Program	

Other Authorized Locations

Hospital Extension Clinic

Catholic Health Physical Therapy and Rehabilitation Facility ID 15396 761 Merrick Avenue Westbury, New York 11590	St Charles Rehabilitation Facility ID 7755 3279 Veterans Memorial Highway Ronkonkoma, New York 11779
St. Charles Rehabilitation Facility ID 5770 240 Middle Country Road Smithtown, New York 11787	St. Charles Rehabilitation Facility ID 7762 77 Route 112 Patchogue, New York 11772

St Charles Rehabilitation
Facility ID 7106
1895 Walt Whitman Road
Melville, New York 11747

St. Charles Rehabilitation
Facility ID 5769
3 Technology Drive
East Setauket, New York 11733

St. Charles Hospital Rehabilitation
Facility ID 10084
500 Commack Road
Commack, New York 11725

St. Charles Rehabilitation - West Babylon
Facility ID 10410
501A Montauk Highway
West Babylon, New York 11704

Douglas M. Dior

20240513

Acting Deputy Commissioner, Office of
Primary Care and Health Systems

This certificate must be conspicuously displayed on the premises.

Michael J. Dior

Commissioner



MEMORANDUM

TO: Michael Stelluti
Division of Health Facility Planning and Development

Colleen Leonard, Executive Secretary
Public Health and Health Planning Council

FROM: Vincent DiCocco, Senior Attorney
Bureau of Program Counsel
Division of Legal Affairs

DATE: November 7, 2024

SUBJECT: Approval of Certificate of Assumed Name of Suffolk Primary Health, LLC – d/b/a “A Better Way NY” and “Summer Hill Behavioral Services”

This is to request that the above matter be included on the agendas for the next Establishment and Project Review Committee and Public Health and Health Planning Council meetings.

The attachments relating to this matter include the following:

- 1) Memorandum to the Public Health and Health Planning Council from Kathy Marks, General Counsel;
- 2) A letter from Leanne Kontogiannis, Esq. of Hinman Straub, counsel for the applicant,
- 3) The Articles of Organization of Suffolk Primary Health, LLC,
- 4) The Operating Agreement of Suffolk Primary Health, LLC
- 5) The Unanimous Consent of the members of Suffolk Primary Health, LLC to utilize the d/b/a “A Better Way NY” for the applied behavioral services; and
- 6) The Unanimous Consent of the members of Suffolk Primary Health, LLC to utilize the d/b/a “Summer Hill Behavioral Services” for the Home and Community based services.

Attachments

cc: J. Corvino

MEMORANDUM

To: Public Health and Health Planning Council

From: Kathy Marks *KSM*
General Counsel
Division of Legal Affairs

Date: November 7, 2024

Subject: Approval of Certificate of Assumed Name of Suffolk Primary Health, LLC – d/b/a “A Better Way NY” and “Summer Hill Behavioral Services”

Suffolk Primary Health, LLC (“SPH”) request approval to use the assumed name “A Better Way NY” for SPH’s applied behavioral services and to use “Summer Hill Behavioral Services” for SPH’s home and community-based services.

SPH was formed on April 17, 2012, and operates an Article 28 diagnostic and treatment center at 170 Old Country Road, Riverhead, New York 11901. The applicant’s prior assumed name was previously approved by the Public Health and Health Planning Council (“PHHPC”). Therefore, PHHPC approval of the assumed name is required pursuant to 10 NYCRR § 600.11(a)(3) and 10 NYCRR § 401.3(b).

Attached is a letter from Leanne Kontogiannis, Esq. of Hinman Straub, counsel for the applicant, the Articles of Organization of Suffolk Primary Health, LLC, the Operating Agreement of Suffolk Primary Health, LLC. Additionally, the Unanimous Consent of the members of Suffolk Primary Health, LLC to utilize the d/b/a “A Better Way NY” for the applied behavioral services; and the Unanimous Consent of the members of Suffolk Primary Health, LLC to utilize the d/b/a “Summer Hill Behavioral Services” for the Home and Community based services are also provided.

There is no legal objection to the proposed assumed names and the documents submitted are all legally acceptable.

Attachments.

From: [Leanne Kontogiannis](#)
To: [doh.sm.DLAHouse](#)
Cc: [DiCocco, Vincent \(HEALTH\)](#)
Subject: SUFFOLK PRIMARY HEALTH, LLC D/B/A REQUEST
Date: Friday, August 2, 2024 10:25:23 AM
Attachments: [ARTICLES OF ORGANIZATION OF SUFFOLK PRIMARY HEALTH, LLC.pdf](#)
[OPERATING AGREEMENT OF SUFFOLK PRIMARY HEALTH LLC.pdf](#)
[SUFFOLK PRIMARY HEALTH LLC UNANIMOUS CONSENT DBA HCBS SERVICES.pdf](#)

ATTENTION: This email came from an external source. Do not open attachments or click on links from unknown senders or unexpected emails.

Suffolk Primary Health, LLC requests Department of Health approval of the d/b/a “Summer Hill Behavioral Services” for the HCBS services provided by its Article 28 urgent care center.

Attached please find a copy of the Articles of Organization and Operating Agreement of Suffolk Primary Health, LLC along with a copy of the unanimous consent to obtain approval to utilize the D/B/A.

Please let me know if any additional information is needed.

Thank you.

LEANNE R. KONTOGIANNIS, ESQ.
PRINCIPAL
HINMAN STRAUB P.C.
121 STATE STREET
ALBANY, NEW YORK 12207
OFFICE: (518) 436-0751
FAX: (518) 436-4751



Attention:

This e-mail is privileged and confidential. If you are not the intended recipient please delete the message and notify the sender. Any views or opinions presented are solely those of the author.



**Division of Corporations,
State Records and
Uniform Commercial Code**

New York State
Department of State
Division of Corporations,
State Records and
Uniform Commercial Code
One Commerce Plaza
99 Washington Avenue
Albany, NY 12231
www.dos.ny.gov

Certificate of Assumed Name

(Pursuant to General Business Law §130)

1. REAL NAME OF ENTITY:

Suffolk Primary Health, LLC

1a. FICTITIOUS NAME, IF ANY, OF FOREIGN ENTITY (Not Assumed Name):

2. THE ENTITY WAS FORMED OR AUTHORIZED UNDER THE FOLLOWING NEW YORK LAW (Check one):

- ☐ Business Corporation Law ☒ Limited Liability Company Law ☐ Religious Corporations Law
☐ Education Law ☐ Not-for-Profit Corporation Law ☐ Revised Limited Partnership Act

☐ Other (specify law): _____

3. ASSUMED NAME OF ENTITY:

A Better Way NY

4. PRINCIPAL PLACE OF BUSINESS IN NEW YORK STATE (MUST INCLUDE NUMBER AND STREET). IF NONE, CHECK THIS BOX ☐ AND PROVIDE OUT-OF- STATE ADDRESS:

170 Old Country Road, Riverhead, New York 11901

5. COUNTY(IES) IN WHICH ENTITY DOES OR INTENDS TO DO BUSINESS:

☐ ALL COUNTIES (or check applicable county(ies) below)

- | | | | | | | | |
|-----------------------------------|--------------------------------------|-------------------------------------|---------------------------------------|---|------------------------------------|--------------------------------------|-------------------------------------|
| <input type="checkbox"/> Albany | <input type="checkbox"/> Cattaraugus | <input type="checkbox"/> Chenango | <input type="checkbox"/> Delaware | <input type="checkbox"/> Franklin | <input type="checkbox"/> Hamilton | <input type="checkbox"/> Lewis | <input type="checkbox"/> Montgomery |
| <input type="checkbox"/> Allegany | <input type="checkbox"/> Cayuga | <input type="checkbox"/> Clinton | <input type="checkbox"/> Dutchess | <input type="checkbox"/> Fulton | <input type="checkbox"/> Herkimer | <input type="checkbox"/> Livingston | <input type="checkbox"/> Nassau |
| <input type="checkbox"/> Bronx | <input type="checkbox"/> Chautauqua | <input type="checkbox"/> Columbia | <input type="checkbox"/> Erie | <input type="checkbox"/> Genesee | <input type="checkbox"/> Jefferson | <input type="checkbox"/> Madison | <input type="checkbox"/> New York |
| <input type="checkbox"/> Broome | <input type="checkbox"/> Chemung | <input type="checkbox"/> Cortland | <input type="checkbox"/> Essex | <input type="checkbox"/> Greene | <input type="checkbox"/> Kings | <input type="checkbox"/> Monroe | <input type="checkbox"/> Niagara |
| <input type="checkbox"/> Oneida | <input type="checkbox"/> Orleans | <input type="checkbox"/> Queens | <input type="checkbox"/> St. Lawrence | <input type="checkbox"/> Schuyler | <input type="checkbox"/> Sullivan | <input type="checkbox"/> Warren | <input type="checkbox"/> Wyoming |
| <input type="checkbox"/> Onondaga | <input type="checkbox"/> Oswego | <input type="checkbox"/> Rensselaer | <input type="checkbox"/> Saratoga | <input type="checkbox"/> Seneca | <input type="checkbox"/> Tioga | <input type="checkbox"/> Washington | <input type="checkbox"/> Yates |
| <input type="checkbox"/> Ontario | <input type="checkbox"/> Otsego | <input type="checkbox"/> Richmond | <input type="checkbox"/> Schenectady | <input type="checkbox"/> Steuben | <input type="checkbox"/> Tompkins | <input type="checkbox"/> Wayne | |
| <input type="checkbox"/> Orange | <input type="checkbox"/> Putnam | <input type="checkbox"/> Rockland | <input type="checkbox"/> Schoharie | <input checked="" type="checkbox"/> Suffolk | <input type="checkbox"/> Ulster | <input type="checkbox"/> Westchester | |

6. ADDRESS OF EACH LOCATION, INCLUDING NUMBER AND STREET, IF ANY, OF EACH PLACE WHERE THE ENTITY CARRIES ON, CONDUCTS OR TRANSACTS BUSINESS IN NEW YORK STATE. (Use page 2 if needed. The address(es) must be a number and street, city, state and zip code. The address(es) must be within the county(ies) indicated in paragraph 5.) If none, check this box ☐: No New York State Business Location.

170 Old Country Road, Riverhead, New York 11901

Print or Type Name of Signer: Leanne R. Kontogiannis

Signature: 

Capacity of Signer (Check one): ☒ Authorized Person ☐ Officer of the Corporation ☐ General Partner of the Limited Partnership
☐ Member of the Limited Liability Company ☐ Manager of the Limited Liability Company

Certificate of Assumed Name

6. ADDRESS OF EACH LOCATION, INCLUDING NUMBER AND STREET, IF ANY, OF EACH PLACE WHERE THE ENTITY CARRIES ON OR CONDUCTS OR TRANSACTS BUSINESS IN NEW YORK STATE: (Continued)

Filer's Name and Mailing Address:

Leanne R. Kontogiannis, Esq.

Name:

Hinman Straub P.C.

Company, if Applicable:

121 State Street

Mailing Address:

Albany, New York 12207

City, State and Zip Code:

NOTE: You are not required to use this form. This certificate should be prepared under the guidance of an attorney.

FEE: Limited Liability Companies and Limited Partnerships - \$25.

Corporations - \$25 plus the fee for each county indicated in paragraph 5. The additional fee for each county within New York City (Bronx, Kings, New York, Queens and Richmond) is \$100 additional. The fee for each county outside New York City is \$25. Checks over \$500 must be certified.

(For office use only)



**Division of Corporations,
State Records and
Uniform Commercial Code**

New York State
Department of State
**Division of Corporations,
State Records and
Uniform Commercial Code**
One Commerce Plaza
99 Washington Avenue
Albany, NY 12231
www.dos.ny.gov

Certificate of Assumed Name

(Pursuant to General Business Law §130)

1. REAL NAME OF ENTITY:

Suffolk Primary Health, LLC

1a. FICTITIOUS NAME, IF ANY, OF FOREIGN ENTITY (Not Assumed Name):

2. THE ENTITY WAS FORMED OR AUTHORIZED UNDER THE FOLLOWING NEW YORK LAW (Check one):

- ☐ Business Corporation Law ☒ Limited Liability Company Law ☐ Religious Corporations Law
☐ Education Law ☐ Not-for-Profit Corporation Law ☐ Revised Limited Partnership Act
☐ Other (specify law): _____

3. ASSUMED NAME OF ENTITY:

Summer Hill Behavioral Services

4. PRINCIPAL PLACE OF BUSINESS IN NEW YORK STATE (MUST INCLUDE NUMBER AND STREET). IF NONE, CHECK THIS BOX ☐ AND PROVIDE OUT-OF- STATE ADDRESS:

170 Old Country Road, Riverhead, New York 11901

5. COUNTY(IES) IN WHICH ENTITY DOES OR INTENDS TO DO BUSINESS:

☐ ALL COUNTIES (or check applicable county(ies) below)

- | | | | | | | | |
|-----------------------------------|--------------------------------------|-------------------------------------|---------------------------------------|---|------------------------------------|--------------------------------------|-------------------------------------|
| <input type="checkbox"/> Albany | <input type="checkbox"/> Cattaraugus | <input type="checkbox"/> Chenango | <input type="checkbox"/> Delaware | <input type="checkbox"/> Franklin | <input type="checkbox"/> Hamilton | <input type="checkbox"/> Lewis | <input type="checkbox"/> Montgomery |
| <input type="checkbox"/> Allegany | <input type="checkbox"/> Cayuga | <input type="checkbox"/> Clinton | <input type="checkbox"/> Dutchess | <input type="checkbox"/> Fulton | <input type="checkbox"/> Herkimer | <input type="checkbox"/> Livingston | <input type="checkbox"/> Nassau |
| <input type="checkbox"/> Bronx | <input type="checkbox"/> Chautauqua | <input type="checkbox"/> Columbia | <input type="checkbox"/> Erie | <input type="checkbox"/> Genesee | <input type="checkbox"/> Jefferson | <input type="checkbox"/> Madison | <input type="checkbox"/> New York |
| <input type="checkbox"/> Broome | <input type="checkbox"/> Chemung | <input type="checkbox"/> Cortland | <input type="checkbox"/> Essex | <input type="checkbox"/> Greene | <input type="checkbox"/> Kings | <input type="checkbox"/> Monroe | <input type="checkbox"/> Niagara |
| <input type="checkbox"/> Oneida | <input type="checkbox"/> Orleans | <input type="checkbox"/> Queens | <input type="checkbox"/> St. Lawrence | <input type="checkbox"/> Schuyler | <input type="checkbox"/> Sullivan | <input type="checkbox"/> Warren | <input type="checkbox"/> Wyoming |
| <input type="checkbox"/> Onondaga | <input type="checkbox"/> Oswego | <input type="checkbox"/> Rensselaer | <input type="checkbox"/> Saratoga | <input type="checkbox"/> Seneca | <input type="checkbox"/> Tioga | <input type="checkbox"/> Washington | <input type="checkbox"/> Yates |
| <input type="checkbox"/> Ontario | <input type="checkbox"/> Otsego | <input type="checkbox"/> Richmond | <input type="checkbox"/> Schenectady | <input type="checkbox"/> Steuben | <input type="checkbox"/> Tompkins | <input type="checkbox"/> Wayne | |
| <input type="checkbox"/> Orange | <input type="checkbox"/> Putnam | <input type="checkbox"/> Rockland | <input type="checkbox"/> Schoharie | <input checked="" type="checkbox"/> Suffolk | <input type="checkbox"/> Ulster | <input type="checkbox"/> Westchester | |

6. ADDRESS OF EACH LOCATION, INCLUDING NUMBER AND STREET, IF ANY, OF EACH PLACE WHERE THE ENTITY CARRIES ON, CONDUCTS OR TRANSACTS BUSINESS IN NEW YORK STATE. (Use page 2 if needed. The address(es) must be a number and street, city, state and zip code. The address(es) must be within the county(ies) indicated in paragraph 5.) If none, check this box ☐: No New York State Business Location.

170 Old Country Road, Riverhead, New York 11901

Print or Type **Leanne R. Kontogiannis**
Name of Signer: _____

Signature: _____

Capacity of Signer (Check one): ☒ Authorized Person ☐ Officer of the Corporation ☐ General Partner of the Limited Partnership
☐ Member of the Limited Liability Company ☐ Manager of the Limited Liability Company

Certificate of Assumed Name

6. ADDRESS OF EACH LOCATION, INCLUDING NUMBER AND STREET, IF ANY, OF EACH PLACE WHERE THE ENTITY CARRIES ON OR CONDUCTS OR TRANSACTS BUSINESS IN NEW YORK STATE: (Continued)

[illegible]

Filer's Name and Mailing Address:

Leanne R. Kontogiannis, Esq.

Name: _____

Hinman Straub P.C.

Company, if Applicable:

121 State Street

Mailing Address:

Albany, New York 12207

City, State and Zip Code: _____

NOTE: You are not required to use this form. This certificate should be prepared under the guidance of an attorney.

FEE: Limited Liability Companies and Limited Partnerships - \$25.

Corporations - \$25 plus the fee for each county indicated in paragraph 5. The additional fee for each county within New York City (Bronx, Kings, New York, Queens and Richmond) is \$100 additional. The fee for each county outside New York City is \$25. Checks over \$500 must be certified.

(For office use only)

120417000

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**ARTICLES OF ORGANIZATION
OF
SUFFOLK PRIMARY HEALTH, LLC**

Under Section 203 of the Limited Liability Company Law.

FIRST: The name of the limited liability company is **SUFFOLK PRIMARY HEALTH, LLC**.

SECOND: The county within the state in which the office of the limited liability company is to be located is Suffolk.

THIRD: The latest date on which the limited liability company is to dissolve is December 31, 2099.

FOURTH: The Secretary of State is designated as agent of the limited liability company upon whom process against it may be served. The post office address within or without this state to which the Secretary of State shall mail a copy of any process against the limited liability company served upon him or her is:

1360 Route 112
Port Jefferson Station, New York 11776

FIFTH: The effective date of the Articles of Organization shall be the date of filing with the Secretary of State.

SIXTH: The limited liability company is to be managed by 1 or more members.

IN WITNESS WHEREOF, this certificate has been subscribed to this 16th day of April, 2012 by the undersigned who affirms that the statements made herein are true under the penalties of perjury.

Lawrence A. Kirsch

Lawrence A. Kirsch, Organizer

6/13

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DRAWDOWN

ARTICLES OF ORGANIZATION
OF
SUFFOLK PRIMARY HEALTH, LLC

RECEIVED
2012 APR 16 PM 3:06

STATE OF NEW YORK
DEPARTMENT OF STATE

FILED APR 17 2012

TAX \$

BY: ICB

Filed by:

Cartier, Bernstein, Auerbach
& Dazzo, P.C.
100 Austin Street
Building 2
Patchogue, New York 11772

2012 APR 17 AM 10:19

FILED

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**CERTIFICATE OF AMENDMENT
OF
ARTICLES OF ORGANIZATION
OF
SUFFOLK PRIMARY HEALTH, LLC**

(Under Section 211 of the Limited Liability Company Law)

FIRST: The name of the limited liability company is SUFFOLK PRIMARY HEALTH, LLC.

SECOND: The date of filing of the articles of organization is April 17, 2012.

THIRD: The amendment effected by this Certificate of Amendment of the Certificate of Formation of the limited liability company are as follows:

Paragraph Seventh relating to the business address and paragraph Eighth relating to restrictions on transfers are to be added to the Articles of Organization:

SEVENTH: The location of the principal office of the limited liability company is 170 Old Country Road, Riverhead, New York 11901

EIGHTH: Notwithstanding anything to the contrary in the Articles of Organization or the Operating Agreement, transfers, assignments or other dispositions of membership interests or voting rights of the limited liability company must be effectuated in accordance with Public Health Law § 2801-a(4)(b).

IN WITNESS HEREOF, I have executed this document on the date set forth below.

Executed as of the 23rd day of June, 2016.

X /s/ Kathleen Carver Cheney
Authorized Person

160830000 136

CERTIFICATE OF AMENDMENT
OF
CERTIFICATE OF FORMATION
OF
SUFFOLK PRIMARY HEALTH, LLC

Under Section 211 of the Limited Liability Company Law

FILED

2016 AUG 30 AM 10:12

DRAWDOWN
DELANEY #30

RECEIVED

2016 AUG 29 PM 4:05

Filed by:
Novack Burnbaum Crystal, LLP
675 Third Avenue, Flr 8
New York, NY 10017

1CC
STATE OF NEW YORK
DEPARTMENT OF STATE
FILED AUG 30 2016
TAXS _____
BY: n

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OPERATING AGREEMENT

OF

SUFFOLK PRIMARY HEALTH, LLC

(A New York Limited Liability Company)

APD389274/FCORP667

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OPERATING AGREEMENT

OF

SUFFOLK PRIMARY HEALTH, LLC

(A New York Limited Liability Company)

THIS OPERATING AGREEMENT (the “Agreement”), dated as of September 23, 2022, (the “Signing Date”) and effective as of the Effective Date, for Suffolk Primary Health, LLC, a New York limited liability company (the “Company”), is by and among those parties indicated as Members on Schedule A (each a “Member” and collectively the “Members”).

RECITALS

A. The Company was duly formed under the laws of the State of New York on April 17, 2012 and is duly licensed and authorized to operate a diagnostic and treatment center under the laws of the State of New York.

B. Pursuant to that certain Membership Interest Purchase Agreement, dated September 23, 2022, by and among the Members and the Company (the “Purchase Agreement”), Kenneth Gaul (“Gaul”) agrees to sell 8% Membership Interests to Matisyahu Yitzchok Swerdloff (“Matt”) and 8% Membership Interests to Chaim Benzion Folger (“Ben”), unless otherwise agreed to among the Members in accordance with this Agreement, as of the Effective Date, the Members own those interests in the Company as are set forth on Schedule A attached hereto and made a part hereof.

C. In accordance with the Limited Liability Company Law of the State of New York, the Members have agreed to enter into this Agreement to govern the operations of the Company.

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained and other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereto agree that this Agreement shall constitute the Operating Agreement of the Company, and the parties further agree as follows:

1. Business and Purposes.

1.1 “Business Purpose” The Company shall have the power to conduct any and all lawful business of operating a licensed diagnostic and treatment center called “Suffolk Primary Health” (the “Center”) with a location currently located in Riverhead, New York and such other locations as determined by the Board of Managers, subject to approval of DOH and the PHHPC in accordance with Articles 28 of the New York State Public Health

Law. The purposes and powers of the Company shall be limited to ownership and operation of the Center. The Members may, subject to the terms hereof, do all things incidental or necessary to achieve such purposes, as permitted by applicable law.

2. Definitions.

2.1 “90 Day Notice Period” shall mean the ninety (90) day notice period mandated by Section 2801-a(4)(b) of the New York State Public Health Law.

2.2 “Accountants” means the firm of independent certified public accountants then engaged by the Company to prepare the Company’s tax returns and financial statements.

2.3 “Act” means the New York Limited Liability Company Law, as the same may be amended from time to time.

2.4 “Agreement” means this Operating Agreement, as originally executed and as amended from time to time, and the terms “hereof,” “hereto,” “hereby” and “hereunder,” when used with reference to this Agreement, refer to this Agreement as a whole, unless the context otherwise requires.

2.5 “Bankruptcy” means, and a Member shall be deemed a “Bankrupt Member”, upon the occurrence of any of the following (a) the Member’s voluntary commencement of any case or proceeding under any applicable bankruptcy, insolvency or other similar law, in which the Member seeks protection from its, his or her creditors; (b) the filing of an involuntary petition in bankruptcy against the Member if such petition is not dismissed within one hundred twenty (120) days of the date of filing; (c) the Member executes an assignment for the benefit of creditors; (d) the Member seeks, consents to, or acquiesces in the appointment of a trustee, receiver, or liquidator of the Member or of all or substantially all of that Member’s properties; (e) the Member fails, within one hundred twenty (120) days after the appointment, without the Member’s consent or acquiescence, of a trustee, receiver or liquidator of the Member or of all or substantially all of that Member’s properties, to have the appointment vacated or stayed; (f) the adjudication of the Member as a bankrupt or insolvent, or entry against the Member of an order for relief, in any bankruptcy or insolvency proceeding; (g) the ordering of the winding up or liquidation of the Member; or (h) the Member admits in writing that the Member is unable to satisfy the Member’s liabilities as they become due.

2.6 “Board of Managers” or “Board” means the Members to whom are delegated the management duties of the Company’s business as provided in **Article 6** hereof.

2.7 “Capital Account” means the account established and maintained for each Member on the books of the Company, which is initially equal to the capital contribution of the Member to the Company and, thereafter, is increased by (a) additional cash contributions, if any, made by the Member to the Company, (b) the fair market value to the

Member of any property contributed by the Member to the Company (net of any liability assumed by the Company and any liability to which such property is subject pursuant to Section 752 of the Code), (c) the amount of any Profits allocated to the Member for federal income tax purposes, and (d) allocations to the Member of income or gain as provided for herein or otherwise by Regulation Section 1.704-1(b)(2)(iv); and decreased by (w) the amount of any distributions of money made to the Member, (x) the fair market value to the Company of any distributions of property made to the Member (net of any liability assumed by the Member and any liability to which such property is subject pursuant to Section 752 of the Code), (y) the amount of any Losses allocated to the Member for federal income tax purposes, all in accordance with federal tax accounting principles, and (z) allocations to the Member of deduction or expense as provided for herein or otherwise by Regulation Section 1.704-1(b)(2)(iv). It is intended that the Capital Accounts of all Members shall be maintained in compliance with the provisions of Section 704(b) of the Code, the Regulations promulgated thereunder, and all provisions of this Agreement relating to the maintenance of Capital Accounts shall be interpreted and applied in a manner consistent therewith.

2.8 “Capital Transaction” means any transaction not in the ordinary course of business which results in the Company’s receipt of cash or other consideration other than Capital Contributions, (as such term is hereinafter defined) including, without limitation, proceeds of sales or exchanges or other dispositions of property (including, without limitation, a sale of all or substantially all of the assets of the Company, or a merger or consolidation of the Company with another entity), reorganizations, financings, re-financings, condemnations, and insurance proceeds for the destruction of assets used in the trade or business of the Company.

2.9 “Cash Flow” means, as reasonably determined by the Board of Managers at a given time, the gross cash revenues of the Company from all sources (excluding collections from operations on or prior to the Post-Effective Date (as defined in the Purchase Agreement), less (a) the Company’s debt service, (b) all patient and payor refunds and discounts, (c) all life, disability, casualty, general liability, and property insurance proceeds, (d) the Company’s overhead and operational expenditures as reasonably determined by the Company’s Board of Managers as being necessary to operate the Company, (e) all proceeds from a Capital Transaction, and (f) any amounts determined by the Board of Managers to be necessary to provide a reasonable reserve for development and working capital needs or any other contingencies of the Company. Cash Flow shall be determined in accordance with the cash receipts and disbursements method of accounting and otherwise in accordance with generally accepted accounting principles, consistently applied. Cash Flow shall not be reduced by depreciation, cost recovery deductions, depletions, similar allowances, or other non-cash items, but shall be increased by any reduction of reserves previously established.

2.10 “Cause” means with respect to any Manager or Officer of the Company: (a) the Manager’s or Officer’s willful neglect of the material duties of his or her position or

office that are required by this Agreement; (c) the Manager's or Officer's willful misconduct in the performance of his or her duties required by this Agreement; and (d) the Manager's or Officer's involuntary withdrawal or voluntary withdrawal as a Member of the Company.

2.11 "Center" shall have the meaning ascribed to it in **Article 1** herein.

2.12 "Code" means the Internal Revenue Code of 1986, as amended. All references herein to sections of the Code shall include any corresponding provision or provisions of succeeding law, as interpreted or as otherwise modified by the Regulations issued thereunder, in each case as in effect from time to time.

2.13 "Company" means Suffolk Primary Health, LLC, or such other name as the Members determine, from time to time, in accordance with this Agreement.

2.14 "DOH" means the New York State Department of Health.

2.15 "Effective Date" means, with respect to the Notice of Transfer of Ownership submitted by Company in connection with admission of Matt and Ben as a Member of the Company (the "90 Day Application"): (a) the expiration of the 90 Day Notice Period without receipt of notice of objection or tolling of the 90 Day Notice Period from the New York State Department of Health; or (b) the receipt by Seller of the written final, non-contingent approval of the 90 Day Application.

2.16 "Interest" or "Company Interest" means with respect to any Member the total number of Units owned by the respective Member, the Member's right to share in the Company's Profits, Losses and distributions of the Company's assets pursuant to this Agreement and the Act, and the right to participate in the management of the Company's business and affairs to the extent granted pursuant to this Agreement.

2.17 "Manager" or "Managers" means the Members to whom are delegated the management duties of the Company's business as provided in **Article 6** hereof.

2.18 "Member" or "Members" is defined in the first paragraph of this Agreement.

2.19 "Officer" or "Officers" means one or more Members selected by the Board of Managers to whom are delegated all of the day-to-day operational functions associated with the operation and conduct of the Company's business.

2.20 "Percentage Interest" means, as to each Member, a fraction expressed as a percentage, the numerator of which is the total Units owned by such Member, as modified or adjusted from time to time on the books and records of the Company, and the denominator of which is the total Units owned by all of the Members, as similarly adjusted from time to time.

2.21 "Person" means an individual, association, corporation, general partnership,

limited partnership, limited liability company, limited liability partnership, joint stock association, joint venture, firm, trust, business trust, cooperative, or foreign associations of like structure.

2.22 “PHHPC” means the New York State Public Health and Health Planning Council.

2.23 “Profits” and “Losses” means, for each fiscal year or other period, an amount equal to the Company’s taxable income or loss for such year or period, determined in accordance with Section 703(a) of the Code (for this purpose, all items of income, gain, credit, loss or deduction required to be stated separately pursuant to Section 703(a)(1) of the Code shall be included in taxable income or loss), adjusted in accordance with the Regulations.

2.24 “Regulation” or “Regulations” means the Income Tax Regulations promulgated under the Code, as such regulations may be amended from time to time (including corresponding provisions of succeeding regulations).

2.25 “Super-majority” means eighty five percent (85%) of the votes of the applicable voting body.

2.26 “Transfer” means any sale, assignment, transfer, conveyance, redemption, pledge, hypothecation, encumbrance or other disposition, voluntarily or involuntarily, by operation of law, with or without consideration, or otherwise (including, without limitation, by way of intestacy, will, gift, bankruptcy, receivership, levy, execution, charging order or other similar sale or seizure by legal process) of all or any portion of any asset. The terms “Transferred”, “Transferring”, “Transferee” and similar terms shall have correlative meanings.

2.27 “Units” means, collectively, the Units issued to the Members, and represents the basis on which interests in the Company are denominated and the basis on which the Members’ relative rights, privileges, preferences and obligations are determined under this Agreement and the Act.

3. **Ownership; Members; Capital Accounts.**

3.1 **Member Qualifications and Obligations.**

(a) **All Members.** Each Member represents and warrants that he (i) has not been convicted of a criminal offense (A) related to the delivery of an item or service under the Medicare or Medicaid programs, (B) related to neglect or abuse of patients in connection with the delivery of a health care item or service, (C) in connection with the delivery of a health care item or service or with respect to any act or omission in a health care program operated by or financed in whole or in part by any federal, state, or local governmental agency, which consisted of a felony relating to fraud, theft, embezzlement, breach of fiduciary responsibility, or other financial misconduct, or (D) under federal or

state law, consisting of a felony relating to the unlawful manufacture, distribution, prescription, or dispensing of a controlled substance; and (ii) is not currently debarred, excluded, suspended or otherwise ineligible to participate in federally funded health care programs or federal procurement or non-procurement programs.

(b) Notice. Each of the Members agrees it shall notify the Company immediately if it fails to meet any of the qualifications described in this **Section 3.1** that are applicable to such Member.

3.2 Capital Contributions.

(a) Capital Contributions.

(i) Each of the Members has made a contribution to the capital of the Company in the amount stated in the Company's books and records (the "Initial Capital Contributions," which, together with any additional contribution made by a Member to the capital of the Company, shall be referred to as each Member's "Capital Contribution"). No interest shall be paid on the Capital Contributions of the Members.

(ii) In addition to the Initial Capital Contributions, the Members will make additional Capital Contributions as required from time to time to fund the expenses of the Center and assure its efficient operation. Notwithstanding the foregoing, this subsection (ii) shall not apply to Gaul who shall have no obligation to provide additional capital contributions.

(b) Enforcement of Obligations. In the event a Member fails to make a Capital Contribution when due (a "Defaulting Member"), the Board of Managers shall give the Defaulting Member notice of the failure to meet the obligations contained in **Section 3.2(a)**. Notwithstanding any provision of this Agreement to the contrary, if the Defaulting Member fails to contribute his/her/its required Capital Contributions within thirty (30) days of receipt of such notice of the failure to pay, the Board may, in its discretion permit the Company or another Member(s) to make the Capital Contribution on behalf of the Defaulting Member in accordance with this Agreement.

(c) Dilution of Defaulting Member. In the event the Board determines, in its sole discretion, to permit another Member(s) to make a Capital Contribution on behalf of a Defaulting Member, then the Board shall cause the Company to either (i) redeem such number of Units from the Defaulting Member equal to the sum of the Defaulting Member's total Units multiplied by his, her or its Percentage Interest, which Units shall be used by the Company to admit additional Member(s) in accordance with the terms and conditions of this Agreement; or (ii) issue such number of additional Units to all Members other than the Defaulting Member such that the Defaulting Member's Percentage Interest will be decreased by the sum of the Defaulting Member's total Units multiplied by his, her or its Percentage Interest.

(d) **Title to Property.** All Company property shall be owned by the Company as an entity. The Members shall have no ownership interest in Company property. Each Member's Company Interest shall be personal property for all purposes.

3.3 **Impermissible Distributions.** Each Member hereby represents, warrants and covenants that the Member will not transfer or share, directly or indirectly, any part of the distributions received from the Company to or with any third party (including, without limitation, to other Members of such Member's private medical practice), by any means including offsetting against any obligations to such Member, for the purpose of inducing or rewarding such other third party's referrals for health care services in violations of 42 U.S.C. 1320a-7b(b) and in violation of the terms and provisions of the Centers for Medicare and Medicaid Services, Advisory Opinion 03-05.

4. Allocations and Distributions.

4.1 **Allocations of Profits and Losses.** Profits and Losses for any fiscal year shall be allocated to the Members in accordance with their respective Percentage Interests, after giving effect to the special allocations set forth in **Section 4.2**; provided, however, Gaul's allocations of profits shall not exceed his actual cash distributions in any year. Notwithstanding the foregoing, allocations of loss to Gaul shall not exceed (i) Gaul's Capital Contributions on and after the Signing Date hereof or (ii) income allocated to Gaul after the Signing Date hereof for which the Company didn't distribute the appropriate amount pursuant to Section 4.3(b) below.

4.2 **Special Allocations.** The following Regulations are hereby incorporated by reference and shall apply, according to any reasonable method selected by the Board of Managers upon consultation with the Company's Accountants, notwithstanding any provision of this Agreement to the contrary: Section 1.704-1(b)(2)(ii)(d)(qualified income offset), Section 1.704-2 (allocations attributable to nonrecourse liabilities, Section 1.704-2(d)(minimum gain), and Section 1.704-3 (allocations regarding contributed property of Capital Account adjustments under Section 1.704-1(b)(2)(iv)(g) of the Regulations). In addition, the requirements of the Code and Regulations (including, but not limited to, Sections 706(d) and 752 and the Regulations promulgated there under) shall be applied in any reasonably method selected by the Board of Managers upon consultation with the Company's regular outside Accountants. It is the express intent of the Members that Section 1.704-1(b)(2)(ii)(b) (deficit make up obligation) of the Regulations shall not apply to this Agreement.

4.3 Distributions.

(a) **Distribution of Cash Flow.** Except to the extent set forth in **Sections 4.3(b) (c), and (d)** below, the Company may make distributions of Cash Flow on a periodic basis in accordance with the Members' Percentage Interests at such times as the Board of Managers determines in its sole discretion, and subject to any Company contractual obligations or liabilities to any Person regarding distributions to Members. Distributions of

Cash Flow will be made at the same time to all Members.

(b) **Mandatory Distributions for Taxes.** The Company shall make mandatory distributions each quarter to all Members, regardless of their actual tax liability, equal to the product of (i) the taxable income allocated to the Member during such fiscal year and (ii) the highest combined federal and New York State and City marginal tax rates for individuals applicable to such fiscal year (taking into account the character of the income so allocated). Notwithstanding anything in this Agreement to the contrary, distributions made pursuant to this **Section 4.3(b)** shall reduce distributions otherwise to be made under this Agreement. In the event that the Company does not have sufficient funds or otherwise fails to make distributions to Gaul for his actual tax liability as required above, the other Members shall pay Gaul the amounts not distributed and indemnify Gaul for any losses suffered by Gaul for such amounts not distributed by the Company to Gaul. The obligation to provide Gaul, to the extent he is allocated taxes, shall survive his termination\withdrawal\buyout as a member, to the extent he was entitled to such distribution while he was a member.

(c) **Distributions of Cash from Capital Transactions.** The Company may make distributions of cash from Capital Transactions at such times as the Board of Managers determines in its sole discretion, and subject to any Company contractual obligations or liabilities to any Person regarding distributions to Members, as follows:

(i) First, all outstanding loans from Members shall be repaid in the same proportion which the outstanding loans from any Member shall bear to the outstanding loans of all Members;

(ii) Second, the Members shall to the extent of and in proportion to their positive Capital Account balances, determined after taking into account all Capital Account adjustments for the Company's taxable year during which the liquidation occurs; and

(iii) Third, the Members shall receive the balance of the proceeds pro rata in accordance with their respective Percentage Interests.

(d) **Distributions Upon Liquidation.** Liquidation proceeds will be paid within sixty (60) days of the end of the taxable year (or, if later, within one hundred twenty (120) days after the date of the liquidation). The Company may offset damages for breach

of this Agreement by a Member whose interest is liquidated (either upon the withdrawal of a Member or the liquidation of the Company) against the amount otherwise distributable to the Member. Upon the Company's liquidation, the Company's assets shall be distributed in the following order of priority:

(i) First, the claims of creditors, other than Members, shall be satisfied and adequate reserves established (as determined by the Board of Managers);

(ii) Second, all outstanding loans from Members shall be repaid in the same proportion which the outstanding loans from any Member shall bear to the outstanding loans of all Members;

(iii) Third, the Members shall to the extent of and in proportion to their positive Capital Account balances, determined after taking into account all Capital Account adjustments for the Company's taxable year during which the liquidation occurs; and

(iv) Fourth, the Members shall receive the balance of the proceeds pro rata in accordance with their respective Percentage Interests.

(e) Pre-Purchase Agreement Collections. Notwithstanding anything herein to the contrary, Gaul shall be entitled to monthly distributions in an amount equal to any collections received by the Company for services performed by the Company or its agents or employees on or prior to the Post-Effective Date as defined in the Purchase Agreement.

4.4 Capital Account Adjustments. Unless the Board of Managers shall determine otherwise, the gross asset values of all the Company's assets shall be adjusted to reflect unrealized appreciation or depreciation, as determined by the Accountant, and the Capital Accounts of Members shall be adjusted accordingly, upon the occurrence of the following events: (a) the acquisition of an additional Company Interest by any new or existing Member; (b) the withdrawal of a Member, and (c) the liquidation of the Company; provided, however, that adjustments pursuant to clauses (a) and (b) above shall be made only if the Board of Managers reasonably determines that adjustments are necessary or appropriate to reflect the relative economic interests of Members.

4.5 Negative Balance. No Member with a negative balance in his/her/its Capital Account shall be obligated to the Company to restore all or any portion of the amount of such negative balance.

4.6 Covenant of Members. Each Member agrees to file federal, state and local income tax returns on a basis consistent with the content of each Member's Form K-1 from the Company and the terms and provisions of this Agreement, and each Member agrees not to take a position inconsistent therewith before any federal, state or local taxing authority without first obtaining the prior consent of the Board of Managers.

5. Rights and Liabilities of Members.

5.1 Meetings of the Members; Quorum. Regular meetings of the Members shall be held at least annually for the purpose of notifying the Members of the Company's business results and developments. A quorum shall be present at a meeting of the Members if the holders of One Hundred percent (100%) of the Membership Interests are represented at the meeting in person or by proxy. Except as otherwise set forth in this Agreement, the affirmative vote of all of the Membership Interests represented at a meeting in which a quorum is present shall be the act of the Members. Each Member shall have one (1) vote for each Unit held by such Member on any matter requiring a vote of the Members.

5.2 Special Meetings. Special meetings of the Members, for any purpose or purposes, may be called by the President, any Vice President, any Manager, or two (2) or more Members representing in the aggregate of at least fifteen percent (15%) of the Company Interests, unless otherwise prescribed by the Act.

5.3 Place of Meeting. The Board of Managers shall designate any place, within or outside the State of New York, as the place for any meeting of the Members. If no designation is made, the place of the meeting shall be the principal place of business of the Company in the State of New York. Any or all Members may participate in any Members' meeting by, or through the use of, any means of communication by which all Members participating may simultaneously hear each other during the meeting. A Member so participating is deemed to be present in person at the meeting.

5.4 Notice of Meetings. The Company shall serve personally, or by mail, e-mail, facsimile or commercial overnight courier, a written notice thereof, addressed to each Member at his or her address as it appears on the Company records, (i) not less than ten (10) days before said annual meeting, and (ii) (A) by giving notice to such Members in person or by telephone at least five (5) days in advance of the special meeting, or (B) by sending a telegram, telex, facsimile, e-mail, or delivering written notice by hand or recognized overnight courier to each Member's principal office at least five (5) days in advance of the special meeting, and shall include a description of the purposes for which the meeting is called, to each Member of record at the meeting, at such address as appears in the records of the Company. At any meeting at which all Members shall be present, or of which all Members not present have waived notice in writing, the giving of notice as above required may be dispensed with.

5.5 Record Date. The Record Date for the purpose of determining the Members entitled to notice of a Members' meeting (not special), for demanding a meeting, for voting, or for taking any other action shall be the first (1st) day of the month that precedes the month during which the meeting is scheduled or to be held.

5.6 Action. The Members understand and agree that (a) the Managers shall solely manage the Company and conduct the Company's business and affairs, (b) the Members in their capacities as Members have no right, authority or entitlement to participate in any decision-making regarding the Company or the conduct of the Company's business and affairs, unless required by applicable law or as specifically set forth in this Agreement; (c) in no respect shall the vote of the Members be required to approve, confirm or ratify any decision or conduct of the Managers, unless required by applicable law or as specifically set forth in this Agreement, and (d) to the extent that the vote of the Members is requested by the Managers, the Managers are not bound by or obligated to take any action approved or authorized by the Members, unless otherwise required by applicable law or as specifically set forth in this Agreement.

5.7 Action by Members Without a Meeting. Subject to the provisions of the Act and this Agreement, any action required or permitted to be taken at a Members' meeting by the vote of the Members may be taken without a meeting if the action is approved through the consent of Members owning the Percentage Interest of the Company Interests required to approve such action at a meeting of the Members, provided such action does not require approval by greater than a majority of the Members. If the action requires approval by greater than a majority of the Members, then any action may be taken without a meeting if unanimously approved by the Members. The written consents shall be filed with the minutes of proceedings of the Members. The Record Date for determining Members entitled to take action without a meeting is the first date a Member signs the consent to such action. Any Member who does not sign a written consent for approval of an act that requires the majority vote of the Members shall receive a copy of such written consent within five (5) business days following receipt by the Company of the signatures of at least a majority of the Members.

5.8 Advances by the Members. A Member may from time to time, with the consent of the Board of Managers, advance additional monies to or for the Company's benefit, and each such advance shall be treated as a Capital Contribution to the Company or as a loan to the Company, as determined by the Board of Managers. Any advance which is treated as a loan shall be evidenced by a promissory note executed and delivered by the Company to the Member.

5.9 Transactions Between Member and/or Managers and the Company. Except as may otherwise be provided in **this Agreement**, a Member or Manager may lend money to, borrow money from, act as a surety, guarantor or endorser for, guarantee or assume one or more specific obligations of, provide collateral for, and transact other business with the

Company and, subject to other applicable law, has the same rights and obligations with respect to any such matter as a Person who is not a Member or Manager.

5.10 Pledge or Mortgage. No Member shall pledge, encumber, hypothecate or grant a security interest in or mortgage his or her Company Interest to any Person, without the consent of the Board of Managers, which consent may be withheld for any reason or no reason.

5.11 Member Liability.

(a) Except as may be explicitly and specifically set forth in this Agreement, no Member shall have any liability for the obligations of the Company, either directly or indirectly.

(b) Except as otherwise required by law, no Member shall be liable, responsible, or accountable in damages or otherwise to the Company, any other Member or any third party for any and all claims and demands whatsoever incurred in such Member's capacity as a Member.

(c) No indemnification may be made to or on behalf of any Member if a judgment or other final adjudication adverse to such Member establishes (i) that his or her acts were committed in bad faith or were the result of active and deliberate dishonesty and were material to the cause of action so adjudicated; or (ii) that he or she personally gained in fact a financial profit or other advantage to which he or she was not legally entitled. Any amount paid by the Company to indemnify a Member hereunder shall be taken into account (according to the Company's normal accounting method) in computing profit or loss and, notwithstanding this **Section 5.11(c)**, a Member receiving such indemnification payment shall bear a portion of the cost thereof to the extent that his/her/its share of such profit or loss is thereby affected.

(d) Each Member hereby agrees to indemnify and hold the Company and each other Member wholly and completely harmless from and against any liability, cost, damage, or expense that any such indemnified party may incur (including reasonable legal and accounting fees and other expenses incurred in defending against such liability, cost, damage, or expense) as a result of a judgment or other final adjudication that is directly or indirectly related to this Agreement or the Company and that is adverse to such Member that establishes (i) that his or her acts were committed in bad faith or were the result of active and deliberate dishonesty and were material to the cause of action so adjudicated; or (ii) that he or she personally gained in fact a financial profit or other advantage to which he or she was not legally entitled. No amount paid hereunder shall be treated as a Capital Contribution by the Member making such payment.

5.12 No Obligation to Refer. No Member shall have any obligation to refer patients to the Company for services.

5.13 Compliance With Law. The transfer of any voting rights or written proxy otherwise permitted by this **Article 5** must be made in accordance with the provisions of § 2801-a(4) of the Public Health Law of the State of New York.

5.14 Member Health Insurance. The Members agree that for so long as Gaul is a Member of the Company, the Company shall provide Gaul with individual and family health insurance coverage at Gaul's sole cost and expense for premiums, in such materially similar amounts and coverage as Gaul maintained just prior to the Effective Date.

6. Management of the Company.

6.1 Board of Managers. The business and affairs of the Company shall be managed by a Board of Managers. The Board of Managers shall take any and all actions necessary, desirable, convenient or incidental for the furtherance of the objects and purpose of the Company and this Agreement. A Manager shall be removed at any time for Cause upon the Super-majority Vote of the Members. The Board shall be comprised of two (2) Managers, unless otherwise expanded by a unanimous vote of the Managers. Each Manager shall possess one (1) vote on matters coming before the Board of Managers. Except as set forth in **Sections 6.2** below, all decisions of the Company will require approval of a majority of the Board. The initial Managers shall be Matt and Ben. Each Member of the Board of Managers shall serve as a Manager until his or her earlier death, resignation, or removal in accordance with this Agreement. In such event, successor Managers shall be appointed by the remaining Manager.

6.2 Extraordinary Decisions. The following acts shall require unanimous approval from all of the holders of the issued and outstanding Membership Units:

- (a) Amending this Agreement or the Company's articles of organization.
- (b) A Sale of all or substantially all of the assets of the Company.
- (c) The dissolution of the Company.

6.3 Resignation/Removal. A Manager may resign upon providing no less than sixty (60) days' notice to the Board. A Manager may be removed at any time for Cause, upon the affirmative vote of a Super-majority of the Members.

6.4 Meetings of the Board of Managers. Meetings of the Board of Managers shall occur, and notice thereof shall be given as follows:

- (a) Meetings of the Board of Managers shall be held at the principal place of business of the Company or at any place, within or outside the State of New York, as may be determined from time to time by the agreement of the Board of Managers. Notice of meetings shall be given to all Managers at least three (3) calendar days before the anticipated meeting date. Notice shall be given by phone, e-mail, other written notice or in-person. Managers may participate in meetings by means of conference telephone or

other similar communications equipment by means of which all persons participating in the meeting can hear each other, and such participation in a meeting shall constitute presence in person at such meeting. Written minutes of the business transacted at meetings shall be made by a person designated by the Managers, and such minutes shall be retained at the principal office of the Company and be available for inspection by any Member during regular business hours.

(b) The Board shall meet as often as it deems necessary, but no less often than quarterly per year.

(c) A written waiver of notice of any meeting of the Board of Managers signed by a Manager then in office, either before or after the time of the meeting, shall be deemed equivalent to notice to such Manager of such meeting. Attendance by any Manager at a meeting of the Board of Managers shall constitute a waiver of notice of such meeting, except when the Manager attends the meeting specifically to object to the transaction of any business or certain specified types of business because proper notice of the meeting has not been given in accordance with these procedures.

(d) Action Without a Meeting. Whenever the Managers are required or permitted to take any action by vote that requires approval by a majority of the Board, such action may be taken without a meeting if the action is approved through the written consent of a majority of Managers, which may be executed in counterparts. Any action requiring approval by a Super-majority of the Board shall only be permitted to be taken without a meeting if such action is approved by the unanimous written consent of the Board. Every written consent shall be delivered to the Company at its principal office by personal delivery, first-class mail, facsimile, or electronic mail. Every written consent shall bear the date of the signature of each Manager who signs the consent. A Manager's written consent to an action or decision may be evidenced by his or her signature on a counterpart of the proposed matter or by a separate writing, including telegram, telex, telecopy, or other electronic facsimile which clearly identifies the matter being considered and the Manager's consent thereto. A written consent signed and delivered in accordance with the provisions of this Section shall have the effect of vote at a meeting and may be described as such in any document. Any Manager who does not execute a written consent which requires majority approval shall receive a copy of the consent within five (5) business days following receipt by the Company of the signatures of at least a majority of the Managers.

6.5 Committees. The Board may establish such committees with such membership and responsibilities as the Board shall determine from time to time (in all cases, the "Committees"). Except as may otherwise be determined by the Board, the members of any Committee need not be Managers. Unless otherwise stated herein or determined by the Board, the provisions of this **Section 6.5** shall apply to all Committees. No Committee that includes voting members who are not Managers may bind the Company or authorize Company action.

(a) Subject to the preceding sentence and limitations as required by

Article 28 of the Public Health Law or other applicable statutes and regulations, the Board of Managers may delegate to any Committee any of the powers of the Board, but such delegation shall not reduce or eliminate any requirement to obtain super-majority or other special approvals that would otherwise apply to Member or Board action.

(b) Except as may otherwise be determined by the Board: (i) each Committee may fix rules of procedure for its business; and (ii) a majority of the members of a Committee present at any meeting shall constitute a quorum for the transaction of business and the act of a majority of those present at a meeting at which a quorum is present shall be the act of the Committee. Any action required or permitted to be taken at a meeting of a Committee may be taken without a meeting, if a unanimous written consent which sets forth the action is signed by each member of the Committee and filed with the minutes of the Committee.

6.6 Medical Director.

(a) Appointment. The Managers shall appoint up to two (2) physicians who will be responsible for the overall administration of the clinical aspects of the Center (the “Medical Director”). The Medical Director shall be responsible for developing, implementing, and reviewing written medical policies and standards. The Medical Director shall perform all of the duties incident to this position, and such other duties as may be assigned by the Board of Managers.

6.7 Limitations. Unless authorized to do so by this Agreement or the Board of Managers, no Member shall have any authority to act for, or to undertake or assume, any obligation, debt, duty or responsibility on behalf of the Company, or to bind the Company in any way, or to pledge its credit or to render it liable monetarily for any purpose. No Member shall have, under this Agreement, any authority to act for or to bind any other Member, except for such proxies as may be given and exercised in accordance with this Agreement.

6.8 Liability for Certain Acts.

(a) No Manager or Officer shall be liable, responsible, or accountable in damages or otherwise to the Company or any Member, Manager or Officer for any and all claims and demands whatsoever; provided, however, that no indemnification may be made to or on behalf of any Manager or Officer if a judgment or other final adjudication adverse to such Manager or Officer establishes (i) that his or her acts or were the result of active, deliberate and intentional dishonesty and were material to the cause of action so adjudicated; or (ii) that he or she committed an intentional act where he/she personally gained a financial profit or other advantage to which he or she was not legally entitled.

(b) Each Manager and Officer hereby agrees to indemnify and hold the Company and each Member, Manager and Officer wholly and completely harmless from and against any liability, cost, damage, or expense that any such indemnified party may

incur (including reasonable legal and accounting fees and other expenses incurred in defending against such liability, cost, damage, or expense) as a result of a judgment or other final adjudication adverse to such Manager or Officer that establishes (i) that his or her acts were the result of active, intentional and deliberate dishonesty and were material to the cause of action so adjudicated; or (ii) that he or she committed an intentional act where he/she personally gained a financial profit or other advantage to which he or she was not legally entitled.

(c) Company hereby agrees to indemnify and hold each Member, Manager and Officer to the fullest extent permitted by the laws of the State of New York in effect on the date of an occurrence requiring such indemnification, wholly and completely harmless from and against any liability, cost, damage, or expense that any such indemnified party may incur (including reasonable legal and accounting fees and other expenses incurred in defending against such liability, cost, damage, or expense) unless such loss results from such indemnified party's actions that were the result of active, deliberate and dishonesty and were material to the cause of action so adjudicated.

6.9 No Guaranty of Company Performance. The Board of Managers and the Company's Officers do not, in any way, guarantee the return of the Members' Capital Contributions, a profit for the Members from the Company's operations, or the increase of the Company's value.

6.10 Signatory Authority for Checks. Except as determined by the Board of Managers, all checks, notes, drafts or other orders for the payment of money of the Company shall (a) in the case of checks up to Ten Thousand Dollars (\$10,000.00) be signed, endorsed or accepted in the name of the Company by any one (1) Officer or Manager of the Company, or by a Designated Person approved by the Board of Managers), and (b) in the case of checks in excess of Ten Thousand Dollars (\$10,000.00) be signed, endorsed or accepted in the name of the Company by any two (2) Officers or Managers of the Company. Notwithstanding the foregoing, the limits set forth in this **Section 6.10** shall not apply with respect to payments for malpractice insurance or employee payroll.

7. Disposition of a Member's Interest.

7.1 Prohibition Against Transfer of Units. Except as set forth in **Section 7.2**, no Member shall Transfer its Company Interest without the prior written consent of a Super-majority of the remaining Members which consent shall not be unreasonably withheld conditioned or delayed, and in accordance with the other provisions of this Agreement and applicable law. Any Transfer in violation of this Agreement shall be null and void and without any force or effect. Further, any transferee of a Company Interest in accordance herewith must expressly agree in writing to be bound by the terms of this Agreement. The Company shall not issue any Units in the Company to any other Person unless such Person expressly agrees in writing to be bound by the terms of this Agreement by executing a Joinder Agreement in the form annexed hereto as **Exhibit A**. In addition to the foregoing,

any Transfer, assignment or other disposition of Company Interests or voting rights in the Company must be effectuated in accordance with Public Health Law Section 2801-a(4).

7.2 Put/Call Rights.

(a) Gaul hereby grants to Matt and Ben (the “Call Members”), a call option (the “Call Option”) to purchase all of Gaul’s Units in equal portions then held by Gaul (the “Call Interests”). The Call Option is exercisable at any time on and after six (6) months from the Effective Date. The right of the Call Members to purchase the Call Interests under this Section shall be exercisable by delivering written notice of the exercise thereof to Gaul (the “Call Notice”). The parties acknowledge and agree that consideration for the Call Option, and if exercised, the Call Interests, shall be Six Hundred Fifty Thousand and 00/100 Dollars (\$650,000) (the “Call Price”). The Call Price shall be earned, due and payable upon exercise of the Call Option. The Call Price shall be paid by wire transfer of immediately available funds upon exercise of the Call Option. The Call Price shall not be refundable nor contingent upon the closing of the purchase of the Call Interests.

(b) The Call Members hereby grant to Gaul, a put option (the “Put Option”) to sell all Units then held by Gaul (the “Put Interests”) to Buyers. The Put Option is exercisable at any time on and after nine (9) months after the Effective Date. The right of Gaul to sell the Put Interests under this Section shall be exercisable by delivering written notice of the exercise thereof to the Members (the “Put Notice”). In the event Gaul exercises the Put Option, the Call Members shall pay Gaul Six Hundred Fifty Thousand and 00/100 Dollars (\$650,000) (the “Put Price”) within five (5) business days of Gaul’s exercising the Put Option. The Put Price shall be paid by wire transfer of immediately available funds within five (5) business days of Gaul’s exercising the Put Option. The Put Price shall not be refundable nor contingent upon the closing of the purchase of the Put Interests.

(c) The Members (if the Call Option is exercised) or Gaul (if the Put Option is exercised) shall provide the DOH with a notice pursuant to PHL 2801-a(4)(iii) (“DOH Notice”) – transfers to existing partners or Members of LLCs that result in the withdrawal of the transferor from the partnership or LLC with ninety (90) days’ notice after the receipt of the Put Notice and/or Call Notice. Within five (5) business days after the receipt of the Put Notice or the Call Notice, the Company, Gaul, Matt and Ben, individually or collectively in accordance with the DOH requirements shall submit the DOH Notice. The Call Notice or the Put Notice shall not be effective until the DOH Notice (including any periods where the 90 days’ notice period is tolled) has either expired without objection from DOH or DOH has approved the transfer of the membership interests.

7.3 If required by DOH, the Members shall provide such information and execute such documentation as required in connection with the submission of the DOH Notice. The closing of the purchase of such Put Interests or Call Interests shall occur on or before the date that is five (5) business days following the earlier of (i) the expiration of the 90 Day Notice Period without receipt of notice of objection or tolling of the 90 Day Notice Period from the New York State Department of Health; or (ii) the receipt by Gaul or the

Members of the written final, non-contingent approval of the 90 Day Application (the “Put/Call Closing”). At the Put/Call Closing, Gaul shall deliver to each of the Members/Call Members, as applicable, the Membership Interest Powers substantially in the form attached hereto as **Exhibit B** to effectuate the transfer of the Put Interests or Call Interests to each applicable party. The Members/Call Members shall use best efforts to cause the Company to diligently pursue the approval of DOH or the PHHPC, as applicable, including substitution of Call Members if such substitution is necessary and appropriate to secure DOH/PHHC approval. Any such substitution shall be approved by unanimous vote of the Board of Managers.

7.4 Effect of Transfer Permitted by Article 7.

(a) Agreement Binding Upon Transferees. Subject to the provisions of **Section 7**, in the event that, at any time or from time to time, any Units are Transferred pursuant to the terms of this Agreement, the Transferee shall take such Units pursuant to all provisions, conditions, and covenants of this Agreement, and, as a condition precedent to the Transfer of such Units, the Transferee shall agree in writing to be bound by all provisions of this Agreement as a party hereto and shall join in, execute and deliver a copy of this Agreement as a result of which it shall become an additional party hereto.

(b) Capital Account and Allocations. The Capital Account of a Transferor shall become the Capital Account of the Transferee, to the extent it relates to the portion of the Units Transferred, and the Transferee shall be entitled to receive distributions and allocations from the Company with respect to such Units only after the effective date of such Transfer.

(c) Financial Adjustments. At the time of a Transfer of a Member’s Units or another Member is admitted, at any time other than at the end of a Company accounting period, the distributive shares (in respect of the Units so Transferred) of the various items of Company profit, loss, deduction, credit, allowance or tax preference, as computed for federal and state income tax purposes, shall be allocated between the transferor and transferee pursuant to a preliminary closing of the Company’s books, unless otherwise agreed by the transferor, transferee and the Managers, that the allocation shall be based upon the ratio of the number of days in the taxable year before and after the Transfer.

(d) Basis Adjustments. In the event of a Transfer of a Units, the Company, upon the request of a Transferee, will elect on behalf of the Company under Section 754 of the Code to cause the basis of the Company’s property to be adjusted, for federal income tax purposes, in the manner provided in Section 734 or 743 of the Code.

8. Banking, Accounting, and Tax Matters.

8.1 All revenues of the Company shall be deposited regularly in savings, checking, or other accounts of the Company at such banks or other entities as shall be selected by the Board of Managers. Checks or other withdrawals from any bank account

of the Company shall be issued or made in accordance with Section 6.10 herein.

8.2 The Company shall maintain books of account, in which shall be entered fully and accurately each transaction of the Company.

8.3 The Company shall prepare, or cause to be prepared, un-audited quarterly financial statements for the Company, including income statements, balance sheets, and statements of cash flow. Each set of quarterly statements shall be prepared and furnished to each Member within 30 days of the end of the quarter.

8.4 Each year, the Company shall cause to be prepared financial statements for the Company in accordance with generally accepted accounting principles, consisting of the Company's balance sheet as of year-end, profit and loss statement, statement of changes in financial position, and the accompanying notes and comments. Such financial statements shall be prepared by the Company's accountant and furnished to each Member within ninety (90) days of the end of the Company's fiscal year.

8.5 The Company shall prepare, or cause to be prepared, all necessary federal, state, and local income tax returns of the Company, and shall provide each Member with copies of all such returns. In addition, the Company shall prepare or cause to be prepared, as soon as practicable after the end of each fiscal year, such tax information relating to the Company (including **Schedule K-I**) as shall be necessary for the preparation of the Members' own federal and State income tax returns.

8.6 The fiscal year of the Company shall begin on January 1, unless the Board of Managers otherwise determines.

8.7 Notwithstanding any provision set forth in this Agreement to the contrary, for purposes of Section 6231(a)(7) of the Code or any corresponding provision of any future law of the same or similar import, the "Tax Matters Representative" of the Company shall be Ben, or such other Member selected by the Board of Managers from time to time. The Tax Matters Member shall be authorized to carry out, on the Company's behalf and at the Company's expense, all acts appropriate to such designation.

9. Dissolution of the Company.

9.1 The Company shall be dissolved upon the occurrence of any of the following events:

(a) The determination to dissolve the Company by the holders of at least a Super-majority of the issued and outstanding Membership Interests of the Company.

(b) The occurrence of any other event causing the dissolution of the Company pursuant to the Act.

9.2 Upon any dissolution of the Company, the assets of the Company shall be

liquidated, and the Company's accountant shall prepare a statement setting forth the assets and liabilities of the Company as of the date of dissolution.

9.3 Profits and losses resulting from such liquidation shall be allocated to the Members in accordance with **Section 4.1** hereof.

9.4 The proceeds of the liquidation shall be applied in accordance with **Section 4.3(c)** hereof.

9.5 Upon dissolution of the Company, the Company shall establish any reserves which the Company's accountant deems reasonably necessary to cover any contingent or unknown liabilities or obligations of the Company. The Company is authorized to fund such reserves from the amounts distributable to the Members under **Section 4.3(d)(iii)**, in proportion to their respective Percentage Interests. Such reserves shall be held in escrow by any attorney or any federally insured bank, savings and loan institution, or trust company doing business in the State for the purpose of disbursing such reserves in payment of any liabilities that may become fixed and certain. The escrow agent may deposit the escrow fund in interest-bearing time deposit accounts in commercial or savings banks, trust companies, or savings and loan institutions. Eighteen (18) months after the termination of the Company's business or before, in the discretion of the escrow agent, any balance remaining in the escrow fund which is not required to meet then known or reasonably certain liabilities shall be distributed to the Members in the same proportion as the reserve was established.

10. Modification for Prospective Legal Events.

10.1 If, in the good faith opinion of any Member, as supported by the written opinion of counsel to such Member, any federal or state laws or regulations now existing or hereafter promulgated or enacted, including Medicare and laws relating to tax-exempt entities, are interpreted by judicial decision, a regulatory agency, or legal counsel in any manner as to indicate that the structure of this Agreement (including the Exhibits hereto and other documents referred to herein), or any portion thereof, or the Company, may be in violation of such laws or regulations, or may subject a Member to sanctions or excise taxes (which shall not include unrelated business income tax), such Member may require the Members to use their respective commercially reasonable best efforts to amend this Agreement or other documents to the extent necessary to avoid further violation. If the Members do not agree that the structure of this Agreement and related documents, or any portion thereof, may be in violation of such laws or regulations, or may subject a Member to sanctions or excise taxes (which shall not include unrelated business income tax) the issue as to whether there is such a violation shall be submitted to binding arbitration in accordance with the alternative dispute resolution process established by the American Health Lawyers Association ("AHLA"). The arbitrator's decision will be final. Unless otherwise required by the arbitration rules or process, all arbitration sessions shall be conducted in the State of New York. Each party will bear its own costs and expenses

associated with the arbitration proceedings, including costs of witnesses, travel, attorneys, and other representatives. The general costs and expenses of the proceedings, such as the fees of the arbitrators and the charges of the AHLA, will be divided equally among the parties to the dispute.

10.2 To the maximum extent possible, any such amendment shall preserve the underlying economic and financial arrangements set forth herein. A Member requesting such an amendment shall give written notice thereof to the other Members which shall set out in sufficient detail the basis for the amendment request and specifically identify the specific provisions of this Agreement for which renegotiation is sought. Within thirty (30) days of its receipt of such notice, the other Members shall give notice of any additional provisions of this Agreement as to which they request renegotiation and the reasons thereof. No provisions of this Agreement other than those specifically designated by the Members for renegotiation shall be affected by the renegotiations.

11. Miscellaneous.

11.1 **Notice.** Whenever any notice is required or permitted to be given under any provisions of this Agreement, such notice shall be in writing, signed by or on behalf of the party giving the notice, and shall be deemed to have been given when delivered by personal delivery or five (5) days after being mailed by certified mail, postage prepaid, return receipt requested, addressed to the person or persons at the address for such person contained in the books and records of the Company, or at such other address as either Member shall provide to the other Member in accordance with the terms of this Agreement.

11.2 **Binding Effect.** Except as otherwise provided herein, this Agreement shall be binding upon and shall inure to the parties hereto and their permitted successors and assigns.

11.3 **No Waiver.** No waiver of any breach or condition of this Agreement shall be deemed to be a waiver of any other condition or subsequent breach, whether of like or different nature.

11.4 **Entire Agreement.** This Agreement constitutes the entire Agreement between the Members pertaining to the Company and the subject matter contained herein and supersedes all prior agreements and understandings with respect to the subject matter hereof.

11.5 **Governing Law.** This Agreement and the obligations of each Member shall be governed by the laws of the State of New York, without giving effect to the principles of conflict of laws.

11.6 **Further Documents; Termination.** Each Member hereby agrees that they will execute and/or deliver such further instruments, including but not limited to personal

financial statements, and such further acts and things as may be necessary or desirable to carry out the purposes of this Agreement and of the Company.

11.7 Invalidity. In the event any provision of this Agreement shall be held to be invalid, the validity of the remaining provisions of this Agreement shall not in any way be affected thereby.

11.8 Amendments. Except for updates to **Schedule A** in accordance with **Section 7** hereof, this Agreement may not be amended, modified or otherwise changed or varied, except by an instrument in writing executed by all of the Members.

11.9 Captions. Captions are inserted herein for convenience only, and are not a part of this Agreement, and shall not be used in the interpretation of this Agreement or any provision hereof.

11.10 Execution; Counterparts. This Agreement may be executed in two (2) or more counterparts, each of which shall be deemed an original and all of which taken together shall constitute a single instrument. Delivery of a copy of this Agreement bearing an original signature by facsimile transmission, by electronic mail in “portable document format” (“.pdf”) form, or by any other electronic means intended to preserve the original graphic and pictorial appearance of a document, will have the same effect as physical delivery of the paper document bearing the original signature.

11.11 Partnership. It is the intent of the Members that the Company be treated as a partnership for all tax purposes, and no Member shall take an inconsistent position on any tax return.

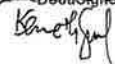
11.12 Specific Performance. The parties to this Agreement shall be entitled to specific performance by all parties of their obligations contained in this Agreement.

11.13 Representation. THIS AGREEMENT HAS BEEN PREPARED FOR AND ON BEHALF OF THE COMPANY. BY EXECUTING THIS AGREEMENT, EACH MEMBER REPRESENTS AND WARRANTS THAT HE/SHE/IT HAS ENTERED INTO THIS AGREEMENT BASED UPON THEIR INDEPENDENT JUDGMENT, KNOWLEDGE AND EXPERTISE, AS WELL AS ON THE ADVICE OF SUCH OTHER PROFESSIONAL PERSONS, LEGAL COUNSEL OR FIRMS CONSULTED BY THEM, AND NOT IN RELIANCE UPON ADVICE OF THE COMPANY, OR PROFESSIONAL PERSONS, LEGAL COUNSEL OR FIRMS RETAINED BY THE COMPANY.

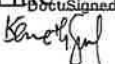
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IN WITNESS WHEREOF, the Members have caused this Operating Agreement to be executed as of the date first above written.

SUFFOLK PRIMARY HEALTH, LLC

By: 
DB5001177E5A427...

Name: Kenneth Gaul

Title: 
DB5001177E5A427...
KENNETH GAUL


388F7844814047D...
MATISYAHU YITZCHOK SWERDLOFF


1B879EF6F36F48A...
CHAIM BENZION FOLGER

SCHEDULE A

MEMBERS

<u>MEMBER</u>	<u>UNITS</u>	<u>PERCENTAGE INTEREST</u>
KENNETH GAUL	84	84%
MATTHEW YITZCHOK SWERDLOFF	8	8%
CHAIM BENZION FOLGER	8	8%

EXHIBIT A

JOINDER TO OPERATING AGREEMENT

SUFFOLK PRIMARY HEALTH LLC

The undersigned has read and hereby joins in and agrees to be bound by all of the terms and provisions of that certain Operating Agreement of SUFFOLK PRIMARY HEALTH, LLC (the “Company”) dated [_____], 202__ by and among the Members of the Company (as, or as the same may be, amended, modified, supplemented or restated, the “Agreement”), and shall for all purposes be deemed to be a Member (as such term is contemplated by the Agreement) of the Company, and shall be entitled to all of the rights and entitlements, and subject to and liable for all of the obligations, liabilities and undertakings, of a Member as set forth in or contemplated by the Agreement.

PURCHASER\MEMBER:

Signature

Date

Print Name

EXHIBIT B
FORM OF MEMBERSHIP INTEREST POWER

Irrevocable Membership Interest Power

FOR VALUE RECEIVED, the undersigned, Kenneth Gaul (the "Transferor"), (i) hereby assigns, transfers, and conveys to [] (the "Transferee") membership interests of Suffolk Primary Health, LLC, a New York limited liability company (the "Company") representing Forty-Two (42) units of membership interests of the Company (the "Transferred Interest"), and (ii) does hereby irrevocably constitute and appoint the Company's officers or other duly appointed representatives of the Company as its Attorney in Fact to transfer said Transferred Interest on the books of the Company with full power of substitution in the premises.

Dated: _____

Kenneth Gaul

**UNANIMOUS CONSENT
OF
THE MEMBERS
OF
SUFFOLK PRIMARY HEALTH, LLC**

The undersigned, being all of the members of Suffolk Primary Health, LLC, a New York Limited Liability Company (“Company”), do hereby consent to the adoption of the following resolution as a duly authorized valid corporate action pursuant to the provisions of the Operating Agreement of Suffolk Primary Health, LLC.

WHEREAS, the Company seeks to utilize the d/b/a “A Better Way NY” for the applied behavioral services provided by Suffolk Primary Health, LLC.

NOW THEREFORE, BE IT RESOLVED, that the Company is hereby authorized to make application to the New York State Department of Health (“Department”) to obtain approval to utilize the d/b/a referenced above.

This Resolution is adopted by unanimous consent as of the date set forth below.

Dated: August 1, 2024

DocuSigned by:

Kenneth Gaul

Kenneth Gaul, Member

DocuSigned by:

Matisyahu Swerdloff

Matisyahu Yitzchok Swerdloff, Member

Signed by:

Ben Folger

Chaim Benzion Folger, Member

**UNANIMOUS CONSENT
OF
THE MEMBERS
OF
SUFFOLK PRIMARY HEALTH, LLC**

The undersigned, being all of the members of Suffolk Primary Health, LLC, a New York Limited Liability Company (“Company”), do hereby consent to the adoption of the following resolution as a duly authorized valid corporate action pursuant to the provisions of the Operating Agreement of Suffolk Primary Health, LLC.

WHEREAS, the Company seeks to utilize the d/b/a “Summer Hill Behavioral Services” for Home and Community Based (HCBS) services provided by Suffolk Primary Health, LLC.

NOW THEREFORE, BE IT RESOLVED, that the Company is hereby authorized to make application to the New York State Department of Health (“Department”) to obtain approval to utilize the d/b/a referenced above.

This Resolution is adopted by unanimous consent as of the date set forth below.

Dated: August 1, 2024

DocuSigned by:

Kenneth Gaul

Kenneth Gaul, Member

DocuSigned by:

Matisyahu Swerdloff

Matisyahu Yitzchok Swerdloff, Member

Signed by:

Ben Folger

Chaim Benzion Folger, Member

MEMORANDUM

TO: Michael Stelluti
Division of Health Facility Planning and Development

Colleen Leonard, Executive Secretary
Public Health and Health Planning Council

FROM: Vincent DiCocco, Senior Attorney
Bureau of Program Counsel
Division of Legal Affairs

DATE: November 7, 2024

SUBJECT: Approval of the Proposed Amended Certificate of Incorporation of START Treatment & Recovery Centers, Inc. to change its name to StartCare, Inc. and expand its corporate purposes

This is to request that the above matter be included on the agendas for the next Establishment and Project Review Committee and Public Health and Health Planning Council meetings.

The attachments relating to this matter include the following:

- 1) Memorandum to the Public Health and Health Planning Council from Kathy Marks, General Counsel;
- 2) A request letter from Marissa A. Wong, Esq, counsel for the applicant, to the Public Health and Health Planning Council;
- 3) The Executed copy of the Restated Certificate of Incorporation of START Treatment & Recovery Centers, Inc.;
- 4) The Proposed Amended Certificate of Incorporation of START Treatment & Recovery Centers, Inc.;
- 5) The Unanimous Consent of the members of START Treatment & Recovery Centers, Inc. to change its name to "StartCare, Inc."; and
- 6) The Unanimous Consent of the members of START Treatment & Recovery Centers, Inc. to modify the corporate purposes to include the authority to develop, operate, and promote supportive and affordable housing, and economic development and revitalization programs.

Attachments



MEMORANDUM

To: Public Health and Health Planning Council

From: Kathy Marks *KSM*
General Counsel
Division of Legal Affairs

Date: November 7, 2024

Subject: Approval of Proposed Amended Certificate of Incorporation of START Treatment & Recovery Centers, Inc. to change its name to StartCare, Inc. and expand its corporate purposes

START Treatment & Recovery Centers, Inc. ("START") requests to amend its corporate purposes to identify new housing services and seeks approval to change its name to "StartCare, Inc."

START is a 501(c)(3) not-for-profit New York corporation that is a community-based provider of addiction treatment and mental health services. START was founded in 1969 and also conducts biomedical research. START serves patients throughout the New York City Metropolitan area and operates six facilities in Manhattan and Brooklyn, including a diagnostic and treatment center (Facility ID 1335) located at 500 West 180th Street, New York to 2406 Amsterdam Avenue, New York.

START is seeking to amend its Certificate of Incorporation to enlarge the purposes for which the corporation has been formed to allow the Corporation to develop, operate, and promote supportive housing, affordable housing, and economic development and revitalization programs. It is also seeking to change its corporate name to StartCare, Inc.

Attached is a letter from Marissa A. Wong, Esq., counsel for the applicant; the Restated Certificate of Incorporation of START; and the Proposed Amended Certificate of Incorporation of START. Additionally attached are the Unanimous Consent of the members of START to utilize the assumed name "StartCare, Inc." for the applied behavioral services and approving the new corporate purposes.

There is no legal objection to the proposed assumed name or the change in corporate purposes. The required documents are attached.

Attachments.



August 29, 2024

Public Health and Health Planning Council
New York State Department of Health
Center for Health Care Facility Planning, Licensure and Finance
Corning Tower, Room 1805
Albany, NY 12237

Via Email: PHHPC@health.ny.gov

Re: Request for corporate name change and amended corporate purposes

I am writing to request the consent of the Public Health and Health Planning Council ("PHHC") to change the name of our organization from START Treatment & Recovery Centers, Inc. ("START") to StartCare, Inc. In addition, I am requesting consent of the PHHC to amend the START corporate purposes to include housing services.

See attached restated certificate of incorporation for details of the above.

START is a 501(c)(3) not-for-profit New York corporation that is a community-based organization, and one of the nation's largest and oldest minority-led provider of addiction treatment and mental health services, also conducting biomedical research, founded by the renowned national authority on drug addiction, Dr. Beny J. Primm, in 1969. START serves patients throughout the New York City Metropolitan area and operates from six (6) facilities in Manhattan and Brooklyn, New York.

START is licensed at each of its facilities as a diagnostic and treatment center under Article 28 of the New York Public Health Law – Facility ID 1335.

Please let us know if you have any questions or require any additional information.

Thank you.

Sincerely,

Marissa A. Wong
Associate Counsel
937 Fulton Street
Brooklyn, NY 11238
Email: mwong@startny.org
Office: (718) 260-2985
Cell: (929) 675-5314

**RESTATED CERTIFICATE OF INCORPORATION
OF THE
START TREATMENT & RECOVERY CENTERS INC.
UNDER SECTION 805 OF THE NOT-FOR-PROFIT
CORPORATION LAW**

We the undersigned, Jean T. Stennett and Jennifer Norman, being respectively the Chair and Secretary of the Board of START Treatment & Recovery Centers Inc., hereby certify:

1. The name of the corporation (hereinafter referred to as the "Corporation") is START TREATMENT & RECOVERY CENTERS, INC.
2. The certificate of incorporation was filed by the Department of State on the 3rd day of October, 1969.
3. The certificate of incorporation for the Corporation are hereby amended as follows:
 - a. Article "First" of the Corporation's certificate of incorporation, which sets forth the proposed name of the Corporation, is hereby amended to state that the name of the proposed corporation is StartCare, Inc.
 - b. Article "Second" of the Corporation's certificate of incorporation, which sets forth the purposes of the Corporation, whereby subparagraph (6)(a) and 6(b) are removed and the following paragraph is added:

(6) To operate chemical dependence, alcoholism and/or substance abuse services, within the meaning of Articles 19 and 32 of the Mental Hygiene Law and the Rules and Regulations adopted pursuant thereto as each may be amended from time to time, which shall require as a condition precedent before engaging in the conduct of any such services an Operating Certificate from the New York State Office of Addiction Services and Supports
 - c. Article "Second" of the Corporation's certificate of incorporation, which sets forth the purposes of the Corporation, whereby subparagraph (15) is amended to read as follows:

(15) To operate programs for the mentally disabled pursuant to Article 31 of the Mental Hygiene Law and the rules and regulations adopted pursuant thereto, as each may be amended from time to time, which shall require as a condition precedent before engaging in the conduct of such services, an Operating Certificate from the New York State Office of Mental Health and the corporation may not establish any facility or program without first obtaining such Operating Certificate.
 - d. Article "Second" of the Corporation's certificate of incorporation, which sets forth the purposes of the Corporation, whereby a new subparagraph (16) is added as follows:

(16) to develop, operate, and promote supportive housing, affordable housing, and economic development and revitalization programs, including programs that require and subject to the issuance of an Operating Certificate by the New York State Department of Health.

- e. Article "Sixth" of the Corporation's certificate of incorporation, which sets forth the name and places of residences of its directors is hereby omitted.
 - f. Article "Eighth" of the Corporation's certificate of incorporation, which sets forth the subscribers to the certificate is hereby omitted.
- 4. The text of the restated certificate of incorporation, which consolidated the foregoing amendments and all previous amendments to the certificate of incorporation in a single document, is as follows:

<the remainder of this page is intentionally left blank>

Restated Certificate of Incorporation
Of
STARTCARE, INC.
Pursuant to Section 805 of the Not-for-Profit Corporation Law
of the State of New York

WE, THE UNDERSIGNED, for the purpose of forming a not-for-profit corporation pursuant to the Not-For-Profit Corporation law of the State of New York, do hereby certify as follows:

FIRST: The name of the proposed corporation is: STARTCARE, INC.

SECOND: The purposes of which the corporation is to be formed are:

- (1) to establish, maintain and operate outpatient facilities for the prevention, study, care, treatment, rehabilitation and after-care of narcotics addicts, provided, however, that before each such facility is established and opened the written approval of the State Board of Social Welfare shall be obtained;
- (2) to promote, develop and administer programs for prevention, study, care, treatment, cure, rehabilitation and control of narcotic addiction with emphasis on a research program for treatment of narcotic addiction through the administration, under medical supervision and control, of maintenance or other dosages of any drug useful in the treatment of narcotic addicts;
- (3) to establish and maintain facilities for dispensing, under medical supervision and control, maintenance or other dosages of any drug useful in the treatment of narcotic addicts;
- (4) to provide psychological and psychiatric counseling, treatment and medical services to narcotic addicts under its care and supervision or to refer such addicts for other appropriate care;
- (5) to provide after-care and continuing counseling services to persons who have been under its care and supervision;
- (6) to operate chemical dependence, alcoholism and/or substance abuse services, within the meaning of Articles 19 and 32 of the Mental Hygiene Law and the Rules and Regulations adopted pursuant thereto as each may be amended from time to time, which shall require as a condition precedent before engaging in the conduct of any such services an Operating Certificate from the New York State Office of Addiction Services and Supports;
- (7) to acquire any property, real, personal or mixed, or interests therein by grant, gift, purchase, lease, devise, bequest or otherwise, and to own, hold, use, enjoy, manage, sell, deal with, lease, pledge, mortgage, donate and dispose of the same in such manner, on such terms and for such considerations as the board of directors may determine subject to the provisions of the Not-For-Profit Corporation Law;
- (8) to invest and reinvest its funds in such mortgages, bonds, debentures, shares of preferred and common stock, and in such other securities and properties as its board

- of directors shall deem advisable, subject to the limitations and conditions contained in any gift, devise, or bequest;
- (9) to borrow money and contract debts in connection with the acquisition of property or otherwise in aid of any of the purposes of the corporation; and to issue or dispose of its obligations for any amount so borrowed, and to mortgage or pledge its property to secure the payment of such obligations, or of any debt contracted for such purposes;
 - (10) to solicit funds for the use of the corporation from individuals, foundations, governmental agencies or others, subject to, and in accordance with, provisions of law;
 - (11) in general, to exercise such powers which now are or may hereafter be conferred by law upon a corporation organized for the purposes hereinabove set forth or necessary or incidental to the powers so conferred, or conducive to the attainment of the purposes of the corporation, subject to such limitations as are or may be prescribed by law; provided, however, that, the corporation may not exercise any power which would cause the corporation to lose its tax exempt status;
 - (12) the corporation is not organized for pecuniary profit, and no part of its income shall inure to the benefit of any member, director, officer or employee of the corporation, or any other private individual, except, as reimbursement, for expenditures or as reasonable compensation for services rendered in effecting, or as a proper beneficiary of its strictly charitable and scientific purposes;
 - (13) upon the liquidation, dissolution, or winding up of the corporation, whether voluntary, involuntary or by operation of the law, its assets shall be distributed exclusively to such organizations as shall have similar charitable or scientific purposes as the directors of the corporation may determine; provided that any such recipient organization shall be qualified as an exempt organization under Section 501(c)(3) of the Internal Revenue Code of 1954, or any comparable section then in effect, and that any such distribution shall be subject to the approval of a Justice of the Supreme Court of the State of New York;
 - (14) no substantial part of the activities of the corporation shall consist, of carrying on propaganda, or otherwise attempting, to influence legislation, and the corporation shall not participate in, or intervene in (including the publishing or distributing of statements) any political campaign on behalf of any candidate for public office;
 - (15) to operate programs for the mentally disabled pursuant to Article 31 of the Mental Hygiene Law and the rules and regulations adopted pursuant thereto, as each may be amended from time to time, which shall require as a condition precedent before engaging in the conduct of such services, an Operating Certificate from the New York State Office of Mental Health and the corporation may not establish any such facility or program without first obtaining such Operating Certificate; and
 - (16) to develop, operate, and promote supportive housing, affordable housing, and economic development and revitalization programs including programs that require and subject to the issuance of an Operating Certificate by the New York State Department of Health.

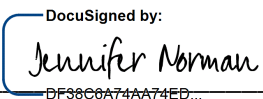
- THIRD:** The territory in which the operations of the corporation are principally to be conducted is the United States of America, but the operations of the corporation shall not be restricted to such territory.
- FOURTH:** The principal office of the corporation is to be located in the county of Kings, New York.
- FIFTH:** The number of the directors of the corporation shall be not less than three (3).
- SIXTH:** Omitted.
- SEVENTH:** The duration of the corporation shall be perpetual.
- EIGHTH:** Omitted.
- NINTH:** The corporation shall be a Type B corporation pursuant to Section 201 of the Not-For-Profit Corporation law.
- TENTH:** The post office address to which the Secretary of State shall mail a copy of any process against the corporation served upon the Secretary of State is 937 Fulton Street, Brooklyn, New York 11238. The corporation hereby designates C T Corporation System as its registered agent upon whom process against the corporation may be served. The street address of the registered agent is 28 Liberty Street, New York, NY 10005.

4. The foregoing amendments and restated certificate of incorporation were duly authorized by the Board of Trustees for the Corporation, at a duly convened meeting of the Corporation's Board of Trustees, pursuant to Section 708 of the New York Not-For-Profit Corporation Law.

IN WITNESS WHEREOF, the undersigned have signed and attested to these Restated Certificate of Incorporation as of the date written below.

Signed by:
By: 
7C6437C99D1D4B4...
Jean T. Stennett, Chair

8/29/2024
Date

DocuSigned by:
By: 
DF38C6A74AA74ED...
Jennifer Norman, Secretary

8/29/2024
Date

**RESTATED CERTIFICATE OF INCORPORATION
OF THE
START TREATMENT & RECOVERY CENTERS INC.**

**UNDER SECTION 805 OF THE NOT-FOR-PROFIT
CORPORATION LAW**

Filed by:

START Treatment & Recovery Centers Inc.
937 Fulton Street
Brooklyn, NY 11238
Attn: Legal Department

STATE OF NEW YORK

DEPARTMENT OF STATE

I hereby certify that the annexed copy for START TREATMENT & RECOVERY CENTERS, INC., File Number 231017000970 has been compared with the original document in the custody of the Secretary of State and that the same is true copy of said original.



WITNESS my hand and official seal of the
Department of State, at the City of Albany,
on October 17, 2023.

A handwritten signature in black ink that reads 'Brendan C. Hughes'.

Brendan C. Hughes
Executive Deputy Secretary of State

DocuSign Envelope ID: F235C579-7209-40C1-BFB6-F7F715C416ED



**Division of Corporations,
State Records and
Uniform Commercial Code**

New York State
Department of State
**DIVISION OF CORPORATIONS,
STATE RECORDS AND
UNIFORM COMMERCIAL CODE**
One Commerce Plaza
99 Washington Ave.
Albany, NY 12231-0001
<https://dos.ny.gov>

**CERTIFICATE OF CHANGE
OF**

START Treatment & Recovery Centers, Inc.

(Insert Name of Domestic Corporation)

Under Section 805-A of the Business Corporation Law

FIRST: The name of the corporation is:

START Treatment & Recovery Centers, Inc.

If the name of the corporation has been changed, the name under which it was formed is:

Addiction Research and Treatment Corporation

SECOND: The certificate of incorporation was filed by the Department of State on:

10/3/1969

THIRD: The change(s) effected hereby are: *(Check appropriate statement(s))*

- ☐ The county location, within this state, in which the office of the corporation is located, is changed to: _____
- ☒ The post office address to which the Secretary of State shall mail a copy of any process against the corporation served upon the Secretary of State by ~~personal~~ delivery is changed to read in its entirety as follows:
937 Fulton Street, Brooklyn, New York 11238
- ☐ The email address to which the Secretary of State shall email a notice of the fact that process against the corporation has been served electronically upon the Secretary of State is: _____
- ☐ The email address to which the Secretary of State shall email a notice of the fact that process against the corporation has been served electronically upon the Secretary of State is changed to read as follows: _____
- ☐ The email address to which the Secretary of State shall email a notice of the fact that process against the corporation has been served electronically upon the Secretary of State is deleted.
- ☒ The corporation hereby designates
C T Corporation System
its registered agent upon whom process against the corporation may be served.
The street address of the registered agent is:
28 Liberty Street, New York, NY 10005

DocuSign Envelope ID: F235C579-7209-40C1-BFB6-F7F715C416ED

☐ The corporation hereby changes the designation of its registered agent to:

The street address of the registered agent is:

☐ The corporation hereby changes the address of its registered agent to:

☐ The corporation hereby revokes the designation of its registered agent.

FOURTH: The change was authorized by the board of directors.

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2023 OCT 16 PM 4:00

DocuSigned by:
Jonnel Doris
210681995387499
(Signature)

Jonnel Doris

(Name of Signer)

CEO

(Title of Signer)

CERTIFICATE OF CHANGE

OF

START Treatment & Recovery Centers, Inc.

(Insert Name of Domestic Corporation)

Under Section 805-A of the Business Corporation Law

Filer's Name and Mailing Address:

Marissa Wong, Esq.

Name

START Treatment and Recovery Center

Company, if Applicable

937 Fulton Street

Mailing Address

Brooklyn, NY 11238

City, State and Zip Code

NOTES:

1. The name of the corporation and its date of incorporation provided on this certificate must exactly match the records of the Department of State. This information should be verified on the Department of State's website at <https://dos.ny.gov>.
2. This form was prepared by the New York State Department of State. You are not required to use this form. You may draft your own form or use forms available at legal stationery stores.
3. The Department of State recommends that all documents be prepared under the guidance of an attorney.
4. The certificate must be submitted with a \$30 filing fee.

For Office Use Only

START TREATMENT & RECOVERY CENTERS, INC
ATTN: BEN LIPSCHITZ, GENERAL COUNSEL
937 FULTON STREET
BROOKLYN NY 11238

Enclosed is the information you requested. Your payment of
\$35.00 is hereby acknowledged.

If the name on the enclosed document(s) does not match exactly
with the name of the entity you requested, this office does not
have a record of the exact name you requested. The document(s)
provided appear(s) to be of sufficient similarity to be the
entity requested.

STATE OF NEW YORK

DEPARTMENT OF STATE

I hereby certify that the annexed copy has been compared with the original document in the custody of the Secretary of State and that the same is a true copy of said original.



WITNESS my hand and official seal of the
Department of State, at the City of Albany, on
March 25, 2021.

Brendan C. Hughes

Brendan C. Hughes
Executive Deputy Secretary of State

210304000

15



**Division of Corporations,
State Records and
Uniform Commercial Code**

New York State
Department of State
**DIVISION OF CORPORATIONS,
STATE RECORDS AND
UNIFORM COMMERCIAL CODE**
One Commerce Plaza
99 Washington Ave.
Albany, NY 12231-0001
www.dos.ny.gov

**CERTIFICATE OF AMENDMENT
OF THE
CERTIFICATE OF INCORPORATION
OF**

START Treatment & Recovery Centers, Inc.

(Name of Domestic Corporation)

Under Section 803 of the Not-for-Profit Corporation Law

FIRST: The name of the corporation is:

START Treatment & Recovery Centers, Inc.

If the name of the corporation has been changed, the name under which it was formed is:

Addiction Research and Treatment Corporation

SECOND: The certificate of incorporation was filed by the Department of State on:

October 3, 1969

THIRD: The corporation was formed under the following law: *(Choose one)*

☒ NOT-FOR-PROFIT Corporation Law

☐ Specify other law: _____

FOURTH: The corporation is a corporation as defined in subparagraph (5) of paragraph (a) of Section 102 of the Not-for-Profit Corporation Law.

FIFTH: The certificate of incorporation is amended as follows:

Paragraph Five of the Certificate of Incorporation is hereby: *(check appropriate box)*

☐ added ☒ amended ☐ deleted

The subject matter of the amendment is: *(Provide a brief description of the subject matter of this amendment e.g., the purposes of the corporation are being amended)*

remove the maximum number of directors of the corporation.

The full text of the amended or added paragraph is: *(Provide the entire text of the paragraph added or amended, including the paragraph number)*

FIFTH: The number of the directors of the corporation shall be not less than three (3).

Use additional pages, if necessary, describing each amendment to the certificate of incorporation and providing the entire text of each paragraph added or amended.


SIXTH: The Secretary of State is designated as agent of the corporation upon whom process against it may be served. The address to which the Secretary of State shall forward copies of process accepted on behalf of the corporation is:

22 Chapel Street, Brooklyn, NY 11201

SEVENTH: The certificate of amendment was authorized by: *(Check the appropriate box)*

- ☐ a vote of a majority of the members at a meeting.
- ☐ the unanimous written consent of the members entitled to vote thereon.
- ☒ a vote of a majority of the entire board of directors. The corporation has no members.

X

(
(Signature)

Benjamin Lipschitz, Esq.

(Print or Type Signer's Name)

Capacity of Signer *(Check appropriate box):*

- ☐ Officer
- ☐ Director
- ☒ Authorized Person

100

CERTIFICATE OF AMENDMENT
OF THE
CERTIFICATE OF INCORPORATION
OF

START Treatment & Recovery Centers, Inc.

(Name of Domestic Corporation)

Under Section 803 of the Not-for-Profit Corporation Law

Filer's Name Benjamin Lipschitz, Esq.

Address 937 Fulton Street

City, State and Zip Code Brooklyn, NY 11201

NOTES:

1. The name of the corporation and its date of incorporation provided on this certificate must exactly match the records of the Department of State. This information should be verified on the Department of State's website at www.dos.ny.gov.
2. The certificate must be submitted with a \$30 filing fee.
3. This form was prepared by the New York State Department of State. It does not contain all optional provisions under the law. You are not required to use this form. You may draft your own form or use forms available at legal stationery stores.
4. The Department of State recommends that all documents be prepared under the guidance of an attorney.
5. Please be sure to review Section 804 and Section 404 of the Not-for-Profit Corporation Law to determine if any consents or approvals are required to be attached to this certificate of amendment.

For Office Use Only

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2021 MAR -4 PM 4:41

STATE OF NEW YORK
DEPARTMENT OF STATE

FILED MAR 04 2021

TAX \$

BY: 

KLM

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NEW YORK
STATE OF
OPPORTUNITY.

Division of Corporations,
State Records and
Uniform Commercial Code

190509000522

New York State
Department of State
DIVISION OF CORPORATIONS,
STATE RECORDS AND
UNIFORM COMMERCIAL CODE
One Commerce Plaza
89 Washington Ave.
Albany, NY 12231-0001
www.dos.ny.gov

CERTIFICATE OF CHANGE
OF

START Treatment & Recovery Centers, Inc.

(Insert Name of Domestic Corporation)

Under Section 803-A of the Not-for-Profit Corporation Law

FIRST: The name of the corporation is:

START Treatment & Recovery Centers, Inc.

If the name of the corporation has been changed, the name under which it was formed is:

Addiction Research and Treatment Corporation

SECOND: The certificate of incorporation was filed by the Department of State on:

October 3, 1969

THIRD: The change(s) effected hereby are: (Check appropriate statement(s))

☐ The county location, within this state, in which the office of the corporation is located, is changed to: _____

☒ The address to which the Secretary of State shall forward copies of process accepted on behalf of the corporation is changed to read in its entirety as follows:

c/o The Corporation
22 Chapel Street
Brooklyn, New York 11201

☒ The corporation hereby: (Check One)

☐ Designates _____
as its registered agent upon whom process against the corporation may be served.
The street address of the registered agent is: _____

☐ Changes the designation of its registered agent to: _____
The street address of the registered agent is: _____

☐ Changes the address of its registered agent to: _____

☒ Revokes the authority of its registered agent.

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FOURTH: The change was authorized by the Board of Trustees as there are no directors or members of the corporation.

X *Linden E. Thomas*
(Signature)
Authorized Person

LINDEN E. THOMAS, ESQ
(Name of Signer)

LEGAL COUNSEL & COMPLIANCE OFFICER
(Title of Signer)

CERTIFICATE OF CHANGE
OF

START Treatment & Recovery Centers, Inc.

(Insert Name of Domestic Corporation)

Under Section 803-A of the Not-for-Profit Corporation Law

Filer's Name: Linden E. Thomas, Esq., Legal Counsel & Compliance Officer

Address: 22 Chapel Street

City, State and Zip Code: Brooklyn, New York 11201

NOTES:

1. The name of the corporation and its date of incorporation provided on this certificate must exactly match the records of the Department of State. This information should be verified on the Department of State's website at www.dos.ny.gov.
2. This form was prepared by the New York State Department of State. You are not required to use this form. You may draft your own form or use forms available at legal stationery stores.
3. The Department of State recommends that all documents be prepared under the guidance of an attorney.
3. The certificate must be submitted with a \$20 filing fee.

For Office Use Only

RECEIVED
JUL 9 9:07
EST. Reg # 74627
DRAWDOWN

STATE OF NEW YORK
DEPARTMENT OF STATE

FILED MAY 09 2019

TAXS

BY: *[Signature]*

Key to

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**CERTIFICATE OF AMENDMENT OF THE
CERTIFICATE OF INCORPORATION OF
START TREATMENT & RECOVERY CENTERS, INC.
UNDER SECTION 803 OF THE
NOT-FOR-PROFIT CORPORATION LAW**

01-47-75

410A

dual
updated

I THE UNDERSIGNED, being the Chairperson of START TREATMENT & RECOVERY CENTERS, INC. (the "Corporation,") do hereby certify as follows:

1. The name of the Corporation is START TREATMENT & RECOVERY CENTERS, INC.

2. The Certificate of Incorporation of the Corporation was filed by the Department of State on October 3, 1969 and the law under which it was formed was the Not-For-Profit Corporation Law. The said Certificate of Incorporation was restated, pursuant to Section 803 of the Not-For-Profit Corporation Law on February 4, 1986, and amended on October 15, 1992, and on November 19, 2013.

3. The Corporation is a corporation as defined in sub-paragraph (a)(5) of Section 102 of the Not-For-Profit Corporation Law and is a type B Corporation as defined by Section 201 of that law.

4. The Secretary of State is designated as agent of the Corporation upon whom process against it may be served. The post office address within the State to which the Secretary of State shall mail a copy of any process against the Corporation that is served upon the Secretary of State is START Treatment & Recovery Centers, Inc., 22 Chapel Street, Brooklyn, New York 11201.

5. The Certificate of Incorporation is hereby amended to enlarge the purposes for which the Corporation is formed so as to allow the Corporation to provide

services to persons with mental disabilities pursuant to Article 31 of the Mental Hygiene Law.

6. To effect the foregoing, Article Second of the Corporation's Certificate of Incorporation, which sets forth the purposes of the Corporation, is hereby amended to include the following additional purpose:

(i) To operate outpatient programs for the mentally disabled pursuant to Article 31 of the Mental Hygiene Law, subject to the issuance of an operating certificate by the New York State Office of Mental Health. The Corporation may not establish any facility or program without first obtaining such operating certificate.

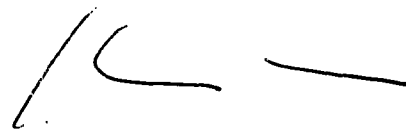
7. This foregoing amendment was authorized by the Board of Trustees of START Treatment & Recovery Centers, Inc., at a duly convened meeting of the Corporation's Board of Trustees, pursuant to Section 708 of the New York Not-For-Profit Corporation Law.

8. That prior to the delivery to the Department of State for filing, all approvals, consents or waivers required by the Not-For-Profit Corporation Law or any other statute will be endorsed upon or annexed to this Certificate of Amendment of the Certificate of Incorporation.

(The remainder of the page intentionally left blank)

I have signed this Certificate as of the date indicated below.

Dated: As of August 24, 2017

A handwritten signature in black ink, consisting of a stylized 'S' followed by a horizontal line and a short vertical stroke.

Shaun E. Smith, Esq.
Chairperson

STATE OF NEW YORK

DEPARTMENT OF STATE

I hereby certify that the annexed copy has been compared with the original document in the custody of the Secretary of State and that the same is a true copy of said original.



WITNESS my hand and official seal of the
Department of State, at the City of Albany, on
June 21, 2017.

A handwritten signature in black ink, appearing to read "B. Fitzgerald", written over a horizontal line.

Brendan Fitzgerald
Executive Deputy Secretary of State

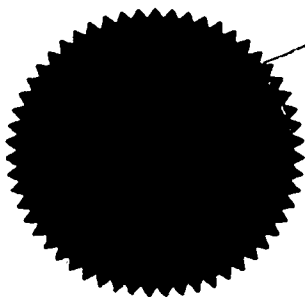


State of New York — Department of Social Services
State Board of Social Welfare
Albany

Know all Men by These Presents:

At a meeting of the State Board of Social Welfare, held on
the sixteenth day of September, 1969, due inquiry and investiga-
tion having been made, the Board approved the application of ADDICTION
RESEARCH AND TREATMENT CORPORATION, No. 6-125, a membership corporation, for
approval pursuant to subdivision 3 of Section 35 of the Social Services Law,
empowering it to establish, maintain and operate a research and treatment
center for narcotic addicts in the Borough of Brooklyn, New York, New York.

786271



In Witness Whereof, the State Board of
Social Welfare has caused these presents to be
signed in accordance with the provisions of the
statutes and its by-laws, and the official seal of
the Board and of the Department to be here-
unto affixed, this seventeenth day of
September, in the year one thousand
nine hundred and sixty-nine.

Secretary

CERTIFICATE OF INCORPORATION

of

ADDICTION RESEARCH AND TREATMENT CORPORATION

Pursuant to the Membership Corporations Law
of the State of New York

WE, THE UNDERSIGNED, for the purpose of forming
a membership corporation pursuant to the Membership Corpora-
tions Law of the State of New York, DO HEREBY CERTIFY as
follows:

FIRST: The name of the proposed corporation is:

ADDICTION RESEARCH AND TREATMENT CORPORATION

SECOND: The purposes for which the corporation
is to be formed are:

- (1) to establish, maintain and operate out-patient facilities for the prevention, study, care, treatment, rehabilitation and after-care of narcotics addicts, provided, however, that before each such facility is established and opened the written approval of the State Board of Social Welfare shall be obtained; and
- (2) to promote, develop and administer programs for prevention, study, care, treatment, cure, rehabilitation and control of narcotic addiction with emphasis on a research program for treatment of narcotic addiction through the administration, under medical supervision and control, of maintenance or other dosages of any drug useful in the treatment of narcotic addicts.

As a means of accomplishing the foregoing purposes the corporation shall have the following powers;

To acquire any property, real, personal or mixed, or interests therein by grant, gift, purchase, lease, devise, bequest or otherwise, and to own, hold use, enjoy, manage, sell, deal with, lease, pledge, mortgage, donate and dispose of the same in such manner, on such terms and for such considerations as the board of directors may determine subject to the provisions of the Membership Corporations Law; and

To invest and reinvest its funds in such mortgages, bonds, debentures, shares of preferred and common stock, and in such other securities and properties as its board of directors shall deem advisable, subject to the limitations and conditions contained in any gift, devise or bequest; and

To borrow money and contract debts in connection with the acquisition of property or otherwise in aid of any of the purposes of the corporation; and to issue or dispose of its obligations for any amount so borrowed, and to mortgage or pledge its property to secure the payment of such obligations, or of any debt contracted for such purposes;

To solicit funds for the use of the corporation from individuals, foundations, governmental agencies or others, subject to, and in accordance with, provisions of law;

To establish and maintain facilities for dispensing, under medical supervision and control, maintenance or other dosages of any drug useful in the treatment of narcotic addicts;

To provide to narcotic addicts under its care and supervision such vocational counseling, including job training and placement, as shall be deemed advisable, notwithstanding the fact that such services may also be available through other agencies, public or private;

To provide psychological and psychiatric counseling, treatment and medical services to narcotic addicts under its care and supervision or to refer such addicts for other appropriate care;

4

To provide after-care and continuing counseling to persons who have been under its care and supervision; and

In general, to exercise such powers which now are or may hereafter be conferred by law upon a corporation organized for the purposes hereinabove set forth, or necessary or incidental to the powers so conferred, or conducive to the attainment of the purposes of the corporation, subject to such limitations as are or may be prescribed by law; provided, however, that the corporation may not exercise any power which would cause the corporation to lose its tax exempt status.

The corporation is not organized for pecuniary profit, and no part of its income shall inure to the benefit of any member, director, officer or employee of the corporation, or any other private individual, except as reimbursement for expenditures or as reasonable compensation for services rendered in effecting, or as a proper beneficiary of, its strictly charitable and scientific purposes.

Upon the liquidation, dissolution, or winding up of the corporation, whether voluntary, involuntary or by operation of law, its assets shall be distributed exclusively to such organizations as shall have similar charitable or scientific purposes, as the directors of the corporation may determine; provided that any such recipient organization shall be qualified as an exempt organization under Section 501(c)(3) of the Internal Revenue Code of 1954, or any comparable section then in effect, and that any such distribution shall be sub-

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ject to the approval of a Justice of the Supreme Court of the State of New York.

No substantial part of the activities of the corporation shall consist of carrying on propaganda, or otherwise attempting, to influence legislation, and the corporation shall not participate in, or intervene in (including the publishing or distributing of statements) any political campaign on behalf of any candidate for public office.

THIRD: The territory in which the operations of the corporation are principally to be conducted is the United States of America, but the operations of the corporation shall not be restricted to such territory.

FOURTH: The principal office of the corporation is to be located in the City of New York, County of Kings, New York.

FIFTH: The number of the directors of the corporation shall be not less than three (3) nor more than twelve (12).

SIXTH: The names and places of residence of its directors until the first annual meeting are:

STATE OF NEW YORK)
 : ss.:
COUNTY OF NEW YORK)

On this day of 1969 before me
personally came to me known and known
to me to be a person mentioned and described in, and who
executed, the foregoing instrument, and he duly acknowledged
to me that he executed the same.

STATE OF NEW YORK)
 : ss.:
COUNTY OF NEW YORK)

On this day of 1969 before me
personally came to me
known and known to me to be persons mentioned and described
in, and who executed, the foregoing instrument, and they duly
and severally acknowledged to me that they executed the same.

DANIEL D. O'ROURKE
NOTARY PUBLIC, STATE OF NEW YORK
No. 41-121080
Qualified in Queens County
Term Expires March 30, 1971

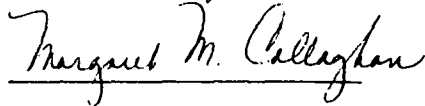
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STATE OF NEW YORK)
: SS.:
COUNTY OF New York)

R. Palmer Baker, Jr., being duly sworn,
deposes and says that he is an attorney and counsellor at
law and a member of the firm of Lord, Day & Lord,
attorneys for the subscribers of the annexed Certificate
of Incorporation, and that no previous application for the
approval of said Certificate by any Justice of the Supreme
Court has ever been made.



Sworn to before me this
8th day of September, 1969



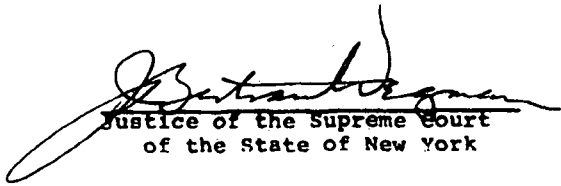
MARGARET M. CALLAGHAN
Notary Public, State of New York
No. 24-1510550
Qualified in Kings County
Certificate filed in New York County
Commission Expires March 30, 1971

10

I, J. BERTRAM WEGMAN

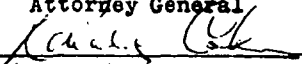
Justice of the Supreme Court of the State of New York for
the SECOND Judicial District, hereby approve the
foregoing Certificate of Incorporation of ADDICTION RESEARCH
AND TREATMENT CORPORATION.

Dated: Brooklyn, New York
Sept. 29, 1969.


Justice of the Supreme Court
of the State of New York

Notice of Application Waived
(This is not to be deemed an
approval on behalf of any
Department or Agency of the
State of New York, nor an
authorization of activities
otherwise limited by law.)

Dated: September 26, 1969
LOUIS A. LEFKOWITZ
Attorney General

By 
Assistant Attorney General
Louis A. Lefkowitz

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CERTIFICATE OF INCORPORATION
OF
ADDICTION RESEARCH AND TREATMENT
CORPORATION

Under Section 10 of the Membership
Corporations Law

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STATE OF NEW YORK
DEPARTMENT OF STATE
FILED OCT 3 1969
TAX \$ none
GILING FEE \$ 50

John P. Zenger

Secretary of State

M.H.
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80 CAROL RYAN
Vera Institute of Justice
30 East 39th Street
New York, N.Y. 10018

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**CERTIFICATE OF AMENDMENT OF THE
CERTIFICATE OF INCORPORATION OF
ADDICTION RESEARCH AND TREATMENT CORPORATION**

**STATE OF NEW YORK
DEPARTMENT OF STATE**

FILED DEC 18 2013

TAX \$ _____

BY: mw

RECEIVED
2013 DEC 18 PM 1:01

Filed by: Kathleen Yee, Esq.

Wood, Rafalsky & Wood, LLP
394 Waverly Avenue
Brooklyn, New York 11238

FILED
2013 DEC 18 PM 4:20

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FILING RECEIPT

ENTITY NAME: ADDICTION RESEARCH AND TREATMENT CORPORATION

DOCUMENT TYPE: AMENDMENT (DOMESTIC NFP)
PURPOSES PROCESS

COUNTY: KING

FILED:12/18/2013 DURATION:***** CASH#:131218000880 FILM #:131218000823

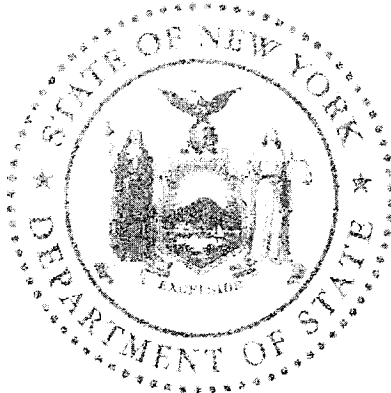
FILER:

KATHLEEN YEE, ESQ.
WOOD, RAFALSKY & WOOD, LLP
394 WAVERLY AVENUE
BROOKLYN, NY 11238

ADDRESS FOR PROCESS:

THE CORPORATION
22 CHAPEL STREET
BROOKLYN, NY 11201

REGISTERED AGENT:



SERVICE COMPANY: ** NO SERVICE COMPANY **

SERVICE CODE: 00

FEE	65.00
FILING	30.00
TAX	0.00
CERT	0.00
COPIES	10.00
HANDLING	25.00

PAYMENTS	65.00
CASH	0.00
CHECK	0.00
CHARGE	65.00
DRAWDOWN	0.00
OPAL	0.00
REFUND	0.00

DOS-1025 (04/2007)

Done

STATE OF NEW YORK

DEPARTMENT OF STATE

I hereby certify that the annexed copy has been compared with the original document in the custody of the Secretary of State and that the same is a true copy of said original.



WITNESS my hand and official seal of the
Department of State, at the City of Albany,
on December 19, 2013.

Anthony Giardina

Anthony Giardina
Executive Deputy Secretary of State

131218000823

**CERTIFICATE OF AMENDMENT OF THE
CERTIFICATE OF INCORPORATION OF
ADDICTION RESEARCH AND TREATMENT CORPORATION
UNDER SECTION 803 OF THE
NOT-FOR-PROFIT CORPORATION LAW**

I THE UNDERSIGNED, being the Chairperson of ADDICTION RESEARCH AND TREATMENT CORPORATION (the "Corporation,") do hereby certify as follows:

1. The name of the Corporation is ADDICTION RESEARCH AND TREATMENT CORPORATION.

2. The Certificate of Incorporation of the Corporation was filed by the Department of State on October 3, 1969 and the law under which it was formed was the Not-For-Profit Corporation Law. The said Certificate of Incorporation was restated pursuant to Section 803 of the Not-For-Profit Corporation Law on February 4, 1986, and amended on October 15, 1992.

3. The Corporation is a corporation as defined in sub-paragraph (a)(5) of Section 102 of the Not-For-Profit Corporation Law and is a type B Corporation as defined by Section 201 of that law.

4. The Secretary of State is designated as agent of the Corporation upon whom process against it may be served. The post office address within the State to which the Secretary of State shall mail a copy of any process against the Corporation that is served upon the Secretary of State is Addiction Research and Treatment Corporation, 22 Chapel Street, Brooklyn, New York 11201.

5. The amendment in question does not add, change or eliminate a purpose or power of the Corporation. The Certificate of Incorporation is being amended to change the name of the Corporation.

6. Paragraph One of the Certificate of Incorporation relating to the Corporation name is hereby amended in its entirety as follows:

1. The name of the Corporation is: START Treatment & Recovery Centers, Inc.

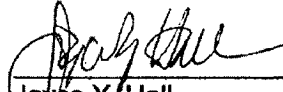
7. This foregoing amendment was authorized by the Board of Trustees of Addiction Research and Treatment Corporation by the unanimous written consent of the Corporation's Board of Trustees in lieu of a special meeting, pursuant to Section 708(b) of the New York Not-For-Profit Corporation Law.

8. That prior to the delivery to the Department of State for filing, all approvals, consents or waivers required by the Not-For-Profit Corporation Law or any other statute will be endorsed upon or annexed to this Certificate of Amendment of the Certificate of Incorporation.

(The remainder of the page intentionally left blank)

I have signed this Certificate as of the date indicated below.

Dated: As of August 6, 2013



Joyce Y. Hall
Chairperson



PUBLIC HEALTH AND HEALTH PLANNING COUNCIL

Empire State Plaza, Corning Tower, Room 1805
Albany, New York 12237

(518) 402-0964
PHHPC@health.state.ny.us

December 13, 2013

Ms. Kathleen Yee, Esq.
Wood Rafalsky & Wood, LLP
394 Waverly Avenue
Brooklyn, New York 11238

Re: Certificate of Amendment of the Certificate of Incorporation of Addiction Research and Treatment Corporation

Dear Ms. Yee:

AFTER INQUIRY and INVESTIGATION and in accordance with action taken at a meeting of the Public Health Council and Health Planning Council held on the 12th day of December, 2013, I hereby certify that the Public Health and Health Planning Council consents to the filing of the Certificate of Amendment of the Certificate of Incorporation of Addiction Research and Treatment Corporation, dated, August 6, 2013.

Sincerely,

A handwritten signature in cursive script, reading "Colleen M. Frost".

Colleen M. Frost
Executive Secretary

/cf

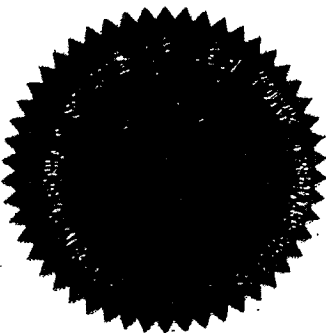
**STATE OF NEW YORK
OFFICE OF ALCOHOLISM AND SUBSTANCE ABUSE SERVICES
ALBANY, NEW YORK**

KNOWN ALL PERSONS BY THESE PRESENTS:

Pursuant to the provisions of Article 32 of the Mental Hygiene Law, and Section 803 of the Not-For-Profit Corporation Law, approval is hereby given to the filing of the Certificate of Amendment of the Certificate of Incorporation of

ADDICTION RESEARCH AND TREATMENT CORPORATION

This approval shall not be construed as an authorization for the Corporation to engage in any activity for which the provisions of Article 32 of the Mental Hygiene Law require an Operating Certificate to be issued by the Office of Alcoholism and Substance Abuse Services unless said Corporation has been issued such Operating Certificate; nor shall it be construed to eliminate the need for the said Corporation to meet any and all of the requirements and conditions precedent set forth in Article 32 of such law and the regulations promulgated thereunder for issuance of said Operating Certificate.



IN WITNESS WHEREOF, this instrument is Executed
and the Seal of the New York State Office of Alcoholism
and Substance Abuse Services is affixed this 11th day of
September 2013

ROBERT A. KENT
GENERAL COUNSEL
NYS OASAS

By: Janet L. Paloski
Acting Director, Bureau of Certification and Systems
Management

Janet L. Paloski

CERTIFICATE OF INCORPORATION

of

ADDICTION RESEARCH AND TREATMENT CORPORATION

Pursuant to the Membership Corporations Law
of the State of New York

WE, THE UNDERSIGNED, for the purpose of forming
a membership corporation pursuant to the Membership Corpora-
tions Law of the State of New York, DO HEREBY CERTIFY as
follows:

FIRST: The name of the proposed corporation is:

ADDICTION RESEARCH AND TREATMENT CORPORATION

SECOND: The purposes for which the corporation
is to be formed are:

- (1) to establish, maintain and operate out-patient facilities for the prevention, study, care, treatment, rehabilitation and after-care of narcotics addicts, provided, however, that before each such facility is established and opened the written approval of the State Board of Social Welfare shall be obtained; and
- (2) to promote, develop and administer programs for prevention, study, care, treatment, cure, rehabilitation and control of narcotic addiction with emphasis on a research program for treatment of narcotic addiction through the administration, under medical supervision and control, of maintenance or other dosages of any drug useful in the treatment of narcotic addicts.

As a means of accomplishing the foregoing purposes the corporation shall have the following powers;

To acquire any property, real, personal or mixed, or interests therein by grant, gift, purchase, lease, devise, bequest or otherwise, and to own, hold use, enjoy, manage, sell, deal with, lease, pledge, mortgage, donate and dispose of the same in such manner, on such terms and for such considerations as the board of directors may determine subject to the provisions of the Membership Corporations Law; and

To invest and reinvest its funds in such mortgages, bonds, debentures, shares of preferred and common stock, and in such other securities and properties as its board of directors shall deem advisable, subject to the limitations and conditions contained in any gift, devise or bequest; and

To borrow money and contract debts in connection with the acquisition of property or otherwise in aid of any of the purposes of the corporation; and to issue or dispose of its obligations for any amount so borrowed, and to mortgage or pledge its property to secure the payment of such obligations, or of any debt contracted for such purposes;

To solicit funds for the use of the corporation from individuals, foundations, governmental agencies or others, subject to, and in accordance with, provisions of law;

To establish and maintain facilities for dispensing, under medical supervision and control, maintenance or other dosages of any drug useful in the treatment of narcotic addicts;

To provide to narcotic addicts under its care and supervision such vocational counseling, including job training and placement, as shall be deemed advisable, notwithstanding the fact that such services may also be available through other agencies, public or private;

To provide psychological and psychiatric counseling, treatment and medical services to narcotic addicts under its care and supervision or to refer such addicts for other appropriate care;

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To provide after-care and continuing counseling to persons who have been under its care and supervision; and

In general, to exercise such powers which now are or may hereafter be conferred by law upon a corporation organized for the purposes hereinabove set forth, or necessary or incidental to the powers so conferred, or conducive to the attainment of the purposes of the corporation, subject to such limitations as are or may be prescribed by law; provided, however, that the corporation may not exercise any power which would cause the corporation to lose its tax exempt status.

The corporation is not organized for pecuniary profit, and no part of its income shall inure to the benefit of any member, director, officer or employee of the corporation, or any other private individual, except as reimbursement for expenditures or as reasonable compensation for services rendered in effecting, or as a proper beneficiary of, its strictly charitable and scientific purposes.

Upon the liquidation, dissolution, or winding up of the corporation, whether voluntary, involuntary or by operation of law, its assets shall be distributed exclusively to such organizations as shall have similar charitable or scientific purposes, as the directors of the corporation may determine; provided that any such recipient organization shall be qualified as an exempt organization under Section 501(c)(3) of the Internal Revenue Code of 1954, or any comparable section then in effect, and that any such distribution shall be sub-

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ject to the approval of a Justice of the Supreme Court of the State of New York.

No substantial part of the activities of the corporation shall consist of carrying on propaganda, or otherwise attempting, to influence legislation, and the corporation shall not participate in, or intervene in (including the publishing or distributing of statements) any political campaign on behalf of any candidate for public office.

THIRD: The territory in which the operations of the corporation are principally to be conducted is the United States of America, but the operations of the corporation shall not be restricted to such territory.

FOURTH: The principal office of the corporation is to be located in the City of New York, County of Kings, New York.

FIFTH: The number of the directors of the corporation shall be not less than three (3) nor more than twelve (12).

SIXTH: The names and places of residence of its directors until the first annual meeting are:

STATE OF NEW YORK)
 : ss.:
COUNTY OF NEW YORK)

On this day of 1969 before me
personally came to me known and known
to me to be a person mentioned and described in, and who
executed, the foregoing instrument, and he duly acknowledged
to me that he executed the same.

STATE OF NEW YORK)
 : ss.:
COUNTY OF NEW YORK)

On this day of 1969 before me
personally came to me
known and known to me to be persons mentioned and described
in, and who executed, the foregoing instrument, and they duly
and severally acknowledged to me that they executed the same.

DANIEL D. O'ROURKE
NOTARY PUBLIC, STATE OF NEW YORK
No. 41-121080
Qualified in Queens County
Term Expires March 30, 1971

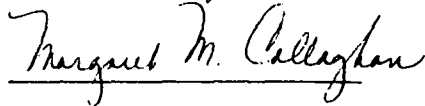
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STATE OF NEW YORK)
: SS.:
COUNTY OF New York)

R. Palmer Baker, Jr., being duly sworn,
deposes and says that he is an attorney and counsellor at
law and a member of the firm of Lord, Day & Lord,
attorneys for the subscribers of the annexed Certificate
of Incorporation, and that no previous application for the
approval of said Certificate by any Justice of the Supreme
Court has ever been made.



Sworn to before me this
8th day of September, 1969



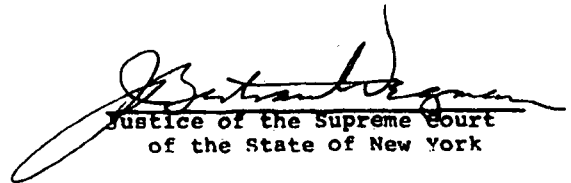
MARGARET M. CALLAGHAN
Notary Public, State of New York
No. 24-1510550
Qualified in Kings County
Certificate filed in New York County
Commission Expires March 30, 1971

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I, J. BERTRAM WEGMAN

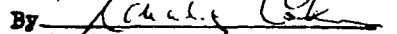
Justice of the Supreme Court of the State of New York for
the SECOND Judicial District, hereby approve the
foregoing Certificate of Incorporation of ADDICTION RESEARCH
AND TREATMENT CORPORATION.

Dated: Brooklyn, New York
Sept. 29, 1969.


Justice of the Supreme Court
of the State of New York

Notice of Application Waived
(This is not to be deemed an
approval on behalf of any
Department or Agency of the
State of New York, nor an
authorization of activities
otherwise limited by law.)

Dated: September 26, 1969
LOUIS A. LEFKOWITZ
Attorney General

By 
Assistant Attorney General
Louis A. Lefkowitz

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CERTIFICATE OF INCORPORATION
OF
ADDICTION RESEARCH AND TREATMENT
CORPORATION

Under Section 10 of the Membership
Corporations Law

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T

M
den. 5 yrs

STATE OF NEW YORK
DEPARTMENT OF STATE
FILED OCT 3 1969
TAX \$ none
GILING FEE \$ 50

John P. Zenger

Secretary of State

M.H.
24-Remij
D-5 yrs

12

80 CAROL RYAN
Vera Institute of Justice
30 East 39th Street
New York, N.Y. 10018

**CERTIFIED RESOLUTION OF THE
BOARD OF TRUSTEES OF
START TREATMENT & RECOVERY CENTERS, INC.**

On Tuesday, August 13, 2024, at a duly noticed meeting of the Board of Trustees (the “Board”) of START Treatment and Recovery Centers, Inc. (the “Corporation”), at which a quorum was present, and on motion duly made and seconded, the following resolution was adopted by vote of a majority of the Board, given that voting rights of the Company are held solely by the Board, and there are no members of the Company with or without voting rights; and

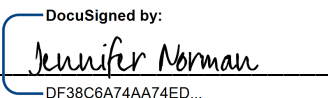
WHEREAS, in accordance with and as permitted under Section 708 of the New York Not-For-Profit Corporation Law, the Board desires to amend the Corporation’s certificate of incorporation to change the name of the Corporation to StartCare, Inc.

NOW, THEREFORE, BE IT RESOLVED, that the Board adopt the following changes to the Corporation’s certificate of incorporation:

RESOLVED, that the name of the Corporation is changed from START Treatment & Recovery Centers, Inc. to StartCare, Inc.

RESOLVED, that any and all actions taken by the proper officers prior to the date of adoption of the foregoing resolutions which would have been authorized by the foregoing resolutions but for the fact that such actions were taken prior to such date, be, and each hereby is, ratified, approved, confirmed and adopted as a duly authorized act of the Corporation and each of its subsidiaries in all respects and for all purposes.

I am the Secretary of the Board of Trustees of START Treatment & Recovery Centers, Inc. and I certify that the above resolutions were adopted by the Board at its meeting held on Tuesday, August 13, 2024, and that these resolutions remain in effect.

Sign:  DF38C6A74AA74ED...

Name: Jennifer Norman

Title: Secretary of the Board of Trustees
START Treatment & Recovery Centers, Inc.

Dated: 8/29/2024

**CERTIFIED RESOLUTION OF THE
BOARD OF TRUSTEES OF
START TREATMENT & RECOVERY CENTERS, INC.**

On Monday, June 3, 2024, at a duly noticed meeting of the Board of Trustees (the "Board") of START Treatment and Recovery Centers, Inc. ("START" or the "Company"), at which a quorum was present, and on motion duly made and seconded, the following resolution was adopted by vote of a majority of the Board, given that voting rights of the Company are held solely by the Board, and there are no members of the Company with or without voting rights; and

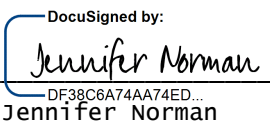
WHEREAS, in accordance with and as permitted under Section 708 of the New York Not-For-Profit Corporation Law, the Board desires to amend the Corporation's certificate of incorporation to include authority to develop, operate, and promote supportive and affordable housing, and economic development and revitalization programs.

NOW, THEREFORE, BE IT RESOLVED, that the Board, adopt the following amendment to the Corporation's certificate of incorporation:

RESOLVED, that the certificate of incorporation filed with the New York State Department of State is amended to enlarge the purposes for which the Corporation has been formed to allow the Corporation to develop, operate, and promote supportive housing, affordable housing, and economic development and revitalization programs.

RESOLVED, that any and all actions taken by the proper officers prior to the date of adoption of the foregoing resolutions which would have been authorized by the foregoing resolutions but for the fact that such actions were taken prior to such date, be, and each hereby is, ratified, approved, confirmed and adopted as a duly authorized act of the Company and each of its subsidiaries in all respects and for all purposes.

I am the Secretary of the Board of Trustees of START Treatment & Recovery Centers, Inc. and I certify that the above resolutions were adopted by the Board at its meeting held on Monday, June 3, 2024 and that these resolutions remain in effect.

Sign:  _____
Name: _____
Title: Secretary of the Board of Trustees
START Treatment & Recovery Centers, Inc.
Dated: 8/29/2024 _____



MEMORANDUM

To: Colleen Leonard, Executive Secretary
Public Health and Health Planning Council

From: Sarah Gold, Senior Attorney
Bureau of Program Counsel

Date: November 7, 2024

Subject: Proposed Amendment to Certificate of Incorporation for The Door – A Center of Alternatives, Inc.

This is to request that the above matter be included on the agendas for the next Establishment and Project Review Committee and Public Health and Health Planning Council (PHHPC) meetings.

The attachments relating to this matter include the following:

- 1) Memorandum to the Public Health and Health Planning Council from Kathy Marks, General Counsel;
- 2) A photocopy of a letter from Legal Counsel requesting consent to the proposed Amendment of Certificate of Incorporation of The Door – A Center of Alternatives, Inc. dated June 10, 2024;
- 3) The proposed amended Articles of Incorporation for The Door – A Center of Alternatives, Inc. and Resolution of the Board adopting the amended Articles of Incorporation.
- 4) A photocopy of the consent to filing by The State Education Department for an amendment seeking a name change from International Center for Integrative Studies, Inc. to The Door – A Center of Alternatives, Inc. dated September 4, 1991;
- 5) A photocopy of the Restated Certificate of Incorporation of the International Center for Integrative Studies, Inc. dated March 4, 1991.
- 6) A photocopy of a letter from the Department of State granting a waiver of jurisdiction under the Not-For-Profit Corporation Law dated October 17, 1991;
- 7) A photocopy of a letter from the New York State Department of Social Services waiving approval for the restated Certificate of Incorporation dated March 18, 1991, as well as a letter from the New York State Insurance Department waiving approval of the same, dated March 12, 1991.
- 8) A photocopy of a letter from the Public Health Council granting consent to file the Restated Certificate of Incorporation dated July 29, 1991;
- 9) A photocopy of a letter from DOH that the Commissioner need not grant consent for the document to be filed dated August 14, 1991.
- 10) A photocopy of the Amendment of the Certificate of Incorporation of The Door – A Center of Alternatives, Inc. where the corporation converted from a non-membership corporation to a membership corporation dated January 18, 2001.

MEMORANDUM

To: Public Health and Health Planning Council

From: Kathy Marks, General Counsel *KSM*

Date: November 7, 2024

Subject: Proposed Amendment to the Certificate of Incorporation for The Door – A Center of Alternatives, Inc.

The Door – A Center of Alternatives, Inc. requests Public Health and Health Planning Council (“PHHPC”) approval of its proposed amendment in accordance with the requirements of Not-For-Profit Corporation Law § 404.

The Door – A Center of Alternatives, Inc. (“The Door”) is a New York not-for-profit corporation formed on July 9, 1962. The Door is seeking to amend its Certificate of Incorporation to enlarge the organization’s purposes to include the operation of a mental health facility under Article 31 of the Mental Hygiene Law. The Door is currently applying with the Office of Mental Health (“OMH”) for an operating certificate and as part of that process The Door is required to amend its Certificate of Incorporation accordingly.

Because the Public Health Council previously approved the filing of amendments to the Certificate of Incorporation of The Door, PHHPC must also approve this amendment. If approved by PHHPC, the amendment will be submitted to the Department of State for approval and filing, once final OMH approval is obtained.

There is no legal objection to the proposed amendment. The required documents are attached.

Attachments.

Kathleen A. Masters, Esq.

135 Eastern Parkway 14L
Brooklyn, NY 11238

917 805 7411

kathleenamasters@gmail.com

June 10, 2024

Director, Bureau of Health Facility Planning and Development
NYS Department of Health
Corning Tower, Rm 2484
Empire State Plaza
Albany, New York 12237-0026

Re: Consent to Amendment of Certificate of Incorporation

Dear Sir or Madam,

I represent The Door-A Center for Alternatives, Inc. as Outside General Counsel. In that capacity I have been asked to assist them in filing an amendment to the organizations' Certificate of Incorporation. The amendment will enlarge the organization's purposes to include the operation of a mental health facility under Article 31 of the Mental Hygiene Law. The Door is in the final stages of its application for the operating certificate and is required to amend its certificate.

Because previous amendments and restatements of the Certificate of Incorporation required a consent from the Public Health Council, I believe that such a consent is required under N-PCL Section 404.

I have attached a copy of the proposed Certificate of Amendment. Please let me know if you need anything further to process this.

I will appreciate it if you can return the consent to me at the following address:

Kathleen A. Masters, Esq
1 Renfrew Lane
East Hampton, NY 11937

I can be reached by email at Kathleenamasters@gmail.com or
by phone at 917 805 7411. Thank you for your attention to
this matter.

Sincerely,

Kathleen A. Masters, Esq.

CERTIFICATE OF AMENDMENT OF THE
CERTIFICATE OF INCORPORATION
OF THE DOOR- A CENTER OF ALTERNATIVES, INC.

Under Section 803 of the Not- for- Profit Corporation Law

- FIRST The name of the Corporation is The Door-A Center for Alternatives, Inc. (the “Corporation”). The name under which the Corporation was formed is International Center for Integrative Studies, Inc.
- SECOND The Certificate of Incorporation was filed by the Department of State on July 9, 1962. The Certificate of Incorporation was amended by a Certificate of Amendment filed by the Department of State on October 28, 1982. The Certificate of Incorporation was amended and restated in its entirety by a Restated Certificate of Incorporation filed by the Department of State on November 8, 1991. The Certificate of Incorporation was amended by a Certificate of Amendment filed by the Department of State on January 18, 2001. The Certificate of Incorporation was amended by a Certificate of Amendment filed by the Department of State on November 4, 2020.
- THIRD The Certificate of Incorporation is amended as follows:
- Section 3 of the Certificate of Incorporation is hereby amended to include the following:
- Section 3.9—To operate programs for the mentally disabled pursuant to Article 31 of the Mental Hygiene Law and the rules and regulations adopted pursuant thereto, as each may be amended from time to time, which shall require as a condition precedent before engaging in the conduct of such services , an Operating Certificate from the New York State Office of Mental Health and the Corporation may not establish any such facility or program without first obtaining such Operating Certificate.
- FOURTH The Secretary of State is designated as agent of the Corporation upon whom process against it may be served. The address to which the Secretary of State shall forward copies of process accepted on behalf of the Corporation is The Door-A Center for Alternatives, Inc., 121 Avenue of the Americas, New York, New York 10013.
- FIFTH The Certificate of Amendment was authorized by the Board of Directors.

IN WITNESS THEREOF, this Certificate of Amendment is signed this 28 day of October 2024

The Door- A Center of Alternatives, Inc.

BY: 

Name: Benjamin Felt

Title: Board President

RESOLUTIONS OF THE BOARD OF DIRECTORS
OF THE DOOR-A CENTER OF ALTERNATIVES INC.

The undersigned, Ben Felt President of the Board of Directors of The Door-A center of Alternatives, Inc., (the "Corporation") a New York not-for-profit corporation, does hereby certify that the following resolutions were duly adopted by the Corporation on 10/28/24 and such resolutions have not been amended or rescinded and are now in full forces and effect:

RESOLVED, that the corporate purposes of the Corporation shall be modified as follows:

"To operate programs for the mentally disabled pursuant to Article 31 of the Mental Hygiene Law and the rules and regulations adopted pursuant thereto, as each may be amended from time to time, which shall require as a condition precedent before engaging in the conduct of such services, an Operating Certificate from the New York State Office of Mental Health and the corporation may not establish any such facility or program without first obtaining such Operating Certificate."; and it is further

RESOLVED, that a certificate of amendment to the Corporation's Certificate of Incorporation be filed with the appropriate State authorities in order to effect such change.

IN WITNESS WHEREOF, I have hereunto set my hand and seal this 28 day of October, 2024.

BY: 

President of the Board of Directors

The Door- A Center of Alternatives, Inc.



F911108000382

The University of the State of New York

STATE OF NEW YORK :
: ss.:
COUNTY OF ALBANY :

Pursuant to the provisions of section 804 of the Not-for-Profit Corporation Law, consent is hereby given to the restatement and amendment of the text of the certificate of incorporation of INTERNATIONAL CENTER FOR INTEGRATIVE STUDIES, INC., which includes a change of corporate purposes and name to THE DOOR - A CENTER OF ALTERNATIVES, INC., as set forth in the annexed restated and amended certificate of incorporation.

This consent to filing, however, shall not be construed as approval by the Board of Regents, the Commissioner of Education or the State Education Department of the purposes or objects of such corporation, nor shall it be construed as giving the officers or agents of such corporation the right to use the name of the Board of Regents, the Commissioner of Education, the University of the State of New York or the State Education Department in its publications or advertising matter.

This consent to filing is granted with the understandings and upon the conditions set forth on the reverse side of this form.

IN WITNESS WHEREOF this instrument is executed
and the seal of the State Education Department is
affixed this 4th day of September, 1991.

Thomas Sobol
Commissioner of Education

By: *Richard L. Nabozny*

Richard L. Nabozny
Senior Attorney



RESTATED CERTIFICATE OF INCORPORATION
OF
INTERNATIONAL CENTER FOR INTEGRATIVE STUDIES, INC.

Pursuant to Section 805 of the
Not-for-Profit Corporation Law

FIRST: Name. The name of the corporation is International Center for Integrative Studies, Inc. (the "Corporation").

SECOND: Date of Filing. The Certificate of Incorporation of the Corporation was filed by the New York Department of State, Albany, New York, on July 9, 1962, the Corporation was formed under the Membership Corporations Law of the State of New York, and the Certificate of Incorporation of the Corporation was amended pursuant to a Certificate of Amendment of the Certificate of Incorporation, filed in the Department of State on October 28, 1982.

THIRD: Amendments. This Restated Certificate of Incorporation of the Corporation restates the text of the Certificate of Incorporation of the Corporation, as the same may have been previously amended or changed (such Certificate of Incorporation together with any such previous amendments thereto, being hereinafter referred to as the "Existing Certificate of Incorporation"), to effect amendments authorized by Article 8 of the New York Not-for-

Profit Corporation Law (the "NPCL"), which amendments include (i) amendments of the Corporation's name, purpose, powers, (ii) the changing of the Corporation from a membership corporation to a non-membership corporation, and (iii) the addition of provisions (a) stating the Corporation's intent to remain qualified under Section 501(c)(3) of the Code (as defined below), (b) prohibiting propaganda by the Corporation, (c) requiring certain action(s) in the event the Corporation is determined to be a "private foundation," or in the event the Corporation is dissolved, liquidated or terminated, (d) fixing the number of directors, (e) designating the address to which the Secretary of State should mail copies of notices, and (f) specifying the duration of the Corporation.

FOURTH: Manner of Authorization. This amendment and restatement of the Existing Certificate of Incorporation was authorized by the unanimous written consent of all of the members of the Corporation entitled to vote thereon.

FIFTH: Restatement. Pursuant to the provisions of Article 8 of the NPCL, the full text of the Existing Certificate of Incorporation is hereby amended and restated as herein set forth in full:

1. Name. The name of the Corporation is
THE DOOR - A CENTER OF ALTERNATIVES, INC.

2. Type of Corporation. The Corporation is a corporation as defined in subparagraph (a)(5) of Section 102 of the NPCL in that it is not formed for pecuniary profit or financial gain, and no part of the assets, income or profit of the Corporation is distributable to, or inures to the benefit of its directors or officers or any private person except to the extent permissible under the NPCL; provided, however, that this paragraph 3 shall not prevent the payment to any such person of reasonable compensation for services rendered to or for the Corporation in effecting any of its purposes. The Corporation is a Type B Not-for-Profit Corporation under Section 201 of the NPCL.

3. Purposes. The purposes for which the Corporation is formed are to conduct the following activities which are exclusively charitable, scientific, literary and educational, as those terms are defined in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder or the corresponding provision of any future United States internal revenue law, including the regulations promulgated thereunder (collectively the "Code"), except as may be limited by the NPCL, such activities to include, but not be limited to, the following:

(1) To establish, maintain and operate a diagnostic and treatment center located in New York County, New York, engaged principally in providing services for the prevention, diagnosis or treatment of human disease, pain, injury, deformity or physical condition;

(2) To establish, maintain and provide educational programs and services to youth;

(3) To provide a variety of general and professional services to youth;

(4) To provide any other social, welfare, educational or medical services which may aid youth in their development;

(5) To operate a substance abuse program within the meaning of Article 19 of the Mental Hygiene Law and the Rules and Regulations adopted pursuant thereto, as each may be amended from time to time;

(6) To solicit, collect and receive moneys or other property, or any estate therein, legal or equitable, and to hold the same and distribute it or the income therefrom, for the promotion of the purposes for which the Corporation is formed;

(7) To do all other necessary and appropriate things to achieve any or all of the purposes for which the Corporation is formed; and

(8) To engage in any and all lawful activities incidental to the purposes for which the Corporation is formed, including, but not limited to, entering into any and all appropriate contracts, agreements and arrangements necessary to effectuate the purposes for which the Corporation is formed and dealing with any appropriate governmental agencies and any other persons or entities necessary or desirable to undertake the foregoing.

4. Additional Powers. As a means of accomplishing the foregoing purposes, the Corporation shall have all of the powers set forth in Article 2 of the NPCL,

as the same may be amended, together with the power to solicit grants and contributions, and shall exercise such powers which are now or hereafter may be conferred by law upon a corporation organized for the purposes hereinabove set forth, or necessary or incidental to the powers so conferred, or conducive to the powers so conferred, or conducive to the attainment of the purposes of the Corporation, subject to such limitations as may be prescribed by law, by this Restated Certificate of Incorporation or the by-laws of the Corporation; provided, however, that nothing herein contained shall authorize the Corporation, directly or indirectly, to engage in or include among its purposes, any of the activities specified in paragraphs (b)-(u) of Section 404 of the NPCL or in Section 460-a of the Social Services Law of the State of New York without the consent or approval of the appropriate authority.

5. Qualification. It is the intention of the Corporation to qualify and remain qualified at all times as an organization described in Section 501(c)(3) of the Code.

6. No Propaganda. Except to the extent permitted by the Code, the Corporation shall not carry on propaganda or otherwise attempt to influence legislation. The Corporation shall not participate in or intervene in

(including by the publishing or distributing of statements) any political campaign on behalf of any candidate for public office.

7. Private Foundation. During any period that the Corporation is determined to be a "private foundation" as defined in Section 509 of the Code, the Corporation, in accordance with the following Sections thereof, shall: (a) distribute such amounts for each taxable year at such time and in such manner as not to subject the Corporation to tax on undistributed income under Section 4942 of the Code; (b) not engage in any act which is subject to tax as self-dealing under Section 4941 of the Code; (c) not retain any holdings which are subject to tax as excess business holdings under Section 4943 of the Code; (d) not make any investments in such manner as to subject the Corporation to tax under Section 4944 of the Code; and (e) not make any taxable expenditures which are subject to tax under Section 4945 of the Code.

8. Dissolution, Liquidation, Termination. Upon the dissolution, liquidation, termination or winding up of the Corporation (whether voluntary or involuntary or by operation of law), and after the payment of all debts and liabilities, the Board of Directors of the Corporation shall dispose of all the property or assets of the Corporation in furtherance of the purposes of the Corporation in such

manner, or to such organization or organizations qualified under Section 501(c)(3) of the Code, as the Board of Directors shall determine. Any such assets or property not so distributed shall be disposed of in accordance with the direction of a court of competent jurisdiction in such manner as will best accomplish the purposes for which the Corporation was formed. None of the property or assets of the Corporation shall be made available in any way to any trustee, director or officer of the Corporation or to any private individual.

9. Location. The office of the Corporation is to be located in the County of New York, State of New York.

10. Activity. The territory in which the Corporation's activities are principally to be conducted is the United States of America.

11. Directors. The number of Directors on the Board of the Corporation shall be fixed by, or determined in accordance with, the by-laws of the Corporation, and in any case shall be not less than three (3).

12. Secretary of State as Agent. The Secretary of State of the State of New York is hereby designated as agent of the Corporation upon whom process against the Corporation may be served. The Post Office

address to which the Secretary of State shall mail a copy of any process against the Corporation served him or her is:
The Door - A Center of Alternatives, Inc., 121 Avenue of the Americas, New York, New York 10013.

13. Members. The Corporation shall have no members.

14. Duration. The duration of the Corporation is to be perpetual.

15. Amendment to the By-Laws. The by-laws of the Corporation may be altered, amended, restated or repealed, or new by-laws may be adopted, at any meeting of the Board of Directors of the Corporation at which a quorum is present by a majority vote of the Directors present.

~~17. Consents. Endorsed on or annexed to the Existing Certificate of Incorporation were: (a) the consents of the Education Department of the State of New York and of the Attorney General of the State of New York, and (b) the approval of a Justice of the Supreme Court of the State of New York; and prior to delivery of this Restated Certificate of Incorporation to the Department of State for filing, the consents of the Public Health Council of the State of New York, the Education Department of the State of New York and the Attorney General of the State of New York, and the approval of a Justice of the Supreme Court~~

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AS
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~~of the State of New York, will be endorsed upon or annexed~~
~~hereto.~~

IN WITNESS WHEREOF, we hereunto sign our names and
affirm that the statements made herein are true under the
penalties of perjury, this 4th day of March, 1991.

INTERNATIONAL CENTER FOR
INTEGRATIVE STUDIES, INC.

Lamar C. Carter
President

George A. Christie
Secretary

COUNTY OF NEW YORK)
) ss.:
 COUNTY OF NEW YORK)

On the 4th day of March, 1991, before me came Lamar C. Carter, to me known, who being by me duly sworn, did depose and say that he resides at One Washington Square Village, New York, New York, that he is the President of INTERNATIONAL CENTER FOR INTEGRATIVE STUDIES, INC., the corporation described in and which executed the foregoing instrument; that he knows the seal of said corporation; that it was so affixed by order of the Board of Directors of said corporation, and that he signed his name thereto by like order.


 Notary Public

CHARLES D. TERRY
 Notary Public, State of New York
 No. 31-935555
 Qualified in New York County
 Commission Expires Oct. 31, 1992

COUNTY OF NEW YORK)
) ss.:
 COUNTY OF NEW YORK)

On the 4th day of March, 1991, before me came George A. Christie, to me known, who being by me duly sworn, did depose and say that he resides at 55 East Ninth Street, New York, New York, that he is the Secretary of INTERNATIONAL CENTER FOR INTEGRATIVE STUDIES, INC., the corporation described in and which executed the foregoing instrument; that he knows the seal of said corporation; that it was so affixed by order of the Board of Directors of said corporation, and that he signed his name thereto by like order.


 Notary Public

CHARLES D. TERRY
 Notary Public, State of New York
 No. 31-935555
 Qualified in New York County
 Commission Expires Oct. 31, 1992

The undersigned has no objection to the granting of judicial approval hereon and waives statutory notice.

Dated: _____, 1991

Robert Abrams
Attorney General of the
State of New York

THE UNDERSIGNED HAS NO OBJECTION
TO THE GRANTING OF JUDICIAL
APPROVAL HEREON AND WAIVES
STATUTORY NOTICE.

By: _____
Assistant Attorney General
of the State of New York

ROBERT ABRAMS, ATTORNEY GEN.,
STATE OF NEW YORK

by Laura Wena
October 24, 1991
ASSISTANT ATTORNEY GENERAL

XAVIER C. RICCOBONO

I, _____, a Justice of the Supreme Court of the State of New York, First Judicial District, do hereby approve the foregoing Restated Certificate of Incorporation of INTERNATIONAL CENTER FOR INTEGRATIVE STUDIES, INC., and consent that the same be filed.

Dated: ~~Oct 31, 1991~~

NOV 7 - 1991

Xavier C. Riccobono
Justice of the Supreme Court
of the State of New York

FIRST JUDICIAL DISTRICT

XAVIER C. RICCOBONO



STATE OF NEW YORK
DEPARTMENT OF STATE
ALBANY, N.Y. 12231-0001

GAIL S. SHAFFER
SECRETARY OF STATE

October 17, 1991

Andrew L. Jagoda, Esq.
c/o Paul, Weiss, Rifkind,
Wharton & Garrison
1285 Avenue of the Americas
New York, New York 10019 - 6064

Dear Mr. Jagoda:

Re: International Center for Integrative Studies, Inc.

WAIVER OF JURISDICTION

This is in reply to your letter addressed to Edward Rook, Esq., of this office, dated September 23, 1991. You requested a waiver of jurisdiction under Not-for-Profit Corporation Law (N-PCL), Section 404(s).

It is our determination that the statement of purposes contained in the Restated Certificate of Incorporation of the above-referenced organization would not render the corporation subject to the approval of the Secretary of State under N-PCL Section 404(s). That section requires the Secretary's approval where a not-for-profit corporation will have the purposes of: (1) studying, preventing or combatting juvenile delinquency; (2) studying or preventing poverty; (3) relieving or reducing youth unemployment; (4) promoting or providing employment for youth; or (5) soliciting contributions for any of the foregoing purposes.

The stated purposes of the above-referenced corporation, being the establishment and maintenance of a diagnostic treatment center, the establishment of educational programs and services for youth in general, the operation of a substance abuse program, and the solicitation of contributions for such purposes, do not fall within the purview of Section 404(s).

Please include a copy of this letter with your submission of the Certificate of Incorporation, to our Corporations Division for filing.

Very truly yours,
Harry J. Willis
Harry J. Willis
Associate Counsel

HJW:mel

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NEW YORK STATE

DEPARTMENT OF SOCIAL SERVICES

40 NORTH PEARL STREET, ALBANY, NEW YORK 12243-0001

CESAR A. PERALES
Commissioner



SUSAN V. DEMERS
Deputy Commissioner
and General Counsel
(518) 474-9493

March 18, 1991

Laurie F. Golub
Paul, Weiss, Rifkind, Wharton and Garrison
1285 Avenue of the Americas
New York, New York 10019-6064

Re: Restated Certificate of Incorporation The Door - A Center of
Alternatives, Inc. (formerly known as International Center for
Integrative Studies, Inc.

Dear Ms. Golub:

The executed original proposed restated certificate of incorporation of the above-named corporation has been given careful consideration and I am of the opinion that an executed original certificate containing the same statement of purposes as those submitted in the draft would not require the approval of the State Department of Social Services under the provisions of the statutes. If otherwise in proper form, such an executed original certificate should be received for filing by the Secretary of State, provided the approval of a Justice of the Supreme Court is endorsed thereupon or annexed thereto.

The proposed wording of the purposes is set forth in your draft certificate as follows:

4. Purposes. The purposes for which the Corporation is formed are to conduct the following activities which are exclusively charitable, scientific, literary and educational, as those terms are defined in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder or the corresponding provision of any future United States internal revenue law, including the regulations promulgated thereunder (collectively the "code"), except as may be limited by the NPCL, such activities to include, but not be limited to, the follows:

(1) To establish, maintain and operate a diagnostic and treatment center located in New York County, New York, engaged principally in providing services for the prevention, diagnosis or treatment of human disease, pain, injury, deformity or physical condition;

(2) To establish, maintain and provide educational programs and services to youth;

(3) To provide a variety of general and professional services to youth;

(4) To provide any other social, welfare, educational or medical services which may aid youth in their development;

(5) To operate a substance abuse program within the meaning of Article 19 of the Mental Hygiene Law and the Rules and Regulations adopted pursuant thereto, as each may be amended from time to time.

(6) To solicit, collect and receive moneys or other property, or any estate therein, legal or equitable, and to hold the same and distribute it or the income therefrom, for the promotion of the purposes for which the Corporation is formed;

(7) To do all other necessary and appropriate things to achieve any or all of the purposes for which the Corporation is formed; and

(8) To engage in any and all lawful activities incidental to the purposes for which the Corporation is formed, including but not limited to, entering into any and all appropriate contracts, agreements and arrangements necessary to effectuate the purposes for which the Corporation is formed and dealing with any appropriate governmental agencies and any other persons or entities necessary or desirable to undertake the foregoing.

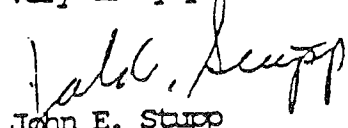
5. Additional Powers. As a means of accomplishing the foregoing purposes, the Corporation shall have all of the powers set forth in Article 2 of the NPCL, as the same may be amended, together with the power to solicit grants and contributions and shall exercise such powers which are now or hereafter may be conferred by law upon a corporation organized for the purposes hereinabove set forth, or necessary or incidental to the powers so conferred, or conducive to the powers so conferred, or conducive to the attainment of the purposes of the Corporation, subject to such limitations as may be prescribed by law, by this Restated Certificate of Incorporation or the by-laws of the Corporation; provided, however, that nothing herein contained shall authorize the Corporation, directly or indirectly, to engage in or include among its purposes, any of the activities specified in paragraphs (b) - (u) of Section 404 of the NPCL or in Section 460-a of the Social Services Law of the State of New York without the consent or approval of the appropriate authority.

This letter is not to be construed as an approval by the State Department of Social Services, or any officer of the Department, but as a statement that the approval of the State Department of Social Services would not be required for a restated certificate of incorporation containing the foregoing statement of purposes. When it is apparent on the face of a certificate that approval of the Department is not required under the provisions of the statutes, it has been the policy of the Department to indicate neither approval nor disapproval.

You may send the executed original restated certificate of incorporation to the Secretary of State together with this letter.

If your organization intends to solicit contributions in this State, please contact the Charities Registration Section of the Department of State. That office will advise you whether or not the organization is required to register with the Secretary of State pursuant to Article 7-A of the Executive Law.

Very truly yours,



John E. Stupp
Deputy Counsel
Bureau of Child Welfare
Services Law

Enclosure

JES/WJO'C:rj



STATE OF NEW YORK
INSURANCE DEPARTMENT

AGENCY BUILDING ONE
THE GOVERNOR NELSON A. ROCKEFELLER
EMPIRE STATE PLAZA
ALBANY, NEW YORK 12257

SALVATORE R. CURIALE
Superintendent of Insurance

March 12, 1991

Laurie F. Golub, Esq.
Paul, Weiss, Rifkind, Wharton
& Garrison, Esqs.
1285 Avenue of the Americas
New York, NY 10019-6064

Re: Certificate of Incorporation of International Center for
Integrative Studies, Inc. Revised to Reflect Director of
The Department of Substance Abuse Services Changes

Dear Madam:

This is in response to your letter of March 11, 1991, requesting this
Department's approval of the above captioned Restated Certificate of
Incorporation.

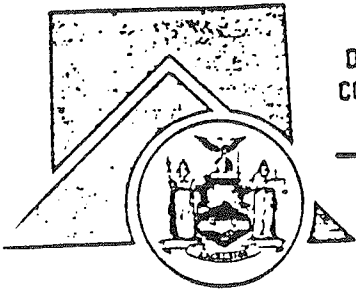
As the purposes of the corporation are not those requiring the Insurance
Department's approval pursuant to Section 404(c) and/or (l) nor does the name
require the Department's approval pursuant to Section 301 of the Not-For-
Profit Corporation Law, I know of no authority or requirements for approval by
the Insurance Department.

I am returning your document herewith.

Very truly yours,

Robert A. Ginnelly
Associate Attorney
Office of General Counsel
Albany Office

amc
Enc.



STATE OF NEW YORK
DEPARTMENT OF HEALTH
CORNING TOWER BUILDING
ALBANY, N.Y. 12237

PUBLIC HEALTH COUNCIL

July 29, 1991

Ms. Laurie F. Golub
Paul, Weiss, Rifkind, Wharton & Garrison
1285 Avenue of the Americas
New York, NY 10019-6064

Re: Restated Certificate of Incorporation of International Center for
Integrative Studies, Inc.

Dear Ms. Golub:

AFTER INQUIRY and INVESTIGATION, and in accordance with action taken at a meeting of the Public Health Council held on the 26th day of July, 1991, I hereby certify that the Public Health Council consents to the filing of the Restated Certificate of International Center for Integrative Studies, Inc. hereafter to be known as The Door - A Center of Alternatives, dated March 4, 1991.

Sincerely,

Karen S. Westervelt
Executive Secretary

RESOLUTION

RESOLVED, that the Public Health Council, on this 26th day of July, 1991, approves the filing of the Restated Certificate of Incorporation of International Center of Integrative Studies, Inc., hereafter to be known as The Door - A Center of Alternatives, dated March 4, 1991.

State of New York
Division of Substance Abuse Services
Albany, New York

Know All Persons By These Presents:

Pursuant to the provisions of Paragraph (U) of Section 404 of the Not-For-Profit Corporation Law, consent is hereby given to the filing with the Department of State of the annexed:

Restated

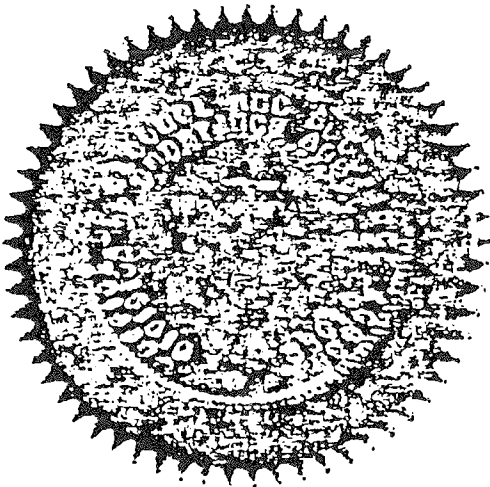
Certificate of Incorporation

Of

INTERNATIONAL CENTER FOR INTEGRATIVE STUDIES, INC.

Under Section 805 of the Not-For-Profit Corporation Law

This consent to filing shall in no way be construed as an authorization for the corporation to operate a substance abuse program for which a certificate of approval may be necessary pursuant to the provisions of Mental Hygiene Law, Section 23.01.



IN WITNESS WHEREOF this instrument is executed and the Seal of the State Division of Substance Abuse Services is affixed this 13th day of March, 1991.

Arthur Y. Webb
Director

By: A. Thomas Storace

F 911108000382

SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF NEW YORK

Application of International
Center for Integrative
Studies, Inc.

IC C
Andrew Jagoda

RESTATED CERTIFICATE
OF INCORPORATION

Paul, Weiss, Rifkind, Wharton & Garrison
Attorneys for

BILLED

911108000431

New York

STATE OF NEW YORK
DEPARTMENT OF STATE
FILED NOV 02 1991
TAXS
BY: *ka*

1285 AVENUE OF THE AMERICAS • NEW YORK, N.Y. 10019

(212) 373-3000

All communications should be referred

NOV 8 2 56 PM '91

NOV 11 11 00 AM '91

NOV 16 10 00 AM '91

RECEIVED

23

PAID

PAID



STATE OF NEW YORK DEPARTMENT OF HEALTH

Corning Tower The Governor Nelson A. Rockefeller Empire State Plaza Albany, New York 12237

Lorna McBarnette
Executive Deputy Commissioner

August 14, 1991

Andrew L. Jagoda, Esq.
Paul, Weiss, Riskind, Wharton
& Garrison
1285 Avenue of the Americas
New York, New York 10019-6064

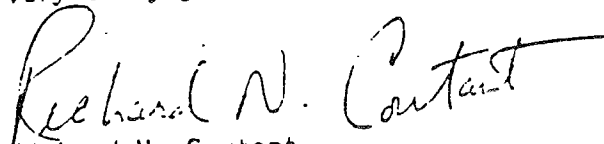
RE: Restated Certificate of Incorporation
of International Center for Integrated
Studies, Inc.

Dear Mr. Jagoda:

In your August 7, 1991 letter to Mr. Millock, you acknowledged receipt of a letter from the Public Health Council's Executive Secretary, dated July 29, 1991, informing you that the Council, at its July 26, 1991 meeting, consented to the filing of the above document. Such consent is required under Public Health Law §2801-a(1) and Not-for-Profit Corporation Law §404(o) and (t), since the statement of corporate purposes as set forth in paragraph 4 of the restated certificate includes the establishment, maintenance and operation of a diagnostic and treatment center located in New York State. You asked whether the Commissioner of Health must also consent to the filing of the document with the Secretary of State.

The subject Restated Certificate of Incorporation contains no statement of authorized activities or purposes for which the Consent of the Commissioner of Health is required under the Public Health Law or Not-for-Profit Corporation Law §404. The Secretary of State should, therefore, accept the above certificate for filing when presented with the consent letter from the Public Health Council attached, together with all other statutorily required consents or approvals, without also requiring the consent of the Commissioner of Health.

Very truly yours,


Richard N. Coutant
Attorney

t1h

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AMENDMENT OF THE
CERTIFICATE OF INCORPORATION
OF

THE DOOR - A CENTER OF ALTERNATIVES, INC.

Pursuant to Section 803 of the
Not-for-Profit Corporation Law

(1) Name. The name of the corporation is The Door - A Center Of Alternatives, Inc. (the "Corporation"). The Corporation was formed under the name International Center for Integrative Studies, Inc.

(2) Date of Filing. The Certificate of Incorporation of the Corporation was filed by the New York Department of State, Albany, New York, on July 9, 1962 under the name of International Center for Integrative Studies, Inc.; the Corporation was formed under the Membership Corporations Law of the State of New York; the Certificate of Incorporation of the Corporation was amended pursuant to a Certificate of Amendment of the Certificate of Incorporation, filed in the Department of State on October 28, 1982; and the Certificate of Incorporation of the Corporation was amended and restated in its entirety pursuant to a Restated Certificate of Incorporation, filed

in the Department of State on November 8, 1991 and pursuant to which the name of the Corporation was changed to The Door - A Center of Alternatives, Inc.

(3) Type of Corporation. The Corporation is a corporation as defined in subparagraph (a)(5) of Section 102 of the New York Not-for-Profit Corporation Law (the "NPCL"); the Corporation is a Type B Not-for-Profit Corporation under Section 201 of the NPCL.

(4) Amendment. This Certificate of Amendment of the Certificate of Incorporation is being filed to effectuate an amendment authorized by Article 8 of the NPCL, which amendment converts the Corporation from a non-membership corporation to a membership corporation. To accomplish the foregoing, Section 13 of the Certificate of Incorporation of the Corporation relating to its membership status is hereby amended in its entirety to read as follows:

"13. Members. The members of the Corporation shall constitute such persons, corporations, joint-stock associations, unincorporated associations or partnerships as, from time to time hereafter, may become members in the manner provided in the by-laws of the Corporation."

(5) Manner of Authorization. This Amendment of the Certificate of Incorporation was authorized by the unanimous written consent of the Board of Directors of the Corporation.

(6) Secretary of State as Agent. The Secretary of State of the State of New York is hereby designated as agent of the Corporation upon whom process against the Corporation may be served. The Post Office address to which the Secretary of State shall mail a copy of any process against the Corporation served him or her is: The Door - A Center of Alternatives, Inc., 121 Avenue of the Americas, New York, New York 10013.

IN WITNESS WHEREOF, we hereunto sign our names
and affirm that the statements made herein are true under
the penalties of perjury, this 18th day of January,
2001.

THE DOOR - A CENTER OF
ALTERNATIVES, INC.



Name: Robert M. Howitt
Title: President



Name: Janice M. Nittoli
Title: Secretary